

*The London
Mathematical
Society*



**Report of the Trustees for the period
1 August 2008 – 31 July 2009**

London Mathematical Society
De Morgan House
57–58 Russell Square
London
WC1B 4HS

Charity registration number: 252660
Email: lms@lms.ac.uk
Web page: www.lms.ac.uk

Members of Council during the period 1 August 2008 to 31 July 2009

President:	E.B. Davies (<i>to 24 May 2009</i>) J.M. Ball (<i>from 3 July 2009</i>)
Vice-Presidents:	D.G. Larman F.A. Rogers
Treasurer:	N.M.J. Woodhouse (<i>to 17 May 2009</i>)
General Secretary:	C.M. Goldie
Programme Secretary:	S.A. Huggett
Publications Secretary:	K.J. Falconer
Education Secretary:	C.J. Budd
Members-at-Large:	J.E. Barrow-Green A. Borovik D.E. Buck S. Chandler-Wilde H.G. Dales P.J. Davies I.G. Gordon A. Laptev R.M. Thomas (<i>to 21 November 2008</i>) U. Tillmann (<i>from 21 November 2008</i>) B.J. Totaro A. Wilkie E. Winstanley

Heads of Groups and Activities

Executive Secretary:	P.R. Cooper
Administrator:	S.M. Oakes (<i>to 31 December 2008</i>)
Publisher:	S.P. Hezlet
Accounts Officer	E. Belay
Group Head, Society & Grants	I. Robinson (<i>from 1 February 2009</i>)
Group Head, Council & Committees	M. Smith (<i>from 1 February 2009</i>)
Group Head, Conferences & Building	D. Clark (<i>from 1 February 2009</i>)

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

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. The wording of the objectives was reviewed during the year, with some minor modifications.

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

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

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

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

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

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

Public benefit

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

Council holds that the development and extension of mathematical knowledge, expanding mankind's ability to determine and affect the natural, man-made and social worlds, leads inevitably to public benefit, providing for improved health and wealth for nations and individuals and providing for tools to understand and sustain the world in which we live. The Society's activities directly correlate with the six Objectives (above) and are focused on supporting mathematicians in their endeavours, through grants for collaboration, by sharing of knowledge through conferences and publications, by improving the quality of mathematics education for people of all ages, and by encouraging policies that will benefit mathematics. Council does not consider there to be detriment from its activities or work. More detailed descriptions of the activities and the beneficial outcomes are contained in the Review of Activities in 2008/09 (below).

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

The Council and the Society's business

The Society's governing body is its Council, and its Trustees are the members of the Council. The Council consists of 20 Members of the Society of whom eight are Officers (including the President) and twelve are Members-at-Large. The Officers of the Society together with the Executive Secretary comprise the Finance

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& 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.

Two Officers – a Vice-President, Professor Larman, and the Publications Secretary, Professor Falconer – indicated that they wished to retire from Officer at the November 2009 AGM. Job descriptions for the roles were produced, and expressions of interest invited through the *Newsletter*. A Search Group was appointed to identify suitable successors in each case, to be proposed for election in November 2009. Council has agreed that a similar procedure should be followed for future retirements of Officers.

During the year two further Officers resigned. The President, Professor Davies, resigned with effect from 24 May on the grounds of ill-health, noting the pressures on him caused by the ongoing discussions at Council and among the LMS membership over the proposals to create a new unified mathematical society with the Institute of Mathematics and its Applications (see below). The President's resignation followed that of the Treasurer, Professor Woodhouse, who resigned on 17 May on the grounds that he felt it impossible to continue as Treasurer in circumstances created not by the unification discussion itself, but by actions taken in opposition to the proposals, a concern shared by the President.

Officers are elected annually and Members-at-Large of Council for a period of two years, at the Annual General Meeting, by single transferable vote. A Nominating Committee, elected by the membership, makes at least one nomination of an eligible candidate for each vacancy at the Annual General Meeting (AGM). Members of the Society may also nominate eligible Members of the Society for election. The use of single transferable vote was reviewed during the period, alongside reinstating an annual report on voting patterns and the performance of vote-counting software used. Governance arrangements were adapted to accommodate the resignations with the Vice-Presidents deputising for the President at meetings until replacements were made by Council in July in line with the Society's By-laws.

The duties of the Scrutineers – appointed each year to oversee the elections to Council and Nominating Committee – were extended during the period to include responsibility for voting in the Referendum and Special General Meetings associated with the proposal to create a New Unified Mathematical Society (see below). During that process it was noted that Honorary Members are currently prevented from voting by the Society's By-laws, with the effect that conferring what should be an honour disenfranchises the recipient. Plans were in train at the year end to make suitable adjustments to the By-laws.

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

Council met six times in the period, in October and November 2008 and in February, March, May and July 2009. F&GPC met five times in the period, in September 2008 and in January, March, May and June 2009. The Council meeting in May 2009 was an Extraordinary Meeting held at the request of the Trustees to consider matters relating to proposals to create, with the Institute for Mathematics and its Applications (IMA), a new society that would replace both the LMS and the IMA (see later in this report).

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 ongoing, to ensure that the Society has the spread of committees appropriate to its strategies and activities. Changes were made to the composition of the Programme Committee and the Programme Committee during the period, to enhance the breadth of expertise available to the committees. During the year an *ad hoc* Past Presidents' Group was set up to provide advice to the Council; the group provided proposals for the appointment of Sir John Ball as President following the resignation of Professor Davies in May.

Council members, as Trustees, receive reimbursement only for expenses actually incurred in attending meetings or representing the Society. The Society depends heavily on the unpaid voluntary work of very many of its members, such as those who referee papers submitted to the Society's publications, those who

edit those publications or serve on the Society's Editorial Advisory Boards, those who serve on the Society's Committees and those who represent the Society on other bodies, together with the members of the Council themselves, many of whom undertake heavy burdens for the Society. The Society appoints representatives on external bodies and committees; these are listed in Appendix B.

The Society's finances

The Society's finances are currently healthy but there are worrying signs for the future. In the period 2008/09 income (excluding gains on investment assets) exceeded expenditure by £259.8K, against an expected surplus of £56.3K. Although a substantial part of the difference was due to increased income, this is the third year in which budgeted expenditure has not been realised, despite introducing mechanisms during the year to help to ensure that budgets were fully and properly used.

The Council was concerned at the dramatic fall in the global financial systems during the year and the implications for the Society, with declining assets value and investment income further exacerbated by uncertainties about publishing income. It agreed that, in the short term, it would not cut its expenditure, which would disadvantage mathematics, but draw from its reserves if required. It would review the matter at intervals and also keep under close review the performance of its investment managers, Morgan Stanley.

