

Trustees' Report and Financial Statements

For the year ended 30 September 2017

Contents

CHARITY INFORMATION.....	2
TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017	3
INTRODUCTION	3
PURPOSE	3
OBJECTIVES	3
CHARITABLE ACTIVITIES AND ACHIEVEMENTS.....	4
VOLUNTEERS AND DONATED SERVICES	6
FINANCIAL REVIEW	7
PRICING POLICY	7
INVESTMENT POWERS AND POLICY	7
RESERVES POLICY.....	7
PLANS FOR FUTURE PERIODS	7
STRUCTURE, GOVERNANCE AND MANAGEMENT	8
GOVERNING DOCUMENTS.....	8
ORGANISATION	8
APPOINTMENT OF TRUSTEES	8
TRUSTEE INDUCTION AND TRAINING	8
RELATED PARTIES.....	8
RISK MANAGEMENT	8
MAJOR RISKS	8
TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS.....	9
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL INSTITUTION OF GREAT BRITAIN	10
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2017	12
BALANCE SHEET AS AT 30 SEPTEMBER 2017	13
CONSOLIDATED AND CHARITY CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017	14
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017	15

Charity Information

Charity registration number:
227938

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

Websites:
<http://www.rigb.org/>
<http://richannel.org/>

Patron:
HRH The Prince of Wales KG KT GCB AK QSO ADC

President:
HRH The Duke of Kent

Honorary Vice President:
Sir John Ritblat

Current Trustees who served during the entire financial year:

Sir Richard Sykes – Chairman
Dr Fergus Boyd
Lord Julian Hunt
Mrs Sarika Patel
Mr Geoff Potter
Ms Louise Terry
Prof Chris Toumazou
Lord Robert Winston

Trustees who served during part of the financial year were:

Mr Hugh Harper – retired May 2017 & re-appointed June 2017
Dr Martin Knight – retired May 2017
Prof Sir Peter Knight – retired May 2017
Mr John Krumins – elected May 2017
Mr Simon Godwin – elected May 2017

Finance Committee:

Dr Martin Knight – Chair and Trustee – retired May 2017
Mr John Krumins – Chair and Trustee – appointed May 2017
Mr Hugh Harper – Trustee – retired May 2017
Mr Simon Godwin – Trustee – appointed May 2017
Mr Chris Lowe
Mr Stuart Bridges
Mr Robert Farago

Audit Committee:

Mrs Sarika Patel – Chair and Trustee
Sir Richard Sykes – Trustee – appointed September 2017
Prof Sir Peter Knight – Trustee – retired May 2017
Mr Nick Hills
Mr Simon Robinson
Mr David Philip – retired 12 January 2017
Ms Siobhan Peters – appointed April 2017
Mr Andrew Gregson – appointed 14 November 2017

Nominations Committee:

Sir Richard Sykes – Chairman
Lord Julian Hunt – Trustee
Mr Christopher Adam
Prof David Phillips
Ms Janet Larsen – appointed July 2017
Ms Lucinda Hunt – appointed March 2017

Chief Executive Officer:

Mr Chris Rofe – resigned effective 31 March 2017

Director:

Dr Shaun Fitzgerald FREng – appointed 1 February 2018

Prof Sarah Harper – appointed May 2017, resigned August 2017

Auditor:

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

Bankers:

HSBC Bank plc
79 Piccadilly, London, W1J 8EU

Investment advisors:

HSBC Global Asset Management (UK) Limited
78 St James's Street, London, SW1A 1EJ

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields, London, WC2A 3LH

Field Fisher Waterhouse LLP

5 Vine Street, London, EC3N 2PX

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Trustees' Report for the year ended 30 September 2017

The Ri is pleased to report another annual surplus which has further consolidated its finances. The Board and Executive Team have agreed a new five-year strategy to inspire everyone to think more deeply about science and its place in our lives.

During this financial year, the Ri has both made significant progress on its charitable objectives as well as consolidating last year's strengthened financial position and its long term financial sustainability.

The Ri has produced a financial surplus for the year of £279k on unrestricted funds (compared to a £108k surplus in 2016). This is a major turnaround for the Ri. This is the result of turning around our operating performance with a £58k core operating surplus (£286k operating deficit in 2016), less one-off costs to appoint a new Director, investments in developing a new strategy, net gains on investments (costs totalling £291k) and the elimination of the £512k pension fund deficit as a result of strong investment returns and higher interest rates.

Since repaying all of our debt in 2015, the Ri has remained debt free and has sufficient cash resources to fund its current core operations. Implementation of the new five-year strategy depends on securing additional funds for this purpose.

As announced in the 2016 Trustee report, the Trustees appointed Professor Sarah Harper as the new Ri Director and she commenced with the Ri in May 2017. Prof Harper resigned in August 2017.

Following a new search, the Trustees have appointed Dr Shaun Fitzgerald as Director and he commenced on 1 February 2018. Shaun is a Royal Academy of Engineering Visiting Professor at the Department of Engineering at Cambridge University. He is also the CEO of Breathing Buildings Ltd, a leading technology company pioneering hybrid ventilation systems, and he will step down from his line management responsibilities on 1 April 2018.

Shaun is a respected leader in his field and brings to the Ri a track record of success within the scientific community and the commercial sector, combined with a strong belief in the importance of public engagement with science. He has joined our team at an important time, to lead the delivery of our exciting new strategy. Under Shaun's leadership, the Ri will expand collaboration with the science community across all sectors and strengthen our impact on a national and international scale.

With its ability to connect science, culture and society at all levels, from primary education to advanced study and research, the Ri has a global role to play in supporting the wider public to participate in evidence-based debates and discussions and solving many of the significant challenges the world now faces.

Throughout 2017 the Ri Leadership Team worked with staff and Trustees on a new five-year growth strategy. This strategy, outlining a new vision and mission in keeping with the Ri founding prospectus, was approved at the December 2017 Board of Trustees meeting, alongside six key objectives that will be the prime areas of focus for the charity over the next five years. Please refer to Objectives, below, for more details.

Introduction

The Trustees are pleased to present their report and the consolidated financial statements of the Royal Institution of Great Britain (also referred to as the 'Ri' or the 'Institution' or 'the Charity') and its subsidiary, RiGB Limited, for the year ended 30 September 2017.

The Financial Statements comply with the Charities Act 2011 and the Statement of Recommended Practice – Accounting and Reporting by Charities – (SORP 2015). The 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 such a 'true and fair' view. This departure has involved following the Statement of Recommended Practice for Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, which this charity is now required to comply with, rather than the Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Purpose

Page 2 of the founding Prospectus of the Ri states 'To point out the causes which impede this (scientific) progress, and to invite the public to join in effectively removing them, is the purpose of the present address.' Ri staff and Trustees have remained aligned with this original purpose in developing a new vision and mission that are relevant for today's public audiences. The Ri vision is for: 'A world where everyone is inspired to think more deeply about science and its place in our lives'. It encapsulates the need for everyone to think critically, question, challenge and bring a diversity of viewpoints on science and its integral position in culture and society. The Ri believes that this rich discussion will enhance the valuable contribution that science is able to make to our lives.

Over the coming years, the Ri's mission will therefore be to create opportunities for everyone to discover, discuss and critically examine science and how it shapes the world around us. The Ri will do so by building on its heritage and success in creative and innovative ways.

Objectives

The six key objectives set out in the new strategy build on the strengths and expertise of the Ri while providing an ambitious plan to expand reach, collaborate with other organisations and reinforce both digital and physical presence. They encapsulate the high level conclusions from staff and stakeholder workshops, the results of an extensive audience development study commissioned in early 2017 (the Barker Langham Report) and published research on public attitudes to science.

The audience-focused objectives set out in the Ri's strategy are to:

- Encourage everyone to develop a lifelong journey with science
- Engage business and policymakers in discussions about the place of science in society
- Support scientists in their efforts to engage with the public

And the Ri-focused objectives that represent an essential foundation for delivery are to:

- Create sustained financial resilience to support our charitable objectives
- Raise the profile of the Ri to increase our reach and impact
- Care for our staff and volunteers to recognise their expertise and passion will provide the cornerstone of our future success.

Success will be assessed using measures of impact and Trustees will receive regular reporting against objectives.

Charitable activities and achievements

For the purposes of the 2017 Trustees' Report and Financial Statements we have selected highlights and impacts from our main areas of achievement. Further details of our accomplishments in 2017 and our plans for 2018 can be found in our 2017 Annual Review, a copy of which is available at www.rigb.org/annual-review.

The Ri acknowledges the essential role that building a wide portfolio of funding initiatives, both commercial and philanthropic, is essential to support future charitable activities for the benefit of the general public. The Ri continues to develop its operating model to provide better reporting and analysis of its achievements to ensure measurable impact against a sustainable budget.

Public Programme

The Ri's celebrated public programme continues to inspire and educate new and existing audiences through a richly diverse range of topics, from cutting-edge research to the science of salsa dancing, and a variety of formats. This year the Ri hosted 84 events, reaching over 19,000 attendees.

