

Trustees' Report and Financial Statements

For the year ended 30 September 2019

Contents

CHARITY INFORMATION.....	1
TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019	2
INTRODUCTION.....	2
PURPOSE	2
OBJECTIVES	3
CHARITABLE ACTIVITIES AND ACHIEVEMENTS	3
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.....	9
FUNDRAISING APPROACH AND STANDARDS	9
RISK MANAGEMENT	10
MAJOR RISKS.....	10
TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS	10
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL INSTITUTION OF GREAT BRITAIN.....	11
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2019	13
BALANCE SHEET AS AT 30 SEPTEMBER 2019	14
CONSOLIDATED AND CHARITY CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019.....	15
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019	16

Charity Information

Charity registration number:
227938

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

Websites:
<http://www.rigb.org/>
<http://venue.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 – Chair
Ms Louise Terry – Deputy Chair – resigned October 2019
Dr Sophie Forgan
Mr Simon Godwin
Dr Yike Guo – resigned January 2020
Lord Julian Hunt
Mr John Krumins
Mrs Sarika Patel – resigned December 2019
Prof Alison Woollard

Trustees who served during part of the financial year were:

Dr Fergus Boyd – retired April 2019
Mr Andrew Gregson – elected April 2019, resigned January 2020
Sir Roland Jackson – elected April 2019
Ms Lucinda Hunt – appointed September 2019, resigned December 2019
Mr Christopher Potter – appointed September 2019
Mr Geoff Potter – retired April 2019

Finance Committee:

Mr John Krumins – Chair and Trustee
Mr Simon Godwin – Trustee
Mr Stuart Bridges
Mr Robert Farago
Mr Chris Lowe
Ms Clare Robinson – appointed February 2019

Audit & Risk Committee:

Mrs Sarika Patel – Chair and Trustee – resigned December 2019
Mr Andrew Gregson – elected Trustee April 2019, resigned January 2020
Mr Nick Hills
Mr Renato Lulia – appointed February 2019
Ms Siobhan Peters – resigned December 2019
Mr Christopher Potter – appointed February 2019
Mr Simon Robinson – resigned December 2018

Nominations Committee:

Ms Louise Terry – Chair and Trustee – resigned October 2019
Mr Richard Sykes – Trustee
Mr Christopher Adams
Ms Lucinda Hunt – Trustee – resigned December 2019
Ms Janet Larsen
Mr David Phillips

Director:

Dr Shaun Fitzgerald FREng – resigned December 2019
Ms Lucinda Hunt BSc ARCS PGCE – appointed Interim Director 13 January 2020

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, 8 Cork Street, London W1S 3LJ

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 2019

The Ri is pleased to report significant growth in targeted audiences, a surplus on unrestricted funds (for the fourth consecutive year).

Throughout 2019 the Ri Leadership has worked with staff and Trustees to implement our strategy. This outlines our vision and mission consistent with our founding prospectus and is based on six key objectives that are our prime areas of focus. Please refer to Objectives, below, for more details.

With our 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 public to participate in evidence-based discussions and solving many of the significant challenges the world now faces.

We have achieved significant growth in the audiences we interact with through our programmes:

- Digital subscribers growing 185,000 people / 42% and views growing 6.3m / 42% in the last year.
- Masterclass participants growing 5% to 6,500 in the year.
- The CHRISTMAS LECTURES viewing audience grew 30% over the previous year.
- Science in Schools impacting 7,500 / 15% more students at 15% more schools than in the previous year.

In December 2019, Dr Shaun Fitzgerald resigned as Director to pursue other interests. After considering options, the Board appointed Ms Lucinda Hunt as Interim Ri Director for a period of 12 months, from 13 January 2020, whilst the Directors and Board consider future Ri structure and key roles and appoints people to the roles defined. This will best enable the Ri to deliver its 2020 business plan and identify the structure and roles critical to delivering the Ri strategy in the future. It is expected the search and appointment of new staff will take up to 12 months. Ms Hunt resigned as a Trustee on 18 December 2019.

During this financial year, the Ri has both made significant progress on its charitable objectives as well as consolidating the previous three years strengthened financial performance and its long-term financial sustainability.

The Ri has produced a financial surplus on unrestricted funds for the year of £4k before replenishment (compared to a £100k surplus in 2017/18). This represents the fourth consecutive year of surpluses on unrestricted funds and is the result of sustained core operating performance (the £100k 2017/18 result was also from core operating activity).

Total Funds have declined £9k for the year (increased £135k in 2017/18) as funds were used to deliver our core programmes.

Three significant developments in the 2019 year evidence the improving financial strength of the Ri:

- Trustees resolved in June 2018 to plan to replenish Endowments and Restricted funds misused in 2008/09 from 1 October 2018. This plan was agreed with the Charity

Commission in June 2019. In September 2019, the Ri actively replenished funds, consistent with this plan, by £143k.

- Trustees also resolved in September 2019 to set aside £222k of unrestricted investment funds to create an Operating Reserve.
- The Charity Commission, after their visit in March 2019 and clarification of various matters, advised in October 2019 that they are "...satisfied that the Ri no longer requires any special oversight from the Commission and our current engagement can therefore now end."

The Ri has remained free of debt since repayment in 2015 and has sufficient cash resources to maintain its current core operations. Implementation of the new five-year strategy is underway but progress depends on securing additional funds for new projects.

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 2019.

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.' 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 new strategy are to:

- Inspire everyone to develop a lifelong journey with science
- Increase the public's awareness of, and participation in, the work of the Ri
- 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:

- Grow our financial capacity to support our mission
- Develop and care for our staff and volunteers whose expertise and passion provide the cornerstone of our 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 2019 Trustees' Report and Financial Statements we have selected highlights and impacts from our main areas of achievement. Further details of our accomplishments in 2019 and our plans for 2020 can be found in our 2019 Annual Review, a copy of which is available at www.rigb.org/annual-review.

The Ri acknowledges 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

Our celebrated public programme continues to inspire, inform and entertain new and existing audiences through a richly diverse range of topics and a variety of formats. This year we hosted 113 (94 in 2017/18) events in total, with 23,533 (22,381 in 2017/18) tickets booked. This does not include our extensive programme for Families and Young People, which is discussed elsewhere in this report.

From our post-event surveys 88% of people learnt something new, 81% wanted to continue their learning about the subject afterwards and 76% of people felt more confident discussing the subject with others. This shows that Ri events are not just stimulating at the time, but act as a catalyst to inspire further engagement with science. The programme included:

- 89 public talks
- Nine Discourses
- Three short courses

- 12 editions of "Fiction Lab", our science book club.

