



The Royal Institution  
of Great Britain

**Annual General Meeting**  
**28 May 2013**  
**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)  
Hugh Harper (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 and covered some basic housekeeping points.

**2.          Minutes of the last Annual General Meeting**

**2.1.** Sir Richard confirmed that the minutes from the 2012 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 Members' Book. Sir Richard noted that there is just one page left in this book, which contains Michael Faraday's signature.

**4.          Presentation of the Annual Report of the Trustees**

**4.1.** Sir Richard handed over to Chris Rofe (CR), Chief Executive Officer, to present the annual report. CR's report covered the highlights of the reporting period, more recent events and further responses to issues previously raised by members at the recent SGM held in March 2013.

CR referenced the significant uplift in Communication and PR activity and output over the last 12 months resulting in a tremendous amount of coverage highlighting the Ri's exceptional programmes and activities and that 'we are shouting more loudly about what we do'.

CR mentioned that Dr Gail Cardew, Professor Frank James and Claire Gardner are also in attendance and available to answer any questions.

**4.2.** CR referred firstly to the CHRISTMAS LECTURES, which generated extensive media interest and spawned a number of similar themed activities in the ensuing months. The 2012 CHRISTMAS LECTURES were viewed by 2.2m individuals on BBC4 and iPlayer. They remain one of the most popular factual programmes on BBC4. The Lectures went to Japan and Singapore, with a further reach of 450,000. They were also televised in both countries for the first time.

The Family Fun Day held at the beginning of 2013 on the theme of the CHRISTMAS LECTURES was the most attended that the Ri has ever delivered, with over 850 families and children spending the whole day at the Ri. It was noted that this event received coverage on national radio.

**4.3.** Embracing social media, particularly through the Ri Channel, has been remarkably

**Item Narrative**

instrumental in reaching the volume of audiences that had previously been unheard of for the Ri. It has received more than 1.3m video views since its launch, and now trebles the combined audience of the Science Museum, the Royal Society and the Wellcome Trust. For such a fledgling product, started in December 2011, to have grown to the extent that it has done in the first 14 months of its lifespan is hugely gratifying, with a subscription audience of over 20,000. CR emphasised the importance of social media to the Ri's communication strategy going forward.

Creating the platform to show the best science on the web, working in collaboration with multiple partners, developing the product with the Ri's audiences as well as developing original curated content, is producing a product that is not only needed but welcomed by the market. The current challenge is to find subsequent sources of funding to continue to develop the Channel.

CR highlighted a 124% growth on Twitter, 14,000 new Facebook followers and 1 million video views on YouTube which represents a combined growth of the Ri's social media reach of almost 600%.

- 4.4.** CR referenced the change and improvement to the benefits of Membership which now include free tickets to the majority of public events. This in part has contributed to an increasing level of retention (at 70% in 2013) and sales which has resulted in total membership of 3,685. This is an overall growth of 30% over the last twelve months and is probably the highest Ri membership figure ever.

CR emphasised that the two categories of significant growth are Full Members and Faraday Members, as well as a conversion from Associate to Full Membership. The fastest growing membership group, Faraday membership, now makes up a total of one third of all members. 60% growth of Faraday membership in the last twelve months.

CR also stated that the Faraday student membership category, for those aged 18-25, has also grown, noting that many of these members are engaged with the Ri through volunteering at Family Fun Days or Masterclasses. Chris confirmed that a survey will be sent to all Student members in the coming weeks to assess the desire for a potential Faraday Student Forum.

- 4.5.** The Ri has delivered over 87 public events over the past twelve months, attracting almost 17,000 people, an increase of 23% on the previous year and 50% over the last three years. The average attendance for the Theatre is now over 400. CR highlighted that the Ri is not just London-centric, with 742 Masterclasses delivered across the UK, in addition to the Research Councils UK (RCUK) funded events held around the country showcasing the science around sport. There were an additional 136 events held last year alone for schools and young people.