The post-event surveys tell us that 94% of attendees learnt something new, 88% wanted to find out more about the event's subject and 85% felt more confident discussing the event's subject with others. Taken together these results demonstrate the key role the Ri fills in inspiring people to think more deeply about science.

The public programme included:

- 57 talks in the theatre
- Ten Discourses
- Four in-depth short courses
- Ten science events for Ri Patrons

Selected highlights:

- 28 April 'A is for Autism': Dame Stephanie Shirley shared her personal experience of autism. She provided a virtual

reality demonstration of how the world appears to someone on the autism spectrum; and introduced the robot which teaches at Prior's Court, her specialist autism school.

- 7 June 'The making of Planet Earth II': Elizabeth White produced the Islands episode of Planet Earth II, and spoke about the challenges of filming on location in some of the world's most remote places, at this event exclusively for Ri Patrons.
- 6 July 'ExpeRience: Midsummer night of science': We hosted an unforgettable evening of hands-on science exploring dreams, senses, love potions and more, at our brand-new annual summer event for existing and potential Ri Members and Patrons.

Heritage and Collections

The Ri possesses an internationally significant collection of scientific apparatus, archives, books, artefacts and images, associated with the eminent scientists who originally researched, lectured and lived in the Ri building. This fantastic cultural resource is used to share both fascinating artefacts of history and insights into the relationship between science and the public. This is accomplished through the Faraday Museum, a nationally accredited museum spread throughout the three publicly accessible floors of the Ri building, which received over 80,000 visitors during 2017. There were also 108 archive visits by national and international scholars, students and members of the public. The Ri also provided over 600 people with detailed tours highlighting our history and heritage.

The Heritage and Collections team provided expert advice to a number of film, radio and scientific organisations that highlighted elements of the Ri's history and collections. These include the filming of John Tyndall's Radiant Heat Apparatus by NOVA (PBS America) for a documentary on the science of Climate Change; and a display of Tyndall and Hofmann items for The Royal Society of Chemistry's exhibition to celebrate the 150th Anniversary of the 'Gesellschaft Deutscher Chemiker'.

November 2016 marked the publication of the book *13 Journeys Through Space and Time* by Colin Stuart (published by Michael O'Mara), which profiled a number of past Christmas Lectures on the topic of space. This book was so well received that a follow up book, on the theme of the natural history Christmas Lectures, was published in November 2017. This book, *11 Explorations into Life on Earth*, was authored by Helen Scales with a Foreword by Sir David Attenborough.

The Ri receives funding through the Philip Freer Trust to support PhD Students. In 2017 three students undertook significant research relating to the history of science and the Ri.

Education

The L'Oréal Young Scientist Centre (LYSC)

The LYSC's core aim is to provide high impact, in depth laboratory based science experiences to young people between the ages of 7 and 18.

Over the 2016/17 period, staff in the LYSC organised 183 workshops for 4,279 students, including over 30 workshops run during the Easter, summer and other school holiday periods. These attendances are record highs for the LYSC.

Last year's growth in the number of visits from groups of home schooled students has increased further, to 14% of the total (2016: 7%). The proportions of state and independent school groups participating remained very similar to previous years. The LYSC team were also involved in the three Ri family fun days allowing an extra 2,145 children and adults to engage with science. The LYSC's involvement with Butlin's has expanded in the form of workshops and activities run by the famous Butlin's redcoats, after being trained by LYSC staff in elements of our colour chemistry and cosmetic chemistry workshops. Our bath bomb activity has been very popular and we understand that at least 6,000 children took part in a LYSC activity through Butlin's.

Overall, LYSC activities reached over 14,000 students.

This year, LYSC staff supported Bayer UK to build and launch a 'Baylab' at their new UK HQ in Reading. This Baylab was launched in March 2017 and offers a combination of Bayer and LYSC workshops as part of a wider partnership. This venture has led to strong links with Bayer and positions us to support the development and running of similar projects in the future.

65% of 3,750 students completing evaluation forms reported that the workshop had changed their attitude to science either in a positive or very positive way; 35% reported no change with most of those already having a positive attitude. Quotes received from students involved also demonstrate the impact the Ri has in engaging them with science:

'Thanks again for a great session. The colour chemistry activities made a great introduction to A-level and university chemistry. The level was perfect and did stretch some of our students. As usual your team were really lovely and helpful. We hope the year 10s will be inspired to learn more about chemistry – I asked and most said they would do!' Generating Genius group leader.

'The workshop was very engaging. The hands on activities throughout allowed the students of different ages to engage with difficult subject matter and work at their own pace.' Lead adult of a magnets and motors workshop.

'Thank you to the staffers wearing the microphone which blue-toothed to my daughters' hearing aid. It made a real difference to her ability to join the workshop.' Parent

Masterclasses

The Ri's Masterclass Programme continues to provide UK-wide activities for able young people led by professional mathematicians, engineers and computer scientists. After a few years of strong growth, the 2016/17 year was one of consolidation, with the number of maths and engineering series reducing slightly to 107 and 18 respectively (2015/16: 122 and 22) but saw a growth in computer science series from 13 to 15.

5,810 (6,080 in 2015/16) students took part in Masterclasses, a year on year decrease of 4%. Masterclasses in 2016/17 provided approximately 87,000 hours of student engagement. Further to this, nearly 2,000 members of the Masterclass

community took part in end-of series celebration events, the bulk of which took place at the Ri, with the remainder in venues around the UK.

CHRISTMAS LECTURES

The 2016 CHRISTMAS LECTURES 'Supercharged' were presented by Prof Saiful Islam from Bath University. They attracted a total audience of 1.75 million (1.8m in 2015) on BBC4; equivalent to 2.5% share of the total audience watching TV during their broadcast. The Lectures and associated live events were attended by over 2,000 people. 2016 also marked the 80th anniversary of the Lectures first broadcast on TV in 1936, with focus on the history of the Lectures, as well as the Ri's heritage more generally.

During the year, the 2015 Lectures, were re-presented by Kevin Fong in Japan and Singapore, and the 2014 Lectures presented by Prof Danielle George were taken on a tour in partnership with the Royal Academy of Engineering to four venues around the UK.

STEM Directories

We coordinated and managed this comprehensive national online directory for teachers, giving them details of science, technology, engineering and maths (STEM) enrichment activities to support their teaching. During 2016/17 we transferred management of the Directories to STEM Learning Ltd. However, we continue to manage the important grant scheme for disadvantaged schools, with support from the Clothworkers' Foundation.

Science in Schools

This programme visited 96 schools during the year, reaching 24,000 students, providing teachers with science CPD and delivering community shows to parents of the school's students. In addition, staff delivered shows at Shell's 'Make the Future Live!' event at the Queen Elizabeth Olympic Park in May, and EDF Energy's Science Zone Festival in Morecambe in August.

Family Programme

Over 9,000 people took part in Ri family activities in 2017. Around half of those attended talks in the Ri theatre, with the remainder split equally between three Family Fun Days, and the Ri Summer Schools programme in July and August. Ri staff also supported Johnson Matthey to run three family days at their sites in Middlesbrough and Sonning.

Digital

At the end of September 2017 the Ri YouTube Channel had 313,000 global subscribers. This is an increase of 33% on the previous year. During this period Ri videos were viewed a total of 8,585,000 times by a truly global audience, with only 13% of this audience in the UK.

During this period Ri videos also appeared on prominent popular sites such as Reddit.com, Wired.co.uk, Openculture.com and Gizmodo.com. Ri videos were licensed to a range of diverse organisations including Pearson Publishing, Nippon Television, and several other educational platforms and charities.

The Ri annual Advent series continued in 2016, with one science video released each day in the run up to Christmas. The theme

was 'The four laws of thermodynamics' and the series proved to be the most popular to date, with the videos watched a total of 769,000 times. As well as four video introductions to each of the laws of thermodynamics, the digital team released an animation, funded by the STFC and voiced by Suzie Sheehy, about the laws of thermodynamics and particle physics, and another animation on Feynman and the first law of thermodynamics, featuring Andrea Sella and created by the Ri 2016/17 animator in residence. This series also included a successful collaboration video with YouTuber Tom Scott on 'How to debunk perpetual motion'.

In September 2017, the Ri Digital team started regular podcasting with 16 podcasts of popular public programme events released. These included names such as Sean B Carroll, Richard Dawkins and Ben Miller. By the end of this period there were 2,500 listeners per month.

Development and fundraising

A sustainable financial model is vital if the Ri is to continue to deliver activities and meet its charitable objectives. We made fundraising progress in 2016/17, engaging with existing and new donors and sponsors to support our education and other community activities.

Patrons

- The first full year of the Ri Patron programme was successful with 77% renewing, and raising over £100k from 100+ Patrons.

Corporate

- Christmas Lectures corporate supporters included Johnson Matthey, Schlumberger, University of Bath and EPSRC
- L'Oréal continued their fantastic, and long-established support of the L'Oréal Young Scientist Centre
- Corporate Partners – there are four Corporate Partners including new supporter, Johnson Matthey, and previous renewals by Bayer, EY and Quantumblack
- Corporate Membership – there are six corporate members including three joiners (UIN Education, Newtecnic, and Roche) and two renewing members (AWE and 6Point6 Technologies).

