



The Royal Institution
Science Lives Here

Annual General Meeting, 19 May 2014, 18.00
Theatre, 21 Albemarle Street, London, W1S 4BS

Presented by: Sir Richard Sykes (Chairman of the Royal Institution of Great Britain)
Chris Rofe (CEO of the Royal Institution of Great Britain)
Dr Gail Cardew (Director of Science and Education of the Royal Institution of Great Britain)
Dr Martin Knight (Chair of the Finance Committee)
Sir Peter Knight (Audit Committee member)

In attendance: Membership of the Royal Institution

Item	Narrative	Action
1.	Welcome	
1.1.	Sir Richard Sykes (RBS) welcomed the members to the AGM and covered some basic housekeeping points.	
2.	Minutes of the last Annual General Meeting	
2.1.	Sir Richard confirmed that the minutes from the 2013 Annual General Meeting had been available on the website and asked for confirmation that these minutes could be approved. This approval was received.	
3.	Invitation for new members to sign the Members' Book	
3.1.	Sir Richard invited any new members who so wished to take the opportunity to sign the new Members' Book, noting that the previous book has now been filled after 204 years of use.	
4.	Presentation of the statement of the Audit Committee	
4.1.	<p>RBS introduced Prof Sir Peter Knight (PK), who will be presenting the statement of the Audit Committee on behalf of the Chair, Sarika Patel.</p> <p>PK thanked RBS and provided the members with an overview of the role and responsibilities of the Audit Committee. He noted that the Audit Committee has been populated by new members, with an excellent mix of relevant experience and skills, over the last twelve months.</p> <p>The Audit Committee approved the scope of the 2012/13 audit with the Auditors, Baker Tilly. From a technical point of view the audit progressed well and all minor issues were resolved. No material issues arose and the accounts were prepared on the going concern basis. Accordingly, the financial statements were recommended to the Trustees. PK asked members to note the removal of the emphasis of matter statement in relation to going concern that has been present for the past few years. PK emphasised the positive financial performance which enabled a much more comfortable audit process this year and commended the performance of the management team in achieving this.</p> <p>PK presented the key figures of the final accounts, noting that there was a £4.2m surplus reported in the 2012/13 published accounts. As many members are already aware, this enabled the full repayment of the bank loan and a significant reduction of the net debt position.</p>	

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	<p>PK noted that the Audit Committee recognise that the Ri is not 'out of the woods' yet with regards to financial stability. Future risk remains around the ability to continue to increase funded income to support the charitable activities of the Ri.</p> <p>PK stated that the Audit Committee continues to work closely with the CEO and the Senior Management Team to continually evaluate the strategic risk register and work to mitigate risks as they occur.</p> <p>PK confirmed that a review of the scope of the Terms of Reference for the Audit Committee will be conducted during the coming months, with the aim to increase the explicit focus on managing organisational risk. In keeping with the byelaws, the amended Terms of Reference will be tabled at the next AGM for approval by members.</p> <p>PK thanked members and concluded the Audit Committee presentation.</p>	
5.	Presentation of the Annual Report of the Trustees	
5.1.	<p>Sir Richard reminded members of his message to them in the AGM communications, particularly noting the decision of the Trustees at the March 2014 Board Meeting to not proceed with any sale of Albemarle St property.</p> <p>During the last twelve months, the Ri has received considerable support from many organisations and individuals and Sir Richard expressed both his personal thanks and thanks on behalf of the Ri to this group.</p> <p>He emphasised that the decision not to proceed with a sale of property assets is not without its challenges, and that it will require the Ri to reconfigure how it operates within and occupies this building to generate further income. Sir Richard confirmed that the Ri will be closing the current bar and restaurant, as part of this reconfiguration over the next 12 months. He stated that the Ri will continue to provide a hospitality service on-site to cater for members, visitors and commercial activities. The Ri cafe will remain in use.</p> <p>Sir Richard also confirmed that the Ri will now develop a fundraising initiative, with the long term aim of generating a sufficient endowment to ensure the stability of the Ri's programmes and activities. He emphasised that a clear balance sheet is critically important to achieving this aim, in order to reassure funders that their contributions are going directly towards supporting the Ri's programmes and not aiding the repayment of debt.</p> <p>Thus, the primary objective is for the repayment of the outstanding £2m loan (due in June 2015). Sir Richard confirmed that, given the decision not to dispose of property, the Ri will be dependent either upon the generosity of its supporters (if individuals wished to assist with this task) and failing that, the disposal of non-core assets to enable the repayment of this loan.</p>	
	<p>Sir Richard introduced Chris Rofe (CR) to provide an overview of the year's operational highlights and a summary of the current status.</p> <p>CR indicated that the 2012/13 Trustees report and the figures reflected in the accounts are the most positive that have been seen in some time.</p> <p>He reflected on how costs have been reduced down from £5m in 2010 to £3.6m in 2013. CR stated that, while these costs have been driven down the Ri has managed to become more efficient, with significantly increased trading revenues. CR confirmed that venue hire alone has increased significantly in the last few years and now generates sales of over £1m a year. He noted that the core operational deficit has been reduced from a £2.6m deficit in 2010 to c.</p>	