Highlights of the programme included:

- 19 Oct 2018: 'Murder MysteRi: a picture-perfect murder' – In a departure from our regular programme of mind-expanding talks from world experts, we hosted our first interactive theatre event, based around a fictitious murder that took place at the Ri in 1839. Attendees analysed evidence using forensic techniques from the past and the present, searched archive materials and interrogated those who may have had something to do with the grizzly crime.
- 30 Nov 2018: 'Hello World (Discourse)' – Rising maths star Hannah Fry gave a brilliant Discourse about being human in the age of the machine. We were so impressed, she was invited to give the 2019 CHRISTMAS LECTURES.
- 30 May 2019: 'Superior: The return of race science' – We were delighted to host the launch of Angela Saini's long-awaited follow-up to 'Inferior' in partnership with the popular podcast 'Why aren't you a doctor yet?'.
- Aug & Sep 2019: 'Masters of Science' – We ran a three-event series in partnership with the Financial Times, featuring world-leading scientists profiled in the FT series of the same name. Not only did we draw a new audience of FT readers, we also raised our profile through promotion in the FT.

Heritage and Collections

The Ri continues to maintain its nationally Accredited Faraday Museum and collection of scientific apparatus, archives, books and images, detailing the association of eminent scientist from history to the present day and the role that science communication plays within culture. The collections continue to be used to share the history of the Ri and its role in the public understanding of science with the general public, academics and Members.

The museum has played host to over 67,000 visitors throughout 2019, with a further 78 dedicated archive visits by national and international scholars, students and members of the public. The Ri has also provided over 900 people with detailed tours of the collection, highlighting the Ri's internationally significant developments and its place in the world of scientific development and communication.

The Heritage and Collections team provided expert advice to a number of film, radio and scientific organisations, including a BBC Four Documentary with Hannah Fry on Tesla and a BBC Two production on scientific developments in the 19th century with Seagull and Monkman (from University Challenge). A new production of the COSMO series for the American Discovery channel was filmed at the Ri and will be broadcast in 2020. This was hosted by Neil de Grasse Tyson, and highlighted the work of Thomas Young and the discovery of the electron by JJ Thomson at the Ri. Various items were lent to the Science Museum, Bristol Art Gallery and Kelham Island Museum Trust.

The assessment of the condition of the archival collections, funded by the Charles Hayward Trust and the Ri, was completed in July. This work, undertaken by the accredited paper conservator Zofia Wyszomirska-Noga, has proven crucial in securing the future of more fragile aspects of the collection. Further fundraising is planned to maintain an ongoing conservation programme of the paper records of the Ri.

The Ri receives funding through the Philip Freer Studentship Trust to support PhD Students and undertake activities for the growing Centre for Science and Culture. Six students working on aspects of the Ri's history and history of science were supervised by Professor Frank James. A 'Romantic Poetry' symposium at the Ri featuring papers and research on the poetry of Humphry Davy was supported by the Trust along with two archival training days for Masters and prospective PhD students from UCL and Queen Mary's London.

Professor James retired in October 2019. The Heritage team is being expanded to maintain this significant cultural collection and provide the support and knowledge on the history of the Ri internally and externally.

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. The Centre and its staff celebrated 10 years of operation with L'Oréal support at the end of September 2019 and plans wider communications of this milestone as described below.

During 2018/19, the LYSC delivered 181 events with over 5,000 participating students. 130 events were core workshops (including four for international groups) and 36 were holiday workshops. The LYSC also ran special whole day activities for 120 Girls' Day School Trust students and we also hosted The London International Youth Science Forum.

The increasing trend of home-schooled groups stabilised at around 10% of workshops. Given the demand from a small number of schools for large numbers of workshops we have limited annual visits to six per establishment. During the year we have welcomed MP Matthew Offord, film crews and even a team of sound engineers (to record lab sounds!) into the Centre, reinforcing the LYSC as a center of excellence.

Our collaboration with Butlin's came to a natural conclusion at the end of 2019. Over the three year partnership we have worked with over 50,000 young people, integrating STEM workshops into the overall family holiday experience, making bathbombs or developing their own pinhole photographs.

The LYSC team plays a major part in the creation of content for the Ri's family fun days and the ability to have 'wet lab' activities in the Centre adds to the breadth of experiences offered. At the science communication BIG event this year we delivered two separate "hands on" workshops for delegates and Jemma Naumann won the prestigious 'Best Demo' competition. She then went on to win the 'Over Ambitious Demo' competition at Cheltenham Science Festival.

The Ri continues to support Bayer and its Baylab in Reading as well as maintaining links with the University of Central Lancashire YSC. We meet regularly and collaborate on many projects. The team has also been working with Techniquist and the University of South Wales to explore potential for a new YSC.

The standard of the LYSC workshops and the feedback we receive remains consistently high with 96% of respondents saying they would recommend their visit to other students and

over 60% reporting that their visit made them more interested in studying science. A further 32% reported that they already wanted to study science before they attended the Centre and still wanted to study science to a higher level.

As referred above, support from and our partnership with L'Oréal UK & Ireland has now lasted over 10 years and our joint achievements over that time have been many. To recognise this milestone we are planning development of three new workshops centered around the theme of sustainability. These workshops for a teenage audience, will allow the Ri and L'Oréal to educate and promote their commitment to reducing waste and being more sensitive to the needs of the environment. This new work will also aim to strengthen links between the Ri, home and school visitors by incorporating discussion of potential STEM careers that will benefit society and the world.

Masterclasses

Our national Masterclass programme supports gifted young people to explore the diversity of mathematics, engineering and computer science. All over the UK, young people meet regularly on Saturday mornings to solve problems with enthusiastic volunteers from academia, industry and education. Feedback from parents and teachers is that this programme increases the confidence of young people and encourages them to take on more learning opportunities in these important subject areas.

The programme stretches from Truro to Aberdeen and draws on the support and enthusiasm of a vast and diverse network of volunteers and supporters encompassing parents, teachers, researchers, industry professionals, university students and funders. 2019 Highlights include:

- Delivery of 1,000 Masterclass sessions (900 in 2017/18), over 180 series (up 10% on 164 in 2017/18) to over 6,500 school students (6,200 in 2017/18) across the UK.
- This year, the 100,000th student experienced Ri Masterclasses since the programme started in 1981.
- We added Primary Computer Science and Primary Engineering Masterclasses to our programme portfolio, running three successful pilot series in those subjects.

CHRISTMAS LECTURES

The December 2018 CHRISTMAS LECTURES 'Who Am I' were presented by Prof Alice Roberts from the University of Birmingham and guest lecturer Prof Aoife McLysaght from Trinity College Dublin. Viewing figures were up around 30% on 2017, and social media engagement doubled. To expand our reach to children and young people on an international scale the CHRISTMAS LECTURES, 'Who Am I' were delivered in Singapore, Hong Kong and Japan. In Singapore the CHRISTMAS LECTURES, delivered by Adam Rutherford, were filmed for local primetime TV broadcast. We returned to Japan for the 29th year running for CHRISTMAS LECTURES delivered by Turi King at the Tokyo Institute of Technology. We also returned to Hong Kong after a successful first year in 2017. Shows were delivered by Giles Yeo at Kellett School, the British International School in Hong Kong. In addition, the Ri Education team took large scale stage shows to the Cheltenham Science Festival, Singapore Science Festival and the Big Bang Fair, the UK's national Science & Engineering Fair, where it was one of the headline shows on the main stage.

