



Trustees' Report and Financial Statements

For the year ended 30 September 2022

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Charity Information

Charity registration number:
227938

Principal office:
21 Albemarle Street, London, W1S 4BS

Websites:
<http://www.rigb.org/>
<https://venue.rigb.org/>

Royal Patron:
HM The former Prince of Wales KG KT GCB OM AK QSO CC PC ADC

President:
HRH The Duke of Kent KG, GCMG, GCVO, CD, ADC

Honorary Vice President:
Sir John Ritblat

Current Trustees who served for the entire financial year:

Sir Richard Catlow – appointed as Chair May 2022
Professor Alison Woollard – Vice Chair
Dr Sophie Forgan
Mr Simon Godwin
Ms Kate Hamilton
Dr Suze Kundu*
Mr Renato Lulia-Jacob*
Mr Christopher Potter
Professor Angela Seddon*
* Trustees who have advised their intention to retire at the 2023 AGM

Trustees who served for part of the financial year were:

Sir Richard Sykes, Chair - retired May 2022
Sir Roland Jackson – retired May 2022
Mr John Krumins – retired May 2022
Mr Vincent Nobel – elected May 2022
The Right Honourable, The Baroness Morris of Yardley – appointed May 2022
Professor Jack Stilgoe – appointed May 2022
Ms Harriet Wallace – appointed May 2022

Finance Committee:

Mr John Krumins – Chair and Trustee - retired May 2022
Mr Renato Lulia-Jacob – Chair and Trustee - appointed May 2022
Mr Simon Godwin – Trustee
Mr Stuart Bridges – resigned November 2021
Mr Jonathan Coyle – appointed December 2021
Ms Sarah Fiore – appointed December 2021
Mr Robert Farago
Mr Chris Lowe
Ms Clare Robinson

Audit & Risk Committee:

Mr Christopher Potter – Chair and Trustee
Mr Renato Lulia-Jacob – Trustee - resigned May 2022
Mr Vincent Nobel – Trustee - appointed May 2022
Ms Lianne Frost
Ms Eileen Pembridge
Ms Ling Stephens
Ms Elizabeth Walker

Nominations Committee:

Professor Angela Seddon – Chair and Trustee – resigned May 2022
Sir Richard Catlow – Chair and Trustee - appointed May 2022
Dr Suze Kundu – Trustee - resigned May 2022
Ms Kate Hamilton – Trustee - appointed May 2022
Ms Janet Larsen
Dr Tom Goodman
Mr Anand Sambasivan
Ms Shwetal Shah

Director:

Ms Lucinda Hunt BSc ARCS PGCE – retired January 2022
Ms Katherine Mathieson – appointed December 2021 – commenced April 2022

Auditor:

RSM UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB

Bankers:

HSBC UK Bank plc, 79 Piccadilly, London, W1J 8EU

Investment advisors:

CCLA Investment Management Ltd, Senator House
85 Queen Victoria Street, London, EC4V 4ET

Solicitors:

Ms Julie Bentley, Meadow Garth, High Street, Duddington, Northamptonshire, PE9 3QE.
CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF.
Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH.
Millbank, 100 Liverpool Street, London, EC2M 2AT.
Norton Rose Fulbright, 3 More London Riverside, London, SE1 2AQ.
Travers Smith, 10 Snow Hill, London, EC1A 2AL.

Trustees' Report for the year ended 30 September 2022

Chair's Introduction

After more than 220 years of connecting as many people as possible with science, this year has marked the beginning of a new chapter at The Royal Institution.

While the Covid-19 pandemic continued to cast its shadow, particularly over our financial capacity, we have nevertheless seen a very welcome re-introduction of all pre-pandemic activities at the Ri. Indeed, we have gone further, successfully creating additional opportunities for people of all ages and backgrounds to engage with science, not least through our popular programme of livestream talks, through which we have reached new audiences all around the world.

At the same time, we have seen a clear appetite for our particular brand of Ri science. In October we welcomed Ri favourites Hannah Fry and Adam Rutherford for our first sold out Theatre event since the pandemic began. Our Holiday Workshops returned in July and August with nearly 100 individual sessions offered for free to children who benefitted most from them. Applications for our grant-funded free Science in Schools visits were at their second-highest level ever. Our L'Oréal Young Scientist Centre is operating at near capacity once more; our long-standing Masterclasses are now offered in-person and online; and our YouTube channel continues to grow, surpassing 1.25 million subscribers during the year.

As we reflect on the year, we must take this opportunity to pay tribute again, to Her Majesty The Queen, our Royal Patron from her ascension in 1952, to 2016. It was with great sadness we marked her passing in September, and with great pride and gratitude that we remember the unwavering support Her Majesty gave to the Ri throughout her life.

We must also thank all those – our Members and Patrons, staff, volunteers, Trustees, corporate and philanthropic supporters – without whom we would not have been able to make the difference we have.

And in particular, we must thank Sir Richard Sykes, who stepped down as Chair of Trustees in April, after 12 years of service. It is testament to Sir Richard's leadership and his energy, vision and sheer determination to get things done that the Ri is engaging more people with science than ever before.

As we look forward with confidence, our purpose remains as it was before the pandemic; to create opportunities for the public and scientists to come together to share their interest and passion for science. Because science is transformative and we believe *everyone* should have a say in how it is used in our lives.

Yet the world has changed. People's perceptions of science have changed, there are challenges as well as opportunities for science, and our futures depend on scientific progress being informed by the society it is intended to serve. It follows, as Sir David Attenborough has said, that the Ri's public engagement is more important today than at any point in our long and renowned history.

With an entirely new team of Directors at the Ri, new Trustees and a new Chair, we have fresh impetus to implement positive change. In the year ahead, we look forward to completing our new strategy for Ri growth and to making the Ri more inclusive and accessible, welcoming new, more diverse, and larger audiences than ever before. We look forward to making a demonstrable difference for schools in disadvantaged areas, championing science education in school and in the home, and to growing the public's exploration of the ways in which science shapes the world around us.

We invite our many supporters and partners to join us as we begin this exciting new chapter at the Ri.



Sir Richard Catlow
Chair
The Royal Institution of Great Britain

Objectives

Our **Objects**, as set out in our Royal Charter, are:

- (a) to diffuse the knowledge and facilitate the general introduction of useful mechanical inventions and improvements;
- (b) to teach by courses of philosophical lectures and experiments the application of science to the common purposes of life;
- (c) to promote chemical science by experiments and lectures for improving arts and manufactures;
- (d) to discover the uses of the mineral and other natural productions of this country;
- (e) to diffuse and extend useful knowledge in general.

Our vision

We believe in a world where everyone is inspired to think more deeply about science and its place in our lives.

Our mission

Building on our heritage we will create opportunities for everyone to discover, discuss and critically examine science and how it shapes the world around us.

We achieve our goals mainly through a range of programmes of educational activities and talks for young people and adults, in-person and online.

Trustees have had regard to the Charity Commission's guidance on public benefit and we confirm that the Ri fulfils the Commission's guidance.

Activities and achievements

Our 2021 CHRISTMAS LECTURES featured Deputy Chief Medical Officer, Professor Jonathan Van-Tam, supported by Cellular immunologist Katie Ewer, mathematical biologist Julia Gog, clinical microbiologist Ravi Gupta, pharmacologist Tess Lambe, chartered mechanical engineer Cath Noakes, and microbiologist Sharon Peacock. We received 3.26m views for the broadcasts on BBC Four and iPlayer (figures to 09 January 2022).

Throughout the year, we held events on a very broad range of science topics and post-event surveys found that over 85% of audience members were interested in attending another event in our public programme. We developed many brand-new demonstrations, including for the CHRISTMAS LECTURES, BBC World Service, YouTube, Tik Tok and many individual scientists. We supported innovator-in-residence Prof. David Ricketts to re-create Michael Faraday's classic demonstrations of electro-magnetic fields.

Livestream talks – begun during the first stages of the pandemic – have become an integral part of our public programme. Livestream audiences now outnumber audiences in the Theatre for our public programmes, and totalled over 20,000 across the UK this year. Online attendees come from all over the world (see figures below): our largest international

audiences are in the US, India and Canada (collectively over 10,000 people), and our reach stretches to Afghanistan, New Zealand, French Polynesia and the Faroe Islands. The rise in livestreaming has also resulted in us having more content for our YouTube channel, contributing to a rise in income from £135k (in 2020-21) to £225k.

Figure: Global map showing locations of online attendees at our public programme (January to September 2022)



We have grown the reach of our Science in Schools programme significantly, developing new regional partnerships and extending our grants scheme to reach a total of 330 schools and c.100,000 students across the UK (representing a growth of 134% compared to last year's figures). We also recruited nine new Science in Schools presenters, as a result of our success in securing support for grant-funded visits and we reached more schools outside London than within it, with 77% of schools visited being in disadvantaged areas. Our partners included: The Presenter Network, the BIG STEM Communicators Network, The Farr Foundation, the Careers & Enterprise Company, the West Midlands Combined Authority, Engineering UK, The Association of British Science Writers (ABSW), City Hall [London], STEM Learning, Controlled Schools' Support Council, Education Scotland, the Council for Catholic Maintained Schools, the Reading Agency, Camden Spark, NUSTEM and the Association of Science & Discovery Centres (ASDC).

We continued to deliver our high quality Masterclasses programme across the UK, with 97 series in mathematics and 14 in computer science. We worked to raise the proportion of students from disadvantaged areas participating in our Masterclasses (e.g. in Computer Science, from 25% to 35% of students in lowest two deciles of IDACI).

With L'Oréal's generous support, we delivered 146 workshops at the L'Oréal Young Scientist Centre reaching over 3,500 students aged between 7 and 18. Our workshops included: Cosmetic Chemistry, Extract your own DNA, Colour Chemistry and Forensics.

We showcased our historic collections as part of many of our talks, tours and other events and re-opened our Reading Rooms to external researchers. We continued to digitise Humphry Davy's laboratory notebooks in partnership with Lancaster University and others, using the Zooniverse mass public participation platform, and continued to support the publication of Tyndall's Correspondence¹.

¹ As part of the Tyndall Correspondence Project <https://tyndallproject.com/>

We announced a new cohort of 2021-22 Freer Prize Fellows: Katy Duncan from the University of Cambridge, Aleksandra Kaye from University College London, and Viswanathan Venkataraman from King's College London.

Our membership continued to grow back, following a drop during the pandemic. We now have over 3,000 Members and an annual retention rate of 72%. We launched a new online shop² selling ethically sourced science-themed clothing and merchandise and, in partnership with Harper Collins, published three new children's science books authored by our Family Programme Manager.

Our new website, launched in February 2022, has been very well received. Visitor numbers, dwell time and bounce rate have all remained stable and we've seen an increase in newsletter subscribers, membership sign ups and new business opportunities including licensing and venue hire enquiries. Our engagement rate on social media is 6.7% – far above industry standard.

Our YouTube audience continued to grow significantly and we added 195,300 new subscribers during the year, aided by the upload of 79 Ri talks and other videos. In all, our videos received 31.7 million views.

We have strengthened our strategic partnerships, including with University College London (UCL) – whose nanomaterials and magnetic materials research team³, led by Professor Thanh Nyugen and Professor Quentin Pankhurst, are based in the Ri's laboratories. We formally signed an agreement with Imperial College London to collaborate on a new Centre for Climate Change Innovation⁴ (now called 'Undaunted'⁵). We also maintained our partnership with the National Education Union, restarting collaboration following a break during the pandemic.

We are the proud hosts of the relatively new and growing London Institute for Mathematical Sciences (LIMS⁶). We continued our successful partnership with the Faraday Institution⁷. In addition, we partnered for the first time with The Alan Turing Institute⁸ on a programme of public events.

We made significant investments in upgrading the Wi-Fi network at the Ri and improving the lighting around the public areas of the building, notably the Theatre. Our venue hire business has been building back over 2021/22 and with a gross income of £1.2m (compared to £86k last year), is once again becoming a significant income stream for the Ri.

Funders and supporters

We are very grateful to all of our funders, donors, patrons and supporters. We had a total of 81 patrons during 2021-22, of which 17 were new patrons. We also awarded honorary lifetime patronage to our out-going Chair Sir Richard Sykes. Our latest fundraising campaign, the '200 seats for 200 years' campaign to name a seat in our historic theatre, was launched at our Faraday Fundraising event in October 2022 and has raised approximately £150k. Overall our fundraising portfolio shows promising signs of development and growth despite the challenging external context.

Plans for future periods

We have conducted a strategy refresh in light of our changing circumstances. Our new five-year strategy for growth brings with it a new mission and vision, founded on the Ri's staff-developed values; and a clear strategy to stabilise our finances, decimated by the pandemic, returning to a surplus with additional capacity to invest in our charitable activities.

Our work is crucial because science transforms lives and underpins the modern world – from health to the latest technology, the environment, and the furthest reaches of our universe. Science is part of culture, but not everyone has the same opportunity to engage. We believe there should be equitable access to science, and that people's desire to engage with science and scientists should be nourished.

Recognising that audience behaviours have been changed radically and permanently by the pandemic, we have begun experimenting with different models, both for online and in person attendance at our public programme event. At the same time, we will continue to invite world-leading scientists and other experts to take centre stage in the Ri Theatre, and to grow our education activities, in particular in support of children from schools in disadvantaged areas. We will complete a review of Ri Membership to ensure that our community of loyal supporters is continually energised by the opportunities to engage with science at the Ri, while being rewarded to the contribution they make.

We will work with a wider range of partners to deepen and broaden our public audiences, and develop our programme outcomes framework to help us better understand and communicate the impact of our work. We will improve our visitors' and users' experience of the Ri, including by making the building and our digital activities even more accessible. We will take tangible steps to become a more equitable, diverse and inclusive organisation.