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	<p>£250k now, coupled with the reduction of net debt to £64k as at 30 September 2013.</p> <p>CR also drew attention to the fact that the shape of the operating model has changed considerably, with 75% of the overall income now coming from generated revenues and 25% from funded income. CR emphasised that this is a much healthier position to be in as it provides greater confidence in the Ri's ability to make more robust financial projections. However, he noted that it is critical that we begin to build funded income.</p> <p>Throughout the last few years, the Ri has been able to maintain, and in many areas increase, the scope and quality of its science, education and communication programmes. In addition, the Ri has managed to invest in the digital infrastructure, enabling the new website and the development of the critically acclaimed Ri Channel.</p> <p>Importantly, the uplift in programme activity and the Ri Channel, and the Ri's ability to communicate more effectively with members and supporters, has been instrumental in achieving an encouraging uplift in membership to a historic high. CR noted that while the team has done a remarkable job in growing membership, the Ri should have many more members than it currently does. Membership growth will therefore be a priority going forward.</p> <p>CR introduced Dr Gail Cardew (GC) to present the programmes and activities overview.</p>	
	<p>GC began by providing an overview of the programme activities conducted over the last 12 months.</p> <p>Starting with the CHRISTMAS LECTURES, she confirmed that 2.2m individuals tuned in to BBC4 to view the 2014 lectures <i>Life Fantastic</i>. She also noted that the online Ri advent calendar that ran daily in the run-up to the Lectures was viewed by 47k individuals.</p> <p>GC reminded members of the launch of the new website at the end of 2013, noting that it has helped to transform the Ri's ability to provide the public with greater access to its heritage through the use of heritage blogs and interactive timelines about the Ri building and prominent individuals connected to the Ri.</p> <p>GC confirmed that 2012/13 saw the highest ever attendance at a Family Fun Day, with over 920 individuals. Additionally, Ri public events are continually selling out with average attendance in the Theatre at 366 for both public events and Friday Evening Discourses. GC reminded members that the Ri has an all-women line up for the Friday Evening Discourses this year to celebrate the achievements of women in science in the UK.</p> <p>The L'Oreal Young Scientist Centre on the lower ground floor continues to go from strength to strength, with a 52% increase in attendance over the last 12 months and bookings now being taken for summer 2015. GC confirmed that the University of Central Lancaster in Preston will be launching a regional YSC in partnership with the Ri in September 2014.</p> <p>The Masterclass network is thriving, with programmes taking place at over 140 venues around the UK. GC noted the growth of the Engineering Masterclass programme and the appointment of a dedicated Engineering Masterclass coordinator, stating that we hope to replicate the success of this with a suite of Computer Science Masterclasses in 2014/15.</p> <p>Additionally, the Schools events remain extremely popular, and were attended by over 8,000 children last year.</p>	