After the successful trial of the 'I'm a Scientist' debate kit in 2018, we again used this kit to involve young people in some of the social and ethical issues raised by the topic of the CHRISTMAS LECTURES, in this case exploring the introduction of unisex toilets in schools. This involved around 1,500 schools using our classroom debate kits and culminated in a one day conference at the Ri for 16–18 year olds which explored the science of Identity.

For the first time we live-streamed the CHRISTMAS LECTURES to five UK venues, in Belfast, Preston, Manchester, Cambridge and London. This pilot was very useful and the learning has informed live streaming the 2019 CHRISTMAS LECTURES.

STEM Directories

The 2018/19 STEM grants programme received 350 applications for £45k of funding (£25k from the Clothworkers' Foundation and £20k from the LG Harris Trust). 86 schools received funding to host STEM activities chosen from the STEM Directory, now hosted by STEM Learning Limited. Events in schools took place between January and July 2019.

Science in Schools

The programme visited 155 schools (135 in 2017/18) during the year, reaching around 57,500 students (50,000 in 2017/18), providing 2,000 teachers with science CPD and delivering community shows to parents of the school's students.

In 2018/19 we delivered 68 shows, funded from Ri endowments, in disadvantaged areas, including Erskine and Lockerbie in Scotland, and Enniskillen, Craigavon and Killyleagh in Northern Ireland. Half of these schools were ranked in the 20% of most deprived areas in the UK according to the Income Deprivation Affecting Children Index.

We continued to increase our presence at festivals this year, with presenters travelling to Swansea Science Festival, Ely Cathedral Science Festival, and EDF Energy Carnival.

Family Programme

Over 9,000 people took part in family activities in the 2018/19 period, showing growth on previous years. Near to half of these attendees were to family theatre shows including former Christmas Lecturer Peter Wothers, New Zealand engineer Michelle Dickinson and Children's author Christopher Edge, to name just a few. Family Fun Day's continue to be ever popular, and a great showcase of collaborative working across the Ri education sub-teams. We continue to add new speakers to our popular Summer Schools programme to appeal to repeat visitors, with former Bloodhound engineer Mike Ford and the Ri's own Dan Plane further expanding this diverse programme. The Ri Family Programme continues to offer a unique chance for families to explore science in an in-depth, engaging and, of course, hands-on way.

Digital

At the end of 2019, the Ri YouTube channel had over 630,000 subscribers (445,000 at end 2018). This marks the second consecutive year where the subscriber count has increased by over 40% compared to the previous year. During this period, our videos were watched 21,335,472 times (15m times in 2017/18) for a total of over 433 million minutes.

Our audience continues to be global, with the top countries by viewing time being the US (41%), The UK (12%), Canada (6.2%), Australia (4.4%) and Germany (3.8%).

Last year, we focused on building on the success of our regular weekly release with a second weekly video release. We finished the year with a total of 130 published videos, including super hits like "What Happens When Maths Goes Wrong?" with Matt Parker (1.04m views), "Why Space Itself May Be Quantum in Nature" with Jim Baggott (388k views) and "Understanding Quantum Entanglement" with Philip Ball (290k views).

These efforts produced YouTube revenue of over £85k (£46k in 2017/18) and over £6k in combined Patreon and content licensing income.

We released six past CHRISTMAS LECTURE series on the Ri website which were accompanied by clips from the individual lectures on our YouTube channel to raise their profile. We also renewed focus on written content and commissioned 20 blogs from staff and volunteers, leading to a 10.9% increase in blog traffic over the previous year.

Our social media channels also showed strong growth over the year with Twitter followers growing by 15%, Facebook followers by 9% and Instagram followers by 52%. October and May saw our first Twitter "takeovers", led by biochemist and science communicator Alex Lathbridge. These helped our account reach a new, younger and more diverse audience and received overwhelmingly positive feedback. We are looking to expand on the success of these in the upcoming year.

Fundraising

A sustainable financial model is vital if the Ri is to continue to deliver activities and meet its charitable objectives. Fundraising progressed well in 2018/19, increasing by 59% compared to 2017/18, due mainly to increased restricted giving for key education programmes and engaging with existing and new donors and sponsors to support our education and other community activities.

Corporate support

- CHRISTMAS LECTURES – corporate supporters included UKRI, BGI and Schlumberger
- L'Oréal continued their fantastic and long-established support of the L'Oréal Young Scientist Centre - celebrating ten years in September 2019.
- Three Corporates renewed their support of our work: Bayer, EY, and AWE
- Five new corporate supporters included: The Faraday Institution, Royal Society of Chemistry, Medtronic, Roche, Qantic, The Environment Agency

Trusts and Foundations

- 12 Trusts and Foundations generously supported our work in 2018/19, totalling over £573k.
- Lloyds Register Foundation continued to support the CHRISTMAS LECTURES and agreed to fund a one-year project to develop an International Public Engagement Network.
- The Genetics Society financially supported the CHRISTMAS LECTURES as well as contributing to the content of the Lectures and associated activities.

- Long term commitments to support our Engineering Masterclasses were agreed with the Reece Foundation, DS Smith Charitable Foundation and the A G Manly Charitable Trust.
- We continued to receive welcome and valued support from a number of funders, including the Clothworkers' Company, The Company of Actuaries Charitable Trust and Causeway Technologies, towards our Masterclass programme.

Patrons

The Ri Patrons programme raised over £155k (incl. Gift Aid) a 21% increase on 2017/18, with 70 renewals and 20 new patrons signed. Our higher patron levels (£2.5k - £10k) contribute around 80% to the overall patron income.

Individual Donations

We ended the financial year with £28k from individual donations in the Great Science Auction and The CHRISTMAS LECTURES raffle contributing £18k.

Legacies

We received three unrestricted legacies, contributing £30k.

Major Donors

We received one significant six figure donation of £100k this year toward the development of the Ri's online presence and website. We also received grants totalling £16k to acquire a new high definition scanner for the heritage team.

The Ri Trustees wish to say thank you to each and every one of the general individuals and organisations that have given their precious time, expertise and vital financial support to the Ri, over the past twelve months. It is thanks to such 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.

Membership

Our Membership community provides invaluable support and has been at the core of the Ri since 1810. Today we have over 4,400 Members (4,200 in 2018) and over 76% of Ri Members chose to support the Ri for another year. We are very grateful for all the support we receive from our Members. Member contribution this year exceeded £230k (£215k in 2017/18).

This year our hands-on Member event 'ExpeRIence' focused on the science of music. Members and their guests could try composing music, which was well received. We continue to work with partner organisations in the arts world and, in addition to offers with the likes of the British Film Institute and the Science Museum, we had two exclusive Membership offers with the British Library and the London Library. We look forward to creating even more opportunities for Members to discuss, discover and critically examine science at the Ri and beyond.