- 4.6.** The Ri promotes the Collections and heritage via the displays throughout the building as well as by welcoming readers to come and study the archives. CR highlighted the visit of Bill Gates, to deliver the Dibleby lecture at the Ri earlier in the year, and his interest in the Museum and Archives. He was shown Faraday's laboratory notebook and the file of WH Bragg detailing his invention of the iron lung.

Through generous funding from the Foyle Foundation the Ri has been able to employ an archivist to catalogue the administrative archive. For the first time, the Ri has had proper access to this part of the collection and under the work of the Archivist we have uncovered previously unknown letters from the likes of Humphry Davy, John Tyndall and Florence Nightingale.

The reserve collection, not on display downstairs, has been relocated to a storage facility in Upper Hayford that provides much improved environmental conditions, is less expensive than the previous storage site, and ensures that the reserve collection is more accessible.

CR also confirmed that Prof Frank James has now completed the sixth and final

<b>Item</b>	<b>Narrative</b>
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edition of Faraday's correspondence. The completion of this project means that all 5,053 letters are now accessible.

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| <b>4.7.</b>  | The work of volunteers in supporting the programmes and activities at the Ri is both critical and hugely appreciated. Volunteers make a significant contribution to Masterclasses, Membership, Family Fun Days, Events and Heritage and Collections.   |
| <b>4.8.</b>  | The Venue Hire team has maintained an impressive performance and has delivered sales of £1m in the past 12 months. This income goes a long way towards contributing to the costs and overhead of the Ri's charitable activities. It has been particularly important that the Ri has been able to generate increased revenue from commercial activities at a time of instability which has meant that attracting funded income has been difficult. Increasing repeat clients is a strong indicator of a robust business and over 60% of the Ri's venue hire business is repeat clients.                   |
| <b>4.9.</b>  | The DFRL, led by Prof Quentin Pankhurst, is a multidisciplinary team of 20 staff and post-graduate students. The DFRL has generated £610,000 in funding for research projects through 9 awards in the last year and the team have produced 32 peer reviewed articles over the last two years. Whilst the 5 year joint research agreement with UCL came to the natural end of its contract at the end of April 2013, UCL continues to operate at the Ri under a lease agreement for the remainder of this year. The Ri is in discussion with UCL about the future of the research team beyond that point. |
| <b>4.10.</b> | CR provided an overview of the financial situation reporting strong performance across the majority of departments, an increase in audience reach and increased commercial revenues. However, this uplift in trading is still insufficient to create and project a stable financial future for the Ri. The recent donation of £4.4m has had a significant impact in enabling the Ri to clear the bank loan but the urgent need to find a sustainable and robust future remains.  |

The Ri's auditors have placed a continued emphasis of matter statement on the annual accounts due to ongoing material uncertainties in the projections and the presence of a substantial core operating deficit. The Ri is not 'out of the woods' and whilst the operating deficit has been reduced, it has not been removed and is at an unsustainable level.

**5. Annual Accounts for the year 1 October 2011 to 30 September 2012**

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| <b>5.1.</b> | CR handed over to Martin Knight (MK), Chair of the Finance Committee, to present the accounts.  |
| <b>5.2.</b> | Martin reiterated that the position of the Ri is still very delicate. He explained that the Financial Report and Accounts unfortunately distort the underlying reality, and that to truly understand where the Ri stands one must look at the cash position as that is what determines an organisation's ability to thrive and survive. The removal of the parts of the financial performance which the Ri cannot control itself (i.e. legacies and one-offs), highlights the core underlying results, which show that, while there is a consistent trend of improvement since 08/09/10, a £1m operating loss still occurred over the last two years. |

MK explained that at the end of September 2013 the Ri will have a projected net debt position of approximately £700,000 and that the Ri is running a structural deficit on its science communication business, which is reduced by the activities of the RiGB Ltd trading company. MK noted that perversely without funded income to directly support the science and education programmes the more successful the Ri is as a science communication organisation, the more its deficit will rise because of the inability to generate adequate commercial income.