The main sources of income were: publication income (62.3%), investment income (19.4%), Conference facilities (5.1%), Grants and Contracts (8.5%) and members' subscriptions (3.6%). Expenditure (including support costs) broken down by objective was:

Advancing mathematics (membership, links with the mathematics community, library, prizes)	10.7%
Enabling mathematics (grants, appointments and courses)	28.3%
Disseminating mathematics (publishing)	27.7%
Disseminating mathematics (meetings and lectures)	3.1%
Promoting mathematics (decision and policy makers, education, public, media)	8.6%

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

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

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

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

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

Budgets are set by Council on the recommendation of the F&GPC, based on bids from budget holders, in line with the strategic objectives of the Society. Expenditure is monitored quarterly by F&GPC, which is responsible for recommending any variation in the budgets set by Council. In July 2009 it had the difficult task of attempting to balance future years' budgets. Council approved a deficit budget for 2009/10 and

2010/11, recognising that surpluses had been made in the previous few years, but it recognised that a more substantial review of objectives, priorities and strategies was required, and agreed to do so in time for the 2010 budget.

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

Reserves

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

Council has determined several Designated Funds to meet potential costs of activities, to set against risks relating to the building and publishing (see above) and to meet the costs of grant awards made but not yet paid – these are given at Annex E

The Society holds several Restricted Funds, as described in the audited accounts. These originate from various donations and bequests, and some no longer adequately cover the costs of the activities for which they are used. In order to manage these Special Funds more effectively an approach is being made to the Charity Commission to invest and account for the funds on an aggregated 'total return' basis. As reported last year, an approach is also being made to the Charity Commission to seek a change in the regulations governing the use of the Berwick Fund, removing the criterion that recipients must be members of the Society in order to open up the pool of worthy candidates.

Investments

The value of the Society's assets dropped from £12.95M to £11.54M, primarily as a result of the decline in the financial markets.

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. The scale of the Society's activities is designed to match this level of return through the annual budgeting process.

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

The investment managers have discretion in both the mix and selection of investments in order to meet the growth targets for the portfolio, subject to bounds set in the mandate and without exposing the Society's reserves, on which its future capacity to maintain its activities depends, to undue risk. The primary target is that the Society's portfolio produces a real return of at least 4% pa. The portfolio is invested in a range of equity, cash and fixed-interest investments in both UK and overseas markets. A summary of the main categories of investments and the geographical split is provided in the notes to the financial statements in accordance with the Charities SORP. Morgan Stanley's management of the Society's portfolio is driven by

two central strategies: investment in the world economy and hedging back into sterling to eliminate risk from exchange rate movements. This approach is considered by the Trustees to give optimum total return without exposing the Society's investments to undue risk; it is consistent with the principles set out in the Charity Commission guidelines *Investment of Charitable Funds, Basic Principles* (CC14) and conforms with the Trustee Act.

External relations: Collaboration with other mathematical and scientific organisations

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

The Society is a member of the Science Council, the UK Parliamentary and Scientific Committee and the Foundation for Science and Technology. It is active through those bodies in ensuring that mathematics is reflected in public debates and in informing Council of external policy issues.

Relations with the Institute of Mathematics and its Applications

Discussions on the possibility of a single unified society to replace both the London Mathematical Society and the Institute of Mathematics and its Applications (IMA) continued and moved to the more formal stages. A joint report *Proposals for a New Unified Mathematical Society*, adopted by the two Councils at their meetings in June and July 2008 was sent to all members and the two societies' Presidents, supported by other Officers and staff, toured 23 universities around the UK to talk to members and explain the proposals. Discussions were held with the Charity Commission and Privy Council on the processes to be followed were the unification to proceed.

The Council agreed in November 2008 to put the proposal to votes of the Society's members in two stages. A Referendum of members was held using all reasonable mechanisms for members to register their views in order to maximise the response and thus obtain the best possible representative view of the membership. Council in March 2009 received the Scrutineers' report showing a 48% turn out of which 56% were in favour of the proposal.

Formal motions were then put to two consecutive Special General Meetings, as required by the Charter and Statutes, to enable Council to proceed with negotiations with the IMA and ultimately to wind up the existing society. The first SGM was held on the afternoon of Tuesday 21 April. The outcome announced by the Scrutineers, taking into account the proxy votes, was 437 in support of the motion (55%) and 361 against. At the second Special General Meeting held on 29 May 2009, the membership rejected by 591 to 458 votes (56% to 44%) the proposals to wind up the Society and create a new unified mathematical society with the Institute of Mathematics and its Applications. The IMA at its Extraordinary General Meeting obtained a 96% vote in favour of the proposal.

The Society's Council met on 3 July 2009 and received the results of the voting and the decision thereby not to proceed with unification discussions with the IMA. It issued a statement reaffirming its intention to continue to develop its collaboration with the IMA and to strengthen its cooperation with other bodies in mathematical sciences.

The Society and the IMA have continued their close collaborations throughout the year in other areas as well, as reported elsewhere in this report. These include the presentation of the Christopher Zeeman Medal at a joint event held at the Science Museum, London. The two societies have also worked collaboratively on

external bodies and initiatives, including the Council for the Mathematical Sciences (see above), the Science Council and the **more maths grads** project.

Staff management

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

Following the retirement of the Administrator, Susan Oakes, in December 2008 staff members covering the Society's main committees and areas of activity (excluding Publishing) were allocated to three activity groups to provide a more robust management and implementation structure. The opportunity was used to provide career progression for existing staff members and a full-time PA to the Executive Secretary was recruited, who also handles HR functions.

Council has approved an Employment Policy Statement, which is issued to all employees. It has also approved an Equal Opportunities Policy Statement, and a Harassment and Discrimination Policy, and has established a Discipline and Grievance Procedure.

The offices were established in De Morgan House 10 years ago and it was apparent that the way that the offices were being used, for people and for files and storage, was no longer optimal. The needs of posts and people were reassessed during the period and the usage of office space in De Morgan House was revised to better meet the needs of the Society and its staff members.

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 developed well over the period, with usage rates continuing to grow. The facilities bring a return to the Society but the long-term profitability will need to be kept under review.

Review of activities over the period and plans for the future

A more detailed report on the Society's activities in 2008/09 and its plans for the future is available in the *Annual Report of Activities*, which can be obtained from the Society's offices or from the Society's web site www.lms.ac.uk.