Trusts and Foundations

- 17 Trusts and Foundations generously provided grants to underpin our work in 2016/17, totaling over £430,000
- One new major grant was secured from the Lloyd's Register Foundation (LRF) towards the 2016 CHRISTMAS LECTURES. The LRF have recently signed a three year partnership to support the CHRISTMAS LECTURES in 2017, 2018 and 2019
- The Clothworkers' Company and Causeway Technologies continued their fantastic, and long-established support of the Masterclass programme
- Support was also received from three new funders – the Ernest Cook Trust, the Patrons Fund for Secondary Maths Masterclasses and the Bernard Gold Foundation.

Individuals

- 'Donate today' messages have been successful on social media platforms and onsite with a small uplift in donations.

- We ran our second CHRISTMAS LECTURES 'Golden Ticket Raffle' fundraising appeal raising just under £5k

The Ri Trustees would like to say thank you to each and every one of the generous individuals and organisations that have given their precious time, expertise and vital financial support over the past twelve months. It's thanks to all these generous commitments that the Ri has been able to build on its extraordinary heritage, offering a lifelong experience to inspire even more people with the wonders of science.

Volunteers and donated services

The Ri is grateful for the valuable contribution made by volunteers who support its work. This contribution includes not only that made by its members and supporters but also by those who serve on various committees, all of whom give their time and expertise so generously.

The Ri would like to express its thanks to the many volunteers for their significant contribution in helping to deliver its heritage, communication and education charitable activities. Volunteers assist the Collections and Heritage team in advancing the cataloguing of the Collection and Archive. The remarkable quality and reach of the Education Programme is enhanced by the work and support of volunteers most notably in areas such as the Masterclasses, Public Events, and Family Fun Days. A volunteer force of individuals has been developed, nurtured and deployed to assist the Membership team in converting non-member event attendees into members, up-selling at events and improving membership retention.

The Ri is also grateful to those who have been able to provide their services pro-bono and in particular would like to thank:

- Peter Jones and Berenice Levenez who provided invaluable strategic support to develop a new Ri growth and operational Strategy
- Jeanine Cazabon who helped us develop requirements for a new financial accounting system
- Prof Sophie Forgan and Graham Fairclough who undertook operational internal audits
- Laurence Scales who assisted cataloguing the archives and enriching the collections through his research
- Derek Smith and John Nichols who have spent the last three years refurbishing and restoring our historic Victorian elevator to be recommissioned in 2018
- Non-Trustee members of Board Sub-committees as shown on page 2 of this report.

Commercial operations

RiGB Ltd – venue hire and catering activities, managed through RiGB Ltd, generate income to support the Ri's charitable science, education and heritage programmes. During 2016/17, the Ri Venue Hire team hosted 381 events and completed the financial year with total income of £1,575k (2015/16 £1,499k). These reflect reduced activity from the 2015/16 year but growth in the near future is expected as a new business plan is implemented in early 2018.

Financial review

The Ri is supported by income raised through donations, legacies and sponsorship, ticket sales, membership subscriptions, venue hire and hospitality, and rental of office space.

In the year ended 30 September 2017, the Ri had a total income of £4,086k (2016: £4,183k) and a surplus on Total Funds of £398k (2016: £849k surplus including a non-recurring profit of £385k on the sale of non-core heritage assets).

The Ri trading subsidiary, RiGB Ltd has generated total income of £1,575k (2016: £1,499k) including sponsorship income of £212k but profit declined to £236k (2016: £244k) due to the lower venue hire income.

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 £701k (2016: £680k).

The Ri had cash in bank and short term investments of £1,016k at 30 September 2017 (2016: £1,333k).

The overdraft facility was renewed at £500k by HSBC (2016: £500k but unused) to 31 October 2018, which provides sufficient financial reserves in the event of an unexpected event.

Given the positive cash balances, no debt, and budgeted small operating deficit for the coming fiscal year, the Trustees consider that it is appropriate to prepare the financial statements on a going concern basis.

Pricing policy

Ticket prices for the Programmes and Public events are established to strike a balance between appropriate cost recovery and ensuring accessibility for those of modest means.

Certain activities such as the Mathematics Masterclasses and L'Oréal Young Scientist Centre, are made available free of charge or for a nominal fee, made possible by the generous support of companies, 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.

The pricing policy remains under review to ensure appropriate economic returns to support the work of the Ri and promote both its public benefit and future sustainability.

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 HSBC Global Asset Management. The Ri investment policy is to achieve an optimal return whilst balancing risk.

The current investment strategy and risk profile on the Ri's main investment portfolio is embodied in the selected returns strategy categorised as 'long term growth & income'. The 12-month performance was 10.1% (2016: 19%) due to flat investment growth in the second half of the year. This 12 month

result compares favourably to the benchmark for the growth and income/medium risk portfolio of 8.4% (2016: 14.6%).

Reserves policy

The Trustees are committed to replenish reserves as described in Note 22 to the Financial Statements.

The Trustees seek to ensure that unrestricted funds raised by the Ri are reinvested in the services that it delivers. As a policy, it aims to establish an Operating Reserve of around £3.5m which would equate to one year's total operating expenditure.

The Ri has a deficit on free unrestricted funds of £1,995k (2016: £1,810k) 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. Total funds are £47,070k (2016: £46,672k) and of that £23,882k (2016: £23,764k) were Endowment and Restricted funds.

Plans for future periods

The Ri's strategic priorities are demanding and ambitious. They build upon the Ri's strengths, expertise and 200-year history of diffusing knowledge to the public.

Using knowledge gained from an extensive audience analysis commissioned by the Ri, attention will focus on the needs of the Ri's audiences, which will be understood more fully through embedded evaluation practices. The Ri will continue to forge interesting and new collaborations, and draw on its loyal and growing community of engaged Members, Patrons and supporters, to strengthen reach and impact.

However, the Trustees recognise that the new strategy cannot be achieved without a parallel emphasis on creating financial resilience, raising the profile of the Ri, and caring for staff and volunteers.

Delivery of the new five-year strategy begins in January 2018, with an initial focus on:

- The planned expansion of existing activities – building on the success, and increasing the reach, of activities and projects the Ri already undertakes
- New project scoping – setting out compelling proposals for philanthropic support, and for delivery when funding allows
- Financial modelling – detailing the investment necessary to deliver new projects and fund the Ri's growth
- Developing supporting strategies – such as fundraising, marketing and Venue Hire growth
- Organisational design – reviewing the Ri structure to ensure it continues to match the planned delivery profile
- Impact measurement – bringing greater consistency to the way the Ri measures its impact across all of its activities

As funding and staff capacity allow, the Ri will increase its activities and introduce new projects in subsequent years.

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 recorded on page 2 of this report.

Organisation

The organisation is governed by a Board of Trustees (nine elected, and up to two appointed) and three Standing Committees (an Audit Committee, a Finance Committee and a Nominations Committee). The Board of Trustees, Finance Committee and Audit Committee meet quarterly and the Nominations Committee meets as required. We are currently assessing Ri Governance against the new Charity Governance code (endorsed by the Charity Commission).

Sub-Committees are developed as and when the requirement arises and are governed by a terms of reference approved by the Board of Trustees.

A Director of the Ri is appointed by the Trustees to lead the organisation and, collectively with the Trustee-appointed Director of Finance & COO and Director of Science & Education, ensure delivery of the business plan and budget with the full engagement of committed and exceptionally talented staff. Ri staff salaries are determined by independent benchmarking.

Appointment of Trustees

The Byelaws of the Ri require nine elected Trustees and up to two appointed Trustees to make up the Board of Trustees. Appropriate provision to ensure both continuity and refreshment of Trustees is made within the Byelaws, through a process whereby one third of the elected Trustees are elected by the membership of the Ri each year via a ballot (in the event of the number of nominations exceeding the number of vacancies). Three Trustees retired in 2017 as per the Byelaws. As the number of nominations equalled the number of vacancies no election was required. Following a review of skills, the Board of Trustees resolved to appoint a Trustee with expertise in finance and strategy in June 2017.

Trustee induction and training

New Trustees receive half a day's induction, consisting of an overview of each operating department of the Ri, delivered by staff. They are briefed and receive a copy of the Byelaws and Governing Documents of the Ri and the Charity Commission's "The essential Trustee: what you need to know". Trustees are kept up-to-date throughout the year with regular briefings from Senior Management at quarterly meetings of the Board of Trustees; are invited to attend staff briefings; and invited to

attend Trustee training events run by various industry charity advisors (e.g. RSM, our auditors).

Related parties

None of the Trustees receive remuneration or other benefits for their work with the Ri.

The Ri is the sole shareholder of the trading subsidiary RiGB Limited, registration number 04065626. This company hires out space to corporate organisations and to the public for events in the Ri buildings at 20 and 21 Albemarle Street, to maximise the return on the its charitable assets and provide income for the charitable programmes. The directors of RiGB Limited are the Ri Director of Finance & COO and a former Honorary Treasurer and member of the former Council of the Ri. The Director of Finance & COO is also Company Secretary of RiGB Limited. RiGB Limited pays a management fee and gift aids its profits to the Ri. RiGB generated revenues of £1,575k during 2016/17 (2015/16: £1,499k). The Ri's event space is established as an attractive destination for many corporate clients and the diversity of these clients has grown.