MK summarised the historical position, where the Ri had income generating assets i.e. buildings that could be tenanted and an endowment generating investment income. However, as many of these assets have been sold and the endowments

<b>Item</b>	<b>Narrative</b>
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diminished, the Ri has a reduced level of income coupled with an increased cost base to manage the refurbished the building.

Martin explained that the financial position of the Ri is still extremely fragile and the problems faced last autumn, which were removed by virtue of the £4.4m donation, will be exactly the same as the problems we will face, in the near future without further intervention. The problem has merely been pushed back by 12-18 months.

**6. Presentation of the statement of the Audit Committee**

**6.1.** Hugh Harper (HH), Chair of the Audit Committee provided the Audit Report. HH confirmed that he took over the position as Chair of the Audit Committee last November from Rod McGregor.

**6.2.** HH explained the role of the Audit Committee, confirming that it supervises the annual audit, the appointment of auditors, the preparation of the accounts and that the Committee is also responsible for monitoring the risks to the organisation.

In monitoring risk the Committee looks at risk policy and the implementation of risk mitigating measures. It is also responsible for bringing matters of concern to the attention of the Board of Trustees.

Given that the last year has been somewhat challenging, it was noted that the Committee has met on additional occasions. HH made a special note of thanks to Rod McGregor, on behalf of the current Audit Committee, Trustees and Membership, for his effort and contribution over the last year before stepping down. HH also thanked the current members of the Committee for their time and efforts.

**6.3.** HH confirmed that the audited accounts have been distributed and that Martin Knight set out the financial position very succinctly and accurately. From a technical point of view, the audit progressed well with the assistance of the CEO and the Finance Team. HH noted that, throughout the year, the Finance Team have continued to improve the financial practices of the Ri.

HH noted that all minor audit issues were resolved satisfactorily in the opinion of the Audit Committee and Auditors and that no material issues arose other than the ongoing financial fragility of the Ri. Thus, the Committee were happy for the Audit to be concluded on a going concern basis, but very much with a focus on the appropriate disclosures as to the emphasis of matter statement.

HH endorsed the statement made by MK, stating that, in the absence of alternative funding and insufficient income generation to meet its costs, the future of the Ri to meet its obligations beyond the latter half of 2014 remains very challenging and needs to be addressed. As the emphasis of matter statement and other comments on the report make clear, the RI's ability to continue as a going concern is reliant on the value of the Ri's assets.

**6.4.** The Committee has devoted a larger portion of the agenda over the last year to risk management: financial, operational and strategic. This is managed primarily through the maintenance and review of a risk log that is discussed at all Audit meetings. The Committee continues to engage with the CEO and the Team to help them address risks as they occur. The Committee have also made a considerable effort this year to ensure the adequate management of the risk related to the HSBC loan facilities, the ongoing weak performance and the uncertain prospects as to donor income. The Audit Committee appreciates the efforts made by the Senior Management Team, the Finance Committee and the Chairman to address those risks.

The receipt of the donation and other legacies has provided a breathing space for the Ri, however within the risk agenda as an Audit Committee, they are cognisant of the need to address the gap in the Ri's funding and this will be the focus over the next year.

<b>Item</b>	<b>Narrative</b>
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- 6.5.** HH concluded by thanking the time the Ri's leadership has taken to prepare the audit, in particular the Finance Team.

HH also noted that the Committee has considered the appointment of an Auditor for the coming year and are recommending that Baker Tilly continue for the next year. HH notified the membership that a full review and tender for the appointment of the external audit services will be conducted next year.