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

	Aug 2003	Aug 2004	Aug 2005	Aug 2006	July 2007	July 2008	July 2009
Ordinary Members (inc. reciprocity)	2369	2344	2339	2343	2333	2320	2252
Associate Members	138	153	157	127	134	145	143
Institutional Members	52	51	47	44	17	14	13
Honorary Members	28	29	29	28	28	28	29

Key objectives and achievements over the period

- the Society's medals for excellence in mathematics were awarded

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- the President participated in a meeting of Presidents of mathematical societies across Europe, looking at how the situation for mathematics might be enhanced

Targets and objectives for the future

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

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

Value of grants awarded 2002/03 – 2008/09							
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Scheme 1	£130,742	£67,289	£97,450	£104,012	£134,629	£159,972	£172,070
Scheme 2	£42,810	£40,431	£44,872	£30,911	£34,752	£23,100	£32,793
Scheme 3	£23,350	£23,700	£25,600	£22,650	£29,797	£24,466	£28,675
Scheme 4	£15,155	£12,925	£15,407	£20,999	£14,417	£18,655	£17,390
Scheme 5	£18,110	£11,075	£14,175	£8,805	£5,100	£3,777	£5,875
Scheme 6	£50	£500	£405	£630	n/a	n/a	N/A
Scheme 7	£500	£1,445	£1,000	£2,500	£2,490	£0	£2,500
Scheme 8	N/A	N/A	N/A	N/A	N/A	N/A	£9,355
Education Grants	£1700	£1,700	£1,962.50	£2,400	£1,239	£3,570	£4,240
Women in Mathematics	N/A	£750	£300	£2,385	£1,800	£714	£879
Total	£232,867	£159,815	£201,172	£195,292	£224,224	£234,254	£273,777

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

Key objectives and achievements over the period

- a total of £273k disbursed from the Society's own resources in grants to support mathematical activities, with a success rate (by number) of over 80%
- launched a new grant scheme for postgraduate research conferences
- updated grant scheme forms to encourage conference organisers to consider gender balance of speakers and participants, and provision of childcare facilities
- worked with Durham University and EPSRC to establish a new funding mechanism for Durham Symposia

Targets and objectives for the future

- improve response times for grant decisions

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
LMS periodicals income	£880,181	£886,217	£931,205	£975,890	£689,727	£818,681	£775,499
Income from joint ventures and royalties	£106,724	£220,155	£451,522	£448,952	£441,495	£490,544	£544,273
Society meetings held (inc. joint)	13	11	12	11	9	8	8
Lectures given	2	10	0	5	1	38	13

Key objectives and achievements over the period

- expansion of the Society's publishing programme to include the journal *Mathematika* from 2010 on behalf of University College London.

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- increased visibility of the *Journal of Computation and Mathematics* with all articles from 1998 available freely via the Cambridge University Press Website
- option of 'electronic-only' access to the Society's journals extended to members
- increase in net income from publications of 6%, despite adverse economic climate
- launched an 'Open Access' option for authors wishing to publish by this route
- held a strategic planning weekend in October 2008 looking at the future of mathematical publishing and the Society's plans to address it
- arrangements for Forder Lecture reviewed; further discussions with New Zealand mathematical Society planned
- Graduate student events connected to Society Meetings held in November 2008, January and July 2009 to increase participation by younger mathematicians

Targets and objectives for the future

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

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Press releases issued	6	13	5	6	9	6	10
Policy statements issued (inc. joint)	6	14	18	11	11	11	13

Key objectives and achievements over the period

- reviewed the work of the Mathematics Promotion Unit and agreed to continue support for this joint IMA-LMS venture
- agreed procedures for responding to consultations, both when responding alone and when inputting into joint position statements
- liaison (as part of the CMS) with EPSRC on funding for masters courses, resulting in £500k support for mathematical sciences MScs in 2009/10
- liaison (as part of the CMS) with EPSRC on the results of the process for allocating funding for Centres for Doctoral Training (CDTs), resulting in an additional mathematical sciences-focused call for CDTs being issued
- membership (jointly with the IMA) of the Campaign for Science and Engineering (CaSE), increasing the profile of mathematical sciences in this lobby group and participating in the development of CaSE strategy
- promotion of the role of mathematics in the city, via articles in the *LMS Newsletter*, in order to support members in defending the use of mathematics in finance from criticisms associated with the economic downturn

Targets and objectives for the future

- review support for and effectiveness of the CMS, together with other Founder Members

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Popular lectures attendance	n/a	n/a	400	400	440	440	450
Education Grants	£1700	£1,700	£1,962.50	£2,400	£1,239	£3,570	£4,240

Key objectives and achievements over the period

- Development (with More Maths Grads) of a guide to HE study of mathematics – due to be released in 2009/10

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- inaugural LMS–IMA Christopher Zeeman Award for contributions to the promotion of mathematics to the public presented at a joint event held at the Science Museum, London
- development of a Good Practice Award for mathematical sciences departments to encourage and support women in mathematics at student, researcher and academic levels
- supported the British Science Association's Mathematical Sciences Section programme at the Festival of Science in Liverpool
- continuing action to contribute to policy discussions and implementation of enrichment and enhancement activities supporting mathematics teaching in schools, via input on consultations relating to GCE and GCSE mathematics qualifications
- significant involvement in the management and activities of the MoreMathsGrads project, particularly in publicity, PR and web presence
- agreed to support for the Advisory Committee on Mathematics Education (ACME) via a three-year grant

Targets and objectives for the future

- ensure that at least 20% of mathematical sciences departments are signed up as supporters of the Good Practice Award by the end of 2009/10
- support a larger number of events at the Festival of Science in Surrey in 2009
- establish a Joint Societies Careers Awareness and Outreach Unit, to operate from De Morgan House

Sir John Ball
President
14 October 2009

Membership of committees at 31 July 2009

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: F.A. Rogers (*Chair*), Publications Secretary, P.J. Davies, J.F.C. Kingman, A. Truman, Executive Secretary.

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

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

Education Committee: Education Secretary (*Chair*), Vice-President (F.A. Rogers), S. Humble, N. MacKay, J.C. Robson, C. Sangwin, E. Winstanley, J. Winter, vacancy.

International Affairs Committee: Programme Secretary (*Chair*), Publications Secretary, J.M. Ball (UK representative to IMU), A. Laptev, N. Peake (IMA), M. Prest, S.E. Sanders (UK representative to ICMI), S.T. Tsou, President of the Edinburgh Mathematical Society, vacancy (RSS).

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

2009 Prizes Committee: President (*Chair*), K. Ball, J.D. Gibbon, J. Greenlees, J.R. King, S. Rees, J.T. Stafford, P.M. Sutcliffe, T. Wooley.