The Ri has no financial or controlling interest in any other organisation.

Risk management

The major risks to which the Ri is exposed have been reviewed and systems have been embedded to mitigate those risks. The Trustees are ultimately responsible for ensuring that proper arrangements are in place for adequate and effective risk management and control. The active management of risk is reviewed and managed by the Ri Leadership Team and supported by the Audit Committee utilising strategic and operational risk registers to assess the adequacy of the risk management arrangements.

Regular reviews of business performance throughout the year highlight the strategic and operational risks facing the Ri, particularly the need to attract sufficient funding, manage cash flow, and invest in the core infrastructure. The Trustees remain watchful over the Ri's ability to raise sufficient funds to support the charitable activities.

The Trustees, through the quarterly meetings of the Finance Committee, Audit Committee and regular updates from the Director, monitor risk management and financial progress. Additionally, the Audit Committee tracks the continuous improvement of the Ri's procedures and systems by monitoring management responses and proposed actions to matters raised through the external statutory audit and internal audits undertaken.

Major risks

A key strategic risk facing any cultural organisation such as the Ri is remaining relevant to an ever evolving audience. The prestige of the Ri heritage and the sheer quality of its programmes mitigate this risk. Additionally, the new Ri 2018-2022 strategy agreed by Trustees in December 2017 provides a clear future direction and ensures the Ri's legacy grows and delivers ever more public benefit.

The Ri also regularly monitors its operational and financial risks, which are core to ensuring this sustainable and valued charitable offering. The current major risks, which attract the highest risk rating, relate to the ability to attract unrestricted funding, responding to longer-term cash flow pressures, and implementing a sustainable strategy for the future.

The Ri response to constrained unrestricted income in recent years has been to closely manage costs and the operating result. In 2016/17, the Ri has produced an operational and financial surplus creating a more stable financial foundation and, with its new strategy, it will strengthen its fundraising proposals. The Ri closely manages cash flows and undertakes monthly financial reviews and forecasts for management reporting.

Since charitable programme content is the core element of the Ri Royal Charter, the final major risk, monitored regularly, is the potential failure of programme content or reach to attract financial support. This is mitigated by the programme being carefully matched against a clear needs proposition relating to public benefit; which aligns well with corporate social responsibility and trust/foundation funding criteria.

The Trustees are confident that with no debt, the surplus in 2016/17, cash resources to hand and the budget agreed for 2017/18, the Ri is now in a more stable financial position. This will enable the Ri to attract supporters and funders to underpin the future growth and development of its charitable programmes.

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.

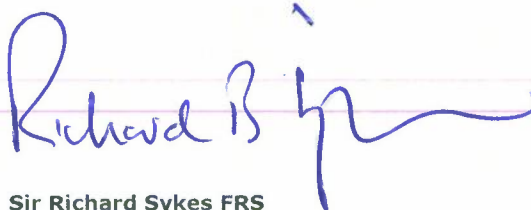
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees considered Public Benefit in everything the Ri does.

By order of the Trustees



Sir Richard Sykes FRS
7 March 2018

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

Opinion on financial statements

We have audited the financial statements of the Royal Institution of Great Britain (the 'charity') and its subsidiary (the 'group') for the year ended 30 September 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charity Balance Sheets, the Consolidated and parent charity Cash Flow Statements and notes to the financial statements, including a summary of 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 group's and charity's affairs as at 30 September 2017 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/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.

Emphasis of Matter – use of funds

We draw attention to Note 22 to the financial statements, which describes the need to replenish endowment and restricted funds and agreement for an updated replenishment programme to be reached with the Charity Commission. Our opinion is not modified in respect of this matter.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 9, 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.

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.

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 15 March 2018

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 for the year ended 30 September 2017

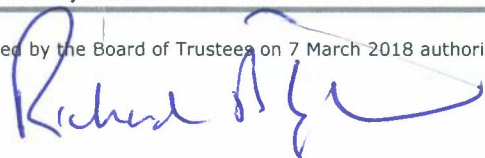
	Notes	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	Unrestricted Funds £000	Restricted and Endowment Funds £000	2016 Total Funds £000
Income and endowments from:							
Donations and legacies	2	178	1	179	163	1	164
Other trading activities	3	2,265	-	2,265	2,098	-	2,098
Investments	4	9	120	129	12	131	143
Charitable activities	5	934	579	1,513	845	548	1,393
Profit on sale on heritage assets		-	-	-	385	-	385
Total		3,386	700	4,086	3,503	680	4,183
Expenditure on:							
Raising funds	6	1,411	51	1,462	1,289	51	1,340
Charitable activities	7	2,295	713	3,008	2,130	664	2,794
Total		3,706	764	4,470	3,419	715	4,134
Net gains on investments	14	33	314	347	50	930	980
Net (expenditure) / income		(287)	250	(37)	152	877	1,029
Transfers between funds	10	132	(132)	-	154	(154)	-
Other recognised gains /(losses)							
Gains/(losses) on revaluation of:							
Heritage assets	13	-			6	-	6
Actuarial gains / (losses) on defined benefit pension scheme	25	428		428	(186)	-	(186)
Other foreign exchange gains		6		6			
Net Movement In Funds		279	118	397	108	741	849
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		22,908	23,765	46,673	22,800	23,024	45,824
Fund balances carried forward at 30 September		23,187	23,883	47,070	22,908	23,765	46,673

The notes on pages 15 to 35 form part of these financial statements.

Balance Sheets as at 30 September 2017

		Group	Charity	Group	Charity
		2017	2017	2016	2016
	Notes	£000	£000	£000	£000
Fixed Assets:					
Intangible Assets	11	72	4	89	8
Tangible Assets	12	34,396	34,382	34,392	34,385
Heritage Assets	13	4,717	4,717	4,717	4,717
Investments	14	9,142	9,142	8,920	8,920
Total Fixed Assets		48,327	48,245	48,118	48,030
Current Assets:					
Debtors	15	500	388	579	689
Short term investments		-	-	102	102
Cash at bank and in hand		1,016	953	1,333	857
Total Current Assets		1,516	1,341	2,014	1,648
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,430)	(1,203)	(1,500)	(1,106)
Net Current Assets		86	138	514	542
Total assets less current liabilities		48,413	48,383	48,632	48,572
Creditors: Amounts falling due after more than one year	17	(1,343)	(1,313)	(1,448)	(1,388)
Net Assets Excluding Pension Liability		47,070	47,070	47,184	47,184
Defined Benefit Pension Scheme Liability		-	-	(512)	(512)
Total Net Assets		47,070	47,070	46,672	46,672
The Funds Of The Group and Charity:					
Endowment funds	19	21,979	21,979	23,070	23,070
Restricted income funds	20	1,903	1,903	694	694
Unrestricted funds	21	23,188	23,188	23,420	23,420
Pension reserve	25	-	-	(512)	(512)
Total Charity Funds		47,070	47,070	46,672	46,672

Approved by the Board of Trustees on 7 March 2018 authorised for issue, and signed on its behalf by:



Chairman

Date: 7 March 2018

The notes on pages 15 to 35 form part of these financial statements.

Consolidated and Charity Cash Flow Statements for the year ended 30 September 2017

	Notes	2017 Group £000	2017 Charity £000	2016 Group £000	2016 Charity £000
Cash flows from operating activities:					
Net cash (used in) operating activities		(584)	(180)	(512)	(910)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	129	129	143	143
Purchase of property, plant and equipment	12	(92)	(82)	(69)	(60)
Purchase of intangible assets	11	-	-	(18)	-
Purchase of investments	14	(2,543)	(2,544)	(1,304)	(1,304)
Proceeds from sale of investments	14	2,773	2,773	1,406	1,406
Proceeds from sale of Heritage Assets	13	-	-	974	974
Proceeds of deferred lease premium	18	-	-	1,500	1,500
Net cash provided by investing activities		267	276	2,632	2,659
Cash flows from financing activities:					
Repayment of Bank Loan		-	-	(2,000)	(2,000)
Net cash provided by (used in) financing activities		-	-	(2,000)	(2,000)
Change in cash and cash equivalents in the reporting period		(317)	96	120	(251)
Cash and cash equivalents at 1 October		1,333	857	1,213	1,108
Cash and cash equivalents at 30 September		1,016	953	1,333	857
		2017 Group £000	2017 Charity £000	2016 Group £000	2016 Charity £000
Reconciliation of cash flows from operating activities:					
Net income/(expenditure) for the reporting period		(37)	(37)	1,029	1,029
Adjustments for:					
Depreciation and Amortisation charges	11,12	108	92	101	97
(Gains)/Losses on investments	14	(347)	(347)	(980)	(980)
Profit on sale of Heritage Assets	13	-	-	(385)	(385)
Dividends, interest and rents from investments	4	(129)	(129)	(143)	(143)
Decrease/(increase) in debtors	15	79	302	(186)	(442)
Increase/(decrease) in creditors	16,17	(174)	23	159	21
FRS 102 pension adjustment	25	428	428	(186)	(186)
Increase/(decrease) in pension scheme liability	25	(512)	(512)	79	79
Net cash (used in) operating activities		(584)	(180)	(512)	(910)

The notes on pages 15 to 35 form part of these financial statements

Notes to the financial statements for the year ended 30 September 2017

1. Accounting policies

Company Information

The Royal Institution of Great Britain meets the definition of a public entity under FRS102.

