



The Royal Institution
of Great Britain

Annual General Meeting
21 May 2012
The Royal Institution of Great Britain
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)
Martin Knight (Chair of the Finance Committee)
Rod McGregor (Chair of the Audit Committee)

In attendance: Membership of the Royal Institution

Item Narrative

1. Welcome

1.1. Sir Richard Sykes welcomed the members to the AGM.

2. Minutes of the last Annual General Meeting

2.1. Sir Richard confirmed that the minutes from the 2011 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 members who so wished to take the opportunity to sign the Members' Book and noted that the book had reached the very last page of the book which also held Michael Faraday's signature.

4. Presentation of the Annual Report of the Trustees

4.1. Sir Richard handed over to Chris Rofe, Chief Executive Officer, to present the annual report. Chris said he would speak about the highlights of the past year and financial challenges still facing the Ri. Despite the difficult financial environment and the significant period of change, Chris highlighted the fact that the staff team delivered an outstanding programme of activities throughout 2011 and in the period since. Chris mentioned that Dr Gail Cardew, Professor Frank James and Claire Gardner were in attendance and available to answer any questions. Professor Quentin Pankhurst had sent his apologies. Chris referred firstly to the Christmas lectures, which have had over 4 million viewers on the BBC so far and the lectures will also be given in Japan for the 22nd year running, as well as being delivered at the Singapore Science Centre for the first time. It is anticipated that they will be televised for the first time in both these countries this year. Chris highlighted the Christmas Lecture entitled "Meet Your Brain" because it not only included one of the most ambitious props created in the Ri, a full size Ames Room, but also included films made for the Ri Channel, as well as teasers, trailers and behind the scenes footage demonstrating how all the areas of the science communication and education teams in the Ri can come together in one activity.

4.2. The Public Events team run by Martin Davies secured funding from Research Councils UK (RCUK) to deliver 6 events based on the Olympics that will be delivered around the UK showcasing the science around sport. The first, discussing Wheelchair Basketball, was delivered in London and other events have taken place in Sheffield and Leeds, with the next one taking place in Weymouth.

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- 4.3.** The regular public programme now includes the new adult-focused science short courses and the Maths Masterclass programme which has just celebrated its 30th anniversary. The Maths Masterclass team have initiated an alumni programme for past and present attendees and now have over 80 contacts - including some from the first year of the Masterclasses. As a result, there was a £25,000 donation after the first alumni dinner at the end of the last financial year. Overall, this year will be one of consolidation for the Masterclass series. The tough economic environment has put pressure on local funding and a couple of groups have been lost, however the primary area (which is in its 5th year of a 5 year Clothworkers' Foundation funding agreement) has grown almost to the same size as the secondary school programme which has been running for 30 years. The task is to now secure funding for the primary programme for the future.
- 4.4.** The Ri Channel, a new online video platform, was launched in December 2012 thanks to funding and an enlightened approach with Microsoft Research and Dr Gail Cardew and her team to expand the reach and impact of the public programme of the Ri. It has been very successful, with 140,000 visitors already spending an average 10 minutes on the site. The feedback has been fantastic and the plan is to widen its reach by moving it from its current beta state with more funding to be able to reach a global audience.
- 4.5.** The L'Oréal Young Scientist Centre has now secured its 5th year of funding from L'Oréal and is operating on average 3 days a week. It was very popular at the Big Bang science fair and has enabled us to also put together international student science weeks.
- 4.6.** The 14-10 Club is a new initiative for finance professionals, bringing the world of science and finance together, as there is often a close synergy and shared interests for people working in both fields. This club already has over 100 members.
- 4.7.** We have recently completed a conservation project to preserve over 400 objects for permanent display within the Michael Faraday laboratory, thanks to funding from MLA Prism Fund and the Radcliffe Trust. John Tyndall's Radiant Heat apparatus and his archival notebooks were displayed at the International climate change conference, to highlight the history of climate change and the role of the Ri in the early research. We also recently gained a grant from the Foyle Foundation to fund a 2 year archival project. Professor Frank James has just completed the publication of the final volume of the correspondence of Michael Faraday, of which 75% of the correspondence has never been in the public domain before.
- 4.8.** The Davy Faraday Research Laboratory (DFRL) is currently in the 5th year of a 5 year collaboration with UCL, among other partners, and continues to provide a platform for a number of different projects. The DFRL also continues a healthy rate of published work.
- 4.9.** Chris drew attention to a member's question from 2011 regarding how well the Ri is able to generate awareness of its activities and leverage the media for this. Chris explained that the Marketing Manager, Kristen Dodd, has created a significant uplift, particularly in social media. There were 834 articles and broadcasts with a total reach of almost 300 million within the last 12 months; the Christmas lectures were featured in the Guardian, the Times, the Independent, in print and online, and local radio. In terms of social media we now have 7700 Twitter followers and over 3500 "likes" on Facebook.
- 4.10.** Chris brought to the members' attention a concern and interest raised by Mr Maurice Dunman regarding the Coat of Arms of the Ri and how it was to continue in use alongside the Ri Logo.

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4.11. Chris provided an overview of the financial situation. Turnover increased 31% to £3.14m and there was a 10% reduction in costs of over £500k to £4.5m; however, despite this significant improvement the annual operating deficit is still too high and is unsustainable. The loss making operating model is currently supported by bank loans and overdraft facilities (which need to be repaid) and the financial position, particularly cash flow, remains extremely fragile. Chris raised the position relating to the use of funds and confirmed that the Ri has informed the Charity Commission that we are not yet in a position to commence the replenishment programme for our endowments and reserves; however, we remain committed to doing so within the agreed 15 year time frame.

