

Scottish Charity Number SC000241

EDINBURGH MATHEMATICAL SOCIETY
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2011



EDINBURGH MATHEMATICAL SOCIETY

REFERENCE AND ADMINISTRATIVE INFORMATION

The Edinburgh Mathematical Society (EMS) is a registered Scottish charity, No. SC000241.

Trustees

Dr P Davies (President)
Professor R J Archbold (Vice-President) (resigned 15 October 2010)
Professor M A J Chaplain (Vice-President) (appointed 15 October 2010)
Professor A M Davie (General Secretary)
Dr J Farkas (resigned 15 October 2010)
Dr E Gasparim (Librarian)
Professor I Gordon (Convener of the Editorial Board)
Dr A Hoyle (appointed 15 October 2010)
Dr G Hornig (resigned 15 October 2010)
Dr J Kedra
Dr A Konechny
Professor T H Lenagan (Meetings Secretary)
Dr J D Mitchell
Dr R Paris (resigned 15 October 2010)
Dr D Pontin (appointed 15 October 2010)
Dr D T Pritchard
Dr R J Steiner (Treasurer)
Dr S J Watson

Principal address

The Honorary Secretary
Edinburgh Mathematical Society
University of Edinburgh
School of Mathematics
James Clerk Maxwell Building
The King's Buildings
Mayfield Road
Edinburgh EH9 3JZ

Website

<http://www.ems.ac.uk>

Bankers

Bank of Scotland
300 Lawnmarket
Edinburgh EH1 2PH

Standard Life Cash Savings
PO Box 23966
Edinburgh EH3 1BF

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh EH2 2YB

Independent Examiners

Chiene + Tait
Chartered Accountants & Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL

VAT registration number

GB 607 3627 45

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2011

The trustees present their report and financial statement for the year ending 31 July 2011.

Structure, governance and management

The Society is governed in accordance with its Constitution and Rules (copies of which are available on request). The Constitution places the responsibility for the management of the Society in the hands of its General Committee, comprising President, Vice-President, one or two Secretaries, Treasurer, Librarian, Convener of the Editorial Board and at least six but not more than ten additional members, all of whom are elected annually. The Society also has an Investment Committee (responsible for monitoring the Society's finances and selecting investments), an Editorial Board, a Policy Advisory Group, a Research Support Fund Committee, an Education Committee and, when required, a Whittaker Prize Committee.

For the purposes of charity legislation, the trustees of the Society are precisely the members of the General Committee. The members for 2010-11 are listed on the previous page. The members of the General Committee are elected annually at the Annual General Meeting of the Society which is held in October. A list of the current members of all committees is available on request.

Objectives, activities and achievements

The Edinburgh Mathematical Society was founded in 1883 for "the mutual improvement of its members in the Mathematical Sciences, pure and applied", an objective that was later recast in broader and more outward looking terms as "the promotion and extension of the Mathematical Sciences, pure and applied, particularly in Scotland". The Society is an unincorporated association firmly established as the principal mathematical society for the university community in Scotland. Its membership is drawn from all the Scottish universities and other educational institutions as well as from mathematicians in industry and commerce both at home and overseas.

Meetings of the Society

In 2010-11 the Society held seven regular meetings, each addressed by a prominent mathematician. Details of the speakers for the Society meetings and the titles of their talks are given in the table below. It was also intended to hold a meeting on 10/12/10 in Glasgow, to be addressed by J H Maddocks (EPFL) whose title was Functional calculus of unbounded operators, but the meeting was unfortunately cancelled because of bad weather.