Already committed to using 100% renewable electricity sources and offsetting the small amount of gas that we use, we will find ways to further reduce our environmental impact, including with the support of new funding from the Greater London Authority (GLA), to environmentally refurbish our Grade I Listed building and work towards becoming an exemplar of what can be achieved with the older building stock that is so prevalent in London and throughout the UK.

As we look forward to the year ahead, we are confident we can do so with ambition; to grow the Ri, our audiences and our social impact; and to meet our charitable purpose, which is so little changed from that of 1799, yet more important today than ever before.

² <https://www.rigb.org/about-us/shop>

³ <https://www.ucl.ac.uk/medical-physics-biomedical-engineering/research/centres-institutes-and-funded-projects/healthcare-biomagnetics-laboratory>

⁴ <https://www.imperial.ac.uk/grantham/innovation/>

⁵ <https://www.imperial.ac.uk/climate-change-innovation/>

⁶ <https://lims.ac.uk/>

⁷ <https://www.faraday.ac.uk/>

⁸ <https://www.turing.ac.uk/>

Structure, governance and management

Governing Documents

The Governing documents of the Royal Institution of Great Britain are the Royal Charter dated 13 January 1800; the Act of Parliament dated 18 April 1810; an Amending Act dated 14 May 1958; a Supplementary Charter dated 14 November 1958; an Amendment to the Charter of 1800 granted on 22 February 1967; Schemes of the Charity Commission dated 17 April 1959, 26 May 1959, 30 March 1965, 26 January 1967, 26 April 1971, 10 April 1984 and 30 March 2011, and Orders in Council dated 22 February 1967, 11 April 1984 and 7 April 2011. The Ri is governed by these documents and by the Byelaws, which are made under the Governing Documents. The Ri's registered number and address are shown on page 2 of this report. The Ri launched an externally led review of governance immediately following the end of this financial year.

Organisation

The Ri is governed by a Board of Trustees (nine elected, and up to four appointed) and three Standing Committees (Audit & Risk Committee, Finance Committee, and a Nominations Committee). The Board of Trustees, Audit & Risk Committee, Finance Committee, and Nominations Committee meet at least quarterly. A Remuneration Sub-Committee is also appointed and meets annually.

Additional Sub-Committees are convened as and when the requirement arises and are governed by Terms of Reference approved by the Board of Trustees. In 2021-22 the Trustees convened and appointed members to an Endowments and Trusts Sub-Committee. Chaired by the Chair of the Audit and Risk Committee its aim is to manage the process of repurposing endowments and trusts with the Charity Commission. The Committee was also tasked to ensure that a range of funds continue to be used for public benefit into the future, are both relevant and acceptable to the Ri today and have full Charity Commission approval. The Audit and Risk Committee have delegated authority to convene a Scrutiny Committee and did so twice during the year to ensure robust examination and decision making in terms of key donations and funds exposed to serious external risks including the war in Ukraine.

Two other Trustee advisory groups were set up during the year; one to begin the process of a wholesale strategic review and the other to support Directors during a period of transition for the Directorate. Supporting Directors between the retirement of the Directors of the Ri and of Finance and Resources in January and March 2022 respectively, and the formation of the new Directorate in April 2022. Trustees also formed a Centre for Climate Change Innovation (CCCI) partnership group to assist high level decisions that led to the formal agreement established in July 2022 between the Ri and Imperial College for the formation of the CCCI (now called Undaunted). The Trustees appointed and convened an Appointments Sub-Committee to lead on the appointment of the new Director of the Ri who took up post in April 2022. Trustees were also actively involved in a Development group supporting the work of the Director of Fundraising, Marketing and Communications. The Trustees also appoint lead Trustees for safeguarding, heritage, and equality, diversity, inclusion and accessibility. During the year the Trustees updated the

Trustee Code of Conduct that was substantially revised last year. The Board of Trustees have also adopted the Charity Governance Code⁹ and annually assess their progress against the code.

A Director of the Ri is appointed by the Trustees to lead the organisation to ensure delivery of the business plan and budget. The Ri Director has been supported by a Director of Finance & Resources, Director of Fundraising, Marketing & Communications, Director of Organisational Development & Human Resources, Director of Science Engagement and Director of Strategy, Planning & Commercial. Lucinda Hunt retired as Director of the Ri on 31 January 2022. Katherine Mathieson took up post on 11 April 2022. The Director of Organisational Development & Human Resources, stepped down in January 2022 and the role has been reset at Head of Human Resources level. The Director of Finance & COO retired from the Ri on 18 March 2022 and the new Director of Finance & Resources, Ian Smith, took up post on 11 April 2022.

The refreshed business planning process, ensuring activity and outputs are tied to strategic objectives and the annual budget was further developed by the Director of Strategy, Planning & Commercial, with quarterly Key Performance Indicator (KPI) reports made available to Finance and Audit and Risk Committee members and Trustees. Staff were involved at all stages in moving reporting from an output to an outcome focused approach. The Board of Trustees have supported, scrutinised and monitored eleven overarching priority initiatives, aiming to drive future viability and grow diversity and sustainability, throughout the year.

The Trustees have acknowledged the need for progress, and set actions in place, in the area of equality, diversity, inclusion and accessibility (EDIA). A Director-led EDIA working group, working with lead EDIA Trustee support has been established to devise strategic development work and a policy fit for the future. The Trustees have identified EDIA as a priority area for future strategy and planning. An internal staff-led EDIA forum has continued to meet and has retained a safe space for staff discussion and ideas. In line with the Byelaws, the Trustees used electronic means to meet during higher risk periods of the pandemic. Trustees decided to retain the option for all formal Board and standing committee meetings to offer greater accessibility to both current and future Trustees and committee members, and in support of widened geographical access, EDIA and growth in the Ri as a digital and in-person organisation.

The Trustees continued their strong commitment to safeguarding. A Director-led internal Safeguarding Group meets monthly, the Designated Safeguarding Officer reports all events, management matters and notable incidents, including 'near misses', to the Audit & Risk Committee and Trustees. Additionally, Trustees appoint a Lead Safeguarding Trustee with responsibilities to support staff involved in safeguarding procedures. The Vice-Chair of the Ri held the position during the year. Policies and procedures are reviewed annually and there is a strong focus on DBS checking and relevant training.

Appointment of Trustees

The Byelaws of the Ri require nine elected Trustees and up to four appointed Trustees to make up the Board of Trustees to a maximum of thirteen. Appropriate provision to ensure both continuity and refreshing the Board is made within the Byelaws, that requires one third of the elected Trustees to

⁹ [Charity Governance Code](#)

retire each year thereby setting limits for the time they may serve as a Trustee. Voting Members of the Ri have the power to nominate candidates for Trustee elections under the terms of the Byelaws. All candidates whether new or retired Trustees eligible to stand for election must be nominated in the same way. A subsequent annual election by the Ri Membership, via a ballot, is held in the event of the number of nominations exceeding the number of vacancies, and is independently managed and scrutinised.

The Ri Nominations Committee oversees the election process and has delegated authority to ensure that candidates meet the approved criteria and person specification, and annually to recommend the skills and knowledge required to Trustees. As Trustees due to retire in 2023, Angela Seddon, Nominations Committee Chair until May 2022, and Trustee Committee member Suze Kundu, jointly stepped down from the Committee to avoid conflicts of interest that would arise should they wish to re-stand for election in 2023.

In the 2022 Election, the Nominations Committee received three nominations for three elected Trustee vacancies. In line with the Byelaws, no ballot took place. Following the required checks, at the subsequent Annual General Meeting (AGM) on 11 May 2022 three Trustees, Simon Godwin, Kate Hamilton and Vincent Nobel were confirmed as elected from 2022-2025, with fundraising and investment, digital marketing and finance expertise. Following the AGM on 11 May 2022, Trustees appointed the Chair of the Ri, Sir Richard Catlow, and Kate Hamilton as Trustee members of the Nominations Committee. Additionally, immediately following the AGM the Trustees exercised their powers under the Byelaws to appoint The Rt. Hon Baroness Morris of Yardley, Jack Stilgoe and Harriet Wallace to serve as Trustees for one year until the AGM 2023.

Sir Richard Sykes retired as the long-standing Chair of the Ri at the AGM on 11 May 2022. The Ri owes Sir Richard a great debt of gratitude for his tireless support and work during some exceptionally challenging years. On 11 May 2022 the Trustees appointed Sir Richard Catlow as both an appointed Trustee and Chair of the Ri for 2022-2023. The succession had been planned by Trustees and Sir Richard Catlow began to assume acting Chairing duties during the year to ensure continuity and stability during a time of high-level Directorate, Board and external change. Members were informed at the AGM of the election results and all impending appointments.

At the AGM, Members were informed of the retirement of John Krumins, who had chaired the Ri Finance Committee and had been an active and highly supportive Trustee with notable results both during the pandemic and as the Ri began to return to in-person activities. Trustees also accepted the resignation of Sir Roland Jackson, a Trustee with a strong and enduring relationship with the Ri that will continue as he focuses working closely with our heritage team.

Members were also asked to note, and applaud the contribution of, retiring Committee members, Stuart Bridges, a former member of the Finance Committee, and Christopher Adam, who had ably held a number of governance roles at the Ri for more than a decade. The Trustees appointed Renato Lulia as Chair of the Finance Committee and as Chair of the Mond Trust Sub-Committee. Renato Lulia then stepped down as Trustee member of the Audit and Risk Committee and Trustees appointed Vincent Nobel as a Trustee member. Additionally, Trustees appointed Sophie Forgan as a Trustee of the Freer Studentship Fund. Sarah Fiore, a current Finance Committee member was appointed as a member of the Mond Trust Sub-Committee.

Trustee induction and training

New Trustees are inducted to the Board using an approved induction plan. They are briefed and receive a copy of the Ri Byelaws, as well as key policies and procedures, guidance on the structure and governance of the Ri, the Charity Commission's 'The essential Trustee: What you need to know' and the Trustees Code of Conduct and Governance. All Trustees are required to confirm that they have thoroughly read the Ri safeguarding policies and procedures and are DBS checked before they may take up their position. New Trustees meet with key staff, Trustees and, where relevant, Committee members. The Ri has also welcomed Trustees to a range of extended meetings and focused events that inform and involve them in its planning and activities and keep them up to date with external and internal developments. Charity Commission training, briefing and information links are provided along with focused briefing papers where relevant.

During the year the Trustees have taken an active role in governance of the Ri. They have extended meetings to allow for involvement in strategic developments including fundraising, strategy, membership and governance review initiatives. They have also worked to extend their knowledge of the Ri, its activities and operation throughout the year. The Trustees have initiated an externally-led governance review that will report next year. The review aims to analyse the strengths and weaknesses of the current approach to governance. It will also assist the Trustees' understanding of what changes may be put in place to support the Ri to fulfil its charitable purpose into the future, taking its current financial context, capacity and emerging strategic direction into account.

Related parties

None of the Trustees receive remuneration or other benefits for their work with the Ri. A small amount of Trustee travel expenses were paid to two members of the Appointments Committee working to appoint the Director of the Ri. No other payments were made. The Ri has a tenancy arrangement on normal commercial terms with UK Stem Cell Foundation for an office in 21 Albemarle Street for an annual rent of £10.6k. The Chair of the Ri until 11 May 2022, Sir Richard Sykes is Chair of UK Stem Cell Foundation. This agreement is consistent with other small tenancies as to lease rates, terms and other conditions. Sir Richard Sykes retired as Chair of the Ri on 11 May 2022. Sir Richard Catlow was appointed as Chair of the Ri from 11 May 2022, having been a trustee since 25 August 2021, and is a Professor at University College London (UCL). UCL are tenants of space within 21 Albemarle Street on normal commercial terms, at an annual rent of £196k.

The Ri is the sole shareholder of the trading subsidiary RiGB Limited, company registration number 04065626. RiGB Limited hires out Ri space to other organisations and to the public for events in the Ri building at 21 Albemarle Street, to maximise the return on its charitable assets and provide income to support charitable programmes. The Ri's event space is established as an attractive destination for many clients from a diverse range of business, interests and organisations.

The Directors of RiGB Limited are the Ri Director of Finance & Resources, the Director of Strategy, Planning & Commercial, a member of the Audit and Risk Committee, and a former Honorary Treasurer and member of the former Council of the Ri. The Director of Finance & Resources is also Company Secretary of RiGB Limited. RiGB Limited pays a management fee and, normally, gift aids its profits to the Ri. RiGB generated revenues of £1,423k (2020/21: £248k) but made a loss of £137k (2020/21: £288k loss) due to the lasting impact of

Covid-19 which is resulting in slow but steady growth back towards pre-Covid levels. The Trustees issued a letter of support in December 2022, should it be required, for the 12 months following signature of this report to February 2024.

The Ri manages funding on behalf of the group, 'Challenging pseudoscience, at the Ri'. One member of senior staff is part of the governance team for that group. The Ri has no controlling or financial interest in the group. The Ri has no financial or controlling interest in any other organisation.

Volunteers

Currently we have a couple of hundred volunteers and collaborators who support our Masterclasses and Family Fun Days at the Ri, across the UK and throughout the year.

Fundraising approach and standards

Monitoring fundraising activity

The Ri does not use third party organisations to fundraise on its behalf. The Ri has a donations acceptance policy and a Donations Scrutiny Committee which is a sub-committee of the Audit & Risk Committee (ARC) that scrutinises significant donations to and partnerships with the Ri.

The Ri is also a registered member of Fundraising Regulator (FR) and signs up to the FR code of conduct. Supporter relationship development is managed by the Ri Fundraising Team using a well-established CRM system using UK GDPR policies and procedures.