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 costs 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 effective 1 January 2016, 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 16 July 2014 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. They do not include a Charity only Statement of Financial Activities, because the charity has taken advantage of the exemptions conferred by the SORP. The financial statements of the subsidiary are detailed in note 14.

The 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.

Going concern

Whilst the Trustees recognise there is further progress required to secure a sustainable future, the progress to date is positive with elimination of debt providing a surplus for the year, progress with the replenishment of endowment funds (note 22), elimination of the defined benefit pension scheme deficit and the solid cash position. This progress together with the renewal of the overdraft

facility, and options being developed to further strengthen the financial resources of the charity have resulted in the Trustees' confidence in their ability to deliver a sustainable future based in Albemarle Street. Accordingly, the Trustees have concluded that there are no significant uncertainties regarding the ability of the charity to continue as a going concern in the foreseeable future. The Trustees have also considered and satisfied themselves on the adequacy of the disclosures on "going concern" in these financial statements.

Change to Accounting Estimate

During the year the Group changed its application of depreciation and amortisation to a more realistic and commonly used approach. The Group now charges half a normal year's charge in the year of acquisition and capitalisation. The effect of this change was a £28k reduction in depreciation charged on assets purchased in the period.

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.

Donated services are credited to the Statement of Financial Activities and the equivalent is debited to the corresponding expense account.

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.

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.

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 established 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 the trading company was implemented in 2016 detailing the apportionment of support costs to RiGB Ltd.

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 (market value as of 30 September 2014).

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 the maintenance costs. These buildings have a long useful economic life with a high residual value so depreciation would be immaterial.

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 £500 are expensed when acquired.

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

Freehold and long leasehold land and buildings	Nil(see above)
Computer equipment	33% pa straight line
Restaurant fixtures and fittings	20% pa straight line
Fixtures and fittings	20% pa straight line
Theatre equipment	33% pa straight line

Investments

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. The allocations of these gains or losses are based on number of units held by each fund under the different categories of unrestricted, designated and endowment.

Income from investments is included in the financial statements on an accruals basis.

The majority of the Endowment funds' investments, and part of those of the restricted funds, are held jointly in The Royal Institution Investment Pool.

Intangible Assets

Intangible fixed assets are stated on cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following basis. The principal rate used is as follows (half a normal year's amortisation charged of assets acquired and capitalised during the year):

Software	33% straight line
----------	-------------------

This amortisation is included in expenditure on raising funds on the SOFA. This useful life has been selected to reflect the time in which the software shall become obsolete.

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 September 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.

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. The pension scheme deficit is recognised in full on the balance sheet.

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.

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 endowments funds are funds where provision is usually provided for both the income and capital to be spent on defined activities.

The Trustees are in contact with the Charity Commission regarding the possible broadening of the terms of certain endowment and restricted funds to give Ri more flexibility in delivering its charitable objects in the future.

Redundancy and Termination Payments

Redundancy and termination payments are recognised in the month they are incurred.

2. Donations and legacies

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
Donations – Education	4	-	4	11
Donations – Patrons	75	-	75	48
Donations – Corporates	73	-	73	20
Maths Set Up Fund	-	1	1	1
Donations – Other	15	-	15	7
Legacies	11	-	11	77
Total donations and legacies	178	1	179	164

3. Other trading activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
Rents receivable	743	-	743	569
RiGB Limited room hire income	1,363	-	1,363	1,431
Sundry income	159	-	159	98
Total other trading activities	2,265	-	2,265	2,098

4. Investments

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
Quoted investments	7	120	127	138
Deposit interest	2	-	2	5
Total investments	9	120	129	143

5. Income from charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
Membership subscriptions	193	-	193	208
14/10 Membership subscriptions	-	-	-	4
Patron subscriptions	27	-	27	20
Corporate subscriptions	3	-	3	43
Public and educational events	651	-	651	504
Sponsored events	46	139	185	301
Educational programme grants	1	422	423	301
Heritage	13	18	31	12
Total income from charitable activities	934	579	1,513	1,393

6. Raising funds

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
Direct costs	230	-	230	226
Support costs	246	-	246	225
RiGB Limited direct costs	354	-	354	322
RiGB Limited support costs	577	-	577	512
Investment Management and Audit Fees	4	51	55	55
Total costs of raising funds	1,411	51	1,462	1,340

7. Charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
Members' Costs:				
Direct costs	96	-	96	118
Support costs	101	-	101	122
Total Members' Costs	197	-	197	240
Education:				
Programme costs	359	399	758	675
Young Scientist Centre	18	129	147	152
Online	80	50	130	150
Christmas Lectures	24	100	124	126
Support costs	1,281	-	1,281	1,132
Total Education costs	1,762	678	2,440	2,235
Heritage				
Collection costs	131	18	149	124
Philip Freer Fund	-	17	17	32
Support costs	205	-	205	163
Total Heritage costs	336	35	371	319
Total charitable activities	2,295	713	3,008	2,794

Auditor's remuneration excluding VAT was £27k for audit services and £5k for other accountancy services (2016: £18k for audit services and £3k for other accountancy services).

8. Allocation of support costs

	Fundraising & Development £000	Members' Costs £000	Education £000	Heritage £000	RiGB Ltd £000	Total 2017 £000	Total 2016 £000
Premises costs	69	28	346	61	350	854	878
Operations, Finance and IT	45	19	230	37	62	393	379
Staff recruitment, training and welfare	17	6	85	14	27	149	121
Office costs	14	6	71	11	21	123	119
Legal and professional	24	10	120	19	35	208	92
Depreciation	10	4	53	8	15	90	96
Marketing	14	6	107	11	-	138	134
Digital costs	12	5	61	10	18	106	9
Governance	46	19	233	38	56	392	225
Total Before Pension Movement	251	103	1,306	209	584	2,453	2,141
Net movement of pension fund	(5)	(2)	(25)	(4)	(7)	(43)	13
Total Support Costs	246	101	1,281	205	577	2,410	2,154

9. Staff costs

	2017 £000	2016 £000
Wages and salaries	2,160	1,863
Social security costs	223	194
Pension costs – defined benefit	72	69
Pension costs – defined contribution	39	30
Total Staff Costs	2,494	2,156

No remuneration or expenses have been paid to the Trustees during the year (2016: £nil).

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

	2017 No.	2016 No.
£60,001-£70,000	-	1
£70,001-£80,000	1	1
£80,001-£90,000	2	1
£130,001-£140,000	-	1
£180,001-£190,000	1	-

Three of the above employees (2016: 3) benefited from employer's contributions to their stakeholder schemes during the year totalling £27k (2016: £26k).

Average number of employees, analysed by function

	2017 No.	2016 No.
Educational Programme	23	22
Heritage	3	3
Premises	11	10
Directorate	1	1
Fundraisers	5	5
Membership department	2	2
Operations, Finance and IT	11	9
Total Staff	56	52

At 30 September 2017, staff loans totalled £3k (2016: £11k). No interest is charged on these loans, which mainly relate to advances for travel season tickets.

Remuneration of Key Management Personnel

The key management personnel of the Charity comprise the Trustees (who are not paid), the Chief Executive Officer for part of the year, Director of the Ri, Director of Finance, Director of Science and Education and Director of Operations. The total remuneration of the key management personnel, including employer's national insurance and employer's pension contributions, was £549k (2016: £427k).

Executive Liability Insurance has been purchased from Chubb which covers staff and Trustees. A premium of £4k (2016: £2k) was paid for £1.0m (2016: £1m) of cover.

Redundancy Payments

Redundancy payments of £2k were incurred in 2017 (2016: Nil).

Termination Payments

A termination payment of £21k (2016: Nil) was paid as compensation for terminating an employment contract in lieu of notice.

Ex-gratia payments

Ex-gratia payments of £50k were made in 2017 (2016: Nil) as a performance bonus.

10. Gross transfers between funds

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
Christmas lectures fund	A	40		(40)	
Young Scientist Centre fund	B	(19)		19	
Maths Fund - Primary	C	11		(11)	
Maths Fund - Secondary	D	10		(10)	
Maths Fund - Engineering	E	18		(18)	
Philip Freer Studentships Income	F	4		(4)	
Sponsored events	G	4		(4)	
Causeway	H	23			(23)
Library fund	I	50	(50)		
Life Membership fund	J	18	(18)		
Clothworkers Masterclass fund	K	27			(27)
Ludwig Mond fund	L	5			(5)
Barclays Creative Access fund	M	9			(9)
Total Transfers		200	(68)	(68)	(64)
Shown in the SOFA as			132		(132)

A. This is the contribution on the CHRISTMAS LECTURES fund towards overheads.

B. This is the contribution on the Young Scientist Centre fund towards overheads.

C. This is the shortfall on the funding received towards Maths Fund – Primary expenditure during the year.

D. Maths Fund – Secondary is afforded from multiple sources with whom it is agreed all funding provided will contribute to overheads.

