

Scottish Charity Number SC000241

**EDINBURGH MATHEMATICAL SOCIETY**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2017**



# EDINBURGH MATHEMATICAL SOCIETY

## TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

### Legal and Administrative Information

#### Trustees

*I Strachan (President)*  
*A Carbery (Vice President, to 14 October 2016)*  
*I de Moortel (Vice President, from 14 October 2016)*  
*J Farkas (General Secretary)*  
*R J Steiner (Treasurer, to 14 October 2016)*  
*F Davidson (Treasurer, from 14 October 2016)*  
*S Theriault (Convener of the Editorial Board)*  
*J Pridham (Meetings Secretary)*  
*A Karakhanyan (Librarian)*  
*J Enright*  
*E Henke*  
*M Whittaker*  
*M Carr (from 14 October 2016)*  
*M Ptashnyk (from 14 October 2016)*  
*O Pocovnicu (from 14 October 2016)*  
*P Knight (from 14 October 2016)*  
*W Yang (to 14 October 2016)*  
*D Trucu (to 14 October 2016)*  
*H Gimperlein (to 14 October 2016)*  
*L Olsen (to 14 October 2016)*

The trustees are the key management personnel.

#### Principal address

Computing Science and Mathematics  
University of Stirling  
Stirling FK9 4LA

#### Charity Number

SC000241

#### Website

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

#### Email address

[edmathsoc@ed.ac.uk](mailto:edmathsoc@ed.ac.uk)

#### Bankers

Bank of Scotland  
Edinburgh Royal Mile Branch  
PO Box 1000  
BX2 1LB

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

#### Independent Examiners

Jeremy Chittleburgh CA  
Chiene + Tait LLP  
Accountants & Independent Examiners  
61 Dublin Street  
Edinburgh EH3 6NL

#### Stockbrokers

Redmayne – Bentley LLP  
25 Blythwood Square Chartered  
Glasgow G2 4BL

#### VAT registration number

GB 607 3627 45

## **EDINBURGH MATHEMATICAL SOCIETY**

### **TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 JULY 2017**

The trustees present their annual report and financial statements of the charity for the year ended 31 July 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

#### **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, as 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 the website.

#### **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.

## EDINBURGH MATHEMATICAL SOCIETY

### TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2017

##### Meetings of the Society

In 2016-17 the Society held eight 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.

Date	Place	Speaker	Title
14th October 2016	ICMS/Edinburgh	AGM, J. Pach (Renyi Inst. Budapest and EPF Lausanne)	Towards a semi-algebraic combinatorics
11th November 2016	Strathclyde	I. Graham (Bath)	Solving the Helmholtz equation at high frequency
9th December 2016	Stirling	J. Kratochvil (Prague)	Geometric Representations of Graphs: Partial Extensions versus Simultaneous Embeddings
27th January 2017	Edinburgh	N.Monod (EPF Lausanne) (Popular lecture)	$1+1=1$ , or the Banach-Tarski paradox
17th February 2017	ICMS/Edinburgh	D. Buck (Imperial)	Knotted DNA: Mathematical Models and Biological Consequences
24th March 2017	Glasgow	V. Jones (Vanderbilt and Newton Institute)	A machine for constructing representations of R. Thompson's groups, unitary and otherwise
28th April 2017	St Andrews	T. Jordan (Bristol)	Multifractal analysis beyond uniform hyperbolicity
26th May 2017	Dundee	R. Ghrist (Pennsylvania)	Topological Inference from Data

##### Proceedings of the Edinburgh Mathematical Society

The Proceedings of the Edinburgh Mathematical Society has been published by the Society since 1883. As of the start of 2016, four issues are currently 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.