Programme Committee: Programme Secretary (*Chair*), A.V. Borovik, P.J. Davies, I.G. Gordon, A. Laptev, B.J. Totaro, A.J. Wilkie.

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

Publications Committee: Publications Secretary (*Chair*), Vice-President (D.G. Larman), J. Anderson, F.E. Burstall, I.G. Gordon, I. Leader, R. Oliver, T.J. Lyons, U. Tillmann, Publisher.

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

Research Meetings Committee: N. Manton (*Chair*), Vice-President (D.G. Larman), M. Bambury (EPSRC observer), J. Bolton (Durham representative), J. Chapman, A.V. Borovik, D. Buck, B. Hambly, I. Smith, P. Sutcliffe.

Research Policy Committee: Vice-President (D.G. Larman, *Chair*), Vice-President (F.A. Rogers), D.E. Buck, E.B. Davies, P.J. Davies, M.E. Dyer, F.P. Kelly, M. Lackenby, D.S. Riley, vacancy.

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

Ad hoc COMMITTEES AND APPOINTMENTS

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

LMS–IMA Next Steps Initiative Joint Planning Group (LMS members): President, General Secretary, Treasurer, Vice-President (D.G. Larman), Vice-President (F.A. Rogers), D.E. Buck, Executive Secretary.

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

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LMS-IMA Christopher Zeeman Medal Committee (2008) (LMS members): President (Chair), C.J. Budd, A.G. Chetwynd.

Mathematics Promotion Unit (MPU) Steering Group: F.A. Rogers (Vice-President, Chair), General Secretary, Education Secretary, F. Kirwan, N. Steele (IMA), A. Stevens (IMA), Executive Secretary, Mathematics Policy & Promotion Officer.

Newsletter Editorial Board: D.R.J. Chillingworth (General Editor), A. Mann (Reviews Editor), S.A. Huggett (Reports Editor), S.M Oakes (Administrative Editor).

Diarist: S.N. Chandler-Wilde.

Representatives on external committees and boards

- British Association for the Advancement of Science (Corporate membership):** Education Secretary, Executive Secretary, Policy & Promotion Officer, I. Robinson, N. MacKay.
- British Association for the Advancement of Science (Mathematics Section):** N. MacKay.
- British Mathematical Colloquium (BMC) Scientific Committee:** C.M. Goldie, S. Pott, C.A. Hobbs.
- International Council for Industrial and Applied Mathematics (ICIAM):** Programme Secretary.
- Council for the Mathematical Sciences:** President, General Secretary, Executive Secretary.
- Council for the Mathematical Sciences (Bologna Group):** F.A. Rogers.
- Council for the Mathematical Sciences (Careers Initiative):** C.J. Budd.
- Council for the Mathematical Sciences (EPSRC Liaison Group):** Vice-President (D.G. Larman), General Secretary, P.J. Davies, Executive Secretary.
- European Mathematical Society (Council):** President, Chair of the International Affairs Committee, S.T. Tsou.
- Heads of Departments of Mathematical Sciences (Committee):** E. Winstanley.
- International Centre for Mathematical Sciences (Board):** K.J. Falconer.
- International Centre for Mathematical Sciences (Programme Committee):** A.M. Stuart, vacancy.
- International Mathematical Union (IMU) – UK representative:** J.M. Ball
- International Commission on Mathematical Instruction (ICMI) – UK representative:** S.E. Sanders.
- Isaac Newton Institute (Management Committee):** J.W. Bruce.
- Isaac Newton Institute (Scientific Steering Committee):** C.M. Series, J.M. Ball.
- Isaac Newton Institute (Nominations Committee 2008):** E. Rees.
- Isaac Newton Institute (Correspondents):** N. Manton.
- Joint Mathematical Council:** E. Winstanley.
- Moremathsgrads project (Advisory Group):** C.J. Budd.
- Moremathsgrads project (Executive Group):** Executive Secretary.
- Parliamentary and Scientific Committee:** President, Vice-President (D.G. Larman), P.T. Saunders.
- QAA Benchmark Review Group:** C.J. Budd.
- Royal Society Scientific Unions Committee:** J.M. Ball.
- Science Council (Council):** President, Executive Secretary.
- Science Council (Education Reference Group):** F.A. Rogers.
- Science Council (Science in Health Group):** Vacancy.
- Undergraduate Mathematics Teaching Conference:** N. MacKay.

Staff in post in the period 1 August 2008 to 31 July 2009**Executive Secretary's Office**

Executive Secretary	P.R. Cooper
Secretary to the Executive Secretary †	A. Waidson (<i>to 31 January 2009</i>)
PA to the Executive Secretary	L. Marshall (<i>from 6 April 2009</i>)

Publications

Publisher	Dr S. Hezlet
Assistant Editor	B. Holmes
Administrative Assistant†	P. Acheampong
Managing Editor	Dr O. Törnkvist

Society & Grants Group

Group Head	I. Robinson (<i>appointed Group Head 1 February 2009</i>)
Grants Administrator†	S. Daly
Secretary†	L. Rowley
Short-course Facilitator†	Professor A. Camina* (<i>to 30 June 2009</i>) Dr Riaz Ahmad* (<i>from 16 June 2009</i>)

Council & Committees Group

Group Head	M. Smith (<i>appointed Group Head 1 February 2009</i>)
Mathematics Policy & Promotion Officer†	C. Davis
Administrative Officer	A. Bastiani
MPU Data Analyst (vacation appointment)	A. Othman (<i>to 28 September 2007</i>)

Conferences & Building Group

Group Head	D. Clark (<i>appointed Group Head 1 February 2009</i>)
Receptionist & Facilities Coordinator	L.-A. Parker
Facilities Administrator†	A. Waidson (<i>from 1 February 2009</i>)

Administrator†S.M. Oakes (*to 31 December 2008*)**Accounts Officer**

E. Belay

Newsletter Editor†S.M. Oakes* (*from 5 January 2009*)**MARM Facilitator†**

Dr D. Johnson*

† Part-time posts

* staff not based at De Morgan House

The Society's grant schemes to support mathematics

General policy on grant-making

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

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

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

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

Summary of grant schemes

Conference Grants (Scheme 1)

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

Visitors (Scheme 2)

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

Support of joint research groups (Scheme 3)

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

Collaborative small grants (Scheme 4)

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

International Short Visits (Scheme 5)

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

Computer Science Small Grants (Scheme 7)

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

Postgraduate Research Conferences (Scheme 8)

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

Young British and Russian Mathematicians

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

LMS Workshop-Symposia

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

LMS Grace Chisholm Young Fellowship

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

LMS Childcare Grants

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

Small Educational Grants

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

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

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.