Fundraising Complaints received

The Ri operates a Fundraising complaints procedure. For the financial year ending 30 September 2022, we received no complaints (last year: two) from members of the public. We have nothing to report in respect of failures and/or breaches, which we have taken to include complaints or breaches referred to, and upheld by, either the ICO or the Fundraising Regulator.

Protection of people in vulnerable circumstances

The Ri Privacy Policy is published on our website and clearly explains how we will and will not use individual's personal data under the legitimate interests' provisions and in compliance with GDPR. <https://www.rigb.org/home/privacy-policy>.

Our Privacy policy outlines our approach to managing people's privacy under a clearly headlined 'Fundraising and Development' section. Individuals are made aware of updates and changes through email communication.

The Ri offers a clear process for any individual who does not want their data to be managed in a way that is referred to in the policy. The Fundraising Team plan and manages communications to ensure no one individual receives duplicated messages from the Ri.

Risk Management

The Trustees are responsible for ensuring that proper arrangements are in place for adequate and effective risk management. Risk is managed by the Governance and Risk Manager with senior staff team and the Directorate. The Audit

and Risk Committee scrutinise risk priorities and assessments, reporting to and recommending risk tolerance in each area to the Trustees. They also review the risk policy and procedure, the model and process. A lead Committee member works with the Governance and Risk Manager to develop the dynamic risk model, introduced in 2021. There is a refreshed focus on mitigation and controls of the highest rated and priority emerging risks. As a result, in-depth reviews have been carried out in two risk areas leading reassessment of the controls being reassessed as 'within tolerance' during the year.

Regular reviews of business performance against the business plan and KPI's highlight strategic and operational risks, particularly the need to attract sufficient funding, manage cash flow, and invest in the core infrastructure of the Ri. The risk model allows for additional and emerging risk areas to be added and removed in response to volatile and uncertain external situations. Although already a registered risk with controls and mitigation in place, in recognition of the potential impact from crystallisation of the USS pension scheme, it was added as a discrete risk to the register to support continued monitoring during the year.

The Trustees have retained vigilance and rigour over the Ri's ability to raise sufficient funds to support its charitable objectives and activities. Key policies that support a robust risk management system including Business Continuity Planning, Health and Safety, Safeguarding, Delegated Authorities and Donations Acceptance were reviewed by the Audit and Risk Committee and approved by Trustees during the year. To strengthen the Ri's monitoring and management of risk, the Trustees also approved a new Complaints Policy in September 2022.

The Trustees receive quarterly updates on risk, delegating scrutiny to the Audit & Risk and Finance Committees, allowing them to effectively evaluate the actions, plans and controls that contribute to robust risk management. The Audit and Risk Committee has a strong focus on risk and also monitors matters raised through incident and adverse event reporting, external statutory and internal audit, ensuring any required onward reporting, planning and remedial action takes place.

The Committee also monitors key relationships and partnerships, conflicts of interests, exceptions to delegated authorities, incidents, complaints and adverse events and safeguarding, with formal reporting systems. During the year the Committee refreshed the Ri's approach to Internal Audit and with their recommendation, Trustees approved a refreshed business plan and a risk-based 'internal audit universe' and plan to support continued assurance.

The Committee has delegated authority to convene the Scrutiny Committee in response to emerging risk, as well as planned scrutiny of donations and grants, and did so during the year, in response to reputational risk and the impact of UK Government sanctions resulting from the conflict in Ukraine.

Major risks

The Ri continuously monitors its core operational and financial risks. In this financial year there have been a range of high level new unforeseen external impacts that have emerged including the cost of living and cost base inflation, as well as the impacts of war. All incidents of significance are reported to the Audit and Risk Committee quarterly including fraud, safeguarding and other reports. There have been no reportable serious incidents or near misses during the year.

A key strategic and financial risk facing the cultural sector as a whole is the change in behaviour in audience responses with visitor and in-person audience numbers showing a 60% return to past attendance levels at the year end, and growth in digital engagement. The prestige of the Ri's heritage and the quality of its programmes helps to mitigate the risk and at the same time the Ri is refreshing its strategy, its marketing and fundraising approach, membership offer and key business plan initiatives to enable the Ri to become fit for the future.

During the year, trading income and venue hire has begun to recover from the pandemic, despite being adversely affected by staff recruitment pressures. The Ri has continued to retain a high demand for tenancies.

Human resources have remained a high-risk area for the Ri, as they are for many organisations, with the identified risks changing throughout the year. The potential for instability as a new team of executive Directors was established was an area of concern, following the retirement of the Director of the Ri and the Director of Finance/COO in early 2022, a risk mitigated by additional Trustee level support and effective transition plans. As in person events began to resume in 2021, the Ri faced sector and market wide recruitment and retention challenges with the most affected area being venue hire and event staff. As this began to stabilise, cost of living increases raised a further concern around retention and recruitment as salaries rose and other sectors could attract with higher salaries; a risk that remained live at the year end.

Throughout 2021-22 the Trustees retained a strong focus on a variety of reputational risks, not only around heritage issues but also from the impact of sanctions due to the war in Ukraine. The Audit and Risk Committee convened the Scrutiny Committee that took swift decisions approved by Trustees to ensure that the reputational impacts were managed and will continue to be monitored.

In November 2022 the Audit and Risk Committee recognised that the risks from the continuing volatility in cost-base increases from the impact of financial market turbulence, cost of living increases and war, among other factors, were presenting a significant risk. Trustees approved the addition of cost-base increase as a discrete registered risk that was reviewed and approved in December 2022.

The Ri closely monitors a significant but manageable risk in regard to membership of the USS pension scheme as described in Note 25 to the Financial statements. If the Ri has no staff who are members and contributing to the USS Scheme, a liability to pay our share of the scheme's liabilities (Section 75 Debt) will arise after a period of grace. This risk is estimated at 30 September 2022 to be £9.3m-£11.2m based on the USS 30 March 2020 valuation (the previous valuation was £4.7m on 31 March 2017). In 2022 the Audit and Risk Committee recommended to Trustees who then approved the addition of a discrete registered risk to ensure robust future monitoring. This risk is manageable by ensuring the Ri has at least one USS member and currently has two.

Most other priority risks have remained relatively stable during the year with controls and mitigating factors proving adequate. However the Audit and Risk Committee and Trustees remained vigilant, scrutinising quarterly updates and, where necessary, reports of significant emerging risks outside of the timetabled governance cycle. The Trustees have continued to closely monitor health and safety, heritage and strategic risk areas, supporting the executive to address matters impacting on all

areas of operation and planning throughout the year. The strategy review that began during the financial year with the involvement of all Trustees, has delivered a refreshed and more focused vision, mission and strategic plan.

Income, in particular unrestricted income, fell during Covid-19 to levels insufficient to cover the cost of running the organisation resulting in operating losses. Income levels are returning but are yet to reach pre-Covid levels and there is uncertainty whether some income streams will return to those levels due to changes to client and audience habits. Detailed cashflow forecasting continues to be closely monitored and the £1.5m loan from Arts Council England (ACE) with repayments over 17 years at 2% fixed interest rate is helping our cash position whilst we continue to grow income. In addition, our £0.5m overdraft facility agreed with HSBC provides further cash security.

As disclosed in 2020/21, the Ri is the residual beneficiary of an estate left by a longstanding Member, Dr Shigeko Suzuki, who, sadly, passed away in 2020 which we expect to receive during 2022/23. We have been able to recognise £100k, which has been received after the balance sheet date and is the UK element that has been granted probate, in 2021/22. The full amount expected for the Ri is in the region of £1,500k after estimated costs and funds due to other beneficiaries, and once probate is granted in all other jurisdictions. We are extremely grateful to Dr Suzuki and her family.

The Ri's work to establishing a stable financial foundation over the recent past continues, together with the very close management and monitoring by the Finance Committee of cash flows, monthly financial reviews including forecasting and management reporting. Since charitable programme content is the core element of the Ri's Royal Charter, the final major risk, monitored regularly, is the potential failure of programme content to attract financial support. The Trustees are confident that the Ri will continue to grow following the crisis of the previous few years and, with the help of the new strategy, emerge more focused and effective than in the past.

Financial review

The Ri is supported by income from donations, legacies, sponsorship, ticket sales, Membership subscriptions, venue hire & hospitality and rental of office space.

In the year ended 30 September 2022, the Ri had a total group income of £4,602k (2020/21: £3,200k) and a deficit on total funds before investment gains of £837k (2020/21: £774k deficit). An investment gain of £1,342k (2020/21: £595k), due to the revaluation of an investment property, results in a total surplus of £505k (2020/21: £32k deficit).

The increase in income for the group comes largely as a result of the Ri trading subsidiary, RiGB Ltd, which generated total income of £1,423k (2020/21: £248k) due to reopening following Covid-19 restrictions. This resulted in a smaller loss for RiGB of £137k (2020/21: £288k loss). The trading company is expected to return to profit in 2022/23.

In addition, and as noted above, the Ri has continued to enjoy the support of numerous companies, philanthropic trusts and foundations, and individuals for its charitable activities, attracting restricted income of £974k (2020/21: £334k). Total restricted income including investment income was £1,120k (2020/21: £485k).

Expenditure for the group increased in the year to £5,439k (2020/21: £3,974k) as the Ri scaled back up activities following the closure during Covid-19.

The group had cash in bank and short-term investments of £1,192k at 30 September 2022 (2020/21: £1,502k). This includes the £1.5m ACE Loan, received in March 2021. The £500k HSBC overdraft facility was not used in this financial year.

The investment property revaluation from £4m to £5.65m shows as an increase in investments in the balance sheet. Otherwise, total group funds are broadly stable at £47,381k (2020/21: £46,876k).

Going concern

During the recent years, Coronavirus (Covid-19) and lockdowns have had a significant adverse impact across all business sectors including charities. Every aspect of the Ri was impacted and we have reacted with agility and had success in evolving our programmes to a digital or remote platform, suspending other activities after communication with their audiences and focused on maintaining strong relationships to enable rapid recommencement as the regulations have allowed and audiences demand. 2021/22 saw the first full year that the Ri was open and, as such, we have seen audiences and income return, albeit not to pre-pandemic levels. The signs are that numbers are continuing to increase.

The Trustees have undertaken detailed analysis and forecasting and have concluded that, with the positive signs that income is strongly returning, and with the financial support provided by the Arts Council England, and our bank, HSBC, the Ri and the group remains a going concern. However, the Trustees recognise that, in common with many other organisations, there are a number of uncertainties which have an impact on visitors' and clients' behaviour and hence the Ri's financial position, in particular, the impact of the cost of living inflation and the risk of possible future outbreaks of Covid.

Our focus on operational management and cash has proven effective and resulted in unrestricted cash holding at year end which was only very slightly under our budget target. The Ri has detailed projections for the next three years which have been tested against sensitivities and we expect to see continued growth with a return to unrestricted surplus in 2023/24.

In addition to this forecasting, the Suzuki legacy, £100k of which has been recognised in the 2021/22 accounts, will provide financial stability and the opportunity to invest in growth.

Based on the above information the Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate. Further information is provided in the financial statements at page 17.

Pricing policy

Ticket prices for our events and activities are reviewed periodically and both the ticket options and their relevant prices are agreed to both deliver valuable income for the Ri whilst also ensuring accessibility.

Certain activities such as the Mathematics Masterclasses, some Science in Schools events and some L'Oréal Young Scientist

Centre events, are made available free of charge or for a nominal fee, made possible by the generous support of companies, endowments, trusts and foundations that help fund our educational and charitable activities.

The Faraday Museum is free of charge to maximise access and enhance the experience of visiting the Museum and its artefacts.

Investment powers and policy

The Trustees are empowered to invest the Charity's funds at their discretion, except where a donor has given specific instructions. The funds held by the Ri are invested with CCLA Investment Management Limited. The Ri investment policy is to achieve an optimal total return over the long term whilst balancing risk.

The investment strategy and risk profile of the Ri's main investment portfolio is embodied in the return's strategy categorised as 'long term growth & income'. This year's total return was minus 3.3% (2020/21: plus 19%) due to the challenges in stock markets from the war in Ukraine. The result was above the fund comparator of minus plus 5.45% (2020/21: plus 18.2%).

Ri Pension and Life Assurance Scheme

The Ri Pension and Life Assurance scheme, with seven pensioners and five deferred members, has been closed to new members for many years. The FRS102 valuation calculates liabilities as being £1,003k less than the underlying investments (see note 25 for details). The surplus is not being recognised in the Ri's accounts as it is not possible for the Ri to obtain a refund or reduce contributions at the balance sheet date.

Deficit Reduction Payments recommenced from 1 October 2020 at the rate of £41k per annum with the goal to extinguish the liability (calculated on a basis as required by the Pensions Regulator and different to FRS102) over the next nine years.

Reserves policy

As outlined in the Going Concern section above, the financial effects of Covid-19 had a material adverse impact on the Ri's finances and free reserves over the last few years. However, the Trustees continue to work toward their targets and reserves policy in the medium to long term.

The Trustees are committed to replenish Endowment and Restricted investment funds as described in Note 22 to the Financial Statements. However, the loss of income from March 2020 and the need to preserve unrestricted cash led Trustees to suspend replenishing endowments from the 30 September 2020 year. In light of the debt taken on in 2021/22, Trustees have prioritised preserving unrestricted cash and repayment of debt over endowment replenishment in the short to medium term. The Charity Commission has authorised this replenishment suspension with the expectation that replenishment will recommence in the 2023/24 year, by which time it is expected that financial recovery will be largely achieved.