## EDINBURGH MATHEMATICAL SOCIETY

### TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2017

#### 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	Amount
European Mathematical Society	Corporate Membership Fee	£403.98 (€450)
Joint Mathematical Council	Affiliation Fee	£165
Society of Friends of Oberwolfach	Donation	£217.37 (€250)
Council for the Mathematical Sciences (CMS)	Support for parliamentary and policy Work	£1000
Royal Society of Edinburgh	Learned Societies Group Fee	£500
Scottish Mathematical Council	Donation	£1,800

#### 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 the website.

#### 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 website (<http://www.ems.ac.uk>) 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' ANNUAL REPORT and FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2017

##### 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 and conferences. Any person may apply for a grant from this fund. Applications are considered by the Research Support Fund Committee. The committee works to a set of rules, copies of which are available on the website. 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, the 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 the Research Support Fund, the Education Fund, the St Andrews Fund and the ICMS Research in Groups fund, as well as those for Student Societies and Special Grants, for this year and last year are given below:

<b>Fund</b>	<b>2016-17</b>	<b>2015-16</b>
Research Support	£24,000	£18,000
Education	£11,500	£11,500
St Andrews	£4,000	£4,000
ICMS Research in Groups	£2,000	£2,000
Student Societies	£1,400	£1,400
Special Grants	-	£4,000 - £4,500

**EDINBURGH MATHEMATICAL SOCIETY****TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2017****Research Support Fund grants paid in 2016-17:**

<b>Applicant</b>	<b>Purpose</b>	<b>£ Amount</b>
Cheltsov/Guletskii (Ed)	Edge Days 2016	1,253.18
Bellamy (Glasgow)	Prof Ulrich Thiel - Visitor	1180.84
Evington (Glasgow)	Prof Ulrich Pennig - Visitor	459.97
Whittaker (Glasgow)	Dr Charles Starling - Visitor	800.00
Meeks (Glasgow)	Scottish Combinatorics Meeting 2016	965.00
Duncan (Newcastle)	North British Geometric Group Theory Seminar 2015-16	900.00
Owens (Glasgow)	Prof Matthias Nagel - Visitor	995.78
Crowley/Hepworth (Aberdeen)	Special Scottish Topology Seminar	299.11
Falconer (St Andrews)	Mathematical Biographies Meeting	1,647.79
Gadre (Glasgow)	31 <sup>st</sup> British Topology Meeting	1,110.51
Szabo (Heriot-Watt)	Dr Paolo Aschieri	600.00
Russell (Dundee)	Mr Kalman Knizhnik - Visitor	890.00
Foss (Heriot-Watt)	Applied Probability Workshop	632.98
Lacey (Heriot-Watt)	Prof John Curtis / AWE plc. -Visitor	140.00
Karakhanyan/ Gimperlein HW/Edinburgh	Mini-Symposia In PDE	700.00
Kosta (Edinburgh)	Applied Algebra and Geometry Meeting	428.71
Sangwin (Edinburgh)	CodeRunner workshop	500.00
Huczynska (St Andrews)	Scottish Combinatorics Meeting 2017	500.00
Scott (St Andrews)	Gender Diversity in Mathematics Meeting	154.89

## EDINBURGH MATHEMATICAL SOCIETY

### TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

#### Education Fund Grants paid in 2016-17:

Applicant	Purpose	Amount
Scott (Holy Cross High School)	Primary Maths Challenge	£100.00
Dorris (Taylor High School)	Higher Study Weekend	£500.00
Lunn (St David's High School)	Higher/Advanced Higher Study Weekend	£500.00
McGrane (Hillhead High School)	Higher/Advanced Higher Study Weekend	£500.00
Romanes (Bannerman High School)	National 5/Higher Study Weekend	£500.00
Hamilton (Denny High School)	Maths Study Weekend	£500.00
Batty (Brae High School)	Fun Session for Cluster Primaries	£200.00
MacDonald (St Aidan's High School)	Higher/Advanced Higher Study Weekend	£500.00
Dorrat (Anderson High School)	Travel to SMMT Maths Challenge Final	£500.00
Lowe (Preston Lodge High School)	S4, S5 and S6 Study Camp	£500.00
Simpson (Torry Academy)	National 5/Higher Study Weekend	£500.00
Taylor (Grange Academy)	Higher/Advanced Higher Study Weekend	£500.00
Nicoll (Dalkeith High School)	S4 study weekend	£500.00
Peat (Graeme High School)	Higher Maths Study Weekend	£500.00
Gallagher (Greenfaulds High School)	Higher Study Weekend	£500.00
Martin (University of Aberdeen)	Enterprising Mathematics Challenge (event for primary school pupils organised in University of Aberdeen)	£500.00
Klivanec (University of Edinburgh students)	Náboj - International mathematical competition	£300.00
Blair (Knox Academy)	Enrichment fund award	£500.00