Commercial operations

RIGB Ltd - venue hire and catering activities, delivered through RIGB Ltd, generate income to support the Ri's charitable science, education and heritage programmes. During 2018/19, the Ri Venue Hire team hosted 294 events and completed the financial year with total income of £1,640k (2017/18 £1,470k). Although we had fewer events, room hire income increased as we focused on fewer and larger events. After ten years, and after a rigorous tender process, we have selected a new caterer

who will help us take the venue hire activity to a new level based on a more integrated partnership model. Investment funding from the new caterer will also enable substantial improvements to make the building a more appealing venue for corporate events.

IT systems

In May 2019, the entire Ri IT network was encrypted by ransomware, loaded onto our servers as a result of malicious software being downloaded from an infected attachment or a malicious website. A forensic investigation was undertaken to identify the cause and whether any personal information has been compromised. The conclusions were that no personal information had been exfiltrated – we reported details of the incident to the Information Commissioner and Charity Commission accordingly.

Our IT strategy had been to migrate from a local network to one based on the Cloud. As a result, we took the opportunity to rebuild the network in the Cloud. The new network went live in September and is now largely meeting all staff needs. The Ri had insurance cover for the incident which has covered almost all of the costs to rebuild the network in the Cloud, so the incident has had no material impact on the financial results.

However, the incident did have a significant impact on staff going about their work. Despite this, staff adapted and responded superbly with understanding, demonstrating flexibility and commitment to programmes resulting in only minor impact on our charitable and other programmes.

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:

- Omar Ahmed who helped us develop requirements for and test a new financial accounting system implemented on 1 October 2018.
- Firas Al-Fakhri who assisted development of a new IT strategy.
- Laurence Scales who assisted cataloguing the archives and enriching the collections through his research.
- Non-Trustee members of Board Standing Committees as shown on page 2 of this report.

Financial review

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

In the year ended 30 September 2019, the Ri had a total income of £5,253k (2017/18: £4,248k) and a deficit on Total Funds of £9k (2017/18: £135k deficit).

The Ri trading subsidiary, RiGB Ltd has generated total income of £1,640k (2017/18: £1,470k) and profit declined to £126k (2017/18: £144k) due to higher costs paid to the Ri.

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 £1,145k (2017/18: £748k).

The Ri had cash in bank and short-term investments of £883k at 30 September 2019 (2017/18: £1,138k). The decline is due largely to active replenishment of Endowments and Restricted funds as described in Note 22. Cash resources are considered sufficient to support the delivery of our programmes and an overdraft facility has been confirmed by our bankers, HSBC Plc, as described in Note 29.

The overdraft facility was renewed at £400k to 31 December 2020 by HSBC (2017/18: £400k) but has not been used. This provides sufficient financial reserves to cover unexpected fluctuations in either income or expenditure during the year.

Given the positive cash balances, no debt, and budgeted operating surplus 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, Science in Schools events 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, endowments, trusts and foundations that help fund our educational and charitable activities.

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

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 have been invested with HSBC Global Asset Management. However, following a review by the Finance Committee in 2019, assessment of options, receipt of proposals and presentations by a shortlist of potential

new Investment Managers, the Ri has decided to simplify investment arrangements and in early 2020 transfer these funds to CCLA Fund Managers Limited.

The Ri investment policy is to achieve an optimal total return whilst balancing risk. As a result, and as disclosed in the Financial Statements, Trustees have exercised the power granted under section 104A(2) of the Charities act 2011 to account for the Gillespie and British Aerospace permanent endowment funds on a Total Return Approach (TRA) as at 30 September 2019 to stabilise income available to support activities. TRA has been calculated from the date of receipt of both funds: May 1991 and March 1991 respectively, using the CPI index based on analysis undertaken in September and November 2019. The initial amounts of the trust for investment are based on amounts received in 1991.

The investment strategy and risk profile of the Ri's main investment portfolio is embodied in the returns strategy categorised as 'long term growth & income'. This year's total return was 3.0% (2017/18: 5.9%) due to muted stock market performance and negative December 2018 quarter returns. The result was below benchmark for the growth and income / medium risk portfolios of 5.0% (2017/18: 5.0%).

Reserves policy

The Trustees are committed to replenish Endowment and Restricted investment funds 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 charitable programmes that it delivers. As a policy, we aim to establish an Operating Reserve of around £3.5m, which would equate to one year's total operating expenditure, although we plan to reassess the appropriate level of reserve required in 2020. This year we set aside £222k to the Operating Reserve.

The Ri has a deficit on free unrestricted funds of £2,130k (2017/18: £1,834k) as a consequence of historic overspending on the building refurbishment, the additional cost of running the refurbished building and a shortfall in capital and operational funding. This deficit will be eliminated as Endowments and Restricted funds are replenished over the next 15 years as referred in Note 22 to the financial statements. The deficit has increased as a result of £143k of funds replenished in the current financial year and creation of a £222k Operating Reserve (see Note 21 to the financial statements).

Total funds are £46,926k (2017/18: £46,935k) and of that £23,780k (2017/18: £23,647k) were Endowment and Restricted funds. Total funds include Tangible fixed assets and Heritage assets funds which are only realised if the assets are disposed, of which there are no plans.

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 extensive audience analysis we commissioned, attention will focus on the needs of our key audiences, which we will understand more fully with embedded

impact evaluation. In late 2019, the development of a Theory of Change with external support was commenced to provide the foundation for a more useful approach to impact assessment.

The Ri will continue to forge new and interesting 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 five-year strategy cannot be achieved without a parallel emphasis on further strengthening financial resilience, raising the profile of the Ri, and caring for staff and volunteers.

Delivery of the new five-year strategy began in January 2018, and continued in 2019 with 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 Byelaws were substantially updated at the April 2019 AGM with regard more neutral language and increasing the number of Trustees who may be appointed from two to four to allow the Board to access specialised experience not included amongst elected Trustees. and The Ri's registered number and address are shown on page 2 of this report.

Organisation

The Ri is governed by a Board of Trustees (nine elected, and up to four appointed, previously two) and three Standing Committees (an Audit & Risk Committee, a Finance Committee and a Nominations Committee). The Board of Trustees, Finance Committee, Audit & Risk Committee and Nominations Committee generally meet quarterly.

Additional Sub-Committees are developed as and when the requirement arises and are governed by 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 Development, Director of Finance & COO, Director of Science & Education (and from December 2019) Director of HR and Organisational Development, 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 and evaluated by the Remuneration Committee.

Since the end of the financial year, the Ri Director and Director of Science & Education have both resigned. We expect to fill both positions after reassessing the optimal organisation to implement our strategy.

The Board of Trustees review the Charity Commission Governance Code annually, monitoring progress and acting upon areas in which improvement is required. As part of this review, the Board of Trustees have considered ways to increase the diversity of the Ri's team, Board and Standing Committees, setting up an Equality, Diversity and Inclusivity (EDI) steering group as well as initiating benchmarking across all activities of the Ri.