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	<p>GC's overview focussed on the phenomenal growth in the Ri Channel over the last year, with projects including a crystallography animation funded by STFC. This video made it onto the front page of the Guardian, Telegraph and Stanford University websites, was translated into French and Spanish, and was nominated for a British Animation Award.</p> <p>Overall, there has been a 500% increase in the Ri's digital engagement over the last year, with 5m views. Of particular note is the fact that 2/3 of the digital audience is overseas (1/3 USA) and the remaining 1/3 is from within the UK.</p> <p>GC drew members' attention to the fact that the Ri has over 85k YouTube subscribers which, in comparison to subscription numbers of comparable scientific and cultural organisations, is extremely high (more than Royal Society, Science Museum, Wellcome Collection, BSA, Kew, Tate and British Museum combined).</p> <p>GC confirmed that the Ri will be building on this success, with the overall aim of reaching many more people worldwide, recognising that to do so will require additional resources to ensure that we can continue to upload high quality content online regularly.</p> <p>GC emphasised that the team is exceptionally skilled at monitoring what the external audience needs and what the changing nature of the general public's relationship to science is. She noted that a recent survey conducted by Ipsos MORI (Public Attitudes to Science 2014) showed that 84% of general public think that science is so important that we should take an interest in it, but that only 45% feel well informed about science. This supports the Ri's aims of producing suitable and accessible content to address this demand, and in a way that acknowledges the changing platforms through which people are consuming knowledge.</p> <p>Sir Richard congratulated GC and her team on the achievements over the last twelve months.</p>	
6.	Financial Context	
6.1.	<p>Sir Richard introduced Dr Martin Knight (MK) to provide an overview of the current financial context.</p> <p>MK clarified that the role of the Finance Committee is distinct from that of the Audit Committee, and that its focus and concern is to advise the Trustees about what the Ri should be doing from a financial perspective to move forward. MK confirmed that while the past couple of years have been challenging for the Committee, the current more positive situation is considerably different now in spite of the hurdles that must still be overcome.</p> <p>At the 2013 AGM MK presented that the underlying financial deficit was c. £500k. In 2014 this is now c. £250k which, while an improvement, is still paralleled by an operating cash outflow.</p> <p>The issue the Committee has been addressing over the last twelve months is what the Ri needs to do to get itself to a break-even position, and at a point where there exists a positive cash inflow.</p> <p>The Committee feels confident that positive cash flow can be achieved through operating improvements, some of which may require the Ri to change the way in which it currently operates (such as the building reconfiguration mentioned earlier). MK reiterated that the repayment of the £2m loan is an important step, and that the sale of non-core assets will need to be considered to enable this. Initiatives to generate long-term sustainability will be the focus of the</p>	

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	<p>Committee's activities over the next twelve months.</p> <p>MK emphasised that, provided the necessary steps are taken, he is confident that the deficit can be removed.</p> <p>Sir Richard thanked MK, concluding the financial context section by emphasising that the Ri needs to continue to strive towards becoming much more commercial, significantly grow membership, and convey a sufficiently compelling future that attracts the necessary funding. The Science and Education Committee, chaired by Prof Julia Buckingham, will be advising on the future strategic direction prior to the next Board of Trustees Meeting in June.</p> <p>Sir Richard also confirmed that £500k has been received by Causeway Technologies Ltd to fund the Computer Science Masterclasses programme mentioned by GC earlier. A formal announcement about this will be made in due course.</p> <p>He also thanked CR and his team for their incredible work over the last year. He then opened the floor for questions.</p>	
6.2.	<p>Question – Could you give us some more indication of what you plan for the future once funds allow? For example small things like tea and cake after the Friday Evening Discourses; the members' room could be restored, and could something be done about the seating in the theatre – the spacing of the seating is very narrow and may discourage some groups from attending?</p> <p>Answer – (RBS) As the Ri gains more financial stability and we have a bit more free spending money to make it even more interesting for members, and to attract more members into the organisation, these are certainly things we will look at.</p>	
6.3.	<p>Question – How much money is the restaurant leaking and what might you do with the space?</p> <p>Reply – (CR) The public catering annual commission is circa £10k, and the actual usage of these facilities by members is very low. We will continue to provide a cafe and mobile restaurant services before and after Discourses in alternative spaces. We will look to optimise the commercial return from these ground floor spaces through their use from venue hire and/or a commercial lease. CR emphasised that this space is surplus to requirement for the Ri's charitable activities.</p>	
6.4.	<p>Question – The subscription figures for the Ri Channel are extremely encouraging. Is it possible to make money out of this activity?</p> <p>Reply – (GC) It's always a trade off as all content is currently uploaded under creative commons license so we cannot get revenue on YouTube per click for these. We will be experimenting with a couple of videos to see if we can generate money in this way, but the licensing arrangements and agreements must first be explored. A small amount of revenue is coming in through syndication arrangements and we are looking to exploit this further. The underlying funding arrangement that we will be looking at going forward is through supporting trusts and foundations and sponsorship, at least in the initial term. GC emphasised that the visibility we have received through the Ri Channel has been instrumental in increasing the visibility of the Ri as a whole.</p>	
6.5.	<p>Question – More detail regarding the disposal of non-core assets mentioned earlier?</p> <p>Reply – (RBS) These refer to items that do not affect the integrity of the core collection of the Ri or be considered as core to the mission and work of the Ri.</p>	