General Fund	£7,765,816
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Building & Development Reserve Fund

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

Rehousing and re-establishing the administration for one year were DMH to be lost through fire etc.	£74,239
Costs of venue hire for all LMS meetings held in DMH	£13,171
Costs of re-establishing our work	£10,189
Dilapidations, were the Society to leave DMH	£22,973
External redecoration	£33,444
Internal redecoration	£43,238
Major modifications and developments, unexpected repairs/replacement	£273,491
Repayment of £300,000 (£60k x 5 years), commencing from 2005/06	(£60,000)
	£410,746

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 was initially established to simplify the work of the Programme Committee, but the principles have now been extended to all grant schemes. It ensures that any approval by Council to make a grant in a subsequent financial year, through the various grant-making committees, can be met. Grants subsequently not used, and refunds of partially used grants, are removed from the Fund on an annual basis.

Grants awarded and approved by Council to be paid in future accounting periods	£193,332
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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	£28,832
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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 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

Respective Responsibilities of Trustees and Auditors

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

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

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

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

Basis of Audit Opinion

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 July 2009 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date:

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2008/09

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st July 2009

	Notes	Unrestricted		Restricted	2009	2008
		General	Designated	Funds	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income						
Gifts, Donations, Legacies		9,223	-	-	9,223	11,982
Activities for Generating funds						
Conference facilities		107,936	-	-	107,936	123,198
Advertising in Newsletter		13,482	-	-	13,482	15,081
Investment income	2	403,275	772	6,850	410,897	422,317
Incoming resources from Charitable activities						
Membership subscriptions		75,790	-	-	75,790	74,159
Publications – LMS Periodicals	6a	775,499	-	-	775,499	818,681
Publications – Ventures and Royalties	6c,d	204,636	339,637	-	544,273	490,544
Grants and contracts	19	20,750	-	159,037	179,787	89,421
Other incoming resources						
Sundry income		686	-	-	686	5,146
Total Incoming Resources		1,611,277	340,409	165,887	2,117,573	2,050,529
Resources expended						
Cost of generating funds:						
Costs of DMH Conference facilities	3	155,721	-	-	155,721	141,807
Services for tenants		45,804	-	-	45,804	54,327
Investment Management fees		33,861	-	-	33,861	34,495
Charitable activities						
Advancing the interests of Mathematics	4	193,674	-	6,000	199,674	185,619
Enabling Mathematicians to undertake research & collaboration	5	74,752	280,299	171,386	526,437	402,972
Disseminating Mathematical knowledge						
Costs of publications	6b,c,d	284,329	230,675	-	515,004	551,382
Conference and meeting programmes	7	58,121	-	-	58,121	59,755
Promoting Mathematical research and its benefits	8	160,082	-	-	160,082	124,013
Governance	9	163,079	-	-	163,079	125,793
Total resources expended		1,169,423	510,974	177,386	1,857,783	1,680,163
Net incoming/(outgoing) resources before transfers		441,854	(170,565)	(11,499)	259,790	370,366
Transfers between funds	17,18	(254,463)	241,059	13,404	-	-
Net incoming resources after transfers		187,391	70,494	1,905	259,790	370,366
(Losses)/Gains on investment assets	21	(1,646,912)	-	(23,779)	(1,670,691)	(476,041)
Net movement in funds		(1,459,521)	70,494	(21,874)	(1,410,901)	(105,675)
Fund balances at 1 st August 2008		9,225,337	3,529,452	199,997	12,954,786	13,060,461
Fund balances at 31st July 2009		7,765,816	3,599,946	178,123	11,543,885	12,954,786

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2008/09

BALANCE SHEET
as at 31st July 2009

	Note	2009		2008	
		£	£	£	£
Fixed Assets					
Fixed Asset Investments					
Quoted Investments	13	8,766,475		10,475,823	
			8,766,475		10,475,823
Tangible Fixed Assets					
Leasehold Property	14	1,703,061		1,747,878	
Fixtures, Fittings and Equipment	14	13,454		22,023	
			1,716,515		1,769,901
			10,482,990		12,245,724
Current Assets					
Medals in stock		4,082		4,082	
Debtors	15	417,303		285,535	
Cash at bank and in hand		416,365		193,175	
Bank Deposits		571,618		560,569	
			1,409,368		1,043,361
Liabilities:					
Creditors: Amounts falling due within one year					
Creditors	16	228,686		225,247	
Deferred Income	16	119,787		109,052	
			348,473		334,299
Net current assets/(liabilities)			1,060,895		709,062
Net Assets			£11,543,885		£12,954,786
Represented by :					
General Funds	18	7,765,816		9,225,337	
Designated Funds	18	3,599,946		3,529,452	
Restricted Funds	17	178,123		199,997	
			£11,543,885		£12,954,786

Approved on behalf of Council and authorised for issue on:

Treasurer.....Date

The notes on pages 22 to 36 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

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 January 2007).

b) **Subsidiary Undertaking and Consolidation**

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

c) **Investments**

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

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

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

The Society in its total return policy treats all returns on investments as investment income which is analysed in the notes to the financial statements according to the various categories of investment from information provided by the investment managers. Unrealised gains and losses on revaluation of investments, and realised gains and losses arising on disposal of investments are separately identified in the notes to the Financial Statements. .

d) **Fixed Assets**

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

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

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

e) **Publications**

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

1. Accounting Policies (continued)

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

f) **General Fund**

The Unrestricted reserves are analysed between the General Fund and other Designated Funds. The General Fund, detailed in note 19 to the financial statements, is to provide for the general operation of the Society including its charitable activities not funded from Designated or Restricted Funds. Within the Society's reserves the General Fund is deemed an expendable reserve to be used in pursuit of the Society's objectives as Council may from time to time determine. At present it is managed to provide the income to be used to ensure the availability of resources for its grant schemes and other continuing charitable activities in future years.