The Trustees aim to ensure that unrestricted funds raised are reinvested in supporting our charitable programmes. Operating Reserves are established to support the charity in times of financial stress. We aim to establish an Operating Reserve to enhance financial resilience and establish a Designated Project fund to support the further development of the Ri in ways that would not otherwise be possible from internally generated

resources. We plan to assess in detail the appropriate level of reserve required when the funds are available to re-create this Reserve. The Dr Suzuki legacy income recognised in 2021/22 has been designated to the Operating Reserve.

The Ri has a deficit on free unrestricted funds of £2,178k for the Charity and £2,828k for the Group (2020/21: £1,961k for the Charity and £2,474k for the Group) as a consequence of historic overspending on the building refurbishment, the additional cost of running the refurbished building and a shortfall in capital and operational funding. This deficit will be eliminated as surpluses are generated allowing Endowments and Restricted funds to be replenished as referred in Note 22 to the financial statements.

Total funds are £47,381k (2020/21: £46,876k) and of that, £23,621k (2020/21: £24,513k) are Endowment and Restricted funds. Total funds include Tangible Fixed Assets and Heritage Assets funds which will only be realised if the assets are disposed, for which there are no plans.

Trustees' responsibilities in relation to the financial Statements

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 England & Wales 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' Statement of Recommended Practice
- make judgments 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 a going concern basis unless it is inappropriate to presume that the charity will continue in business

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 Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and using restricted and endowment funds and assets held in trust consistent with the wishes of donors and 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. The Trustees consider Public Benefit in both the activities of the Ri and the decisions taken on behalf of the Ri.

By order of the Trustees



Sir Richard Catlow
Chair of the Royal Institution of Great Britain

21 February 2023

Independent Auditor's Report to the Trustees of the Royal Institution of Great Britain

Opinion

We have audited the financial statements of the Royal Institution of Great Britain (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the groups and charity's affairs as at 30 September 2022 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for Opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operate in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations and health and safety. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and

transactions entered into outside the normal course of business, challenging judgments and estimates, and tests of detail and analytical procedures on income.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at

<http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Dated 23 February 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities (SOFA) for the year ended 30 September 2022

	Notes	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2022 Total Funds £000	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2021 Total Funds £000
Income and endowments from:							
Donations and legacies	2	406	100	506	988	12	1,000
Other trading activities	3	2,129	372	2,501	1,203	-	1,203
Investments	4	28	146	174	28	151	179
Charitable activities	5	919	502	1,421	496	322	818
Total		3,482	1,120	4,602	2,715	485	3,200
Expenditure on:							
Raising funds	6	1,880	113	1,993	1,005	37	1,042
Charitable activities	7	2,299	1,147	3,446	2,298	634	2,932
Total		4,179	1,260	5,439	3,303	671	3,974
Net income/(expenditure) before net gains/(losses) on investments		(697)	(140)	(837)	(588)	(186)	(774)
Net gains / (losses) on investments	14	(2)	1,344	1,342	-	595	595
Net (expenditure) / income		(699)	1,204	505	(588)	409	(179)
Transfers between funds	10	445	(445)	-	356	(356)	-
Net (expenditure) / income before other recognised gains/(losses)		(254)	759	505	(232)	53	(179)
Other recognised losses							
Actuarial gains / (losses) on defined benefit pension scheme	25	-	-	-	147	-	147
Net Movement In Funds		(254)	759	505	(85)	53	(32)
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		22,364	24,512	46,876	22,449	24,459	46,908
Fund balances carried forward at 30 September		22,110	25,271	47,381	22,364	24,512	46,876

The notes on pages 17 to 42 form part of these financial statements.

Balance Sheet as at 30 September 2022

		Group	Charity	Group	Charity
		2022	2022	2021	2021
	Notes	£000	£000	£000	£000
Fixed Assets:					
Intangible Assets	11	279	270	222	207
Tangible Assets	12	34,415	34,392	34,411	34,375
Heritage Assets	13	4,719	4,719	4,719	4,719
Investments	14	10,245	10,245	9,555	9,555
Total Fixed Assets		49,658	49,626	48,907	48,856
Current Assets:					
Debtors	15	725	818	311	831
Cash at bank and in hand		1,192	1,138	1,502	1,207
Total Current Assets		1,917	1,956	1,813	2,038
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,760)	(1,142)	(1,312)	(986)
Net Current Assets		157	814	501	1,052
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	17	(2,434)	(2,409)	(2,532)	(2,519)
Net Assets Excluding Pension Liability		47,381	48,031	46,876	47,389
Defined Benefit Pension Scheme Liability	25	-	-	-	-
Total Net Assets		47,381	48,031	46,876	47,389
The Funds of The Group and Charity:					
Endowment funds	19	23,719	23,719	22,729	22,729
Restricted income funds	20	1,552	1,552	1,783	1,783
Unrestricted funds	21	22,110	22,760	22,364	22,877
Total Charity Funds		47,381	48,031	46,876	47,389

Approved by the Board of Trustees on 21 February 2023 authorised for issue, and signed on its behalf by:



Sir Richard Catlow
Chair, The Royal Institution of Great Britain

Dated: 21 February 2023

The notes on pages 17 to 42 form part of these financial statements.

Consolidated and Charity Cash Flow Statements for the year ended 30 September 2022

	Notes	2022 Group £000	2022 Charity £000	2021 Group £000	2021 Charity £000
Cash flows from operating activities:					
Net cash (used in) / provided by operating activities		(931)	(697)	410	138
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	174	174	180	180
Purchase of property, plant and equipment	12	(101)	(93)	(25)	(25)
Purchase of intangible assets	11	(104)	(104)	(62)	(55)
Purchase of investments	14	-	-	(5,245)	(5,245)
Proceeds from sale of investments	14	652	652	4,905	4,905
Net cash provided by investing activities		621	629	(247)	(240)
Change in cash and cash equivalents in the reporting period		(310)	(69)	163	(102)
Cash and cash equivalents at 1 October		1,502	1,207	1,339	1,309
Cash and cash equivalents at 30 September		1,192	1,138	1,502	1,207
Reconciliation of cash flows from operating activities:					
Net income/(expenditure) for the reporting period		505	642	(179)	109
Adjustments for:					
Depreciation and Amortisation charges	11,12	130	109	94	77
(Gains)/Losses on investments	14	(1,342)	(1,342)	(595)	(595)
Dividends, interest and rents from investments	4	(174)	(174)	(180)	(180)
Loss on disposal of fixed assets	12	14	9	-	-
Decrease/(increase) in debtors	15	(414)	13	(16)	(536)
Increase in creditors	16,17	350	46	1,286	1,263
Net cash (used in) operating activities		(931)	(697)	410	138

The notes on pages 17 to 42 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2022

1. Accounting policies

Charity Information

The address of the registered office is 21 Albemarle Street, London, W1S 4BS.

Basis of Accounting

These financial statements have been prepared under the historical cost convention modified to include certain financial instruments at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 1 October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

These financial statements consolidate the results of The Royal Institution of Great Britain and its wholly owned subsidiary RiGB Limited (Company number 4065626) on a line-by-line basis. The summary of the financial performance and position of the subsidiary are detailed in note 14.

The group and charity meets the definition of a public benefit entity under FRS102.

Functional and presentation currency

The functional currency of the Charity and its subsidiary company is considered to be pounds sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling to the nearest round thousand.

Going concern

The Trustees have undertaken detailed analysis and forecasting and have concluded that, with the positive signs that income is strongly returning, and with the financial support provided by the Arts Council England, and our bank, HSBC, the Ri and the group remains a going concern. However, the Trustees recognise that, in common with many other organisations, there are a number of uncertainties which have an impact on visitors' and clients' behaviour and hence the Ri's financial position, in particular, the impact of the cost of living inflation and the risk of possible future outbreaks of Covid.

Based on existing levels of unrestricted cash, the overdraft facility, income and expenditure and cash flows forecast, the Trustees are satisfied that the charity has adequate resources to continue in operation for the foreseeable future. Trustees

believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Recognition of Income

Donations and the donation element of patron income and corporate Memberships are credited to the Statement of Financial Activities on a receivable basis, including the related income tax recoverable under Gift Aid.

Legacies are credited to the Statement of Financial Activities in the year in which The Royal Institution of Great Britain is notified of the entitlement and is able to measure the amount with reasonable certainty and probate has been granted. The legacy by Dr Suzuki was recognised taking into account the overall amount for which probate had been granted and the amount was determined by the share attributable to the Ri.

Membership subscriptions and benefit element of patron income and corporate Memberships are apportioned on a straight-line basis over the relevant periods.

Consolidated income is recognised in accordance with the delivery of contracted services.

Grants are included in incoming resources when the charity has met all conditions of receipt. In the case of government grants, including the ACE CRF grant, confirmation from the grant giver has to have been received regarding additional payments before the income not yet received is recognised.

In accounting for Gift Aid within the charitable group, income is accrued when the Gift Aid payment is payable to the parent charity under a legal obligation. Because RiGB Ltd incurred a loss, there is no Gift Aid in the current year.

Recognition of Liabilities

Expenses are recognised as they are incurred. Where services and goods received have not been invoiced on the balance sheet date, accruals have been made and included in the financial statements.

Allocation of costs

Expenditure on raising funds comprise expenditure incurred in encouraging the financial support of The Royal Institution of Great Britain.

Charitable expenditure comprises expenditure directly relating to the objects of The Royal Institution of Great Britain and a proportion of expenses relating to the support of such activities.

Support costs comprise premises, operations, IT, finance, digital, governance, office and legal and professional costs. Support costs are apportioned to the Charity's activities based on staff numbers.

A cost sharing agreement with RiGB Ltd was implemented in 2016 detailing the apportionment of support costs.

Properties, fixed assets and depreciation

Long leasehold land and buildings are stated at deemed cost in the case of properties for charitable use. The freehold property of No. 20 Albemarle Street is stated at deemed cost excluding the element held as investment property which is held at market value as of 30 September 2022.

Freehold and long leasehold land and buildings used for charitable purposes are listed buildings maintained to a high standard that retains their service potential and hence no

provision for depreciation has been made. The cost for upkeep is part of maintenance costs. The original buildings have a long useful economic life with a high residual value so depreciation would be immaterial. Improvements to the original buildings since adoption of FRS102 will be capitalised and depreciated as Plant & Machinery over their useful lives.

Fixed asset impairment reviews on all tangible assets are conducted by the management team when changes in circumstances indicate that impairment may have occurred in accordance with FRS102 section 26 "Impairment of Assets".

Assets with a purchase value of less than £1,000 are expensed when acquired.

Depreciation is provided on tangible fixed assets at rates calculated to reduce them to nil value over their estimated useful lives at rates calculated on a straight-line basis. The principal rates used are as follows (half a normal year's depreciation charged on assets acquired and capitalised during the year):

Freehold and long leasehold land and buildings	Nil (see above)
Computer equipment	33% pa
Network Cabling (part of Computer Equipment)	6% pa
Theatre Equipment	17 – 33% pa
Restaurant fixtures and fittings	20% pa
Plant and Equipment	6.6 – 20% pa
Fixtures and fittings	10 – 20% pa

Investments

Charity fixed asset investments, which include Investment Property, are included in the financial statements at market value on the Balance Sheet date. Realised gains or losses on disposals and unrealised gains or losses resulting from fluctuations in market value are taken to the Statement of Financial Activities in the year in which they occur.

There are no investments held by the subsidiary.

All Endowment funds investments, and part of those of the restricted funds, hold units in the CCLA COIF Equity fund with discrete accounts for each endowment.

A Total Return Approach (TRA) is taken to accounting for capital of the British Aerospace Educational and Gillespie Trust endowments using the CPI index from the date the funds were received.

Intangible Assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of the assets, less their estimated residual value over their expected useful lives at rates calculated on a straight-line basis.

Staff costs have been capitalised for larger developments where time and costs can be identified and are significant.

The principal amortisation rates used are as follows (half a normal year's amortisation is charged of assets acquired and brought in to use during the year):

Finance Software	10% pa
All other Software	33% pa

Amortisation is included in expenditure on raising funds on the SOFA. Useful lives have been selected to reflect the time in which the software becomes obsolete or require significant investment for its ongoing use.

Heritage Assets

The Ri's collection of printed works, archives, images, scientific apparatus and instruments and furniture, silver, clocks and watches are considered to represent heritage assets. On acquisition, heritage assets are initially recorded in the balance sheet at cost (for those acquired by purchase) or at valuation (for those acquired by donation). In subsequent years, heritage assets are measured at valuation.

The Trustees have considered Charities guidance from SORP, FRS102 relating to the valuation of the heritage assets. The Collections are included in the Balance Sheet using a valuation by Christies in October 2016 at the lower range of an auction estimate (see analysis in note 13).

Cash and liquid resources

Cash includes cash in hand, deposits repayable on demand and, if any, overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Liquid resources comprise assets readily disposable, but not within 24 hours without penalty. They include short term deposits and other instruments held as part of the Group's treasury management activities.

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Rentals receivable are charged quarterly or monthly on a straight-line bases over the term of the lease, with the lease determining the start and end dates of the quarter.

Financial Instruments

The Group 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. The exceptions to this are Investments to be measured at fair value.

Pension costs

Contributions payable to The Royal Institution of Great Britain's defined benefit pension scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

The pension scheme liabilities are measured using a projected unit method and discounted at a high-quality corporate bond rate as advised by Actuaries. Pension scheme deficits are recognised on the balance sheet when relevant.

The current service cost and net return on the scheme's assets and liabilities for the year are allocated across the resources expended categories in the Statement of Financial Activities. The actuarial gain/(loss) on the scheme for the year is included in the gains/(losses) section of the Statement of Financial Activities when relevant.