Date	Place	Speaker	Title
15/10/10	Edinburgh	<i>B Keller (Paris VII)</i>	<i>Quiver mutation and quantum dilogarithm identities</i>
12/11/10	Strathclyde	<i>D G Crowdy (Imperial)</i>	<i>Function theory in multiply connected domains</i>
21/01/11	Edinburgh	<i>Dr M Neunhoffer (St Andrews)</i>	<i>Sudoku and Mathematics</i>
11/02/11	Edinburgh	<i>Professor T Tao (UCLA)</i>	<i>Discrete random matrices</i>
18/03/11	Dundee	<i>Professor D J Silvester (Manchester)</i>	<i>Fast Iterative Solvers for Saddle Point Problems</i>
22/04/11	Aberdeen	<i>Professor I Reiten (Trondheim)</i>	<i>Cluster algebras and cluster categories</i>
20/05/11	Stirling	<i>Dr S Gourley (Surrey)</i>	<i>Modelling the evolution of insecticide resistance in mosquitoes and effective use of insecticides</i>

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (Cont'd)

FOR THE YEAR ENDED 31 JULY 2011

Proceedings of the Edinburgh Mathematical Society

The Proceedings of the Edinburgh Mathematical Society has been published by the Society since 1883. Three issues are published each year containing research papers covering a wide range of topics in pure and applied mathematics. The Proceedings has an international board of consulting editors and has a world-wide circulation. The Society has a completely digitised archive of the Proceedings collections.

Current subscribers have access to the archive for the past ten years. Issues before that, right back to 1883, are freely available to everyone.

Supporting joint initiatives

The Society is conscious that its declared objective - "the promotion and extension of the Mathematical Sciences" - is sometimes best achieved through the support of activities planned and instigated by others. It therefore has schemes for awarding grants for mathematical activities, and it also joins with other societies in supporting various joint initiatives at national and international level through subscriptions, donations and representation on committees. Details are set out below.

Applicant	Purpose	
Society of Friends of Oberwolfach	Donation	£214.08
European Mathematical Society	Corporate Membership Fee	£378.68

The Society became a member of the Council for Mathematical Sciences in January 2008. The CMS is an umbrella organisation representing university level mathematics throughout the UK. There is no membership fee, but the Society will cover the cost of sending a representative to future meetings.

Newsletter

The *President's Newsletter* is sent annually to all members. It is designed to keep members informed about the Society's activities and describes recent events in a more detailed and informal way than is possible in this Annual Report. Copies are available on request.

Membership

Membership of the Society is open to all who are interested. Applications for membership are considered by the General Committee and can be refused only for good and proper reasons. The Society has reciprocity agreements with a number of overseas mathematical societies under which membership of one society gives the right to join the others at a reduced subscription. Postgraduate students at Scottish universities are offered free membership of the Society throughout the duration of their studies to encourage them to take part in Society activities.

Library

Most of the collections belonging to the Society are held in the Library of the University of Edinburgh and are recorded as such in the Edinburgh University Library catalogue. Some older books and journals are housed at the Collaborative Academic Store for Scotland (CASS), which is located in the Causewayside Building of the National Library of Scotland. The Society's principal collection consists mainly of periodicals obtained by exchange with other learned societies throughout the world; at present about 150 periodical titles are received. Members may consult or borrow books from the Society's Library, and are also entitled to use Edinburgh University Library; in return, members of Edinburgh University Library may use the Society's Library.

Website

The Society has a website (<http://www.ems.ac.uk>). It allows society members and non-members, to access information about the EMS such as key committee members, meetings calendar, Proceedings, support funds, and history of the Society.

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (Cont'd)

FOR THE YEAR ENDED 31 JULY 2011

Grants

The Society has three schemes for awarding grants: the **Research Support Fund**, the **Education Fund** and the **St Andrews Fund**.

The **Research Support Fund** (launched as the Centenary Fund in 1983, the Society's centenary year, and renamed in 2002 to make a clear statement of its purpose) gives financial support to a variety of mathematical activities, including research visits, conferences and publications. Any person may apply for a grant or guarantee from this fund. Applications are considered by the Research Support Fund Committee. The committee works to a set of rules, copies of which are made available to potential applicants. Awards are normally paid to an applicant's institution rather than the applicant personally.

The **Education Fund** supports educational activities of a mathematical nature at both school and university level. At school level it is advertised as the *Schools Enrichment Fund*. Applications may be made to the Education Committee, but additionally the Education Committee actively seeks out projects worthy of support and may organise activities itself.

The **St Andrews Fund** (formerly used to support colloquia at the University of St Andrews) is used to support the annual postgraduates' meeting at the Burn.