**7. Appointment of Auditors**

- 7.1.** Sir Richard recommended the re-appoint of 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 Christopher Bishop, Professor Julia Buckingham and Lord Robert Winston stepped down and put their names forward to be re-elected. The election was done by postal ballot during April. Sir Richard confirmed that the number of eligible voters, or constituency, was 2,436. The total number of votes cast was 814, or 30% of the electorate, which is a significant increase from the votes made last year which stood at 19%. Professor Christopher Bishop received 560 votes and was re-elected, Professor Julia Buckingham received 497 votes and was re-elected, and Lord Robert Winston received 626 votes and was re-elected. Michael Glazer stood as a Trustee and received 214 votes, Dr Mary Pickersgill stood and received 150, and Mary Crumpton stood and received 297, and was not elected. Sir Richard thanked the membership for voting the current Trustees back in, emphasising the importance of maintaining stability on the Board during this time.

**9. Any Other Business and Questions**

- 9.1.** Sir Richard emphasised that the future of the Ri will likely be in collaboration with another organisation if it is going to remain here in this building and run as it currently is. He confirmed that discussions are occurring with the Royal Society, the Science Museum, Government and the Palace, among others. It was noted that the Palace have arranged for the Ri to receive pro bono support from a consultancy who will working to help shape what a formal partnership between the Ri and the RS might look like – one in which the Ri would be the public face of science communication. This work is ongoing, and groups like the Future Direction Committee will be feeding into the process. In addition to this, Sir Richard confirmed that the membership will shortly receive through the consultants, LEK, a questionnaire/survey to also provide feedback.

- 9.2.** At this time, Sir Richard opened the floor for questions from members.

- 9.3.** Question – could the Ri reinstate 'Proceedings' for lectures/events so that people can quote and source lectures years later?

Reply – (CR) this would be desirable but in the current financially constrained environment not planned. As many lectures as possible are recorded and filmed and made available via the Ri Channel.

- 9.4.** Question – will the results of the work undertaken by the Future Direction Committee be publicised?

Reply - (RBS) confirmed that that the FDC has been very active and have submitted a report to the Trustees and the consultants, LEK. LEK now needs to combine the FDC comments with opinions gained through the survey of members and the public.

- 9.5.** Question – does the rise or otherwise of income from membership fees match the increase in volume growth of membership?

Reply – (CR) the increased volume is reflected in an income increase, but as a large proportion of that growth is via Faraday membership (£15 per annum per

<b>Item</b>	<b>Narrative</b>
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individual) the increase is not directly proportionate to the numbers. The total level of income from subscriptions is circa £150-£160k per annum, so relative to the financial challenges that the Ri is looking to overcome, membership subscriptions represent roughly 3% of total income which is not materially significant.

- 9.6.** Question - what are the financial arrangements between the Ri and BBC regarding the CHRISTMAS LECTURES, particularly in relation their use abroad?

Reply – (CR) The Ri attracts sponsorship income to meet the direct costs of the lectures and the BBC meet the production costs. The Ri, Production company and the BBC have a licensing and commercialisation agreement which governs the split of generated revenues nationally and internationally. The Ri receives a license fee from Japan and Singapore to enable them to deliver and broadcast the Lectures, resulting in a net positive impact for the Ri.

- 9.7.** Question - could CHRISTMAS LECTURES sales in other countries could grow further?

Reply – (CR) Discussions with the BBC about how to exploit the international potential of the Lectures are ongoing, whilst being cognisant of the practical restrictions in terms of touring of the time available from the Christmas Lecturer.

- 9.8.** Question – are Faraday members eligible to attend the AGM?

Reply – (CR) AGMs and SGMs are only available to voting members and Faraday membership is not a membership category with voting rights. He observed that while Faraday members would not attend AGMs, Faraday attendance at events is representative of the large proportion of that membership category overall. The Ri remains committed to identifying and delivering increased activities to engage younger members.

- 9.9.** Question - why has professional help not yet been brought in to develop a campaign following the development of a vision by the FDC.

Reply – (RBS) this professional help is currently occurring in the form of the consultants brought in by the Palace.

**10. Meeting close**

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