#### St Andrews Fund

The 2017 Annual EMS Meeting (6-9 June 2017) was attended by 19 students from 8 Scottish Universities (20 students applied to attend the meeting, but one student did not show up). Of these 19 students, 15 students gave high-quality talks (20 min each).

On the last day of the meeting, the students voted on the best presentation (per their own standards). The largest number of votes was received by Ms. Arnina Goodlad (University of Dundee), who was therefore given the EMS Prize for the Best Presentation (£100).

It is proposed that the attendance of this EMS Postgraduate Meeting would benefit from the advert of the meeting during the October SMSTC Opening Symposium in Perth. During an informal chat with one student who attended the Burn meeting this year, he manifested his disappointment that he did not see more of his peers whom he met in Perth in October 2016 (at the SMSTC Opening Symposium). Therefore, not many 1st year PhD students are aware of this annual EMS Postgraduate Meeting (nor are they aware that they can attend a research meeting in their first year - the general view being that students attend research meetings and give presentations only when they have enough results).

## EDINBURGH MATHEMATICAL SOCIETY

### TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 JULY 2017

The next EMS Postgraduate Meeting is scheduled to take place at the beginning of June 2018.

#### Payments from the St Andrews fund for The Burn PG conferences in 2016-17:

Total for June 2016 (including £100 Prize Money)	£2,705.70
--	-----------

#### 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 administrative support of committee meetings. The University of Edinburgh is paid for some secretarial services.

#### Financial Review

In round figures income was £79,927 and expenditure was £69,132 and at the end of the year the Society's net assets were £521,921.

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. This year's postgraduate meeting at The Burn was a great success and had a full house of student participants from eight Scottish universities. The budgets for the Education Fund and Research Support Fund have been increased due to high continuing demand, and it is gratifying to note that the Society currently has the resources to be able to support so many of these applications.

During the past year our investments performed well despite the market conditions. Our portfolio is showing modest but satisfactory capital growth.

#### Future plans

The speakers and dates for the Society's meetings in the following year have already been confirmed.

## **EDINBURGH MATHEMATICAL SOCIETY**

### **TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 JULY 2017**

#### **Reserves policy**

##### **General Fund**

General Reserves held at 31 July 2017 amounted to £386,921. 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, the General Committee has concluded that the Society should aim for an annual income from investments of about £11,500.

##### **Whittaker Prize Fund**

The Whittaker Prize Fund held at 31 July 2017 amounted to £10,000 and this fund is a reserve held towards the cost of the Whittaker Prize, currently £1,000 (occasionally two awards are made). The prize was awarded at four-yearly intervals until 2013, but the intervals are now subject to a periodic review and the prize may be awarded more frequently. The fund is intended to meet the designated object indefinitely, assuming an annual return of 3.5%.

##### **St Andrews Fund**

The St Andrews Fund held at 31 July 2017 amounted to £25,000 and this fund is a reserve held towards the cost of the annual postgraduates' meeting at the Burn House, whose current budget is £4,000 a year. The fund is intended to meet the designated object for 5 years, allowing for inflation.

##### **Publication Reserves Fund**

The Publication fund held at 31 July 2017 amounted to £100,000 and 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.