In addition to the above funds, General Committee from time to time makes special grants. Sometimes these are major grants for the support of large international conferences but equally they may be small grants for worthy mathematical purposes that do not fall within the remits of the two schemes.

The budgets for Research Support Fund, Education Fund and St Andrews Fund for this year and last year are given below:

	2009-10	2010-11
Research Support Fund	£16,000.00	£18,000.00
Education Fund	£7,000.00	£9,000.00
St Andrews Fund	£2,500.00	£3,000.00

The following tables show details of the grants awarded in 2010-11

Research Support Fund grants paid in 2010-11:

Applicant	Purpose	Amount
L Boulton (Heriot-Watt)	Visit of D Lenz	£702.27
A Duncan (Newcastle)	North British Geometric Group Theory Seminar	£750.00
B Jacelon (Glasgow)	Junior Operator Algebras Meeting	£385.57
C Cartis (Edinburgh)	Visits of N Gould	£600.00
I Karzhemanov (Edinburgh)	Workshop on 4-dimensional quotient singularities	£960.00
J Kedra (Aberdeen)	Symplectic Geometry and Transformation Groups Workshop	£1,000.00
N Menezes (St Andrews)	Postgraduate Group Theory Conference	£788.97
S Malham (Heriot-Watt)	Visits of V Ledoux and R Marangell	£278.09
C Smyth (Edinburgh)	Visit of R Noble	£650.00
B Schroers (Heriot-Watt)	Visit of P Osei	£800.00
T Leinster (Glasgow)	Scottish Category Theory Seminar	£978.92
G Hall (Aberdeen)	Visit of M Sharif	£250.00
C Cobbold (Glasgow)	Meeting on Mathematical Modelling in the Life Sciences	£949.72
G Barrenechea (Strathclyde)	Workshop on Variational Multiscale Methods	£799.46
S Linton (St Andrews)	Visit of V Vatter	£1,000.00
A Ranicki (Heriot-Watt)	Visit of F Hirzebruch	£400.00
O Davydov (Strathclyde)	Visit of R Beatson	£527.87
Y Peresse (St Andrews)	Visit of Z Mesyan	£290.40

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (Cont'd)

FOR THE YEAR ENDED 31 JULY 2011

Education Fund Grants paid in 2010-11:

Applicant	Purpose	Amount
H Martin (University of Aberdeen)	Enterprising Mathematics Challenge	£378.00
F Withey (Stirling High School)	Stirling, Falkirk and Clackmannanshire Maths Masterclasses	£362.00
M Dorris (Taylor High School, Motherwell)	Mathematics Weekend Camp	£400.00
A Maciocia (University of Edinburgh)	Advance Higher/Higher Revision Sessions	£500.00
L Ervine (Springburn Academy)	Study Weekend	£400.00
J Scott (Holy Cross High School, Hamilton)	Primary Maths Challenge	£100.00
A MacDonald (St Aidan's High School, Wishaw)	Higher and Advanced Higher Study Weekend	£400.00
P Batty (Brae High School)	P7 Mathematics Fun Day	£450.00
J Bonar (Greenfaulds High School, Cumbernauld)	Higher Mathematics Study Weekend	£400.00
A Coyle (Trinity Academy, Edinburgh)	Problem solving competition/P7 problem solving	£350.00
N Ram (Dalkeith High School)	Puzzle of the week club	£142.55
G Dorrat (Anderson High School, Lerwick)	Travel to UKMT Team Maths Challenge Regional Final	£290.60
D Hurley (Alloa Academy)	Mathematics Fun Day	£300.00
G Dorrat (Anderson High School, Lerwick)	Travel to UKMT Team Maths Challenge Regional Final	£401.28
J Scott (Holy Cross High School, Hamilton)	International Pi Day – Enterprise Activity	£100.00
J Collins (University of Edinburgh)	Royal Institution 30 th Anniversary Masterclass Celebration	£500.00
W Richardson (Scottish Mathematical Council)	Advanced Higher Prizes	£400.00

St Andrews Fund grant paid in 2010-11:

A meeting for postgraduate students was held at the Burn, near Edzell, from May 30 to June 1, 2011. From those who applied, 14 students from four Scottish universities were allocated places. The evident continuing success of this event bodes well for the continued health of Scottish mathematics.