5. Annual Accounts for the year 1 October 2010 to 30 September 2011

5.1. Chris handed over to Martin Knight, Chair of the Finance Committee, to discuss the financial situation in more detail.

5.2. Martin reiterated and further clarified that the Ri is asset rich but cash poor due to the nature of its assets; despite the asset worth being very high, the majority of the assets are fixed and it is very hard to be able to leverage the value of this. He mentioned that the building itself is reflected in the books at circa £22m.

5.3. Further, Martin explained that the profit and loss sheet unfortunately doesn't really give the true picture as it is essential to look at the cash position. Martin summarised the historical position, where the Ri had assets that we could make money from; i.e. buildings that could be tenanted and a cash surplus on which we were gaining interest of about 4%. However, as we have now sold many of these assets and endowments, we are no longer receiving the income from them and now that we have also refurbished the building, its upkeep cost is higher than it was before. We also now have debt that we have to service and we need to find £600,000 in 2012/13 just to service the loan that we have with HSBC. Being a charitable institution our options are limited in terms of raising the cash injection required.

6. Presentation of the statement of the Audit Committee

6.1. Sir Richard took the floor back, thanked Martin for his presentation and handed over to Rod McGregor, Chair of the Audit Committee to provide the Audit Report.

6.2. Rod explained the role of the Audit Committee, which was to confirm approval for Baker Tilly's 2010/11 audit plan as well as receiving their feedback on completion of the work. The Audit Committee also have responsibility for reviewing the Ri's formal Risk Register and agreeing both the scope of it and the actions to be taken. He explained that the Audit Committee had agreed that the Financial Statements for 2010/11 may still be prepared based on the Ri being a going concern, as long as there was adequate disclosure of the associated uncertainties.

6.3. Sir Richard thanked Rod for his update and opened the floor for questions.

6.4. Chris Lowe, a Full member asked what the level of net debt was; Martin Knight answered that the level of net debt was £3.5m. Mr Lowe asked a follow on question as to why it was necessary for the Ri to raise funds in the same way as a commercial body. Martin replied that the balance sheet needed to be restored otherwise the Ri would continue to bleed cash, and although the Ri holds a high level of net assets, we have a large amount of cash going out which we need to stem the flow of.

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- 6.5.** Another member asked what had happened to Ri Australia and queried whether it was part of the same charity. Sir Richard replied that they are a separate and independent charity. The same member also mentioned that there has been a recent discovery of the coat of arms document which could, if brought to the public attention, raise some publicity and interest among the historically and scientifically interested community.
- 6.6.** Another member mentioned that he thought it would be worth writing to all members to marshal any fund raising ideas that the members may have. Sir Richard thanked the member and indicated that this was one of the many areas that we are currently looking at.
- 6.7.** Another member asked what the Ri's policy would be if the situation became dire enough to force us into selling some of the fixed assets. Sir Richard stated that we have talked to all the big donors and written to a lot of people; however, the Ri has talked to the Royal Society to see what synergies there are and ways of working together, along with a few other initiatives, and that selling the building and/or the collections would be a last resort. A follow-on question was asked relating to what the "straight line" was before we hit the ground; Sir Richard confirmed that we have a £3m loan from the bank and the danger, due to cash flow pressure, was the potential to break the loan covenants which may then dilute the control of the Ri in its own affairs. He confirmed the need to sort out the problem in this financial year.
- 6.8.** Carol Gould, a full member, queried whether the Ri had approached people like Bill Gates or Warren Buffet. Sir Richard answered that even closer to home there are organisations like the Wellcome Trust; however we are constantly in competition with other organisations asking for funding, and our financial fragility and indebtedness is a barrier to be overcome.
- 6.9.** Another member suggested that the Ri could attempt to undertake a "Children in Need" style televised fundraising event. Sir Richard answered that historically the Ri has always had financial issues and just about got along because it tried to stay independent but the landscape is changing and we need a clear, pragmatic and sustainable operating model that we can fundraise against.
- 7. Appointment of Auditors**
- 7.1.** Sir Richard stated that it was necessary to formally re-appoint Baker Tilly Audit UK LLP for the next financial year. This motion was seconded and Baker Tilly was reappointed.
- 8. Confirmation of retiring Trustees and new Trustees**
- 8.1.** The Chair announced that according to the new Byelaws there must be an annual refresh of the board. Professor Alan Davies, Professor Peter Knight and Sir David Wallace stepped down and put their names forward to be re-elected. The election was done by postal ballot during April. Professor Alan Davies received 365 votes and was re-elected, Professor Peter Knight received 355 votes and was re-elected, and Sir David Wallace received 155 votes and was not re-elected. Sir Richard thanked Sir David for his contribution as a Trustee for the past year and confirmed that he will continue to work with the Ri. Lord Julian Hunt stood as a Trustee and received 381 and was therefore elected. Dr Mary Pickersgill also stood and received 297 votes and was not elected.
- 9. Any Other Business**
- 9.1.** There was an additional question from a member regarding an offer to help with the fundraising effort as and when it may be needed.

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10.	Meeting close
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10.1.	Sir Richard thanked those in attendance for giving their time, invited everyone for drinks in the Library and closed the meeting.
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