Additionally, the Nominations Committee are working to ensure that EDI is part of the requirement in the election and appointment of Trustees.

Appointment of Trustees

The Byelaws of the Ri require nine elected Trustees and up to four appointed Trustees to make up the Board of Trustees. Appropriate provision to ensure both continuity and refreshing 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 2019 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 Development in April 2019. Subsequent to the AGM, in September 2019, the Board resolved to appoint two Trustees, one with Cyber Security skills and the other with experience in Education engagement.

Trustee induction and training

New Trustees are inducted to the Board through a series of meetings, 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 Team Breakfasts and briefings; and invited to attend Trustee training events run by various industry charity advisors. Trustees are required to successfully complete DBS checks and NSPCC safeguarding training.

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, company registration number 04065626. RiGB Limited hires out Ri space to other 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 Ri's event space is established as an attractive destination for many clients and the diversity of these clients has grown. 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 £1,640k (2017/18: £1,470k).

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

Fundraising approach and standards

Our fundraising approach delivered by a five person in-house team. We apply full-time permanent staff to raise funds from individuals, trusts and foundations and corporate sponsorship. We employ a full time Director of Development to support strategic, long term sustainable fundraising planning at a senior management level. We do not employ external fundraising agents.

A number of corporate "partners" who support our work through financial and non-financial donations. These "partnerships" are subject to due diligence and review by the Scrutiny Committee and considered by the Audit and Risk Committee.

We use consultants to support fundraising strategy development – they are not used to assist raising funds. We use a research organisation to assess prospective supporters. This year we have worked with a consultant to support the development of the fundraising strategy and for professional development for the team.

We are members of the Institute of Fundraising (IOF) and the Fundraising Regulator, and as such abide by the Code of Fundraising Practice. We abide by the Fundraising Regulator's Fundraising Promise, and continually strive to ensure our fundraising is open, honest, legal and respectful.

Monitoring fundraising activity

The Ri does not use third party organisations to fundraise on its behalf.

We have a Development advisory group, a small group Trustees and non-Trustees, who's aim is to support the growth of major donations from individuals. This group was established in early 2019 with agreed Terms of Reference including conduct and behaviour best practice in line with the Code of Fundraising Practice. Supporter relationship development is managed by the Development team using a well-established CRM system. The Development advisory group meets quarterly and the Chair informs the Board at quarterly Trustees meetings.

Complaints received by the charity

We have a newly established and robust complaints procedure. For the financial year ending 30 September 2019, we received no complaints from members of the public about our fundraising activities.

We have nothing to report in respect of failures and/or breaches, which we have taken to include complaints or breaches referred to, and upheld by, either the ICO or the Fundraising Regulator.

Protection of people in vulnerable circumstances

The Ri Privacy Policy is published on our website (<https://www.rigb.org/home/privacy-policy>) clearly explaining how we will and will not use individual's personal data under the legitimate interests provisions and in compliance with GDPR. Our Privacy policy clearly outlines fundraising's approach to managing people's privacy under a clearly headlined Fundraising and Development section. Individuals are made aware of updates and changes through email communication.

The Ri offers a clearly explained process for any individual who does not want their data to be managed in a way that is referred to in the policy.

The Development team plans and manages communications to ensure no one individual is overloaded or receives duplicated messages from the Ri.

Our in-house fundraisers, the Development and Membership teams, are responsible for managing relationships and communications with individuals.

Individual relationship management is supported by a clear structure, processes and data stored on our CRM system using Salesforce. This system clearly describes an individual's relationship with the Ri and, depending on the relationship and their preferences, the level and type of communication. All communications and engagement are recorded, tracked and monitored on our CRM system.

We agree with individual donors their communication preferences. These donors agree the person in the Development team can contact and be contacted by. For new, prospective individual donors communications are addressed through the main contact who introduced them to the Ri until we get to know them better and they express a preference. It is through this process that a level of communications is established.

Asking a person to donate a major gift to the Ri does not happen until a clear relationship has been established and it is felt that it is the right time to make an ask. The way the Ri tracks this is with a robust moves management system adopted by the Development team. With regard to our Patrons programme we have made 'uplift' asks. These communications are segmented based on the level of requested uplift and the period for which the individuals have been a patron.

The Ri does not have a public facing fundraising campaign so, as yet, we have not run any large scale gift related mailings to our members or patrons.

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 & Risk Committee using 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 & Risk Committee and regular updates from the Ri Director, monitor risk management and financial results. Additionally, the Audit & Risk 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 help mitigate the risk. Additionally, the Ri five-year 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 retaining key staff, our 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. This year, the Ri has produced another operational and financial surplus on unrestricted funds creating a more stable financial foundation and, with its new five-year strategy, will strengthen its fundraising proposals. The Ri closely manages cash flows and reviews financial results monthly and produces 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 on unrestricted funds in 2018/19, cash resources to hand and the

budget agreed for 2019/20, the Ri remains in a 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 using restricted and endowment funds and assets held in trust consistent with the wishes of donors and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Trustees consider Public Benefit in everything the Ri does.

By order of the Trustees



Sir Richard Sykes FRS
19 February 2020

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

Opinion

We have audited the financial statements of the Royal Institution of Great Britain (the 'charity') and its subsidiary (the 'group' for the year ended 30 September 2019 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Group and 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 2019 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Conclusions related to going concern

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 parent 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 10, 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.

Use of our report

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

RSM UK Audit LLP

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

Dated 5 March 2020

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

Consolidated Statement of Financial Activities (SOFA) for the year ended 30 September 2019

	Notes	Unrestricted Funds £000	Restricted and Endowment Funds £000	2019 Total Funds £000	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000
Income and endowments from:							
Donations and legacies	2	318	209	527	162	-	162
Other trading activities	3	2,666	-	2,666	2,200	-	2,200
Investments	4	27	125	152	10	138	148
Charitable activities	5	1,097	810	1,907	1,128	610	1,738
Total		4,108	1,144	5,252	3,500	748	4,248
Expenditure on:							
Raising funds	6	1,681	51	1,732	1,344	53	1,397
Charitable activities	7	2,594	1,000	3,594	2,403	774	3,177
Total		4,275	1,051	5,326	3,747	827	4,574
Net gains on investments	14	1	64	65	13	178	191
Net (expenditure) / income		(166)	157	(9)	(234)	99	(135)
Transfers between funds	10	170	(170)	-	484	(484)	-
Net income / (expenditure) before Replenishment		4	(13)	(9)	250	(385)	(135)
Replenishment of funds	22	(143)	143	-	(150)	150	-
Other recognised gains /(losses)							
Actuarial gains / (losses) on defined benefit pension scheme	25	-	-	-	-	-	-
Net Movement In Funds		(139)	130	(9)	100	(235)	(135)
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		23,287	23,648	46,935	23,187	23,883	47,070
Fund balances carried forward at 30 September		23,148	23,778	46,926	23,287	23,648	46,935

The notes on pages 16 to 36 form part of these financial statements.