The Burn Conference 2010	£1,813.90
The Burn Conference 2011	£3,372.40

(The Society also paid a deposit of £1,000 for the 2010 conference in the previous financial year.)

Contributions received:

Burn Conference fees 2010	£630.00
Burn Conference fees 2011	£1,150.00

Grant Rebate:

University of Edinburgh	Mathematics Masterclasses	£85
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EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (Cont'd)

FOR THE YEAR ENDED 31 JULY 2011

Voluntary and Paid Work

The Society's officers and committee members undertake all their work for the Society on a voluntary basis. They therefore receive no payment beyond the reimbursement of some of their expenses. Many members of the Society, and indeed non-members too, also assist the Society in a range of activities including refereeing papers submitted to the Proceedings and representing the Society on other bodies. They too receive no payment other than reimbursement of some expenses. The Society is deeply grateful for all this assistance freely given and is very conscious that without it the Society's work would come to a halt.

The Society is also very grateful to the Scottish universities, particularly the University of Edinburgh, for permitting staff and resources to be used to assist the Society.

The Society has contracts with the International Centre for Mathematical Sciences in Edinburgh for the management of pre-production editorial work on the Proceedings, for the organisation of the post-graduate meeting, and for the future administrative support of committee meetings.

Financial Review

In round figures income was £82,000 and expenditure was £63,000 and at the end of the year the Society's assets were £344,000.

The Society was able to increase the budgets for the Research Support Fund and the Education Fund. After providing for the expenditure on the production of the Proceedings of the Edinburgh Mathematical Society and the appropriate assistance in the running of the Society it has been the policy of the Society to actively deploy the income it receives for the support of the mathematical community. It was very encouraging to see the quality of applications received by the Research Support Fund and the Education Fund during the course of the year, although the number of applications to the Education Fund was disappointing. It is gratifying to note that the Society currently has the resources to be able to support so many of these applications.

During the year the Society's initial investments increased in value by about 9%, but the fall in stock markets immediately after the end of the year will have undone this increase to some extent. With falling interest rates on bank accounts and with stock market volatility the outlook is uncertain. It has been difficult to find suitable investments, but the Society invested £10,000 in Government stock and £20,000 in unit trusts during the year, and it also invested £20,000 in an investment trust immediately after the end of the year.

Plans for the future periods

The speakers and dates for the Society's eight meetings in 2011-12 have already been confirmed.

Reserves policy

General Fund. This is used for the day to day operation of the Society, for grants and awards, and for subscriptions and donations to other bodies and other charitable activities not funded from designated funds. The uncertain financial climate, with low investment returns, and the future risks to academic publishing (a key part of the Society's income) have led the General Committee 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 is deemed an expendable reserve to be used in pursuit of the Society's objectives, and it is managed to provide income to be used to ensure the availability of resources for its grant schemes and other continuing charitable activities in future years. In order for the Society's activities to continue indefinitely at present levels, assuming an annual return of 3.5%, the General Committee has concluded that the level of the General Fund should be around £200,000.

Whittaker Prize Fund. This fund is a reserve held towards the cost of the Whittaker Prize, currently £500 awarded once every four years (occasionally two awards are made). The fund is intended to meet the designated object indefinitely, assuming an annual return of 3.5%.

EDINBURGH MATHEMATICAL SOCIETY

TRUSTEES' REPORT (Cont'd)

FOR THE YEAR ENDED 31 JULY 2011

Reserves policy (cont'd)

St Andrews Fund. This fund is a reserve held towards the cost of the annual postgraduates' meeting at the Burn House, whose current budget is £3,000 a year. The fund is intended to meet the designated object for 5 years, allowing for inflation.

Publication Reserves Fund. This fund acts as the Society's reserves against contingencies, particularly in relation to the publishing of the Proceedings. It is designed to cover contingencies including the expense of producing and distributing the Proceedings for one year.