## **EDINBURGH MATHEMATICAL SOCIETY**

### **TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 JULY 2017**

##### **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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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**

**Dr J Farkas** (General Secretary)

**Date:**



## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

### **OF EDINBURGH MATHEMATICAL SOCIETY**

I report on the financial statements of the Edinburgh Mathematical Society for the year ended 31 July 2017 which are set out on pages 12 to 21.

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 financial statements 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 financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (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 financial statements 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

#### **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 financial statements 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 financial statements to be reached.

**Jeremy Chittleburgh CA**  
**CHIENE + TAIT LLP**  
**Chartered Accountants and Independent Examiners**  
**61 Dublin Street**  
**Edinburgh**  
**EH3 6NL**

.....

**EDINBURGH MATHEMATICAL SOCIETY**

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account)**

**FOR THE YEAR ENDED 31 JULY 2017**

	Notes	General Unrestricted Fund £	Designated Funds £	2017 Total £	2016 Total £
<b>Income and endowments from:</b>					
Donations and legacies		445.14	-	445.14	443.30
Investment income	7	11,012.53	-	11,012.53	10,677.69
Income from charitable activities:					
<i>Publisher proceedings income</i>		62,859.76	-	62,859.76	68,865.82
<i>Members' subscriptions</i>		5,610.00	-	5,610.00	4,768.50
<b>Total income</b>		<u>79,927.43</u>	<u>-</u>	<u>79,927.43</u>	<u>84,755.31</u>
<b>Expenditure on:</b>					
Charitable activities:					
<i>Proceedings</i>		27,384.04	-	27,384.04	44,513.68
<i>Meetings and lectures</i>		5,113.11	-	5,113.11	5,488.00
<i>Seminars and conferences</i>		-	2,705.70	2,705.70	2,502.40
<i>Grants, awards and prizes</i>		22,258.76	1,000.00	23,258.76	28,300.78
<i>Subscriptions and donations</i>		4,086.35	-	4,086.35	4,277.58
<i>Management and administration</i>		4,493.87	-	4,493.87	7,464.80
<i>Governance costs</i>	8	2,090.00	-	2,090.00	1,450.00
<b>Total expenditure</b>		<u>65,426.13</u>	<u>3,705.70</u>	<u>69,131.83</u>	<u>93,997.24</u>
Net gains on investments		37,763.17	-	37,763.17	8,918.86
<b>Net income/(expenditure)</b>		<u>52,264.47</u>	<u>(3,705.70)</u>	<u>48,558.77</u>	<u>(323.07)</u>
Transfers between funds		(3,705.70)	3,705.70	-	-
<b>Net movement in funds</b>		<u>48,558.77</u>	<u>-</u>	<u>48,558.77</u>	<u>(323.07)</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		338,361.78	135,000.00	473,361.78	473,684.85
<b>Total funds carried forward</b>		<u><u>386,920.55</u></u>	<u><u>135,000.00</u></u>	<u><u>521,920.55</u></u>	<u><u>473,361.78</u></u>

All activities relate to continuing activities.

All funds are unrestricted in the previous year.

The notes on pages 14 to 21 form part of these financial statements.

**EDINBURGH MATHEMATICAL SOCIETY**

**BALANCE SHEET**

**FOR THE YEAR ENDED 31 JULY 2017**

	<b>Notes</b>	<b>2017</b>	<b>2016</b>
		£	£
<b>Fixed Assets</b>			
Investments	10	426,107.43	388,344.26
<b>Current Assets</b>			
Debtors	11	-	3,472.16
Cash at bank and in hand	12	120,165.59	102,199.11
		<u>120,165.59</u>	<u>105,671.27</u>
<b>Current Liabilities</b>			
Creditors falling due within one year	13	24,352.47	20,653.75
<b>Net Current Assets</b>		<u>95,813.12</u>	<u>85,017.52</u>
<b>Net Assets</b>		<u><u>521,920.55</u></u>	<u><u>473,361.78</u></u>
<b>The funds of the charity:</b>			
Unrestricted General Fund	14	386,920.55	338,361.78
Unrestricted Designated Fund	14	135,000.00	135,000.00
		<u><u>521,920.55</u></u>	<u><u>473,361.78</u></u>

Approved by the Trustees on ..... and signed on their behalf by:-

**I Strachan**  
President

The notes on pages 14 to 21 form part of these financial statements.