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	<p>They would be predominantly items that are either held in storage off-site and/or are not displayed in the museum. This is a process which must be explored if we are unable to source adequate support from individuals and organisations to repay the outstanding loan.</p>	
6.6.	<p>Question – Can you create a social environment in your website through which children can express themselves and communicate their ideas and achievements? This would generate a huge audience that can enable you to do crowd financing perhaps. People can subscribe to these virtual clubs and be encouraged to contribute.</p> <p>Reply – (RBS) Thank you, this could be explored and can be discussed with GC directly after the meeting.</p>	
6.7.	<p>Question – You didn't mention the science research done on site, please can you explain how that fits in with the future vision?</p> <p>Reply – (CR) You will have seen in the annual report that the five year research collaboration between the Ri and UCL came to its natural conclusion in April of last year. There are two facets now going forward. The current UCL research team remains here, with their research and equipment, but the relationship is as tenants. At some stage that will come to a natural conclusion, but this is in the gift of UCL. The Ri's next challenge is to think about how it then constructs a research agenda which can be delivered with other partners. Importantly for the Ri, future research arrangements need to be financially viable.</p>	
6.8.	<p>Question – What are the operational changes that will occur to eliminate the deficit mentioned earlier?</p> <p>Reply – (MK) Essentially it's using this building more effectively. A lot is let out for commercial activities and it may be that by letting out different parts of the building and moving people around we can create more profitable opportunities. Nothing dramatic will occur but there are smarter ways to rearrange our activities that will assist with increasing income generation.</p> <p>Reply – (CR) The quantum we need to secure is an additional £300k per annum. The changes to the bar and the restaurant will be part of this equation and the rest will be primarily back of house arrangements. We can make small changes to staff locations that will enable us to generate greater rental income. This will not impact on or compromise our activities or reduce public space beyond the restaurant and the bar.</p>	
6.9.	<p>Question – Can we negotiate a higher profile with the BBC? Can we be on BBC1?</p> <p>Reply – (GC) We have a very good relationship with the BBC - we meet with them regularly and contribute to CBeebies and CBBC as well as science history documentaries. Obviously, the buck stops at the fact that we can't control the BBC's programming, in spite of being able to advise and encourage.</p>	
6.10.	<p>Question – We need to up our corporate profile. This will be done through the opening of the new YSC in Preston, but should we not be doing more of this? Can we do more regional activities around the country? Also, can we be more vocal in science policy issues to bring the name of the Ri in front of people?</p> <p>Reply – (RBS) In our discussion with the Royal Society this was an issue we discussed and that we felt could be extremely well addressed together as both the Ri and RS. There is a space that the Ri could fill with regards to advocacy, but the strategy must be achieved first. Our door is always open to collaboration.</p>	

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6.11.	<p>Question – One of your major targets is education. How do you reach out to the schools, or do you wait for them to come to you? Are you managing to reach into the hard-to-reach parts of the community? Would it be a good thing to target a centre in South London where there are children with ability but less opportunity and encouragement?</p> <p>Reply – (GC) Couldn't agree with you more. We do work a lot with underrepresented groups. One example of this is our work with an organisation called Bowden House which has pupils who have been completely excluded from school. We also work with an organisation called Generating Genius, whose remit is to find hard-to-reach groups. We partner with both of these to provide them with hands-on scientific activities in the lab. These groups require a lot more intensive resource to find them but they are a crucial part of our programme and we would like to expand our work in this area if possible.</p>	
6.12.	<p>Questions – Are young members being given any chance to take part in determining the future of the Ri?</p> <p>Reply – (CR) We undertook a survey about 8 months ago to investigate whether there was an interest or desire to develop a Faraday student forum. Unfortunately, the response was extraordinarily low and there was not a real appetite with the exception of 1 or 2 people. Therefore, this forum has been put on hold at the moment. The fastest growing membership category is Faraday junior membership, so we will be continually trying to engage these categories in the most appropriate manner.</p>	
7.	Appointment of Auditors	
7.1.	<p>PK reported that at the last AGM it was mentioned that the external audit services would be tendered. We went to five audit firms for tender and interviewed three. The interview panel unanimously recommended that Baker Tilly be reappointed and this was supported by the Audit Committee and Executive Team. They recommend by Baker Tilly be appointed for a further five years with an engagement review by the Audit Committee after three years. There was support from the members for this and the appointment of auditors was confirmed.</p>	
8.	Confirmation of retiring Trustees and appointment of re-appointed Trustees	
8.1.	<p>As Chair of the Nominations Committee, Sir Richard confirmed that in alignment with the byelaws three Trustees were put forward for retiring: Hugh Harper, Sarika Patel and Martin Knight. All three put themselves up for re-election. The Nominations Committee reviewed the results of the call for nominations and this year there were three vacancies and only three candidates. Accordingly, there was no need to have an election. Therefore, Martin Knight, Sarika Patel and Hugh Harper are re-elected to the Board of Trustees. Sir Richard thanked the membership for enabling these three to continue as Trustees, emphasising the importance of continued stability within the Board.</p>	
9.	Meeting close	
9.1.	<p>Sir Richard concluded by thanking members for their time, support and contributions this evening and invited them to join the reception in the Ante Room following the meeting.</p>	