Other contributions payable to the stakeholder pension scheme and the Universities Superannuation Scheme are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

Funds held by The Royal Institution of Great Britain are either:

- Unrestricted general funds – These are funds which can be used in accordance with The Royal Institution of Great Britain's objects at the discretion of the Trustees.
- Designated funds – These form part of the unrestricted funds, but these represent amounts which have been set aside for a specific purpose by the Trustees.
- Restricted funds – These are funds that can only be used for particular restricted purposes within the objects of The Royal Institution of Great Britain. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Endowment funds – Permanent endowment funds are funds normally arising as a result of a will where the income but not the capital sum can usually be spent. Expendable endowment funds are funds where provision is made for both the income and capital to be spent on defined activities.

Estimates and judgements

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Heritage assets are stated at valuation based on an independent valuation completed in 2016. Many of the items are irreplaceable and valuable in the context of the Ri heritage and their value is very difficult to determine. The Ri has agreed not to dispose of its heritage assets as part of its museum accreditation.

Legacy income is recognised once probate has been granted and the entitlement to The Royal Institution of Great Britain, after deduction of estimated costs and funds due to other beneficiaries, can be valued.

Pension scheme liabilities relating to The Royal Institution of Great Britain Pension and Life Assurance Scheme (1977) are provided by a qualified actuary as part of an annual assessment. The principal actuarial assumptions are outlined in Note 25.

Fixed assets except freehold and long leasehold land and buildings are estimated to carry no value once they are at the end of their useful economic lives. The useful economic lives adopted are outlined in the Basis of Accounting as noted above.

Investment assets include one floor of a freehold building subject to a long lease. The lease valued was previously determined on the basis of discounted cash flows including regular five yearly rent reviews. A rent review due in April 2021 was waived as a result of factors associated with Covid-19. The next rent review is due in April 2026 and is expected to be carried out as contracted. A formal valuation including underlying assumptions took place as at the balance sheet date and the resulting investment gain is included in these accounts. The valuation was carried out in accordance with the RICS Valuation – Global Standards 2020 and the UK National Supplement – (known as "The Red Book"), incorporating the International Valuation Standards 2020('IVS').

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal actual related experience.

Redundancy and Termination Payments

The cost of redundancy and termination payments are recognised in the year when the decision is made.

2. Donations and legacies

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2022 Total Funds £000	2021 Total Funds £000
Voluntary Income:				
Donations – Patrons	138	100	238	109
Donations – Other	109	-	109	110
Legacies	100	-	100	102
Total Voluntary Income	347	100	447	321
Other income:				
Government Grants	59	-	59	560
Government Grant CJRS	-	-	-	119
Total donations and legacies	406	100	506	1,000

The group no longer receives grants via the Coronavirus Job Retention Scheme (2021: £119k). The group received £59k (2021: £530k) from ACE as part of the Cultural Recovery Fund (CRF) grant programme.

The legacy recognised relates to the legacy of Dr Shigeko Suzuki, a longstanding member of the Ri. The amount relates to the amount estimated due to the Ri where probate has been granted by the UK Executor. The total amount expected to the Ri is £1,500k, taking into account the funds due to the other beneficiaries and deducting estimates of administration costs.

3. Other trading activities

	Unrestricted Funds	Restricted and Endowment Funds	2022 Total Funds	2021 Total Funds
	£000	£000	£000	£000
Rents receivable	631	372	1,003	906
RiGB Limited room hire income	1,183	-	1,183	86
Sundry income	315	-	315	211
Total other trading activities	2,129	372	2,501	1,203

Restricted rents receivable income is income due to the Ludwig Mond Trust relating to 20 Albemarle Street and can be used by the Ri according to the restrictions of the Trust.

4. Investments

	Unrestricted Funds	Restricted and Endowment Funds	2022 Total Funds	2021 Total Funds
	£000	£000	£000	£000
Quoted investments	28	146	174	179
Total investments	28	146	174	179

The split of investment income between funds for 2021 was £28k Unrestricted and £151k Restricted.

5. Income from charitable activities

	Unrestricted Funds	Restricted and Endowment Funds	2022 Total Funds	2021 Total Funds
	£000	£000	£000	£000
Membership subscriptions	163	-	163	161
Patron subscriptions	25	-	25	29
Corporate subscriptions	7	-	7	27
Public and educational events	459	-	459	116
Sponsored events	257	-	257	155
Educational programme grants	6	502	508	327
Heritage	2	-	2	3
Total income from charitable activities	919	502	1,421	818

The split of income from charitable activities between funds for 2021 was £496k Unrestricted and £322k Restricted.

6. Raising funds

	Unrestricted Funds	Restricted and Endowment Funds	2022 Total Funds	2021 Total Funds
	£000	£000	£000	£000
Direct costs – Voluntary Income	88	-	88	73
Direct costs – Other Income	228	35	263	184
Support costs	297	50	347	352
RiGB Limited direct costs	675	-	675	174
RiGB Limited support costs	592	-	592	222
Investment Management and Audit Fees	-	28	28	37
Total costs of raising funds	1,880	113	1,993	1,042

The split of Raising Funds for 2021 was £1,005k Unrestricted and £37k Restricted.

7. Charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2022 Total Funds £000	2021 Total Funds £000
Members' Costs:				
Direct costs	108	7	115	68
Support costs	115	20	135	79
Total Members' Costs	223	27	250	147
Education:				
Programme costs	330	628	958	599
Young Scientist Centre	102	-	102	69
Online	201	17	218	177
CHRISTMAS LECTURES	41	175	216	313
Support costs	1,239	209	1,448	1385
Total Education costs	1,913	1,029	2,942	2,543
Heritage				
Collection costs	88	3	91	90
Philip Freer Fund	-	75	75	60
Support costs	75	13	88	92
Total Heritage costs	163	91	254	242
Total charitable activities	2,299	1,147	3,446	2,932

The split of charitable activities for 2021 was £2,298k Unrestricted and £634k Restricted.

Auditor's remuneration excluding VAT was £40k for audit services and £4k for other accountancy services (2021: £37k for audit services and £10k for other accountancy services).

8. Allocation of support costs

	Fundraising & Development £000	Members' Costs £000	Education £000	Heritage £000	RiGB Ltd £000	Total 2022 £000	Total 2021 £000
Premises costs	112	43	469	29	422	1,075	641
Operations, Finance & IT	116	45	482	29	84	756	699
Staff recruitment, training & welfare	14	6	59	3	10	92	142
Office costs	12	5	50	3	8	78	179
Legal and professional	3	1	13	1	3	21	50
Depreciation	12	5	51	3	9	80	62
Marketing	27	10	112	7	20	176	147
Digital costs	3	1	14	1	2	21	7
Governance	48	19	198	12	34	311	203
Total	347	135	1,448	88	592	2,610	2,130

9. Staff costs

	2022 £000	2021 £000
Wages and salaries	2,338	2,064
Social security costs	240	202
Pension costs – defined benefit	29	18
Pension costs – defined contribution	102	86
Total Staff Costs	2,709	2,370

No remuneration was paid to Trustees (2021: £nil). Two expense claims for travel (totalling £296) have been paid to Trustees during the year (2021: £nil).

Employees earning £60,000 or more fell into the following bands:

	2022 No.	2021 No.
£60,001-£70,000	3	1
£70,001-£80,000	1	1
£80,001-£90,000	1	-
£90,001-£100,000	-	2

Average number of employees analysed by function

	2022 No.	2021 No.
Educational Programme	22	19
Heritage	1	1
Premises	8	8
Directorate	3	2
Fundraisers	5	5
Membership department	2	1
Operations, Finance and IT	12	12
Total Staff	53	48

Remuneration of Key Management Personnel

The key management personnel of the Charity comprise the Trustees (who are not paid), the Director of the Ri, Director of Finance & COO (replaced by the Director of Finance and Resources), the Director of Human Resources and Organisational Development (for part of the year), the Director of Strategy, Planning and Commercial, the Director of Development, replaced by the Director of Fundraising, Marketing and Communications, and the Director of Science & Education. Total remuneration of the key management personnel, including employer's national insurance and employer's pension contributions, was £530k (2021: £499k).

Executive Liability Insurance has been purchased from Chubb European Group SE which covers staff and Trustees. A premium of £2k (2021: £4k) was paid for £1m (2021: £1m) of cover.

Redundancy Payments

There were no redundancies in this year (2021: one, £24k).

Termination Payments

There were no termination payments in the year (2021: NIL) as compensation for terminating an employment contract in lieu of notice.

Ex-gratia payments

There were no Ex-gratia payments in the year (2021: NIL).

10. Gross transfers between funds

Below are regular transfers of funds, these are done for the following reasons:

- A) The TRA valuation enabled a transfer from endowment into restricted funds (see note 19)
- B) This transfer is the contribution to the Ri's overheads
- C) When the restricted income fund has been consumed, the expendable endowment of the same fund can be utilized
- D) Overspend in one fund facilitates a transfer from another fund with the same restrictions
- E) Transfers relating to specific programme events with a nominal contribution.
- F) Ludwig Mond Trust: Income from 20 Albemarle Street in excess of direct expenditure on the upkeep, maintenance and repair of 20 Albemarle Street can be allocated to the general charitable purposes of the Ri.

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
Bain & Company	E	(39)		39	
British Aerospace	A			10	(10)
Causeway	B	(37)		37	
Company of Actuaries	B	(1)		1	
Clothworker Masterclass	B, C	(32)		(59)	91
Clothworker Stem grants	B	(11)		11	
Gillespie	A, B, D	(91)		233	(110)
Holmes Hines Memorial fund	D			(32)	
John Cohen	E	(5)		5	
Kantor	B	(7)		7	
Kusuma	E	(27)		27	
Ludwig Mond	F	(80)		80	
Old Broad Street	B	(97)		8	89
OSF Pseudo Science	B	(4)		4	
Philip Freer Studentships Income	B, C	(11)		(25)	36
Young Westminster Foundation	E	(3)		3	
Total transfers		(445)		349	96

Note: Items in brackets "(...)" represent additions to Funds and other amounts reductions to the relevant Fund.

11. Intangible assets

Group and Charity	Computer Software £000	Charity Total £000	CRM Software RiGB Limited £000	Group Total £000
Cost or Valuation:				
At 1 October 2021	263	263	99	362
Additions	104	104	-	104
At 30 September 2022	367	367	99	466
Amortisation:				
At 1 October 2021	56	56	84	140
Charge for the year	41	41	6	47
At 30 September 2022	97	97	90	187
Net Book Value:				
At 30 September 2021	207	207	15	222
At 30 September 2022	270	270	9	279

12. Tangible assets

Group and Charity	Freehold Building £000	Long Leasehold Land & Buildings £000	Rest-aurant Fixtures & Fittings £000	Computer Equip-ment £000	Plant & Equip-ment £000	Fixtures and Fittings £000	Charity Total £000	RiGB Ltd £000	Group Total £000
Cost or Valuation:									
At 1 October 2021	11,880	22,332	37	437	33	502	35,221	124	35,345
Additions	-	-	-	77	-	16	93	8	101
Disposals	-	-	-	(30)	-	(2)	(32)	(6)	(38)
At 30 September 2022	11,880	22,332	37	484	33	516	35,282	126	35,408
Depreciation:									
At 1 October 2021	-	-	37	345	11	453	846	88	934
Charge for the year	-	-	-	49	4	15	68	15	83
On Disposals	-	-	-	(21)	-	(2)	(23)	(1)	(24)
At 30 September 2022	-	-	37	373	15	466	890	103	993
Net Book Value:									
At 30 September 2021	11,880	22,332	-	92	22	49	34,375	36	34,411
At 30 September 2022	11,880	22,332	-	111	18	50	34,392	23	34,415

The freehold land and buildings have been recognised at the carrying amount of £17.53m of which £11.88m is Property, Plant and Equipment and £5.65m is Investment Property. The Investment Property was revalued at the effective date of 30 September 2022 by Cluttons LLP. The freehold serves as security for HSBC Bank UK plc (building) and The Trustees of the National Heritage Memorial Fund (land) since 2011.

13. Heritage Assets

Group and Charity	Printed works £000	Archives £000	Images £000	Scientific apparatus & instruments £000	Furniture, silver, clocks & watches £000	Total £000
Valuation at 1 October 2021	665	2,626	410	919	99	4,719
Additions	-	-	-	-	-	-
Valuation at 30 September 2022	665	2,626	410	919	99	4,719

The Ri holds an extensive heritage collection relating to its history and to those scientific and other figures who have researched, lectured and lived in the building. The collection is in six main areas:

- Printed works: The collection contains around 30,000 volumes of books and periodicals, published from the sixteenth century to the present day. The main strength of the collection is in the 19th and early 20th centuries, especially in natural philosophy and chemistry.
- Archives: An internationally significant record on the contribution to scientific knowledge and its communication made by the Ri over more than two centuries. The archive is a unique resource for all those interested in the development of science and its changing relationship with society and other areas of culture. It probably contains around a million items which could be catalogued.
- Images: The collection includes about 100 paintings in various media, approximately 40 sculptures, several hundred engravings and several thousand photographs, all of which are related in various ways to the Ri and its work.
- Scientific apparatus & instruments:
 - Apparatus: This section includes some of the iconic objects of science including the world's first miners' safety lamp, electric transformer and generator. In total there are about 3,000 items in this collection all of which were used by researchers in the Ri to make their seminal discoveries.
 - Instruments: Comprising around 2,000 items, these instruments were presented at various times and were mostly used in the Ri for communicating scientific knowledge.
- Furniture, silver, clocks, watches etc.: This includes about twenty items of furniture, about twenty clocks and watches and various pieces of silver all of which are either closely associated those who lived in the Ri or used for institutional purposes.