Balance Sheet as at 30 September 2019

		Group	Charity	Group	Charity
		2019	2019	2018	2018
	Notes	£000	£000	£000	£000
Fixed Assets:					
Intangible Assets	11	120	106	153	112
Tangible Assets	12	34,476	34,440	34,324	34,315
Heritage Assets	13	4,719	4,719	4,719	4,719
Investments	14	8,741	8,741	8,987	8,987
Total Fixed Assets		48,056	48,006	48,183	48,133
Current Assets:					
Debtors	15	731	569	450	324
Cash at bank and in hand		883	753	1,138	971
Total Current Assets		1,614	1,322	1,588	1,295
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,581)	(1,240)	(1,585)	(1,255)
Net Current Assets		33	82	3	40
Total assets less current liabilities		48,089	48,088	48,186	48,173
Creditors: Amounts falling due after more than one year	17	(1,163)	(1,162)	(1,251)	(1,238)
Net Assets Excluding Pension Liability		46,926	46,926	46,935	46,935
Defined Benefit Pension Scheme Liability		-	-	-	-
Total Net Assets		46,926	46,926	46,935	46,935
The Funds Of The Group and Charity:					
Endowment funds	19	21,977	21,977	21,293	21,293
Restricted income funds	20	1,801	1,801	2,355	2,355
Unrestricted funds	21	23,148	23,148	23,287	23,287
Pension reserve	25	-	-	-	-
Total Charity Funds		46,926	46,926	46,935	46,935

Approved by the Board of Trustees on 19 February 2020 authorised for issue, and signed on its behalf by:

Sir Richard Sykes
Chairman
Date: 19 February 2020

The notes on pages 16 to 36 form part of these financial statements.

Consolidated and Charity Cash Flow Statements for the year ended 30 September 2019

	Notes	2019 Group £000	2019 Charity £000	2018 Group £000	2018 Charity £000
Cash flows from operating activities:					
Net cash used in operating activities		(499)	(497)	(244)	(348)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	152	152	148	148
Purchase of property, plant and equipment	12	(219)	(184)	(12)	(12)
Purchase of intangible assets	11	(1)	(1)	(112)	(112)
Purchase of investments	14	(1,457)	(1,457)	(1,537)	(1,537)
Proceeds from sale of investments	14	1,769	1,769	1,879	1,879
Net cash provided by investing activities		244	279	366	366
Change in cash and cash equivalents in the reporting period		(255)	(218)	122	18
Cash and cash equivalents at 1 October		1,138	971	1,016	953
Cash and cash equivalents at 30 September		883	753	1,138	971
Reconciliation of cash flows from operating activities:					
Net income/(expenditure) for the reporting period		(9)	(9)	(135)	(135)
Adjustments for:					
Depreciation and Amortisation charges	11,12	92	57	117	86
(Gains)/Losses on investments	14	(66)	(66)	(191)	(191)
Dividends, interest and rents from investments	4	(152)	(152)	(148)	(148)
Loss on disposal of fixed assets	12	9	9	-	-
Decrease/(increase) in debtors	15	(281)	(245)	50	64
Increase/(decrease) in creditors	16,17	(92)	(91)	63	(24)
Net cash (used in) operating activities		(499)	(497)	(244)	(348)

The notes on pages 16 to 36 form part of these financial statements

Notes to the financial statements for the year ended 30 September 2019

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 cost convention modified to include certain financial instruments at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting 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 to the nearest round thousand.

Going concern

Whilst the Trustees recognise there is further progress required to secure a sustainable future, the progress is positive with elimination of debt, generating a surplus on unrestricted funds for the year (before replenishment), 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.

Recognition of Income

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

Legacies are credited to the Statement of Financial Activities in the year in which The Royal Institution of Great Britain is notified of the entitlement and is able to measure the amount with reasonable certainty.

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

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

Grants are included in incoming resources when the charity has met all conditions of receipt.

In accounting for Gift Aid within the charitable group, income is accrued when the Gift Aid payment is payable to the parent charity under a legal obligation.

Recognition of Liabilities

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

Allocation of costs

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

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

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

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

Properties, fixed assets and depreciation

Long leasehold land and buildings are stated at deemed cost in the case of properties for charitable use. The freehold property of No.20 Albemarle Street is stated at deemed cost (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 maintenance costs. The original buildings have a long useful economic life with a high residual value so depreciation would be immaterial. Improvements to the original buildings since adoption of FRS102 will be capitalised and depreciated as Plant & Machinery over their useful lives.

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

Assets with a purchase value of less than £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 on 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

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.

On 10 September 2019 the Finance committee recommended the adoption of Total Return Approach (TRA) for the British Aerospace Educational Endowment and the Gillespie Trust using the CPI index from the date the funds were received. This Charities Act provision ensures programme funding is not disadvantaged by one investment strategy over another.

Intangible Assets

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

CRM Software	33% straight line
Finance software	10% straight line

This amortisation is included in expenditure on raising funds on the SOFA. Useful lives have been selected to reflect the time in

which the software becomes obsolete or require significant investment for its ongoing use.

Heritage Assets

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

The Trustees have considered Charities guidance from SORP, FRS102 relating to the valuation of the heritage assets. The Collections are included in the Balance Sheet using a valuation by Christies in 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. Pension scheme deficits are recognised on the balance sheet when relevant.

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

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



Fund accounting

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

- Unrestricted general funds – These are funds which can be used in accordance with The Royal Institution of Great Britain's objects at the discretion of the Trustees.
- Designated funds – These form part of the unrestricted funds but these represent amounts which have been set aside for a specific purpose by the Trustees.
- Restricted funds – These are funds that can only be used for particular restricted purposes within the objects of The Royal Institution of Great Britain. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

- Endowment funds – Permanent endowment funds are funds normally arising as a result of a will where the income but not the capital sum can usually be spent. Expendable endowment funds are funds where provision is made for both the income and capital to be spent on defined activities.

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	2019 Total Funds £000	2018 Total Funds £000
Voluntary Income:				
Donations – Patrons	121	-	121	91
Donations – Other	25	41	66	20
Legacies	30	-	30	1
Total Voluntary Income	176	41	217	112
Other income:				
Donations – Education	96	138	234	3
Donations – Corporates	46	30	76	47
Total donations and legacies	318	209	527	162

3. Other trading activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2019 Total Funds £000	2018 Total Funds £000
Rents receivable	807	-	807	791
RiGB Limited room hire income	1,495	-	1,495	1,288
Sundry income	364	-	364	121
Total other trading activities	2,666	-	2,666	2,200

4. Investments

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2019 Total Funds £000	2018 Total Funds £000
Quoted investments	26	124	150	146
Deposit interest	1	1	2	2
Total investments	27	125	152	148

The split of investment income between funds for 2018 was £10k Unrestricted and £138k Restricted.