# EDINBURGH MATHEMATICAL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2017

#### 1. Accounting Policies

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended)

The Scottish charity constitutes a public benefit entity as defined by FRS 102.

##### **Going Concern**

The financial statements have been prepared on a going concern basis. The trustees have assessed the Society's ability to continue as a going concern and have reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

##### Reconciliation of reported net expenditure

Net expenditure as previously stated	(9,241.93)
Adjustment for gains on investments now shown as a component of net income	8,918.86
	<hr/>
2016 net expenditure as restated	(323.07)

##### **Income recognition**

Income is recognised once the Trust has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations, are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Members' subscriptions are recognised on a cash received basis.

**1. Accounting Policies (continued)**

**Income recognition (continued)**

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

**Expenditure recognition**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to that expenditure. All expenditure is accounted for on an accruals basis and all expenses are allocated to the applicable expenditure headings. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred.

Grants, awards and prizes are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Trust.

Governance costs include the costs of general governance of the charity as opposed to direct management inherent in meeting charitable objectives and are those costs associated with strategic, constitutional and statutory requirements.

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 governance costs.

**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.

**Charitable activities**

Costs of charitable activities include grants made, typesetting along with editorial work and governance costs. These are all detailed on the face of the Statement of Financial Activities.

**Heritage Assets**

The Trustees are mindful of the disclosure requirements for Heritage Assets. The Trustees have identified several items as Heritage Assets as detailed in note 16. The Trustees consider that whilst these are Heritage Assets, they are of little commercial value. As a consequence no value can be placed on these items for accounting purposes.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently at their mid-market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The trust does not acquire or use put options, derivatives or other complex financial instruments.

## EDINBURGH MATHEMATICAL SOCIETY

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

#### FOR THE YEAR ENDED 31 JULY 2017

#### 1. Accounting Policies (continued)

##### **Investments (continued)**

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

##### **Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

##### **VAT**

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

##### **Funds structure**

The unrestricted general fund 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 designated fund comprises The Publication Reserves Fund, the Whittaker Prize Fund and the St Andrews Fund. These three funds are designed to meet the charity's objectives of awarding grants, meeting the costs of the annual postgraduate meeting and to act as the Society's reserve against contingencies, particularly in relation to the publishing of the *Proceedings*.

##### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 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.

#### 3. Employees

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

## EDINBURGH MATHEMATICAL SOCIETY

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

#### FOR THE YEAR ENDED 31 JULY 2017

#### 4. Remuneration and reimbursement of expenses to trustees

Trustees, who are key management personnel, received no remuneration from the charity.

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 or a deputy entertaining speakers or guests of the Society. The total reimbursement of expenses paid to trustees was £3,501 for two trustees (2016: £3,461 for four trustees).

#### 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 £1,648 (2016: £1,200).

#### 6. Reimbursed expenses

Speakers to the Society are reimbursed for travel, subsistence and accommodation upon presentation of receipts for these items. Trustees, members and other individuals receive 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 or a deputy receives reimbursement of expenses incurred when entertaining speakers and guests of the Society. Apart from the prize for the best presentation at the Burn, these were the only payments made to individuals in the current period.