New accessions to all these collections are usually made by donation and are recorded at the current value where available. The cost of obtaining an annual valuation outweighs any resultant benefit. The Ri holds and retains the collections as a long-term policy for use in its charitable purposes.

The collections are accessible to the public and scholars in a number of ways. Roughly a thousand objects are displayed around the building, whilst the archives and reserve collection may be viewed by appointment.

As an accredited museum, the Ri has adopted a set of Heritage Asset policies which meet the accreditation standards required by Arts Council England (ACE). These cover acquisitions, preservation and management of Heritage Assets.

In conjunction with the Ri collections policy, the collection represents the work of the Ri – consequently there is no acquisition budget. Any additions to the collection are generated through donations of artefacts assessed as being culturally relevant to the Ri's history. Similarly, the Trustees consider the case for disposals in light of the Heritage Asset policies. The Trustees regularly review the collections to ensure that current accession and collection care policies are followed.

Five-year summary of transactions					
Group and Charity	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Purchases:					
Printed Works	-	-	-	-	2
Total Additions	-	-	-	-	2
Disposals:					
Printed Works	-	-	-	-	-
Total Disposals	-	-	-	-	-
Proceeds from Disposals:					
Printed Works	-	-	-	-	-
Total Proceeds from Disposals	-	-	-	-	-

14. Investments

Group and Charity	Listed investments £'000	Other Investments £'000	Property £'000	Group Total 2022 £'000	Group Total 2021 £000
Fair value at 1 October 2021:	11	5,544	4,000	9,555	8,620
Disposals -investments	-	(652)	-	(652)	(4,819)
Net realised gains / (losses) on sale investments	-	-	-	-	285
Purchase of investments	-	-	-	-	5,245
Net unrealised investment gains / (losses) on investments	(2)	(306)	1,650	1,342	310
Cash movements	-	-	-	-	(86)
Fair value at 30 September 2022	9	4,586	5,650	10,245	9,555

All Endowment funds investments, and part of those of the Restricted funds, hold units in the CCLA COIF Equity fund with discrete accounts for each endowment. The investment property was revalued at the effective date of 30 September 2022 by Cluttons LLP at market value, deemed to be fair value, under RICS regulations, and the increase in value is shown as an unrealised gain. Cluttons LLP is a firm of independent chartered surveyors that has recent experience in the location and class of the investment property being valued. The investment property is owned by The Mond Trust and income generated from the use of the property is restricted to the objects of the Mond Trust. The Royal Institution is the corporate trustee of the Mond Trust.

Investment in Subsidiary

The Ri owns the entire issued share capital of RiGB Limited of one pound, a company incorporated in England and Wales which provides short term room hire at the Royal Institution of Great Britain and enters into other commercial activities such as sponsorship (registered company number 04065626).

The Ri has issued a letter of support to the Directors of RiGB Ltd providing financial support to pay its debts as and when they fall due for a period of at least 12 months from the date of signing the financial statements.

The profit and loss account of the subsidiary is as follows:

	2022 £000	2021 £000
Turnover	1,423	248
Cost of sales	(968)	(314)
Management fee paid to Ri	(592)	(222)
Operating (Loss) / Profit	(137)	(288)
(Loss) / Profit on ordinary activities before taxation	(137)	(288)
Taxation	-	-
(Loss) / Profit for the year after Taxation	(137)	(288)

The balance sheet of the subsidiary is as follows:

	2022 £000	2021 £000
Fixed assets		
Tangible fixed assets	23	36
Intangible fixed assets	9	15
Current assets		
Debtors	285	21
Cash at bank	55	295
Creditors: Amounts falling due within one year	(997)	(867)
Net current assets	(657)	(551)
Creditors: Amounts falling due after more than one year	(25)	(13)
Total assets less liabilities	(650)	(513)
Capital and reserves		
Called up share capital	-	-
Profit and loss account	(650)	(513)
Shareholders' Deficit	(650)	(513)

15. Debtors

	2022 Group £000	2022 Charity £000	2021 Group £000	2021 Charity £000
Trade debtors	360	81	71	51
Amount owed by subsidiary	-	379	-	541
Other debtors	17	17	-	-
Tax recoverable	-	-	17	17
Prepayments and accrued Income	348	341	223	222
Total Debtors	725	818	311	831

16. Creditors: Amounts falling due within one year

	2022 Group £000	2022 Charity £000	2021 Group £000	2021 Charity £000
Trade creditors	346	326	205	191
Other tax and social security	150	69	126	108
Holiday pay accrual	27	27	52	52
Other creditors	17	17	18	18
Loan	41	41	-	-
Income received in advance (see note 18)	813	338	661	377
Accruals	366	324	250	240
Total Creditors: Amounts falling due within one year	1,760	1,142	1,312	986

17. Creditors: Amounts falling due after more than one year

	2022 Group £000	2022 Charity £000	2021 Group £000	2021 Charity £000
Income received in advance (see note 18)	975	950	1,032	1,019
Loan	1,459	1,459	1,500	1,500
Total Creditors: Amounts falling due after more than one year	2,434	2,409	2,532	2,519

The loan is unsecured and is due for repayment within: one year £41k, 2 – 3 years £177k, 4 – 5 years £184k and >5 years £1,098k (2021: nil).

18. Income received in advance

	Balance as at 30 September 2021 £000	Income released in the year £000	Income received in advance during the year £000	Balance as at 30 September 2022 £000
Charity				
Grant income	44	(44)	-	-
Subscription income	73	(190)	212	95
Events income	12	(162)	204	54
Advanced Rental & Service Charge	180	(881)	828	127
Lease Premium	1,087	(75)	-	1,012
Total Charity	1,396	(1,352)	1,244	1,288
RiGB Limited	297	(1,322)	1,525	500
Group	1,693	(2,674)	2,769	1,788

Income is deferred when a charge is raised as per the terms and condition of a schools or venue hire booking, membership or rental lease, but the event has not yet happened, or the membership or lease remain active.

19. Endowment funds

1 October 2021 to 30 September 2022:

Group and Charity	Balance as at 1 October 2021 £000	Incoming £000	(Out- going) £000	Investment Management Fee £000	Transfers Between Funds £000	Other Recognis- ed Gains £000	Balance as at 30 September 2022 £000
Permanent Endowment Funds:							
British Aerospace Educational fund	97	-	-	-	10	(1)	106
Dr Ludwig Mond Trust	16,319	-	-	-	-	1,624	17,943
Gillespie Trust fund	583	-	-	-	110	(56)	637
Holmes Hines Memorial Fund	1,113	-	-	-	-	(67)	1,046
Philip Freer Studentships Fund	1,113	-	-	-	94	(94)	1,113
Total Permanent Endowment Funds	19,225	-	-	-	214	1,406	20,845
Expendable Endowment Funds:							
Building Preservation fund	99	-	-	-	-	(2)	97
Clothworkers' Endowment fund	200	-	(50)	-	-	-	150
Clothworkers' Masterclasses fund	1,391	-	-	-	(91)	(31)	1,269
Old Broad Street Charity Trust fund	624	-	(97)	-	(89)	(5)	433
Philip Freer Studentships Fund	228	-	-	-	(131)	-	97
The Royal Institution Research fund	367	-	-	-	-	(7)	360
Victoria Woodhull Endowment fund	595	-	(121)	-	-	(7)	467
Total Expendable Endowment Funds	3,504	-	(268)	-	(311)	(52)	2,874
Total Endowment Funds	22,729	-	(268)	-	(97)	1,354	23,719

Total Return Approach

	Gillespie £'000	British Aerospace £'000	Total trust for investment £'000	Total unapplied total return £'000	Total endowment £'000
At the beginning of the reporting period	583	97	353	327	680
Other movements in the reporting period					
Investment return: realised and unrealised gains (losses)	(55)	(1)		(56)	(56)
Less: investment management costs	(5)			(5)	(5)
TOTAL	(60)	(1)		(61)	(61)
Unapplied total return allocated to income in the reporting period	115	10		124	125
Net movements in the reporting period	55	9		64	64
At the end of the reporting period					
Gift component of the permanent endowment			353		353
Unapplied total return				391	391
TOTAL	638	106	353	391	744

1 October 2020 to 30 September 2021:

Group and Charity	Balance as at 1 October 2020 £000	Incoming £000	(Out- going) £000	Investment Management Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2021 £000
Permanent Endowment Funds:							
British Aerospace Educational fund	96	-	-	-	(3)	4	97
Dr Ludwig Mond Trust	16,204	1	-	(1)	62	53	16,319
Gillespie Trust fund	573	3	-	(1)	(123)	131	583
Holmes Hines Memorial Fund	1,073	-	-	-	-	40	1,113
Philip Freer Studentships Fund	1,113	-	-	(4)	(207)	211	1,113
Total Permanent Endowment Funds	19,059	4	-	(6)	(271)	439	19,225
Expendable Endowment Funds:							
Building Preservation fund	88	-	-	-	8	3	99
Causeway Endowment	64	-	(51)	-	(13)	-	-
Clothworkers' Endowment fund	327	-	(40)	-	(95)	8	200
Clothworkers' Masterclasses fund	1,411	-	-	-	(86)	63	1,391
Old Broad Street Charity Trust fund	597	-	-	-	-	27	624
Philip Freer Studentships Fund	21	-	-	-	207	-	228
The Royal Institution Research fund	355	-	-	-	(3)	15	367
Victoria Woodhull Endowment fund	608	-	-	-	(32)	19	595
Total Expendable Endowment Funds	3,471	3	(91)	-	(14)	135	3,504
Total Endowment Funds	22,530	7	(91)	(6)	(285)	574	22,729

Permanent Funds

The British Aerospace Educational endowment, original gift of £50k, is considered a permanent endowment to be used to encourage young people's interest in science.

Dr Ludwig Mond Trust endowment includes funds for the maintenance and insurance of 20 Albemarle Street and Freehold Property and Investment Property. The Freehold property element is recorded at cost (as required by FRS102) at £11.9m, the investment property element is valued at £5.6m. The Gillespie Trust is set up to promote the education and research of physics.

The Holmes Hines Memorial Fund supports the advancement of scientific knowledge.

The Philip Freer Studentships Fund provides help to students of science research and to create a Ri Centre for Science in Culture. As per trust deed, 90% of original capital value cannot be depleted and, as such, is treated as Permanent Endowment.

Expendable Funds

The Building Preservation fund is to be used to maintain the lecture theatre.

The Causeway Endowment has been provided to support Computer Science Masterclasses. This funding has now been replaced by a restricted grant.

The Clothworkers' Endowment Funds support technical staff in the Ri Preparation Laboratory.

The Clothworkers' Masterclass Fund supports Secondary Mathematics Masterclasses.

The Old Broad Street Charity Trust fund provided funds to send young scientists to an International Science Festival. The Trustees of the Old Broad Street Charity Trust and the Charity Commission also agreed that this fund may be used to support any Ri educational activity.

The Philip Freer Studentships Fund provides funds to help students of science research or the history of science at The Royal Institution of Great Britain. As per trust deed, 10% of the original Endowment is shown as Expendable, providing a bursary or a stipend to cover expenses incurred by selected students in the course of their studies.

The Royal Institution Research Endowment provides funds to support research at The Royal Institution of Great Britain.

The Victoria Woodhull Endowment provides funds to further knowledge of genetics.

20. Restricted Funds

1 October 2021 to 30 September 2022:

Group and Charity	Balance as at 1 October 2021 £000	Incoming £000	Investment income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recogn- ised Gains £000	Balance as at 30 September 2022 £000
American Friends Fund	4	-	-	-	-	-	-	4
Bain & Company	70	70	-	(26)	-	(39)	-	75
Bragg Lecture fund	9	-	-	-	-	-	-	9
British Aerospace Fund	-	-	-	3	-	(10)	-	(7)
Building Preservation fund	10	-	1	-	-	-	-	11
Causeway	-	100	-	(63)	-	(37)	-	-
Clothworkers' Endowment Fund	1	-	-	-	-	-	-	1
Clothworkers' Masterclass Fund	-	-	16	(73)	(2)	59	-	-
Clothworkers' E&E Grant	30	15	-	(11)	-	(11)	-	23
Company of Actuaries	1	18	-	(3)	-	(1)	-	15
Dr Ludwig Mond's fund	54	372	13	(292)	(2)	(80)	-	65
DS Smith	5	-	-	-	-	-	-	5
Educational Funds	142	-	1	-	-	-	(4)	139
Faraday Foundation - Heritage Scanner	8	-	-	(3)	-	-	-	5
Gillespie Trust Fund	513	-	31	(112)	(5)	(233)	-	194
Holmes Hines Memorial Fund	-	-	27	(55)	(4)	32	-	-
John Cohen Foundation	-	10	-	(5)	-	(5)	-	-
Kantor Fund	124	-	-	(49)	-	(7)	-	68
Kusuma Trust	-	66	-	(28)	-	(28)	-	10
Live Streaming	11	-	-	(3)	-	-	-	8
LG Harris Trust E&E Grant	23	-	-	-	-	-	-	23
Manly Trust	8	-	-	-	-	-	-	8
Maths Set Up	23	-	-	(6)	-	-	-	17
Old Broad Street Charity Trust Fund	4	-	4	-	(1)	(7)	-	-
OSF Pseudo Science	76	220	-	(88)	-	(5)	-	203
Philip Freer Studentships Fund	288	-	45	(74)	(12)	24	-	271
Phoenix Project	-	100	-	(35)	-	-	-	65
Research Funds	143	-	3	-	(1)	-	(6)	139
Ri Research Fund	42	-	3	-	(1)	-	-	44
Ternality Trust	52	-	-	(9)	-	-	-	43
Victoria Woodhull Endowment Fund	17	-	2	(19)	-	-	-	-
Website Development Fund	125	-	-	(13)	-	-	-	112
Young Westminster Foundation	-	3	-	-	-	(3)	-	-
Total Restricted Income Funds	1,783	974	146	(964)	(28)	(351)	(10)	1,552