5. Income from charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2019 Total Funds £000	2018 Total Funds £000
Membership subscriptions	194	-	194	217
Patron subscriptions	47	-	47	27
Corporate subscriptions	17	-	17	3
Public and educational events	622	-	622	776
Sponsored events	45	100	145	262
Educational programme grants	162	710	872	408
Heritage	10	-	10	45
Total income from charitable activities	1,097	810	1,907	1,738

The split of income from charitable activities between funds for 2018 was £1,128k Unrestricted and £610k Restricted.

6. Raising funds

	Unrestricted Funds	Restricted and Endowment Funds	2019 Total Funds	2018 Total Funds
	£000	£000	£000	£000
Direct costs – Voluntary Income	96	-	96	50
Direct costs – Other Income	177	-	177	155
Support costs	245	-	245	191
RiGB Limited direct costs	542	-	542	408
RiGB Limited support costs	621	-	621	537
Investment Management and Audit Fees	-	51	51	56
Total costs of raising funds	1,681	51	1,732	1,397

The split of Raising Funds for 2018 was £1,344k Unrestricted and £53k Restricted.

7. Charitable activities

	Unrestricted Funds	Restricted and Endowment Funds	2019 Total Funds	2018 Total Funds
	£000	£000	£000	£000
Members' Costs:				
Direct costs	96	-	96	98
Support costs	110	-	110	123
Total Members' Costs	206	-	206	221
Education:				
Programme costs	517	538	1,055	952
Young Scientist Centre	58	101	159	152
Online	171	7	178	189
CHRISTMAS LECTURES	42	283	325	128
Support costs	1,278	-	1,278	1,152
Total Education costs	2,066	929	2,995	2,573
Heritage				
Collection costs	145	-	145	170
Philip Freer Fund	-	71	71	26
Support costs	177	-	177	187
Total Heritage costs	322	71	393	383
Total charitable activities	2,594	1,000	3,594	3,177

The split of charitable activities for 2018 was £2,403k Unrestricted and £774k Restricted.

Auditor's remuneration excluding VAT was £26k for audit services and £3k for other accountancy services (2018: £23k for audit services and £3k for other accountancy services).

8. Allocation of support costs

	Fundraising & Development	Members' Costs	Education	Heritage	RiGB Ltd	Total 2019	Total 2018
	£000	£000	£000	£000	£000	£000	£000
Premises costs	75	34	386	53	380	928	898
Operations, Finance & IT	77	36	404	56	109	682	491
Staff recruitment, training & welfare	12	6	64	9	17	108	130
Office costs	13	6	68	9	18	114	116
Legal and professional	5	2	28	4	8	47	55
Depreciation	7	3	37	5	10	62	80
Marketing	24	11	123	17	33	208	176
Digital costs	3	1	14	2	4	24	22
Governance	29	13	154	22	42	260	159
Total	245	112	1,278	177	621	2,433	2,127

9. Staff costs

	2019 £000	2018 £000
Wages and salaries	2,294	1,978
Social security costs	234	205
Pension costs – defined benefit	64	66
Pension costs – defined contribution	40	33
Total Staff Costs	2,632	2,282

No remuneration or expenses have been paid to the Trustees during the year (2018: £nil).

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

	2019 No.	2018 No.
£60,001-£70,000	2	-
£70,001-£80,000	-	1
£80,001-£90,000	2	1
£120,001-£130,000	1	-

Three of the above employees (2018: one) benefited from employer's contributions to their stakeholder schemes during the year totalling £32k (2018: £16k).

Average number of employees analysed by function

	2019 No.	2018 No.
Educational Programme	26	22
Heritage	4	4
Premises	11	10
Directorate	1	1
Fundraisers	5	3
Membership department	2	2
Operations, Finance and IT	10	9
Total Staff	59	51

Staff loans

At 30 September 2019, staff loans totalled £10k (2018: £10k). 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 Director of the Ri, Director of Finance & COO, Director of Science & Education, and for part of 2019, the Director of Development. Total remuneration of the key management personnel, including employer's national insurance and employer's pension contributions, was £434k (2018: £251k) – the increase is due to a full year's costs in 2018/19 of the new Directors referred – the cost in the 2016/17 year was £549k.

Executive Liability Insurance has been purchased from Chubb which covers staff and Trustees. A premium of £4k (2018: £3k) was paid for £1m (2018: £1m) of cover.

Redundancy Payments

There was one redundancy payment of £50k in the year (2018: NIL).

Termination Payments

There was one termination payment of £14k in the year (2018: NIL) as compensation for terminating an employment contract in lieu of notice.

Ex-gratia payments

There were no Ex-gratia payments in the year (2018: NIL) as a performance bonus.

10. Gross transfers between funds

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
British Aerospace	A			61	(61)
Brynberg Maths Fund Primary	B	(14)		14	
Causeway	B	(23)			23
Clothworkers' Masterclass Fund	C	(34)		790	(756)
Dr Ludwig Mond	D			288	(288)
Education Fund	B				
Genetic Society	B	(19)		19	
Gillespie	E			(362)	362
Life Membership Fund	F	(16)	16		
LRF	B	(26)		26	
Manly Trust	G	(1)		6	
NCNR	H	(15)		(15)	
Philip Freer Studentships Income	B	(30)		30	
Reece Foundation	I	(2)		27	
RI online	J	(6)		6	
Total Transfers (excluding replenishment)		(186)	16	890	(720)

Replenishment of Endowment funds and Creation of an Operating Reserve:

Operating Reserve	K	222	(222)		
British Aerospace	L	9			(9)
Clothworkers' Endowment	L	82			(82)
Clothworkers' Masterclasses	L	17			(17)
Victoria Woodhull	L	35			(35)
Endowment Replenishment		365	(222)		(143)

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

- A. The TRA valuation enabled a transfer from restricted into endowment funds
- B. This is the contribution to overheads
- C. £34k is a contribution to overhead. The funds were reclassified from permanent endowment to expendable endowment, and £756k restricted funding was transferred to the expendable endowment fund
- D. Funds of £288k were reclassified from restricted funds to permanent endowment following clarification received from the donor in the year
- E. This represents the transfer, on adoption of TRA valuation (see Note 1), from permanent endowment to restricted funds
- F. This is the contribution on the Life Membership Fund toward servicing life Members
- G. This is the contribution to overheads, and also funding transferred to clear an overspend on a restricted fund with the same purpose (£25k)
- H. This is the contribution to overheads (£17k), funding received from general funds to clear an overspend (£2k) and also funding transferred to clear an overspend on a restricted fund with the same purpose (£30k)
- I. This is the contribution to overheads, and also funding transferred to clear an overspend on a restricted fund with the same purpose (£25k)
- J. This is contribution to direct costs coded in unrestricted funds
- K. This is the creation of an operating reserve as agreed by the Board on 22 September 2019 – also see Note 21 & 22
- L. This is the latest replenishment of £143k from general fund affecting Clothworkers, Victoria Woodhull and British Aerospace