#### 7. Investment Income

	2017 £	2016 £
Dividends received	10,264.58	9,921.53
Interest received	747.95	756.16
	<u>11,012.53</u>	<u>10,677.69</u>

#### 8. Governance costs

	2017 £	2016 £
Independent examiner's remuneration	770.00	750.00
Preparation of financial statements	970.00	700.00
VAT advice	350	-
	<u>2,090.00</u>	<u>1,450.00</u>

#### 9. Taxation

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

**EDINBURGH MATHEMATICAL SOCIETY**

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

**FOR THE YEAR ENDED 31 JULY 2017**

<b>10. Investments</b>	<b>Holding</b>	<b>Valuation</b>	<b>2017</b>	<b>2016</b>
		£	£	£
Government Stock: Conventional				
8% Treasury Stock 2021	3,582.12	4,630.24		4,930.42
3¾% Treasury Stock 2052	2,640.00	3,983.22		4,346.76
		<u>          </u>	8,613.46	<u>          </u>
Government Stock: Index-linked				
2½% IL Treasury Stock 2020	4,275.70	15,794.86		15,805.98
2½% IL Treasury Stock 2024	4,888.39	17,895.90		17,686.20
1¼% IL Treasury Stock 2027	11,604.99	15,533.28		15,712.00
4⅛% IL Treasury Stock 2030	6,450.00	23,502.50		23,298.04
1⅛% IL Treasury Stock 2037	4,350.00	7,136.18		7,164.02
		<u>          </u>	79,862.72	<u>          </u>
Unit Trusts, OEICs and Investment Trusts				
Alliance Trust Ordinary 25p	7,000.00	50,015.00		39,550.00
M&G Charifund (Income)	5,332.14	86,137.52		79,802.94
M&G Dividend A	21,748.00	13,946.96		12,959.62
Temple Bar Investment Trust Ordinary 25p	1,900.00	24,168.00		20,957.00
Invesco Perpetual High Income (Inc)	7,907.87	36,891.80		35,514.24
Invesco Perpetual High Income (Acc)	6,678.28	60,244.76		56,111.58
Invesco Perpetual UK Growth (Acc)	6,468.93	42,297.74		34,996.90
Murray International Trust Ordinary 25p	980.00	12,269.60		10,348.80
European Assets Trust	885.00	11,659.87		9,159.76
		<u>          </u>	337,631.25	<u>          </u>
			<u>          </u>	<u>          </u>
Total investments			426,107.43	388,344.26
			<u>          </u>	<u>          </u>
Valuation at 31 July 2016				388,344.26
Additions of Investments				-
				<u>          </u>
Unrealised gain on revaluation of investments				388,344.26
				<u>          </u>
Valuation at 31 July 2017				426,107.43
				<u>          </u>

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 2017**

<b>11. Debtors</b>	<b>2017</b>	<b>2016</b>
	£	£
VAT recoverable	-	3,028.86
Other Debtors	-	443.30
	<u>-</u>	<u>3,472.16</u>
	<u><u>-</u></u>	<u><u>3,472.16</u></u>

  

<b>12. Cash at bank and in hand</b>	<b>2017</b>	<b>2016</b>
	£	£
Royal Bank of Scotland	8,101.39	4,371.63
Bank of Scotland	62,064.20	47,827.48
Bank of Scotland fixed term deposit	50,000.00	50,000.00
	<u>120,165.59</u>	<u>102,199.11</u>
	<u><u>120,165.59</u></u>	<u><u>102,199.11</u></u>

  

<b>13. Creditors: Amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	£	£
Accruals	22,764.59	20,653.75
VAT repayable	1,587.88	-
	<u>24,352.47</u>	<u>20,653.75</u>
	<u><u>24,352.47</u></u>	<u><u>20,653.75</u></u>

Accruals include accurate figures except where an estimate has been made and not yet finalised at the year end. Corrections are included in the subsequent year.