g) **Designated Funds**

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

- (i) **Building & Development Reserve Fund**
This reserve is to meet the costs of (a) consequences of the temporary loss of De Morgan House, (b) periodic internal and external decoration and maintenance, (c) major modifications, developments or repairs. The value of these reserves is recalculated annually to allow for increase in the costs of covering the relevant risks.
- (ii) **Printing & Publication Reserve Fund**
This reserve is to meet the costs of (a) consequential costs were the Society to cease publishing, (b) unpredictable annual fluctuations in the surplus, (c) costs of breaches of copyright or libel actions against the Society, (d) exploration and start-up costs of new ventures. The value of these reserves is recalculated annually to allow for increase in the costs of covering the relevant risks.
- (iii) **Grants Payable Reserve Fund**
This fund has been established to cover grants awarded and approved by Council to be paid in future accounting periods, subject to available finance and satisfactory report.
- (iv) **Special Activities Reserve Fund**
This fund contains gifts and bequests received by the Society to be used for diverse activities in support of the Society's objectives.
- (v) **Compositio Fund**
This fund holds the transaction relating to, and any year-end excess of income over expenditure, relating to the Society's joint venture with the Foundation Compositio to produce the journal Compositio

h) **Restricted Funds**

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

1. Accounting Policies (continued)

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

i) **Joint Ventures**

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

j) **Members' Subscriptions**

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

k) **Donations**

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

l) **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)).

m) **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.

n) **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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

1. Accounting Policies (continued)

o) 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.

p) Taxation

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

The Society has partial exempt status in respect of VAT, based on the split of its business and non-business activities. The proportion of VAT that cannot be recovered because of partial or fully exempt status of the activity is redistributed to the activities on the same basis as support costs.

2. Investment Income

	Unrestricted	Designated	Restricted	2009	2008
	£	£	£	£	£
a) Investment income receivable:					
Fixed interest	97,257	-	-	97,257	104,445
Equities dividends	80,052	-	-	80,052	52,468
Other investments income	148,477	-	5,358	153,835	138,286
Net investment income receivable	325,786	-	5,358	331,144	295,199
b) Interest receivable:					
Investment portfolio	6,456	-	-	6,456	23,289
Treasury Reserve deposits	8,785	772	1,492	11,049	7,960
Other deposits	3,340	-	-	3,340	9,845
Total interest receivable	18,581	772	1,492	20,845	41,094
c) Rental income (including service charges)	58,908	-	-	58,908	86,024
Total investment income	£403,275	£772	£6,850	£410,897	£422,317

3. Costs of DMH conference facilities

	2009		2008	
	£	£	£	£
Costs of goods/refreshments	39,523		42,213	
Other expenditure	10,558		9,460	
		50,081		51,673
Apportioned support costs & irrecoverable VAT		105,640		90,134
Total		£155,721		£141,807

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

4. Charitable activities:

Advancing the interests of Mathematics

	2009		2008	
	£	£	£	£
Members' services:				
<i>Newsletter</i>	23,306		38,761	
Other costs	971		5,141	
Unrecoverable subscriptions	1,581		657	
		25,858		44,559
Activities to support Women in Mathematics		1,776		1,153
Activities to support Maths-Computer Sciences		329		263
Library, binding and archives		6,026		6,712
EMS, IMU, ICIAM subscriptions & ICM costs		7,774		17,649
Prizes		12,162		7,060
Apportioned support costs & irrecoverable VAT		145,749		108,223
Total		£199,674		£185,619

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

	2009		2008	
	£	£	£	£
Grants				
Scheme 1 – 6 and 8	209,690		165,565	
Young British and Russian Mathematicians	739		2,362	
Support for Mathematics in Africa	11,500		1,646	
Mentoring African Research in Mathematics	53,112		9,793	
Computer Science grants	2,742		1,762	
LMS Workshops	381		7,155	
Small Educational grants	3,588		3,520	
Child care grants and related grants	969		1,613	
Other grants (UK & International)	44,857		60,052	
		327,578		253,468
Training				
Short courses		84,929		41,324
Apportioned support costs & irrecoverable VAT		113,930		108,180
Total		£526,437		£402,972

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

6. Charitable activities: Disseminating
Mathematical Knowledge - Publications

	2009		2008	
	£	£	£	£
a) Income from LMS periodicals		<u>775,499</u>		<u>818,681</u>
b) Payments for LMS periodicals				
Secretarial, editing and other typesetting	21,265		17,304	
<i>Journal of Computation and Mathematics</i>	<u>-</u>		<u>341</u>	
		<u>(21,265)</u>		<u>(17,645)</u>
Net LMS periodicals surplus before support costs and irrecoverable VAT		754,234		801,036
Apportioned support costs & irrecoverable VAT		<u>(263,064)</u>		<u>(306,461)</u>
Net LMS periodicals surplus after support costs and irrecoverable VAT		491,170		494,575
c) Ventures & Royalties (net income)				
<i>Nonlinearity</i>	92,144		104,545	
Russian journals (Turpion/RAS/LMS joint venture)	79,827		48,573	
TMMS (AMS/LMS joint venture)	9,103		9,406	
HMATH (AMS/LMS joint venture)	11,644		(11,407)	
LMS Books	1,788		1,950	
Royalties on the works of G.H. Hardy	9,555		8,767	
Royalties and licensing	<u>585</u>		<u>15</u>	
		204,646		161,849
<i>Compositio</i>				
Profit share & Management fee (see 6d)	108,962		102,006	
Costs of <i>Compositio</i> (LMS - only)	<u>-</u>		<u>(587)</u>	
		108,962		101,419
NET PUBLICATIONS SURPLUS		<u>804,778</u>		<u>£757,843</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 40% of the net profits, together with a management fee.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

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

d) *Compositio* management account

	2009	2008
	£	£
<i>Income</i>	339,637	328,695
<i>Expenditure</i>		
Direct costs	(125,731)	(114,180)
Profit share (60%) to <i>Compositio</i> Foundation	(104,944)	(112,509)
	<u>(230,675)</u>	<u>(226,689)</u>
Net <i>Compositio</i> surplus before LMS fees and Profit share	108,962	102,006
Management fee to LMS	(39,000)	(27,000)
Profit share (40%) to LMS	(69,962)	(75,006)
	<u>-</u>	<u>-</u>
Balance C/fwd on <i>Compositio</i> Fund	-	-

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

	2009		2008	
	£	£	£	£
Society meetings and regional workshops	27,743		20,712	
Spitalfields Days	594		459	
Hardy Lecturer	-		4,412	
Mary Cartwright Lecture	1,423		1,608	
Forder Lecturer	-		1,792	
Invited Lectures	5,250		4,625	
		35,010		33,608
Apportioned support costs & irrecoverable VAT		23,111		26,147
Total		<u>£58,121</u>		<u>£59,755</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

8. Charitable activities: Promoting Mathematical research & its benefits

	2009		2008	
	£	£	£	£
Policy				
CMS	7,897		3,787	
MPU, media relations, data collection/analysis	4,551		4,717	
LMS-IMA relations	-		988	
Annual dinner	3,079		3,760	
Exhibition, PR, Annual Report	5,486		898	
Subscriptions to UK organisations	2,866		2,081	
		23,879		16,231
Education and young people, public engagement				
Holgate Lecturers	1,200		800	
Popular Lectures	6,658		6,366	
Other educational activities	83		18	
		7,941		7,184
Computer Science, Knowledge transfer				
		-		824
Apportioned support costs & irrecoverable VAT		128,262		99,774
Total		£160,082		£124,013