Investment policy

Decisions about investments are made by the Investment Committee and reported to the General Committee. They are made in order to maximise the benefit to the Society.

Risk management

The General Committee and Investment Committee 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, Operational, Financial, External, and Compliance. In certain cases the General Committee has established Designated Funds to set against potential risks; the risks or commitments that are covered by each fund are reviewed and revised annually.

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 Scotland 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 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 operation.

The trustees are responsible for keeping 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the trustees

Professor A M Davie (General Secretary)

_____ 2011



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF EDINBURGH MATHEMATICAL SOCIETY**

I report on the accounts of the Edinburgh Mathematical Society for the year ended 31 July 2011 which are set out on pages 9 to 15.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the accounts on behalf of the Trustees and to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the trustees, as a body, for my work or for this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Regulations). The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with Section 44(1)(a) of the Act and Regulation 4 of the Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the Regulations
- have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Kenneth McDowell CA
CHIENE + TAIT
Chartered Accountants and Independent Examiners
61 Dublin Street
Edinburgh
EH3 6NL**

_____ 2011

EDINBURGH MATHEMATICAL SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2011

	General Unrestricted Fund £	Designated Funds £	2011 Total £	2010 Total £
Incoming resources				
Incoming resources from generated funds:				
Voluntary income	375.60	1,780.00	2,155.60	31,231.89
Investment income	412.12	4,486.00	4,898.12	7,417.96
Incoming resources from charitable activities:				
Publisher proceedings income	70,873.34	-	70,873.34	63,386.02
Members' subscriptions	4,430.00	-	4,430.00	4,780.00
Total incoming resources	76,091.06	6,266.00	82,357.06	106,815.87
Resources expended				
Charitable activities:				
Proceedings	31,428.50	-	31,428.50	33,471.10
Meetings and lectures	2,252.18	-	2,252.18	2,149.80
Seminars and conferences	-	5,037.36	5,037.36	1,000.00
Grants, awards and prizes	-	17,505.70	17,505.70	22,433.84
Subscriptions and donations	592.76	-	592.76	747.40
Management and administration	5,114.04	-	5,114.04	5,971.33
	39,387.48	22,543.06	61,930.54	65,773.47
Governance costs	1,245.00	-	1,245.00	1,210.00
Total resources expended	40,632.48	22,543.06	63,175.54	66,983.47
Net incoming/(outgoing) resources before transfers	35,458.58	(16,277.06)	19,181.52	39,832.40
Transfers between funds	81,563.22	(81,563.22)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	117,021.80	(97,840.28)	19,181.52	39,832.40
Unrealised gains on revaluation of investments	-	21,162.57	21,162.57	19,669.55
Net movement in funds	117,021.80	(76,677.71)	40,344.09	59,501.95
Total funds brought forward	102,339.29	201,677.71	304,017.00	244,515.05
Total funds carried forward	219,361.09	125,000.00	344,361.09	304,017.00

The notes on pages 11 to 15 form part of these financial statements.

EDINBURGH MATHEMATICAL SOCIETY

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2011

	Notes	2011	2010
		£	£
Fixed assets			
Investments	9	250,584.99	201,677.71
Current assets			
Debtors	10	1,203.20	2,786.88
Cash at bank and in hand	11	93,817.90	100,762.41
		<u>95,021.10</u>	<u>103,549.29</u>
Creditors: amounts falling due within one year	12	<u>1,245.00</u>	<u>1,210.00</u>
Net current assets		93,776.10	102,339.29
Net assets		<u>344,361.09</u>	<u>304,017.00</u>

The funds of the charity:-

Unrestricted funds

General fund	13	219,361.09	102,339.29
Designated funds	13	125,000.00	201,677.71
		<u>344,361.09</u>	<u>304,017.00</u>

The financial statements were approved by the trustees on _____ 2011 and are signed on their behalf by:-

Dr P Davies
President

The notes on pages 11 to 15 form part of these financial statements.

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

FOR THE YEAR ENDED 31 JULY 2011

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005), the Charities Accounts (Scotland) Regulations 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Society's Constitution and Rules.

Incoming resources

Income is recognised in the period in which the Society is entitled to receipt and can be measured with reasonable certainty.