E. Maths Fund – Engineering is afforded from multiple sources with whom it is agreed all funding provided will contribute to overheads.

F. This is the contribution on the Philip Freer Studentships Income grant towards direct costs in the general fund.

G. This is the allocation of sponsorship income received for the Public Events Programme towards applicable costs.

H. This is the contribution on the Causeway Endowment fund towards costs in the general fund in relation to the Computing Masterclasses Programme.

I. This is the contribution on the Library Fund towards direct costs in the general fund for Heritage.

J. This is the contribution on the Life Membership Fund toward servicing life members.

K. This is the contribution for Clothworkers' Masterclass expendable endowment towards overheads.

L. This is contribution from Ludwig Mond endowment towards building costs of 20 Albemarle Street.

M. This is contribution towards provision of Science in Schools shows to disadvantaged schools.

11. Intangible assets

Group and Charity	Computer Software £000	Charity Total £000	Computer Software RiGB Limited £000	Group Total £000
Cost or Valuation:				
At 1 October 2016	12	12	81	93
Additions	-	-	-	-
At 30 September 2017	12	12	81	93
Amortisation:				
At 1 October 2016	4	4	-	4
Charge for the year	4	4	13	17
At 30 September 2017	8	8	13	21
Net Book Value:				
At 30 September 2017	4	4	68	72
At 30 September 2016	8	8	81	89

12. Tangible assets

Group and Charity	Freehold Building £000	Long Leasehold Land and Buildings £000	Restaurant - Fixture and Fittings £000	Computer Equipment £000	Fixtures and Fittings £000	Theatre Equipment £000	Charity Total £000	RiGB Ltd £000	Group Total £000
Cost or Valuation:									
At 1 October 2016	11,880	22,332	37	814	607	125	35,795	120	35,915
Additions	-	-	-	76	6	-	82	11	93
Disposals	-	-	-	(430)	(152)	(125)	(709)	(47)	(756)
At 30 September 2017	11,880	22,332	37	460	461	-	35,168	84	35,252
Depreciation:									
At 1 October 2016	-	-	37	744	502	125	1,408	113	1,521
Charge for the year	-	-	-	51	36	-	87	4	91
Disposals	-	-	-	(430)	(154)	(125)	(709)	(47)	(756)
At 30 September 2017	-	-	37	365	384	-	786	70	856
Net Book Value:									
At 30 September 2017	11,880	22,332	-	95	75	-	34,382	14	34,396
At 30 September 2016	11,880	22,332	-	70	103	-	34,385	7	34,392

The freehold of 20 Albemarle Street was revalued at the effective date of 30 September 2014, by Gerald Eve LLP, an independent valuer. The methods used referred to observable market transactions, the UK economy, inflation, and global financial markets. The freehold land and buildings have been recognised at the carrying amount of £15,550,000 of which £11.55m is Property, Plant and Equipment and £4m is Investment Property. On adoption of FRS102 this valuation is being taken as historical cost going forward.

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 2016 and 30 September 2017	663	2,626	410	919	99	4,717

The Royal Institution 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 Royal Institution 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 Royal Institution and its work.
- Scientific apparatus & instruments:
 - i. 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 Royal Institution to make their seminal discoveries.
 - ii. Instruments: Comprising around 2,000 items, these instruments were presented at various times and were mostly used in the Royal Institution 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 Royal Institution 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 Royal Institution 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 visited by appointment.

As an accredited museum the Ri has adopted a set of Heritage Asset policies which meet the standard required by the Museum & Library Archive (MLA). 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 the heritage assets policy and net economic benefit to the Ri. In the year the Trustees reviewed certain items in the collection in light of the current accessioning policy.

There have been no new additions in the year.

Five year summary of transactions

Group and Charity	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Purchases:					
Printed Works	-	-	-	10	-
Total Additions	-	-	-	10	-
Disposals:					
Printed Works	-	(589)	-	-	-
Total Disposals	-	(589)	-	-	-
Proceeds from Disposals:					
Printed Works	-	974	-	-	-
Total Proceeds from Disposals	-	974	-	-	-

14. Investments

Group and Charity	Cash £000	Quoted Investments £000	Property £'000	Group Total 2017 £000	Group Total 2016 £000
Fair value at 1 October:	380	4,540	4,000	8,920	4,383
Disposals - Quoted investments	-	(2,592)	-	(2,592)	(1,223)
Net realised gains on sale of quoted investments	-	110	-	110	98
Purchase of quoted Investments	-	2,544	-	2,544	1,304
Net unrealised investment gains on quoted investments	-	226	-	226	541
Cash movements	(66)	-	-	(66)	(183)
Redesignation of part of a Freehold Property to Investment Property as required by FRS102	-	-	-	-	3,670
Gain on revaluation of Investment Property	-	-	-	-	330
Fair value at 30 September	314	4,828	4,000	9,142	8,920
Historical cost at 30 September	313	4,125	-	4,438	4,250

The Ri operates an Investment Pool which is shared by all the funds. All participating funds share in the income, expenditure, gains and losses of the Investment Pool in proportion to their investment in it.

At 30 September 2017 the group and charity had no short term investments (2016:£102k). During the year to 30 September 2017 there were realised gains on short term investments of £11k (2016: £12k).

The Philip Freer permanent endowment is held in an Investment Pool separate from the RI's on-going activities. The above figures are inclusive of the Philip Freer endowment and other Pool funds. The above investments support charitable activities.

Quoted investments	2017 £000	2016 £000
HSBC-UK Fixed Interest	79	67
HSBC- Overseas Fixed Interest	728	752
HSBC-UK Equities	1,542	1,675
HSBC-Overseas Equities	2,198	1,794
HSBC- Alternative Investment Property	282	252
Total quoted investments	4,829	4,540

The Ri owns the entire issued share capital of RiGB Limited of one pound, a company incorporated in England and Wales which lets surplus room space at the Royal Institution of Great Britain and enters into other commercial activities such as sponsorship.

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

	2017 £000	2016 £000
Turnover	1,575	1,499
Cost of sales	(761)	(743)
Management fee paid to Ri	(578)	(512)
Operating profit	236	244
Profit on ordinary activities before taxation	236	244
Taxation	-	-
Profit for the year after Taxation (which was distributed to parent as Gift Aid)	236	244

The balance sheet of the subsidiary is as follows:

	2017 £000	2016 £000
Fixed assets		
Tangible fixed assets	14	7
Intangible fixed assets	68	81
Current assets		
Debtors	243	215
Cash at bank	62	477
Creditors: Amounts falling due within one year	(357)	(720)
Net current assets	(52)	(28)
Creditors: Amounts falling due after more than one year	(30)	(60)
Total assets less liabilities	-	-
Capital and reserves		
Called up share capital	-	-
Profit and loss account	-	-
Shareholder Funds	-	-

15. Debtors

	2017 Group £000	2017 Charity £000	2016 Group £000	2016 Charity £000
Trade debtors	179	70	360	151
Amount owed by subsidiary	-	-	-	325
Other debtors	3	3	11	11
Tax recoverable	15	15	7	7
Prepayments and accrued Income	303	300	201	195
Total Debtors	500	388	579	689

16. Creditors: Amounts falling due within one year

	2017 Group £000	2017 Charity £000	2016 Group £000	2016 Charity £000
Trade creditors	351	337	380	341
Amount owed to subsidiary	-	127	-	-
Other tax and social security	121	56	113	58
Holiday pay accrual	29	29	26	26
Other creditors	16	15	17	16
Income received in advance (see note 18)	818	551	904	609
Accruals	95	88	60	56
Total Creditors: Amounts falling due within one year	1,430	1,203	1,500	1,106

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

	2017 Group £000	2017 Charity £000	2016 Group £000	2016 Charity £000
Income received in advance (see below)	1,343	1,313	1,448	1,388
Total Creditors: Amounts falling due after more than one year	1,343	1,313	1,448	1,388

18. Income received in advance

	Balance as at 30 September 2016 £000	Income released in the year £000	Income received in advance during the year £000	Balance as at 30 September 2017 £000
Charity				
Grant income	304	(528)	448	224
Subscription income	96	(1,086)	1,106	116
Events income	27	(90)	89	26
Advanced Rental & Service Charge	106	(646)	649	109
Lease Premium	1,462	(75)	-	1,387
Total Charity	1,995	(2,425)	2,292	1,862
RIGB Limited	357	(778)	720	299
Group	2,352	(3,203)	3,012	2,161

19. Endowment funds

Group and Charity	Balance As At 1 October 2016 £000	Re- classifica tion 1 October 2016 £000	(Outgoing) £000	Investment Management Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance As At 30 September 2017 £000
Permanent Endowment Funds:							
Gillespie Trust fund	902	-	-	(10)	-	81	973
Dr Ludwig Mond's fund	16,368	-	-	(2)	(5)	16	16,377
Philip Freer Studentships Fund	1,367	(254)	-	-	-	-	1,113
Clothworkers' Masterclasses fund	-	750	-	-	-	-	750
Total Permanent Endowment Funds	18,637	496	-	(12)	(5)	97	19,213
Expendable Endowment Funds:							
Philip Freer Studentships Fund	123	-	-	(22)	-	72	173
Building Preservation fund	92	-	-	-	-	3	95
British Aerospace Educational fund	224	-	(30)	(1)	-	8	201
Clothworkers' Endowment fund	377	-	(27)	(1)	-	17	366
Clothworkers' Masterclass fund	1,652	(1,652)	-	-	-	-	-
The Royal Institution Research fund	352	-	-	(1)	-	11	362
Causeway Endowment	359	-	(56)	-	(23)	-	280
Old Broad Street Charity Trust fund*	616	-	-	(2)	-	19	633
Victoria Woodhull Endowment fund*	638	-	-	(2)	-	20	656
Total Expendable Endowment Funds	4,433	(1,652)	(113)	(29)	(23)	150	2,766
Total Endowment Funds	23,070	(1,156)	(113)	(41)	(28)	247	21,979

Permanent Funds

The Gillespie Trust is to encourage an interest in, and knowledge of, physics.