9. Governance

	2009		2008	
	£	£	£	£
Professional services				
Solicitors fees	2,000		2,956	
Accountancy fees	1,367		3,813	
Audit fees	10,000		11,600	
Other professional fees	35		-	
		13,402		18,369
Officers, Council and committees				
Internal committees	17,952		19,750	
External meetings (representatives & attendance)	2,608		2,792	
Retreat	-		4,434	
Catering and accommodation	14,083		12,276	
		34,643		39,252
Costs in relation to LMS-IMA unification proposals				
Legal fees	15,500		-	
Consultation and roadshow expenses	13,946		-	
		29,446		-
Election of Trustees		964		1,248
Apportioned support costs & irrecoverable VAT		84,624		66,924
Total		£163,079		125,793

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

10. Support costs allocation by activity

	Direct staff costs	Premises & Office costs	Information Technology	General Management & Finance	Total 2009	Total 2008
	£	£	£	£	£	£
DMH conference facilities	32,129	44,636	1,551	24,925	103,241	88,876
Services for tenants	1,958	30,738	83	11,112	43,891	53,320
Advancing the interest of Mathematics	84,057	20,256	3,293	34,663	142,269	107,109
Enabling Mathematicians to undertake research and collaboration	77,055	8,289	2,228	25,555	113,127	107,119
Disseminating Mathematical Knowledge – Publications	172,529	20,410	13,508	55,222	261,669	304,366
Disseminating Mathematical Knowledge – Conference and meeting programmes	14,981	1,508	632	5,629	22,750	25,964
Promoting Mathematics research and its benefits	100,941	5,316	2,079	18,675	127,011	99,191
Governance	58,310	4,598	1,979	17,622	82,509	65,299
Total 2009	£541,960	£135,751	£25,353	£193,403	£896,467	£851,244
Total 2008	£505,675	£142,641	£23,044	£179,884		

Basis of apportionment

Support costs include (a) Direct staff costs (salaries, benefits, training, H&S, recruitment, etc.), (b) Office and Building Costs (rent, rates, services, cleaning, maintenance, telephones, postage, equipment, stationery, etc.) and (c) IT (computer hardware and software, network, internet access, websites, maintenance, software development, etc.). The costs of these are attributed to all the activities of the Society in proportion to (a) salary or f.t.e., (b) space occupied in De Morgan House, and (c) f.t.e. respectively, based on a time analysis undertaken by all staff.

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

11. Irrecoverable VAT allocation by activity

	2009	2008
	£	£
DMH conference facilities	2,399	1,258
Services for tenants	1,913	1,007
Advancing the interest of Mathematics	3,480	1,114
Enabling Mathematicians to undertake research and collaboration	803	1,061
Disseminating Mathematical Knowledge - Publications	1,395	2,094
Disseminating Mathematical Knowledge - Conference and meeting programmes	361	183
Promoting Mathematics research and its benefits	1,251	583
Governance	2,115	1,625
Total	£13,717	£8,925

The Society has partial exempt status in respect of VAT, based on the split of its business and non-business activities. The proportion of VAT that cannot be recovered because of partial or fully exempt status of the activity is redistributed to the activities on the same basis as support costs.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

12. Employment Costs

	2009	2008
	£	£
Total employment costs of all staff including taxable benefits for the year comprise:		
Salaries and Wages	529,003	485,659
Employer's National Insurance Contributions	43,312	41,514
Employer's Pension Contributions	64,877	60,601
	<hr/>	<hr/>
Total	£637,192	£587,774
	<hr/> <hr/>	<hr/> <hr/>

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

	2009	2008
	No.	No.
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-

The pension payments for the above member of staff amounted to £12,877 (2008: £12,076). These contributions were paid into a defined benefits pension scheme.

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

	2008/2009		2007/2008	
	Total	FTE	Total	FTE
Management and administration	14.3	9.5	12.5	9.0
Publishing and editorial	4.0	3.6	4.1	3.6
	<hr/>	<hr/>	<hr/>	<hr/>
Total	18.3	13.1	16.6	12.6
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

13. Fixed Asset Investments	2009			2008
	£	£	£	£
Quoted investments				
	<i>Investment assets in the UK</i>	<i>Investment assets outside the UK</i>	<i>Total</i>	
Equities				
Core equities	231,998	1,941,199	2,173,197	1,888,889
3rd party active	-	285,020	285,020	533,628
3rd party passive	-	370,354	370,354	915,115
Fixed income (bonds)	189,968	3,458,994	3,648,962	3,787,770
Commodities	131,915	252,349	384,264	414,828
Gold	-	317,209	317,209	215,197
Alternative Investments				
Hedge funds	-	878,069	878,069	1,425,264
Private equity	260,565	-	260,565	366,509
Cash and foreign exchange hedging	198,170	250,665	448,835	928,623
Total Market value at 31st July 2009	1,012,616	7,753,859	8,766,475	10,475,823
Reconciliation of opening and closing market values:				
Market value at 1 st August 2008			10,475,823	11,496,508
Additions at cost			14,305,817	13,775,564
Disposals proceeds			(14,344,474)	(14,320,208)
Realised and Unrealised gains (note 21)			(1,670,691)	(476,041)
Total Market value at 31st July 2009			8,766,475	10,475,823
<i>Analysis by Fund:</i>				
Restricted Funds			122,363	199,997
Unrestricted Funds			8,644,112	10,275,826

**% value of
portfolio**

Details of material investments are as follows:

Bluebay Investment Grade Bond Fund	10.69%
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

14. Tangible Fixed Assets

	Leasehold Property	Fixtures Fittings and Equipment	Total
	£	£	£
Cost			
Brought forward at 1 st August 2008	2,175,353	255,486	2,430,839
Additions	-	3,096	3,096
Carried forward at 31 st July 2009	<u>2,175,353</u>	<u>258,582</u>	<u>2,433,935</u>
Depreciation			
Brought forward at 1 st August 2008	427,475	233,463	660,938
Charge for the year	44,817	11,665	56,482
Carried forward at 31 st July 2009	<u>472,292</u>	<u>245,128</u>	<u>717,420</u>
Net book value			
At 31 st July 2009	<u>£1,703,061</u>	<u>£13,454</u>	<u>£1,716,515</u>
At 31 st July 2008	<u>£1,747,878</u>	<u>£22,023</u>	<u>£1,769,901</u>

Part of the leasehold property is let out and the rental derived is included within note 2(c).