Investment income is recognised in the period in which it is receivable.

Members' subscriptions are recognised on a cash received basis.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Grants, awards and prizes are accounted for when the recipient has submitted a claim and the trustees have thereafter agreed to pay the amount without condition. Expenditure on the governance of the Society, including independent examination and professional advice, is analysed to the governance costs category.

Management and administration costs have been separately disclosed in the Statement of Financial Activities. In the opinion of the trustees, there is no reliable method to allocate such support costs within charitable activities.

Assets and liabilities

Income and expenditure that is due to be received or incurred in one financial year but is not actually received or incurred before the end of that year is treated as an asset or liability in the Balance Sheet only if the payment is a legal or contractual requirement and not if the payment will be made on a voluntary basis. So, for example, payments for secretarial services could come into this category but membership subscriptions and grants would not.

Contributions and refunds received

The Society sometimes receives contributions from various sources towards meetings and other events that it organises. Sometimes also the recipient of a grant has to refund part or all of the grant, because conditions attached to the grant have not been met or the financial position has changed. In all such cases the contributions and refunds are recognised as income.

Investments

Investments are valued at their market value (selling price in the case of unit trusts).

VAT

The Society is VAT registered so expenditure is stated net of the recoverable amount of VAT.

2. Proceedings

The cost of complimentary copies of the *Proceedings* for copyright libraries, other organisations with whom the Society has exchange agreements, marketing purposes, internal use of the Society and its Publisher, and a small number of life members of the Society entitled to receive them under a now withdrawn Society rule is included in the expenditure, but no attempt has been made to quantify the value to the Society and the mathematical community of the journals in the Society's library that the Society receives from other organisations as a result of the exchange agreements.

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS *(cont'd)*

FOR THE YEAR ENDED 31 JULY 2011

3. Employees

The Society has no employees but incurs the cost of secretarial services.

4. Remuneration and reimbursement of expenses to trustees

No remuneration was paid to trustees. Trustees received reimbursement of expenses for the following two reasons: firstly travel expenses and accommodation of trustees attending meetings of, or on behalf of, the Society and secondly expenses incurred by the President of the Society entertaining speakers or guests of the Society. The total reimbursement of expenses paid to trustees was £982 (2010: £1,766.02).

5. Grants

Details of the grants awarded for the period are given in the trustees' report. It is the policy of the Society to award grants to institutions and only in exceptional circumstances to individuals. The largest grant awarded through the Research Support Fund or Education Fund was £1,000 (2010: £1,000). The Society through its educational enrichment fund is one of several institutions that are a sponsor of prizes for Advanced Higher Mathematics school pupils. This year the Society was associated with five prizes ranging from £50 to £140 each.

6. Reimbursed expenses

Speakers to the Society are reimbursed for travel, subsistence and accommodation upon presentation of receipts for these items. Trustees and members received reimbursement of expenses and accommodation when attending meetings of, or on behalf of, the Society or making purchases on behalf of the Society. The President of the Society received reimbursement of expenses incurred by the President of the Society, entertaining speakers or guests of the Society. Members and individuals who were awarded grants received reimbursement of expenses for attending meetings on behalf of the Society or hire of accommodation upon presentation of receipts for these items. Finally payment was also made to individuals who helped the Society in the setting up or maintenance of its database or website. These were the only payments made to individuals in the current period.

7. Net incoming resources

This is stated after charging:-	2011 £	2010 £
Independent examiner's remuneration – examination of financial statements	1,245.00	1210.00

8. Taxation

The Society is a registered charity and as a consequence no liability to taxation arises.