Dr Ludwig Mond's Endowment included funds for the maintenance and insurance of 20 Albemarle Street, and Freehold Property and Investment Property recorded at valuation (as required by FRS102) of £15.9m.

The Philip Freer Studentships Fund provides help to students of science research and the history of science at The Royal Institution of Great Britain. As per trust deed, 90% of original capital value cannot be depleted and, as such, is treated as Permanent Endowment.

The original £750k of the Clothworkers Masterclass Endowment has been classified from Expendable to permanent

Expendable Funds

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 fund is shown as Expendable, acting as a bursary, covering expenses incurred by the selected student in the course of their studies.

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

The British Aerospace Educational Endowment is to be used to encourage young peoples' interest in science.

The Clothworkers' Endowment supports technical staff in the Preparation Laboratory.

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

The Causeway Endowment has been given to match funding for the Enhancement & Enrichment programme designed to provide grants to teachers working in disadvantaged areas.

The Old Broad Street Charity Trust fund provides funds to send young scientists to the Australian Science Festival.

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

* The Ri is reviewing the objects of these funds to reflect the modern day equivalent application for which it will seek Charity Commission agreement.

Transfers 1 October 2016

Philip Freer and Clothworkers Permanent and Expendable Endowments have been reclassified to better reflect the terms of their underlying deeds and conditions. These have been reflected as transfers effective 1 October 2016 to reflect their prior period nature.

20. Restricted income funds

Group and Charity	Balance As At 1 October 2016 £000	Transfers 1 October 2016 £'000	Incoming £000	Pool income £000	(Outgoing) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recogn- ised Gains £000	Balance As At 30 September 2017 £000
Bragg Lecture fund	11		-	-	(1)	-	-	-	10
American Friends fund	6		-	-	-	-	-	-	7
Barclays Creative fund	9		-	-	-	-	(9)	-	-
Webcast grants fund	6		-	-	-	-	-	-	6
Maths set-up fund	36		-	-	-	-	-	-	36
Christmas lectures fund	-		140	-	(100)	-	(40)	-	-
Young Scientist Centre fund	-		110	-	(129)	-	19	-	-
Ri Online	7		53	-	(50)	-	-	-	10
Permanent Endowment- Income	161		1	30	(11)	-	-	-	181
Expendable Endowment- Income	129		-	43	(33)	-	-	-	139
Ternality Trust	61		-	-	-	-	-	-	61
Maths Fund - Primary	-		74	-	(63)	-	(11)	-	-
Maths Fund - Secondary	-		47	-	(37)	-	(10)	-	-
Maths Fund - Engineering	-		64	-	(46)	-	(18)	-	-
School Outreach Fund	-		8	-	(8)	-	-	-	-
Educational Funds	120		-	1	-	-	-	3	124
Research Funds	102		-	1	-	(1)	-	3	105
Enrichment & Enhancement Grant	-		35	-	(35)	-	-	-	-
Sponsored events	-		29	-	(25)	-	(4)	-	-
Conservation work grants	-		18	-	(18)	-	-	-	-
Philip Freer Studentships Income	49	254	-	46	(17)	-	(4)	-	328
Clothworkers Masterclass fund	-	902	-	-	(29)	(10)	(27)	61	897
Total Restricted Income Funds	697	1,156	579	121	(602)	(11)	(104)	67	1,903

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

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

The Barclays Creative fund is used for supporting the transport costs of bringing schools from less privileged areas of London to the Ri's Science Events for Schools programme.

The Webcast grant has been used to create webcasting facilities to broadcast schools lectures to UK schools and colleges.

The Honeybourne legacy is to be used for research in The Davy Faraday Laboratory as the Director of the Laboratory sees fit.

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

The Christmas Lectures fund is used for supporting the production of the CHRISTMAS LECTURES and associated educational learning materials.

The Young Scientist Centre is a bespoke laboratory with state of the art facilities providing hands on experimental opportunities for students.

The Ri Online fund from Microsoft Research is used to support the initial set up of an online science channel.

The Permanent Endowment-Income fund is the investment income arising from the permanent endowment funds.

The Expendable Endowment-Income fund is the investment income arising from the expendable endowment funds.

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

The Maths Fund - Primary fund is to support primary mathematics Masterclass groups around the UK providing extracurricular mathematics for gifted and talented children.

The Maths Fund - Secondary fund is to support secondary mathematics Masterclass groups around the UK providing extracurricular mathematics for gifted and talented children.

The Maths Fund - Engineering to organise and run engineering Masterclasses in London for gifted and talented students.

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.

The Research Funds consists of the Fullarian 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.

Enrichment & Enhancement grant is designed to provide grants to teachers working in disadvantaged areas.

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.

The Clothworkers Masterclass Fund supports Secondary Maths Masterclasses

21. Unrestricted income funds

Group	Balance as at 1 October 2016 £000	Incoming £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance As At 30 September 2017 £,000
General fund	(1,810)	2,016	7	(3,432)	(1)	1,009	(238)	454	(1,995)
Non charitable trading funds	-	1,363	-	(354)	-	(1,009)	-	-	-
Total Unrestricted Funds	(1,810)	3,379	7	(3,786)	(1)	-	(238)	454	(1,995)
Designated funds:									
Christmas Bursary fund	24	-	-	-	-	-	-	-	24
Library fund	185	-	-	-	(1)	-	(50)	8	142
Life Membership fund	194	-	-	-	(1)	-	(18)	6	181
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,707	-	-	-	-	-	10	-	4,717
Total designated funds	25,229	-	-	-	(2)	-	(58)	14	25,183
Total Unrestricted Income Funds Excluding Pension Reserve	23,419	3,379	7	(3,786)	(3)	-	(296)	468	23,188
Pension reserve	(512)	84	-	-	-	-	428	-	-
Total Unrestricted Income Funds	22,907	3,463	7	(3,786)	(3)	-	132	468	23,188

Charity

	Balance as at 1 October 2016 £000	Incoming £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2017 £000
General fund	(1,810)	2,016	7	(3,432)	(1)	1,009	(238)	454	(1,995)
Designated funds:									
Christmas Bursary fund	24	-	-	-	-	-	-	-	24
Library fund	185	-	-	-	(1)	-	(50)	8	142
Life Membership fund	194	-	-	-	(1)	-	(18)	6	181
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,707	-	-	-	-	-	10	-	4,717
Total designated funds	25,229	-	-	-	(2)	-	(58)	14	25,183
Total Unrestricted Income Funds Excluding Pension Reserve	23,420	2,016	7	(3,432)	(3)	1,009	(296)	467	23,187
Pension reserve	(512)	84	-	-	-	-	428	-	-
Total Unrestricted Income Funds	22,908	2,100	7	(3,432)	(3)	1,009	132	467	23,187

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 Limited.

The Christmas Bursary designated fund is to enable underprivileged children from outside London to attend the CHRISTMAS LECTURES.

The Library fund is invested to provide annual contributions to conservation costs of the library collection.

The Life Membership fund is life membership fees invested to give an annual return to membership income.

The Tangible fixed assets fund is a designated fund set aside to reflect the fact that these amounts are tied up 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 into Printed works, Archives, Images, Scientific apparatus & instruments, Furniture, silver, clocks and watches.

The pension reserve represents the prior pension liability relating to the Ri defined benefit pensions scheme, now in surplus.