15. Debtors

	2009	2008
	£	£
Publications	216,878	175,268
Conference facilities	23,366	20,308
Other debtors	165,571	71,865
Income tax/VAT recoverable	-	3,424
Prepayments and accrued interest	11,488	14,670
	<u>£417,303</u>	<u>£285,535</u>

16. Creditors and Deferred Income

	2009	2008
	£	£
Creditors:		
Accruals	46,432	63,202
Other creditors	182,254	162,045
	<u>£228,686</u>	<u>£225,247</u>
Deferred income:	£	£
Unexpired publications' subscriptions:		
Balance brought forward	109,052	351,122
Amount released in year	(109,052)	(351,222)
Income deferred to future years	119,787	109,052
Balance carried forward	<u>£119,787</u>	<u>£109,052</u>

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2008/09

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

17. Restricted Funds

	<i>Balance at 1.08.08</i>	<i>Other & Investment Income</i>	<i>Expenditure</i>	<i>Investment (gain/losses)</i>	<i>Transfers</i>	<i>Balance at 31.07.09</i>
	<i>£</i>	<i>£</i>	<i>£</i>		<i>£</i>	<i>£</i>
<i>Prize (Capital) funds</i>						
Berwick Fund	27,931	768	-	-	-	28,699
De Morgan Medal & Larmor Fund	26,337	724	-	-	-	27,061
<i>Prize (Income) funds</i>						
Berwick Fund	22,833	840	(1,000)	(3,726)	-	18,947
De Morgan Medal & Larmor Fund	33,956	1,248	-	(5,541)	-	29,663
Lord Rayleigh's Fund	11,859	436	-	(1,935)	-	10,360
J.H.C. Whitehead Fund	4,516	166	(5,000)	(737)	1,055	-
Fröhlich Fund	15,342	564	-	(2,503)	-	13,403
<i>Other funds</i>						
A.J. Cunningham Research Fund	57,223	2,104	-	(9,337)	-	49,990
Grants and Contracts	-	159,037	(171,386)	-	12,349	-
Total Funds	199,997	165,887	(177,386)	(23,779)	13,404	178,123

- a) The transfer of £1,055 from the General Fund to Restricted Funds is to cover a shortfall in income for the Whitehead prizes.
- b) The transfer of £12,349 from the General Fund to the Grants and Contracts represents LMS's contribution to short courses. (see note 19).

18. Unrestricted Funds

	<i>Balance at 1.08.08</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gain/(loss) on investments</i>	<i>Transfers</i>	<i>Balance at 31.07.09</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
General Fund:						
(see note 1(f))	9,225,337	1,611,277	(1,169,423)	(1,646,912)	(254,463)	7,765,816
Designated Funds:						
a) Building & Development Reserve Fund	350,746	-	-	-	60,000	410,746
b) Printing & Publication Reserve Fund	2,967,036	-	-	-	-	2,967,036
c) Grants Payable Reserve Fund	183,610	-	(280,299)	-	290,021	193,332
d) Special Activities Reserve Fund	28,060	772	-	-	-	28,832
e) Compositio Fund	-	339,637	(230,675)	-	(108,962)	-
	3,529,452	340,409	(510,974)	-	241,059	3,599,946
	£12,754,789	£1,951,686	£(1,680,397)	£(1,646,912)	£(13,404)	£11,365,762

- a) The £60,000 transfer from the General Fund to the Building & Development Fund is part of the repayment of £300,000 (£60k x 5 years), commencing from 2005/06.
- c) The transfer of £290,021 from the General Fund to Grants Payable Fund represents grants awarded in the year and the £280,299 in expenditure is in respect of grants awarded in previous years paid during the year.
- e) The transfer of £108,962 from the Compositio fund to General Fund represents the management fee and the LMS's profit share relating to the journal.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2009

19. Grants and Contracts Management account

	2009		2008	
	£	£	£	£
a)EPSRC short course contracts (Restricted)				
<i>Income</i>				
Short course actual income from EPSRC	57,480		33,135	
Short course b/f estimated income due	(18,000)		(17,200)	
Short course c/f estimated income due	33,100		18,000	
Income for Facilitator & Admin from EPSRC	26,822		24,809	
		99,402		58,744
<i>Expenditure</i>				
Short course actual expenditures	(105,487)		(70,123)	
Student fees	44,544		13,549	
Short course b/f estimated expenditures	16,050		31,300	
Short course c/f estimated expenditures	(40,036)		(16,050)	
Facilitator's and Admin costs	(26,822)		(24,809)	
		(111,751)		(66,133)
LMS's Contribution to Short Courses		£(12,349)		£(7,389)
b)Nuffield Foundation grant (Restricted)				
<i>Income</i>	59,635		12,854	
<i>Expenditure</i>	(59,635)		(12,854)	
		-		-
c)Royal Society - Maths inside project (Restricted)				
<i>Income</i>	-		10,000	
<i>Expenditure</i>	-		(10,000)	
		-		-
d)IMA&RSS contributions to the CMS (Unrestricted)				
<i>Income</i>	15,750		12,823	
<i>Expenditure</i>	(26,723)		(20,124)	
LMS's Contribution to the CMS		£(10,973)		£(7,301)
e)IMA contribution to the MPU (Unrestricted)				
<i>Income</i>	5,000		5,000	
<i>Expenditure</i>	(28,331)		(25,477)	
LMS's Contribution to the MPU		£(23,331)		£(20,477)

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For the year ended 31 July 2009

20. Analysis of net assets between funds

	Unrestricted funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	£	£	£	£	£
Fund balances are represented by					
Tangible fixed assets	1,716,515	-	-	1,716,515	1,773,983
Investments	5,072,998	3,571,114	122,363	8,766,475	10,475,823
Current assets	1,324,776	28,832	55,760	1,409,368	1,039,279
Current liabilities	(348,473)	-	-	(348,473)	(334,299)
Total net assets	£7,765,816	£3,599,946	£178,123	£11,543,885	£12,954,786

21. Gains and losses on investment assets

	Unrestricted	Restricted	2009	2008
	funds	funds	£	£
Realised (loss)/gain on sale of investments	(1,902,173)	(26,835)	(1,929,008)	(473,695)
Unrealised (loss)/gain in market value of investments	255,261	3,056	258,317	(2,346)
	£(1,646,912)	£(23,779)	£(1,670,691)	£(476,041)

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 £12,359 (2008: £13,720) for 20 Trustees (2008:20).

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

23. Investment in LMS Publishing Limited

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