**14. Funds**

The General Committee reviews its reserves 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:-

EDINBURGH MATHEMATICAL SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE YEAR ENDED 31 JULY 2017

14. Funds (continued)

	Balance 1 August 2016 £	Net incoming/ (outgoing) resources £	Transfers £	Investment Gains £	Balance 31 July 2017 £
<b>Unrestricted funds</b>					
General fund	338,361.78	14,501.30	(3,705.70)	37,763.17	386,920.55
<b>Designated funds</b>					
Whittaker Prize Fund	10,000.00	(1,000.00)	1,000.00	-	10,000.00
St. Andrews Fund	25,000.00	(2,705.70)	2,705.70	-	25,000.00
The Publication Reserves Fund	100,000.00	-	-	-	100,000.00
	135,000.00	(3,705.70)	3,705.70	-	135,000.00

**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.

**Whittaker Prize Fund** - this fund is a reserve held towards the cost of the Whittaker Prize, currently £1,000 (occasionally two awards are made). The prize was awarded at four-yearly intervals until 2013, but the intervals are now subject to a periodic review and the prize may be awarded more frequently. 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 £4,000 a year. The fund is intended to meet the designated object for 5 years, allowing for inflation.

**The Publication Reserves 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.

**EDINBURGH MATHEMATICAL SOCIETY**

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

**FOR THE YEAR ENDED 31 JULY 2017**

**15. Analysis of net assets between funds**

	<b>Investments</b>	<b>Net current assets</b>	<b>Total</b>
	£	£	£
General funds	291,107.43	95,813.12	385,920.55
Designated funds	135,000.00	-	135,000.00
	<u>426,107.43</u>	<u>95,813.12</u>	<u>521,920.55</u>

Assets are assigned to funds as follows:

The Whittaker Prize fund is allocated £10,000, the St. Andrews fund is allocated £25,000, the Publications Reserves Fund is allocated £100,000, and the General Fund is allocated the balance of the Society's assets.

**16. 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 2017

	2017		2016	
	£	£	£	£
<b>Proceedings</b>				
Typesetting, printing and binding	11,894.37		28,492.24	
Editorial work	14,500.00		14,500.00	
Administrative costs	989.67		1,521.44	
	<hr/>	27,384.04	<hr/>	44,513.68
<b>Meetings and lectures</b>				
Speakers' expenses	1,739.04		2,020.27	
Accommodation costs	-		323.75	
President's expenses	3,139.67		1,143.98	
Other	234.40		2,000.00	
	<hr/>	5,113.11	<hr/>	5,488.00
<b>Seminars and conferences</b>				
Postgraduate meeting	2,705.70		2,502.40	
	<hr/>	2,705.70	<hr/>	2,502.40
<b>Grants, awards and prizes</b>				
Research Support Fund	14,158.76		18,467.06	
Education Fund	8,100.00		9,247.02	
Special Grants	-		586.70	
Whittaker Prize	1,000.00		-	
	<hr/>	23,258.76	<hr/>	28,300.78
<b>Subscriptions and donations</b>				
European Mathematical Society	403.98		350.56	
Scottish Mathematical Council	1,800.00		1,800.00	
Joint Mathematical Council	165.00		160.00	
Society of Friends of Oberwolfach	217.37		188.02	
Council of Mathematical Sciences	1,000.00		1,000.00	
Royal Society of Edinburgh	500.00		500.00	
Other Donations	-		279.00	
	<hr/>	4,086.35	<hr/>	4,277.58
<b>Management and administration</b>				
Secretarial services	2,309.30		3,550.01	
Work on database/logo/website/posters	100.00		-	
Printing, photocopying, postage, etc	262.46		228.95	
Expenses of trustees on Society business	361.24		2,317.27	
Expenses of members on Society business	497.86		1,067.53	
Bank charges	305.58		301.04	
General expenses	600.00		-	
Legal and professional fees	57.43		-	
	<hr/>	4,493.87	<hr/>	7,464.80
<b>Governance costs</b>				
Independent examiner's fee	770.00		750.00	
Preparation of financial statements	970.00		700.00	
VAT advice	350.00		-	
	<hr/>	2,090.00	<hr/>	1,450.00
		<hr/> <hr/>		<hr/> <hr/>
		69,131.83		93,997.24
		<hr/> <hr/>		<hr/> <hr/>