22. Analysis of net assets between funds

Group	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	-	-	7,333	-	-	-	19,213
Expendable endowment	-	-	-	2,766	-	-	-	2,766
Total Endowment Funds	11,880	-	-	10,099	-	-	-	21,979
Total Restricted Income Funds	-	-	-	1,521	382	-	-	1,903
Unrestricted Income Funds:								
General fund	2,383	4	-	(2,651)	(418)	(1,313)	-	(1,995)
Non charitable trading funds	14	68	-	-	(52)	(30)	-	-
Total Unrestricted Income Funds	2,397	72	-	(2,651)	(470)	(1,343)	-	(1,995)
Designated Funds:								
Fixed Assets	20,119	-	4,717	-	-	-	-	24,836
Other	-	-	-	173	174	-	-	347
Total Designated Funds	20,119	-	4,717	173	174	-	-	25,183
Total Funds	34,396	72	4,717	9,142	86	(1,343)	-	47,070

Charity

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Liabilities £000	Long Term Liabilities £000	Pension Liability £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,333	-	-	-	19,213
Expendable endowment	-	-	-	2,766	-	-	-	2,766
Total Endowment Funds	11,880	-	-	10,099	-	-	-	21,979
Total Restricted Income Funds	-	-	-	1,521	382	-	-	1,903
Unrestricted Income Funds:								
General fund	2,383	4	-	(2,651)	(418)	(1,313)	-	(1,995)
Total Unrestricted Income Funds	2,383	4	-	(2,651)	(418)	(1,313)	-	(1,995)
Designated Funds:								
Fixed Assets	20,119	-	4,717	-	-	-	-	24,836
Other	-	-	-	173	174	-	-	347
Total Designated Funds	20,119	-	4,717	173	174	-	-	25,183
Total Funds	34,382	4	4,717	9,142	138	(1,313)	-	47,070

Use of funds

In previous years 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 a total of £2.1m of endowment and restricted Funds invested in the refurbishment within a 15 year time frame. The Charity Commission noted that these endowment and restricted Funds have been applied to secure the long-term success of the Charity. The current commitment to the Charity Commission is to replenish the original £2.1m by 30 September 2025. As disclosed in the 30 September 2016 Financial Statements, an additional £1.6m of Funds (previously unidentified) was discovered to have been used in the year to 30 September 2009 and £854k of Funds replenishment was identified to have occurred over the period from October 2009 to 30 September 2016. The Charity Commission was advised of this in April 2017. The Ri stated its commitment to replenish endowment and restricted Funds totaling £2.877m in the 30 September 2016 Financial Statements.

In the year to 30 September 2017, further replenishment of endowment and restricted Funds of £118k has occurred. The Ri remains committed to replenish Endowment and Restricted Funds of £2.759m (2016: £2.877m) and is committed to agreeing an updated replenishment programme with the Charity Commission. Discussions with the Charity Commission to agree an updated replenishment programme commenced in 2017.

23. Analysis of net debt

	Balance at 1 October 2016 £000	Cash Flows £000	Balance at 30 September 2017 £000
Cash Movement:			
Cash at bank and in hand	1,333	(317)	1,016
Decrease in Cash and cash at bank and on hand	1,333	(317)	1,016

24. Financial Assets and Liabilities and Financial Instruments

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

	2017		2016	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Financial assets measured at fair value through the SOFA	4,829	4,829	4,540	4,540
Financial assets measured at amortised cost	272	160	387	501
Financial liabilities measured at fair value through the SOFA	-	-	-	-
Financial liabilities measured at amortised cost	(477)	(454)	(466)	(421)

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 2016. The scheme currently has nine pensioners and eight 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 statement of financial activities in respect of pension costs is the total contributions payable for the year. There are currently 48 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 various 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 statement of financial activities 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)

Major actuarial assumptions used in the full valuation at 1 October 2016:

Rate of increase in salaries	6.00%
Rate of increase in pensions in payment	3.80%
Rate of increase of existing assets and future contributions	7.00%
Pensions at retirement bought using annuity rates consistent with a long-term interest rate of:	5.00%
Inflation assumption	3.30%
General increases in earnings will be at	5.00%
Active members GMP will be revalued at	5.00%

The employer's pension charge for the year was £41k (2016: £120k).

The full scheme valuation undertaken as at 1 October 2016 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 2017.

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

	2017	2016
Discount Rate	2.60%	2.20%
RPI assumption	3.30%	3.20%
CPI assumption	2.00%	1.90%
Pension increases	4.00%	4.00%

The underlying mortality assumption for both years is that based upon the standard table known as S1PA on a year of birth usage with CMI_2016 future improvement factors and a long term rate of future improvement of 1.25% p.a. (2016 – PCA00 with medium cohort improvements and a minimum annual rate of improvement of 1% p.a. This results in the following life expectancies:

Male age 65 now has a life expectancy of 86.9 years (previously 87.0 years)

Female age 65 now has a life expectancy of 89.0 years (previously 89.3 years)

	2017 £000	2016 £000
The amounts recognised in the balance sheet are as follows:		
Present value of plan liabilities	(1,916)	(2,282)
Market value of plan assets	1,977	1,770
Surplus / (Deficit) in the plan	61	(512)
Adjustment for non-recoverable surplus	(61)	-
Net defined benefit liability	-	(512)

The amounts to be recognised in Statement of Financial Activities (SOFA) for the year are as follows:

Interest on net defined benefit liability	11	13
Total	11	13

Changes in the present value of the plan liabilities for the year are as follows:

Present value of plan liabilities at 1 October	2,282	1,871
Benefits paid	(56)	-
Interest on plan liabilities	50	67
Actuarial (gains) / losses	(360)	344
Present value of scheme liabilities at 30 September	1,916	2,282

Changes in the market value of the plan assets for the year are as follows:

Market value of plan assets at 1 October	1,770	1,438
Contributions paid by the Company	95	120
Benefits paid	(56)	-
Interest on plan assets	39	54
Return on assets, less interest included in the SOFA	129	158
Market value of plan assets at 30 September	1,977	1,770
Actual return on plan assets	168	212

The major categories of plan assets as a percentage of total plan assets at the balance sheet date are as follows:

	2017	2016
Equities and property	77%	92%
Bonds	23%	8%
	100%	100%
Analysis of the remeasurement of the net defined benefit liability recognised in the SOFA for the year are as follows:	2017	2016
	£'000	£'000
Actual return less expected return on plan assets	129	158
Experience gains and losses arising on plan liabilities	149	55
Changes in assumptions underlying the present value of plan liabilities	211	(399)
Change in non-recoverable surplus	(61)	-
Actuarial loss recognised in SOFA	428	(186)
Movement in deficit in the as follows:		
Deficit in plan at 1 October	(512)	(433)
Recognised in SOFA	(11)	(13)
Contributions paid by the Company	95	120
Actuarial loss recognised in SOFA	428	(186)
Deficit in plan at 30 September	-	(512)

Funding Policy

Funding valuations are carried out every three years on behalf of the Trustees of the plan, 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 2016. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the Scheme, which commits the Ri to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Statement of Funding Principles dated 6 July 2017 and are as follows:

£10,250 per quarter payable from 1 October 2016 to 1 September 2028

These payments are subject to review following the funding valuation as at 1 October 2019.

Universities Superannuation Scheme:

Employers' contributions are currently payable at a rate of 18% (2016: 18%) of pensionable earnings. Employees' contributions were equivalently 8% (2016: 8%).

The Universities Superannuation Scheme is valued formally every three years by the scheme actuary, who is currently Mr E S Topper of Mercer Limited. The 31 March 2014 valuation has been finalised and audited. The 31 March 2014 valuation was carried out using normal actuarial principles, and the projected unit method in particular. Employer contributions increased to 18% from 1 April 2016. The following key financial actuarial assumptions were used in the 31 March 2014 valuation:

Investment return - past service	4.4% per annum
Investment return - future service	6.1% per annum
Pensionable salary increases	4.3% per annum
Pension increases	3.3% per annum
Price inflation (long-term)	3.6% per annum

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 2016, the fair value of the scheme's assets was £49.8bn and the estimated present value of the scheme's liabilities was £58.3bn resulting in a scheme shortfall of £8.5bn.

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 will be 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.

26. Other financial commitments

The Company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	2017 £'000	2016 £'000
Within 1 year	12	12
Between 1 and 5 years	-	12
Total	12	24

The value of lease payments recognised in expenditure in the year was £12k (2016:£11k).

The Company as lessor

At the year end, the Company had contracted with tenants, under non-cancellable operating leases for the following future minimum lease payments:

	2017 £'000	2016 £'000
Within 1 year	242	242
Between 1 and 5 years	968	968
After 5 years	3,267	3,509
Total	4,477	4,719

27. Rents receivable and related party transactions

The following transactions with related parties took place during this period:

	Nature of Relationship	2017	2016	Description	2017 Outstanding balances £
Miss Claire Gardner	Ri Director	£324	Nil	Season ticket loan written off as part of settlement agreement	-
Trustee	EY Partner	£6,700	£6,700	Ernst and Young sponsorship Income	-
Trustee	University of Leeds Employee	£900	£900	University of Leeds Venue Hire Income	-

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

	2017 £000	2016 £000
Paid from RiGB Limited to Charity		
Cost sharing agreement	578	512
Gift Aid distribution	236	244
Trademark License Fee	120	120
Premises License Fee	287	300

28. Contingent Liabilities

The company is part of a Group VAT registration and hence is jointly and severally liable for any group VAT liability. At 30 September 2017 the contingent liability of the group was £73,383 (2016:£54,762).

29. Post Balance Sheet Events and Other Matters

On 27 December 2017 HSBC Bank PLC advised renewal of the secured overdraft facility of £500k to 31 October 2018.