1 October 2020 to 30 September 2021:

Group and Charity	Balance as at 1 October 2020 £000	Incoming £000	Investment income £000	(Out-going) £000	Investment Management Fees £000	Transfer Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2021 £000
American Friends Fund	4	-	-	-	-	-	-	4
Bain & Company	-	70	-	-	-	-	-	70
Bragg Lecture fund	9	-	-	-	-	-	-	9
British Aerospace Fund	35	-	1	(27)	-	(9)	-	-
Building Preservation fund	9	-	1	-	-	-	-	10
CHRISTMAS LECTURES Fund	295	-	-	(143)	-	(152)	-	-
Clothworkers' Endowment Fund	1	-	1	(1)	-	-	-	1
Clothworkers' Masterclass Fund	-	-	15	(49)	(2)	36	-	-
Clothworkers' E&E Grant	8	25	-	12	-	(15)	-	30
Company of Actuaries	1	-	-	-	-	-	-	1
Dr Ludwig Mond's fund	7	-	12	-	(2)	37	-	54
DS Smith	8	-	-	(3)	-	-	-	5
E&Y Sponsored Event	2	-	-	(2)	-	-	-	-
Educational Funds	124	-	2	-	-	9	7	142
Faraday Foundation - Heritage Scanner	12	-	-	(4)	-	-	-	8
Genetic Society	-	-	-	-	-	-	-	-
Gillespie Trust Fund	469	-	30	(82)	(5)	101	-	513
Holmes Hines Memorial Fund	14	-	13	(7)	(4)	(16)	-	-
John Cohen Foundation	-	-	-	-	-	-	-	-
Kantor Fund	72	125	-	(63)	-	(10)	-	124
Live Streaming	-	12	-	(1)	-	-	-	11
LG Harris Trust E&E Grant	2	20	-	1	-	-	-	23
LRF	143	-	-	(93)	-	(50)	-	-
Manly Trust	8	-	-	-	-	-	-	8
Maths Set Up	23	-	-	-	-	-	-	23
Old Broad Street Charity Trust Fund	-	-	5	-	(1)	-	-	4
OSF Pseudo Science	-	93	-	(14)	-	(3)	-	76
Philip Freer Studentships Fund	326	-	54	(59)	(15)	(18)	-	288
Reece Foundation	11	-11	-	-	-	-	-	-
Research Funds	108	-	3	-	(1)	19	14	143
Ri Research Fund	40	-	3	-	(1)	-	-	42
Ternality Trust	60	-	-	(8)	-	-	-	52
Victoria Woodhull Endowment fund	13	-	4	-	-	-	-	17
Website Development fund	125	-	-	-	-	-	-	125
Total Restricted Income Funds	1,929	334	144	(543)	(31)	(71)	21	1,783

The Dr Ludwig Mond Fund, Building Preservation fund, British Aerospace educational fund, two Clothworkers' endowments, the Holmes Hines Memorial Fund, the Royal Institution Research Fund, Old Broad Street Charity Trust fund, Philip Freer and Victoria Woodhull endowment fund represents the income available to fund the activities set out in the deeds of the endowment funds.

American Friends was set up to enable American citizens to donate to The Royal Institution tax efficiently from the USA.

The Bain & Company supports Science in School events.

The Bragg Lecture fund supports a biennial series of lectures at various locations.

The Causeway fund supports Masterclasses in Computer Science.

THE CHRISTMAS LECTURES fund is used to support the production of the CHRISTMAS LECTURES and associated educational learning materials.

The (Clothworkers') Enrichment & Enhancement (E&E) grant is to support Science in Schools events.

The Company of Actuaries supports London Masterclasses.

DS Smith Fund provides funding for Engineering Masterclasses.

The Educational Funds consist of the Davenhall Bequest, Acton and Neate funds transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees in 2012. The funds are inactive but subject to requests of the Charity Commission for repurposing.

Ernst & Young contributed funds towards certain events.

The Faraday Foundation has funded a specialist scanner in the Heritage Department.

The Genetic Society grants supported the delivery of the 2018 CHRISTMAS LECTURES, and a project manager.

The Gillespie restricted fund support school's events about Physics in disadvantaged areas.

The Holmes Hines Memorial Fund was set up to support the advancement of scientific knowledge. The Ri took over this endowment from UKRI in the 2021 year.

The John Cohen Foundation supports Science in School and other educational shows.

The Livestreaming equipment grant supported acquisition of live streaming equipment for Ri events.

The LG Harris Trust funds Science in School shows for schools that would otherwise find it difficult to afford this activity.

The Kantor Charitable Foundation supports Primary Masterclasses. We convened the Ri Scrutiny Committee on 22nd March 2022 where Trustee members decided to freeze this funding, ahead of Dr Viatcheslav Kantor's sanctioning by the UK Government on 6th April 2022. We have not used these funds since then nor returned any of these funds to Kantor Charitable Foundation.

The Kusuma Trust supports Science in School shows.

A grant from was given by the Lloyd's Register Foundation (LRF) to investigate setting up an international network of organisations to drive a meaningful improvement in the way that the public are engaged in matters of scientific and technological research. The LRF Fund also supported the running of the 2020 CHRISTMAS LECTURES.

The AG Manly Trust provides funding for Engineering Masterclasses.

The Maths set up fund is established to maintain, expand and improve mathematics programmes at the Royal Institution.

The OSF Pseudo Science fund received a grant from the Open Society Foundation to support Ri work with independent scientists, journalists and other media professionals to counter pseudoscience.

The Phoenix Project fund contributes towards a review and enabling of the audience and income generation activities within the Ri.

The Reece Foundation provides funding for Engineering Masterclasses.

The Research Funds consists of the Fullerian Accumulated, Professorship of Chemistry and Professorship of Physiology transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees in 2012. The funds are inactive but subject to requests of the Charity Commission for repurposing.

The Ternality Trust fund has been given to improve the support services and overall efficiency of the RI.

The Website Development Fund is to support the development of the RI's new website.

The Young Westminster Foundation supported tickets for holiday workshops.

21. Unrestricted Funds

Group – 1 October 2021 to 30 September 2022:

	Balance as at 1 October 2021 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Invest- ment Mgmt Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recogn- ised (Losses) £000	Balance as at 30 September 2022 £000
General fund	(1,961)	1,931	28	(3,504)	-	885	445	(2)	(2,178)
Non charitable trading funds	(513)	1,423	-	(675)	-	(885)	-	-	(650)
Unrestricted Fund Total	(2,474)	3,354	28	(4,179)	-	-	445	(2)	(2,828)
Designated funds:									
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve	-	100	-	-	-	-	-	-	100
Total designated funds	24,838	100	-	-	-	-	-	-	24,938
Total Unrestricted Income Funds Excluding Pension Reserve	22,364	3,454	28	(4,179)	-	-	445	(2)	22,110
Pension reserve	-	-	-	-	-	-	-	-	-
Total Unrestricted Income Funds	22,364	3,454	28	(4,179)	-	-	445	(2)	22,110

Charity – 1 October 2021 to 30 September 2022:

	Balance as at 1 October 2021 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Invest- ment Mgmt Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recogn- ised (Losses) £000	Balance as at 30 September 2022 £000
General fund	(1,961)	1,931	28	(3,504)	-	885	445	(2)	(2,178)
Designated funds:									
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating reserve	-	100	-	-	-	-	-	-	100
Total designated funds	24,838	100	-	-	-	-	-	-	24,938
Total Unrestricted Income Funds (excluding Pension Reserve)	22,877	2,031	28	(3,504)	-	885	445	(2)	22,760
Pension Reserve	-	-	-	-	-	-	-	-	-
Total Unrestricted Income Funds (incl. Pension Reserve)	22,877	2031	28	(3,504)	-	885	445	(2)	22,760

Group – 1 October 2020 to 30 September 2021:

	Balance as at 1 October 2020 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recogn- ised Gains £000	Balance as at 30 September 2021 £000
General fund	(2,017)	2,440	28	(3,129)	-	361	356	-	(1,961)
Non charitable trading funds	(225)	247	-	(174)	-	(361)	-	-	(513)
Unrestricted Fund Total	(2,242)	2,687	28	(3,303)	-	-	356	-	(2,474)
Designated funds:									
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Total designated funds	24,838	-	-	-	-	-	-	-	24,838
Total Unrestricted Income Funds Excluding Pension Reserve	22,596	2,687	28	(3,303)	-	-	356	-	22,364
Pension reserve	(147)	-	-	147	-	-	-	-	-
Total Unrestricted Income Funds	22,449	2,687	28	(3,156)	-	-	356	-	22,364

Charity – 1 October 2020 to 30 September 2021:

	Balance as at 1 October 2020 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recogn- ised Gains £000	Balance as at 30 September 2021 £000
General fund	(2,017)	2,440	28	(3,129)	-	361	356	-	(1,961)
Designated funds:									
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Total designated funds	24,838	-	-	-	-	-	-	-	24,838
Total Unrestricted Income Funds (excluding Pension Reserve)	22,821	2,440	28	(3,129)	-	361	356	-	22,877
Pension Reserve	(147)	-	-	147	-	-	-	-	-
Total Unrestricted Income Funds (incl. Pension Reserve)	22,674	2,440	28	(2,982)	-	361	356	-	22,877

The General fund is unrestricted funds not held or designated for other purposes and used for the general work of the Ri. The reserves policy on free reserves refers to this fund.

The non-charitable trading fund represents the net assets/(liabilities) of the trading subsidiary, RiGB Ltd.

The Tangible fixed assets fund is a designated fund set aside to reflect the fact that these amounts are invested in assets used by the charity to undertake its charitable activities and which are therefore not available for use on other purposes.

The Heritage Assets fund represents the value of the extensive heritage collection, held by the Ri, relating to its history and to those scientific and other figures who have researched, lectured and lived in the building. These can be categorised as printed works, archives, images, scientific apparatus & instruments, furniture, silver, clocks and watches.

The Operating Reserve was re-established to enhance financial resilience.

22. Analysis of net assets between funds

Group – As at 30 September 2022:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Reserve £'000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	8,872	93	-	-	20,845
Expendable endowment	-	-	-	1,202	1,672	-	-	2,874
Total Endowment Funds	11,880	-	-	10,074	1,765	-	-	23,719
Total Restricted Income Funds	13	139	-	162	1,238	-	-	1,552
Unrestricted Income Funds:								
General fund	2,380	131	-	9	(2,289)	(2,409)	-	(2,178)
Non charitable trading funds	23	9	-	-	(657)	(25)	-	(650)
Total Unrestricted Income Funds	2,403	140	-	9	(2,946)	(2,434)	-	(2,828)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	-	100	-	-	100
Total Designated Funds	20,119	-	4,719	-	100	-	-	24,938
Pension reserve	-	-	-	-	-	-	-	-
Total Funds	34,415	279	4,719	10,245	157	(2,434)	-	47,381

Charity – As at 30 September 2022:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Reserve £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	8,872	93	-	-	20,845
Expendable endowment	-	-	-	1,202	1,672	-	-	2,874
Total Endowment Funds	11,880	-	-	10,074	1,765	-	-	23,719
Total Restricted Income Funds	13	139	-	162	1,238	-	-	1,552
Unrestricted Income Funds:								
General fund	2,380	131	-	9	(2,289)	(2,409)	-	(2,178)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	-	100	-	-	100
Total Designated Funds	20,119	-	4,719	-	100	-	-	24,938
Pension reserve	-	-	-	-	-	-	-	-
Total Funds	34,392	270	4,719	10,245	814	(2,409)	-	48,031

Group – As at 30 September 2021:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Liability £'000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,345	-	-	-	19,225
Expendable endowment	-	-	-	3,504	-	-	-	3,504
Total Endowment Funds	11,880	-	-	10,849	-	-	-	22,729
Total Restricted Income Funds	-	-	-	1,088	695	-	-	1,783
Unrestricted Income Funds:								
General fund	2,376	207	-	(2,382)	357	(2,519)	-	(1,961)
Non charitable trading funds	36	15	-	-	(551)	(13)	-	(513)
Total Unrestricted Income Funds	2,412	222	-	(2,382)	(194)	(2,532)	-	(2,474)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	-	-	-	-	-
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	-	-
Total Funds	34,411	222	4,719	9,555	501	(2,532)	-	46,876

Charity – As at 30 September 2021:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Reserve £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,345	-	-	-	19,225
Expendable endowment	-	-	-	3,504	-	-	-	3,504
Total Endowment Funds	11,880	-	-	10,849	-	-	-	22,729
Total Restricted Income Funds	-	-	-	1,088	695	-	-	1,783
Unrestricted Income Funds:								
General fund	2,379	207	-	(2,382)	357	(2,519)	-	(1,961)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	-	-	-	-	-
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	-	-
Total Funds	34,378	207	4,719	9,555	1,052	(2,519)	-	47,389

Use of funds

In 2008 and 2009 Endowment and Restricted Funds were used for the refurbishment of 21 Albemarle Street and in 2009, the Ri made a commitment to the Charity Commission to replenish those Endowment and Restricted Funds. The Charity Commission noted that these Endowment and Restricted Funds were applied to secure the long-term success of the Charity.

In June 2018 Trustees agreed a plan to replenish Endowment and Restricted funds over 15 years from 1 October 2018. The Charity Commission had agreed to this replenishment plan. The Charity Commission, after their visit in March 2019 and clarification of various matters, advised in October 2019 that they are "... -satisfied that the RI no longer requires any special oversight from the Commission and our current engagement can therefore now end." In 2018/19, consistent with this plan, Endowments and Restricted funds were replenished by £143k.