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 31 JULY 2011

9. Investments	Holding	Valuation	2011	2010
		£	£	£
Government Stock: Conventional				
5% Treasury Stock 2012	2,883.97	2,961.84		3,077.77
8% Treasury Stock 2013	1,735.52	2,005.05		2,090.43
8% Treasury Stock 2021	3582.12	5,177.95		5,079.09
		<hr/>	10,144.84	<hr/> 10,247.29
Government Stock: Index-linked				
2½% IL Treasury Stock 2011	2,000.00	6,134.80		6,178.80
2½% IL Treasury Stock 2013	6,122.07	17,580.14		16,914.67
2½% IL Treasury Stock 2020	4,275.70	14,854.21		13,199.09
2½% IL Treasury Stock 2024	4,888.39	14,922.30		13,092.09
1¼% IL Treasury Stock 2027	11,604.99	13,138.01		4,275.63
		<hr/>	66,629.46	<hr/> 53,660.28
Unit Trusts, OEICs and Investment Trusts				
M&G Charifund (Income)	5,332.14	61,953.60		47,442.98
M&G Dividend A	21,748.00	11,648.23		10,436.87
New Star Equity Income	30,577.56	11,643.93		10,738.84
Invesco Perpetual High Income (Inc)	7,907.87	25,158.10		14,158.94
Invesco Perpetual High Income (Acc)	6,678.28	33,499.59		28,974.39
Invesco Perpetual UK Growth (Acc)	6,468.93	21,542.83		18,384.70
British Assets Trust	6,469.00	8,364.42		7,633.42
		<hr/>	173,810.70	<hr/> 137,770.14
Total investments			<hr/> <hr/> 250,585.00	<hr/> <hr/> 201,677.71
Valuation at 31 July 2010				201,677.71
Addition of Investments				27,744.71
Disposal of investments				-
				<hr/> 229,422.42
Realised gain on investments				-
Unrealised gain on revaluation of investments				21,162.57
				<hr/> 250,584.99
				<hr/> <hr/> 250,584.99

The Society's investments are in general long-term investments.

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 31 JULY 2011

10. Debtors	2011	2010
	£	£
VAT recoverable	723.20	2,786.88
Other Debtors	480.00	-
	<u>1,203.20</u>	<u>2,786.88</u>
11. Cash at bank and in hand	2011	2010
	£	£
Royal Bank of Scotland	482.43	1,253.90
Bank of Scotland	59,902.21	66,424.29
Standard Life Bank: direct access	21,618.53	21,452.36
Standard Life Bank: 60 day notice	11,814.73	11,631.86
	<u>93,817.90</u>	<u>100,762.41</u>
12. Creditors: Amounts falling due within one year	2011	2010
	£	£
Accruals	1,245.00	1,210.00

13. Funds

The General Committee reviews its reserve policy annually. There are no restricted funds and no permanent endowment funds, and the Society's assets are divided into a General Fund and certain other designated funds. The Society has a broad-ranging programme of activities in support of its strategic objectives as described in the Trustees' Report, and they all need continuity of funding. The Society's assets are divided into designated funds as follows:-

	Balance 1 August 2010 £	Net incoming/ (outgoing) resources £	Transfers £	Investment Gains £	Balance 31 July 2011 £
Unrestricted funds					
General fund	102,339.29	35,458.58	81,563.22	-	219,361.09
Designated funds					
Grants and Awards Fund	90,838.86	(15,262.70)	(84,753.04)	10,581.28	-
Whittaker Prize Fund	10,000.00	-	(5,000.00)	-	5,000.00
St. Andrews Fund	10,000.00	(3,257.36)	13,257.36	-	20,000.00
The Publication Reserves Fund	90,838.85	2,243.00	(3,663.14)	10,581.29	100,000.00
	<u>201,677.71</u>	<u>(16,277.06)</u>	<u>(81,563.22)</u>	<u>21,162.57</u>	<u>125,000.00</u>

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 31 JULY 2011

13. Funds (cont'd)

General Fund – this is used for the day to day operation of the Society, for grants and awards, and for subscriptions and donations to other bodies and other charitable activities not funded from designated funds. The uncertain financial climate, with low investment returns, and the future risks to academic publishing (a key part of the Society's income) have led the General Committee 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 is deemed an expendable reserve to be used in pursuit of the Society's objectives, and it is managed to provide income to be used to ensure the availability of resources for its grant schemes and other continuing charitable activities in future years. In order for the Society's activities to continue indefinitely at present levels, assuming an annual return of 3.5%, the General Committee has concluded that the level of General Fund should be around £200,000.

Whittaker Prize Fund - this fund is a reserve held towards the cost of the Whittaker Prize, currently £500 awarded once every four years (occasionally two awards are made). The fund is intended to meet the designated object indefinitely, assuming an annual return of 3.5%.

St. Andrews Fund - this fund is a reserve held towards the cost of the annual postgraduates' meeting at the Burn House, whose current budget is £3,000 a year. The fund is intended to meet the designated object for 5 years, allowing for inflation.

The Publication Reserves Fund (formerly known as the Strategic Reserve Fund) - this fund acts as the Society's reserve against contingencies, particularly in relation to the publishing of the *Proceedings*. It is designed to cover contingencies including the expense of producing and distributing the Proceedings for one year.

14. Analysis of net assets between funds

	Investments £	Net current assets £	Total £
General funds	125,584.99	93,776.10	219,361.09
Designated funds	125,000.00	-	125,000.00
	<u>250,584.99</u>	<u>93,776.10</u>	<u>344,361.09</u>

Assets are assigned to funds as follows:

The Whittaker Prize fund is allocated £5,000, the St. Andrews fund is allocated £20,000, the Publications Reserves Fund is allocated £100,000, and the General Fund is allocated the balance of the Society's assets.

15. Heritage assets

The Trustees have considered the requirement to report the nature of Heritage Assets under the control of the Society.

The Trustees have identified the following as Heritage Assets:-

- Most of the collections belonging to the Society are held in the Library of the University of Edinburgh and are recorded as such in the Edinburgh University Library catalogue. Some older books and journals are housed at the Collaborative Academic Store for Scotland (CASS), which is located in the Causewayside Building of the National Library of Scotland. The Society's principal collection consists mainly of periodicals obtained by exchange with other learned societies throughout the world; at present about 150 periodical titles are received.

The Trustees are of the view that these heritage assets are of little commercial value and as such no value can be placed on these items for accounting purposes.

EDINBURGH MATHEMATICAL SOCIETY

SUPPLEMENTARY INFORMATION – ANALYSIS OF EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2011

	2011		2010	
	£	£	£	£
Proceedings				
Typesetting, printing and binding	19,178.50		20,216.14	
Editorial work	12,250.00		12,187.50	
Administrative costs	-		1,067.46	
	<u> </u>		<u> </u>	
		31,428.50		33,471.10
Meetings and lectures				
Speakers' expenses	1,177.66		1,044.68	
Accommodation costs	290.00		130.00	
President's expenses	784.52		975.12	
	<u> </u>		<u> </u>	
		2,252.18		2,149.80
Seminars and conferences				
Postgraduate meeting	4,891.06		1,000.00	
Postgraduate expenses	146.30		-	
	<u> </u>		<u> </u>	
		5,037.36		1,000.00
Grants, awards and prizes				
Research Support Fund	11,631.27		10,450.37	
Education Fund	5,874.43		8,820.00	
Special Grants	-		2,663.47	
Whittaker Prize	-		500.00	
	<u> </u>		<u> </u>	
		17,505.70		22,433.84
Subscriptions and donations				
European Mathematical Society	378.68		357.28	
Scottish Mathematical Council	-		100.00	
Joint Mathematical Council	-		60.00	
Society of Friends of Oberwolfach	214.08		230.12	
	<u> </u>		<u> </u>	
		592.76		747.40
Management and administration				
Secretarial services	1,778.40		2,490.74	
Work on database/logo/website/posters	327.00		632.93	
Printing, photocopying, postage, etc	282.26		232.63	
Expenses of trustees on Society business	982.00		790.90	
Expenses of members on Society business	405.15		1,121.69	
Bank charges	249.50		237.98	
Investment commission	553.56		108.16	
Professional Fees	536.17		356.30	
	<u> </u>		<u> </u>	
		5,114.04		5,971.33
Governance costs				
Independent examiner's fee	1,245.00		1,210.00	
	<u> </u>		<u> </u>	
		1,245.00		1,210.00
		<u> </u>		<u> </u>
		63,175.54		66,983.47
		<u> </u>		<u> </u>
		<u> </u>		<u> </u>