In the year to 30 September 2020, the impact of COVID on Ri finances led Trustees to conclude that Endowment and Restricted Funds could not be replenished as had been planned without significant adverse impact on Ri finances – funds were retained to provide financial stability. The Charity Commission has authorised deferring replenishment to the financial year commencing 1 October 2023, when Ri finances are expected to have recovered to a state where replenishment can recommence without undermining financial stability.

Replenishment of Endowment and Restricted funds since 2009 totals £1.434m (2021: £1.333m). The Ri remains committed to replenish these Endowment and Restricted Funds by a further £2.287m (2021: £2.388m) over a 14 year term expected to be from October 2023 but to be agreed with the Charity Commission after taking into account the Ri's financial capacity and outlook at that time.

23. Analysis of net debt

	Balance at 1 October 2021 £000	Non Cash Flows £000	Cash Flows £000	Balance at 30 September 2022 £000
Cash Movement:				
Cash at bank and in hand	1,502	-	(310)	1,192
Debt Due within one year	-	(41)	-	(41)
Debt Due after more than one year	(1,500)	41	-	(1,459)
Net debt	2	-	(310)	(308)

24. Financial Assets and Liabilities and Financial Instruments

The carrying amount of the Group/Charity financial assets and liabilities at fair value included in the balance sheet and SOFA at 30 September:

	2022		2021	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Financial assets measured at fair value through the SOFA	4,595	4,595	5,555	5,555

25. Pension commitments

The charity operates three staff pension schemes.

The first scheme, The Royal Institution of Great Britain Pension and Life Assurance Scheme (1977), is a final salary defined benefits pension scheme which was closed and ceased to accrue benefits on 30 September 2007. The assets of the scheme are held separately from those of the charity and administered by an independent Board of Trustees, part being invested with an insurance company and with effect from 1 October 2007, a second and better yielding investment vehicle has been established to cover the balance of liabilities of the now closed scheme.

Being a final salary scheme, this is accounted for as a defined benefit pension scheme for the purposes of FRS102. The scheme's liabilities are assessed by a qualified actuary and the last full actuarial valuation was carried out at 1 October 2022. The scheme currently has seven pensioners and five deferred members.

The second scheme is a stakeholder pension scheme where the Ri makes contributions but has no liabilities from a financial performance point of view. The assets of the scheme are held separately from those of the charity, being invested with an insurance company. This scheme is accounted for as a defined contribution scheme under FRS102. The amount charged to the SOFA in respect of pension costs is the total contributions payable for the year. There are currently 42 members in this scheme.

The third scheme is a multi-employer defined benefit pension scheme known as the Universities Superannuation Scheme into which the Ri makes contributions for two members of staff. This is a centralised scheme with the assets held in a separate fund independently administered by the Trustee company, USS Limited. The charity is unable to identify its share of the underlying assets and liabilities of the scheme, and therefore, this scheme is accounted for as if it were a defined contribution scheme under FRS102. The amount charged to the SOFA in respect of pension costs is the total contributions payable for the year.

The Royal Institution of Great Britain Pension and Life Assurance Scheme (1977)

The employer's pension charge for the year was £59k (2021: £64k).

The full scheme valuation undertaken was at 1 October 2022 by the scheme actuary Mr K O'Donnell of Cartwright Group Limited. The liabilities of the plan have been calculated for the purposes of FRS102 based on the calculations as at 30 September 2022.

The principle actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2022	2021
Discount Rate	5.10%	2.00%
RPI assumption	3.70%	3.50%
CPI assumption	2.90%	2.70%
Pension increases	4.20%	4.10%

The underlying mortality assumption for both years is that based upon the standard table known as S3PA on a year of birth usage with CMI_2018 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2021: 1.25% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 86.9 years (2021: 86.9 years)
- Female age 65 now has a life expectancy of 89.2 years (2022: 89.2 years)

	2022 £'000	2021 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of plan liabilities	(1,422)	(2,399)
Market value of plan assets	2,425	2,755
Surplus / (Deficit) in the plan	1,003	356
Adjustment for non-recoverable surplus	(1,003)	(356)
Net defined benefit liability	-	-
The amounts to be recognised in Statement of Financial Activities (SOFA) for the year are as follows:		
Interest on net defined benefit liability	-	-
Total	-	-
Changes in the present value of the plan liabilities for the year are as follows:		
Present value of plan liabilities at 1 October	2,399	2,492
Benefits paid	(100)	(13)
Interest on plan liabilities	47	37
Actuarial (gains) / losses	(924)	(117)
Present value of scheme liabilities at 30 September	1,422	2,399
Changes in the market value of the plan assets for the year are as follows:		
Market value of plan assets at 1 October	2,755	2,345
Contributions paid by the Company	41	13
Benefits paid	(100)	(12)
Interest on plan assets	47	37
Return on assets, less interest included in the SOFA	(318)	373
Market value of plan assets at 30 September	2,425	2,755
Actual return on plan assets	(271)	410
The major categories of plan assets as a percentage of total plan assets at the balance sheet date are as follows:		
	2022	2021
Equities and property	81%	77%
Bonds	18%	23%
Cash	1%	0%
	100%	100%
Analysis of the remeasurement of the net defined benefit liability recognised in the SOFA for the year are as follows:		
Actual return on assets, less interest included in Profit and Loss	(318)	373
Experience gains and losses arising on plan liabilities	(2)	-
Changes in assumptions underlying the present value of plan liabilities	926	117
Change in non-recoverable surplus	(647)	(356)
Remeasurement of net defined benefit liability recognised in SOFA	(41)	134
Movement in deficit in the as follows:		
Deficit in plan at 1 October	-	(147)
Recognised in SOFA	-	-
Contributions paid by the Company	41	13
Actuarial loss recognised in SOFA	(41)	134
Deficit in plan at 30 September	-	-

Funding Policy

Funding valuations are carried out every three years on behalf of the Trustees of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS102.

The last such valuation was as at 1 October 2022. This showed that the Scheme's assets are now exceeding the liabilities on the Funding basis as at 1 October 2022. The existing Recovery Plan agreed with the Scheme, which commits the Ri to paying contributions to fund potential shortfalls remains in place. These deficit reduction contributions are incorporated into the Scheme's Schedule of Contributions dated 30 June 2020 and are as follows: £10,250 per quarter payable from 1 July 2020 to 30 September 2028.

Universities Superannuation Scheme

Employers' contributions are currently (from 1 April 2022) payable at a rate of 21.6% (2021: 21.4%) of pensionable earnings. Employees' contributions are equivalently 9.8% (2021: 9.8%).

The Universities Superannuation Scheme is valued formally every three years by the scheme actuary, who was Mr Aaron Punwani FIA of LPC. The 31 March 2020 triennial valuation has been finalised and audited. The 31 March 2020 valuation was carried out using normal actuarial principles, and the projected unit method in particular. The key financial actuarial assumptions used are available on-line from the USS website, www.uss.co.uk. The financial assumptions are calculated using a 'yield curve approach', with different assumptions applying at different points in time, reflecting the term structure of financial instruments.

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual participating employers. As at 31 March 2020, the fair value of the scheme's assets was £66.5bn and the estimated present value of the scheme's technical provisions was £80.6bn resulting in a scheme shortfall of £14.1bn, based on the assumption that the Joint Negotiating Committees recommendation for benefit reform is implemented. Otherwise, the technical provisions are £84.9bn, resulting in a deficit of £18.4bn.

USS currently provides two forms of defined benefit pension: final salary and career revalued benefits (CRB). Both provide a pension which is linked to salary, albeit in different ways. USS provides defined benefit (DB) pensions on a CRB basis alongside a new defined contribution (DC) section.

From 1 April 2016 all members, who were contributing to the scheme will build up a DB pension on a CRB basis in a new part of the scheme known as the USS Retirement Income Builder.

From 1 October 2016 the new DC section of the scheme was introduced as the USS Investment Builder. Members will continue to build pension benefits, on a CRB basis, up to a certain salary threshold (initially of £55k a year), with contributions towards the USS investment Builder available on salary above the threshold.

From the late 1970's, Ri has provided University Superannuation Scheme (USS) membership to relevant interested staff although Ri staff being offered membership of the Scheme generally ended in the late 2000's. However, during that ~30 year period approximately 70 Ri staff accrued benefits under the USS scheme.

Under Section 75 of the Pensions Act, a participating employer becomes liable for what is known as a Section 75 employer "debt" if they withdraw from the Scheme. This "debt" is calculated on a 'buy-out' basis, which tests whether there would be sufficient assets in the Scheme to secure all the member benefits by buying annuity contracts from an insurance company. USS advised the Ri on 30 March 2020 that our Section 75 "debt" was estimated at £4.7m based on the 31 March 2017 valuation referred to in Note 25 above.

An updated valuation of the USS Scheme was published on 30 March 2020 was showing a very much higher deficit. Based on that higher deficit, we estimate the Section 75 "debt" to now stand at £9.3m-£11.2m (the previous valuation was £4.7m on 31 March 2017).

This "debt" will crystallise as a liability only if the Ri withdraws from the USS scheme, withdrawal being defined as having no further staff contributing to the scheme. Recent staff movements have reduced the number of Ri staff who are members of USS to two. After a 12 month "period of grace" the Section 75 "debt" would crystallise as a liability unless USS Trustees agreed an extension. The Ri is committed to retain its current status as a USS employer with at least one staff being members of USS such that this "debt" does not crystallise as a liability. As a result, the Section 75 "debt" is not a liability at this time, nor is it expected to crystallise in the foreseeable future and is therefore not reflected in the financial accounts.

26. Other financial commitments

The Charity as a lessee: The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:	2022 £000	2021 £000
Within 1 year	-	1
Between 1 and 5 years	-	-
Total	-	1

The value of lease payments recognised in expenditure in the year was £1k (2021: £3k).

The Charity as lessor: At the year end, the Company had contracted with tenants, under non-cancellable operating leases for the following future minimum lease payments:	2022 £000	2021 £000
Within 1 year	242	242
Between 1 and 5 years	968	968
After 5 years	2,057	2,299
Total	3,267	3,509

27. Related party transactions

The following transactions with related parties took place during this period: seven Trustees and their related parties made donations to the Ri totalling £117k (2021: £16k) and two organisations which have links to the two Trustees in the year paid rent on commercial terms to the Ri totalling £200k (2021: £207k).

The following transactions with RiGB Limited are included within these consolidated financial statements:

	2022 £000	2021 £000
Paid from RiGB Limited to Charity		
Cost sharing agreement	592	222
Gift Aid distribution	-	-
Trademark License Fee	120	120
Premises License Fee	173	20

On 30 September 2022 RiGB Limited owed the charity £379k (2021: £541k).

28. Contingent Assets and Liabilities

The Ri is the residual beneficiary of an estate left by a longstanding Member, Dr Shigeko Suzuki, who, sadly, passed away in 2020. We have been able to recognise £100k during 2021/22 in line with our accounting policy and FRS102, as probate has been granted on this element. The remaining amount expected for the Ri is in the region of £1,400k and is contingent upon probate being granted in foreign jurisdictions, timing uncertain.

There are no known contingent liabilities as at Balance Sheet date.

29. Statement of Financial Activities – charity only – for information

Statement of Financial Activities (SOFA) for the year ended 30 September 2022 - Charity only

	Notes	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2022 Total Funds £000	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2021 Total Funds £000
Income and endowments from:							
Donations and legacies	2	406	100	506	981	12	993
Other trading activities		1,828	372	2,200	1,479	-	1,479
Investments	4	28	146	174	28	151	179
Charitable activities		682	502	1,184	341	322	663
Total		2,944	1,120	4,064	2,828	485	3,313
Expenditure on:							
Raising funds		1,207	113	1,320	831	37	868
Charitable activities	7	2,299	1,147	3,446	2,298	634	2,932
Total		3,506	1,260	4,766	3,129	671	3,800
Net income/(expenditure) before net gains/(losses) on investments		(562)	(140)	(702)	(301)	(186)	(487)
Net gains / (losses) on investments	14	(2)	1,344	1,342	-	595	595
Net (expenditure) / income		(564)	1,204	640	(301)	409	108
Transfers between funds	10	445	(445)	-	356	(356)	-
Net (expenditure) / income before other recognised gains/(losses)		(119)	759	640	55	53	108
Other recognised losses							
Actuarial gains / (losses) on defined benefit pension scheme	25	-	-	-	147	-	147
Net Movement In Funds		(119)	759	640	202	53	255
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		22,877	24,512	47,389	22,674	24,459	47,133
Fund balances carried forward at 30 September		22,760	25,271	48,031	22,877	24,512	47,389

30. Post Balance Sheet Events and Other Matters

On 8 December 2022, the Greater London Authority (GLA) announced¹⁰ they have awarded funding of £4.35m to the Royal Institution. The grant will enable improvements to the Ri building (heating, insulation, etc) to improve its environmental impact. Although this has been awarded, it is not yet signed and completed as at the date of signature of this report.

In January 2023 the Charity Commission informed the Ri that they have agreed the Royal Institution of Great Britain's proposal to repurpose seven education and research trust funds (Acton, Dewar, Groves, Davenall, Fullerian Professorship Endowments (Chemistry and Physiology) and the Fullerian Accumulating Fund), and convert them into one expendable endowment, to rename the Victoria Woodhull Endowment fund, to consolidate the Neate Endowment into the Mond Trust and to waive replenishment requirements of all endowment funds above. This scheme can only be actioned once it has been advertised for a month without any objections.

¹⁰ <https://www.rigb.org/explore-science/explore/blog/royal-institutions-historic-building-set-become-environmental-exemplar>