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 2018	124	124	81	205
Additions	1	1	-	1
At 30 September 2019	125	125	81	206
Amortisation:				
At 1 October 2018	12	12	40	52
Charge for the year	7	7	27	34
At 30 September 2019	19	19	67	86
Net Book Value:				
At 30 September 2019	106	106	14	120
At 30 September 2018	112	112	41	153

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	Charity Total £000	RiGB Ltd £000	Group Total £000
Cost or Valuation:								
At 1 October 2018	11,880	22,332	37	417	463	35,129	66	35,195
Additions	-	-	-	153	31	184	35	219
Disposals	-	-	-	(21)	-	(21)	-	(21)
At 30 September 2019	11,880	22,332	37	549	494	35,292	101	35,393
Depreciation:								
At 1 October 2018	-	-	37	361	416	814	57	871
Charge for the year	-	-	-	34	16	50	8	58
Disposals	-	-	-	(12)	-	(12)	-	(12)
At 30 September 2019	-	-	37	383	432	852	65	917
Net Book Value:								
At 30 September 2019	11,880	22,332	-	166	62	34,440	36	34,476
At 30 September 2018	11,880	22,332	-	56	47	34,315	9	34,324

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 2018	665	2,626	410	919	99	4,719
Additions	-	-	-	-	-	-
Valuation at 30 September 2019	665	2,626	410	919	99	4,719

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

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

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

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

Five-year summary of transactions

	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Group and Charity					
Purchases:					
Printed Works	-	2	-	-	-
Total Additions	-	2	-	-	-
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 2019 £'000	Group Total 2018 £000
Fair value at 1 October 2018:	238	4,749	4,000	8,987	9,142
Disposals - Quoted investments	-	(1,887)	-	(1,887)	(1,807)
Net realised gains on sale of quoted investments	-	(80)	-	(80)	15
Purchase of quoted investments ¹	-	1,457	-	1,457	1,537
Net unrealised investment gains on quoted investments	-	146	-	146	176
Cash movements	118	-	-	118	(76)
Fair value at 30 September 2019	356	4,385	4,000	8,741	8,987
Historical cost at 30 September	356	3,653	-	4,009	3,891

¹ - Purchase of quoted investments includes £143k related to replenishing endowments & restricted funds – see Note 22.

The Ri operates an Investment Pool which is shared by all the funds (other than the Philip Freer Endowment as referred below). All participating funds share in the income, expenditure, gains and losses of the Investment Pool in proportion to their investment in it.

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	2019 £000	2018 £000
HSBC - UK Fixed Interest	16	23
HSBC - Overseas Fixed Interest	581	464
HSBC - UK Equities	1,479	1,704
HSBC - Overseas Equities	1,804	2,283
HSBC - Alternative Investment Property	504	275
Total quoted investments	4,384	4,749

Investment in Subsidiary

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

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

	2019 £000	2018 £000
Turnover	1,640	1,470
Cost of sales	(893)	(789)
Management fee paid to Ri	(621)	(537)
Operating profit	126	144
Profit on ordinary activities before taxation	126	144
Taxation	-	-
Profit for the year after Taxation (which was distributed to parent as Gift Aid)	126	144

The balance sheet of the subsidiary is as follows:

	2019 £000	2018 £000
Fixed assets		
Tangible fixed assets	36	41
Intangible fixed assets	14	9
Current assets		
Debtors	287	192
Cash at bank	130	166
Creditors: Amounts falling due within one year	(466)	(395)
Net current assets	(49)	(37)
Creditors: Amounts falling due after more than one year	(1)	(13)
Total assets less liabilities	-	-
Capital and reserves		
Called up share capital	-	-
Profit and loss account	-	-
Shareholder Funds	-	-

15. Debtors

	2019 Group £000	2019 Charity £000	2018 Group £000	2018 Charity £000
Trade debtors	337	177	162	56
Other debtors	10	10	10	10
Tax recoverable	53	53	26	26
Prepayments and accrued Income	331	329	252	232
Total Debtors	731	569	450	324

16. Creditors: Amounts falling due within one year

	2019 Group £000	2019 Charity £000	2018 Group £000	2018 Charity £000
Trade creditors	398	377	504	489
Amount owed to subsidiary	-	63	-	65
Other tax and social security	154	89	138	77
Holiday pay accrual	28	28	25	25
Other creditors	42	34	17	17
Income received in advance (see note 18)	780	483	805	498
Accruals	179	166	96	84
Total Creditors: Amounts falling due within one year	1,581	1,240	1,585	1,255

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

	2019 Group £000	2019 Charity £000	2018 Group £000	2018 Charity £000
Income received in advance (see note 18)	1,163	1,162	1,251	1,238
Total Creditors: Amounts falling due after more than one year	1,163	1,162	1,251	1,238

18. Income received in advance

	Balance as at 30 September 2018 £000	Income released in the year £000	Income received in advance during the year £000	Balance as at 30 September 2019 £000
Charity				
Grant income	156	(1,263)	1,265	158
Subscription income	116	(398)	387	105
Events income	38	(908)	911	41
Advanced Rental & Service Charge	115	(1,144)	1,133	104
Lease Premium	1,312	(75)	-	1,237
Total Charity	1,737	(3,788)	3,696	1,645
RiGB Limited	319	(1,779)	1,759	299
Group	2,056	(5,567)	5,455	1,944

19. Endowment funds

1 October 2018 to 30 September 2019:

Group and Charity	Balance as at 1 October 2018 £000	Re-class -ification 1 October 2018 £000	(Outgoing) £000	Investment Manage- ment Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2019 £000
Permanent Endowment Funds:							
British Aerospace Educational fund	50	-	-	(1)	70	-	119
Clothworkers' Masterclasses fund	750	-	(1)	(7)	(742)	-	-
Dr Ludwig Mond Trust	15,933	-	-	(2)	288	-	16,219
Gillespie Trust fund	1,018	-	-	-	(362)	10	666
Philip Freer Studentships Fund	1,113	-	-	-	-	-	1,113
Total Permanent Endowment Funds	18,864	-	(1)	(10)	(746)	10	18,117
Expendable Endowment Funds:							
Building Preservation fund	96	-	-	-	-	1	97
Causeway Endowment	204	-	(57)	-	(23)	-	124
Clothworkers' Endowment fund	331	-	(51)	-	94	2	376
Clothworkers' Masterclasses fund	-	-	-	-	1,503	-	1,503
Old Broad Street Charity Trust fund	642	-	(1)	(1)	-	2	642
Philip Freer Studentships Fund	124	-	-	-	-	-	124
The Royal Institution Research fund	367	-	(1)	-	-	1	367
Victoria Woodhull Endowment fund	665	-	(75)	(1)	35	3	627
Total Expendable Endowment Funds	2,429	-	(185)	(2)	1,609	9	3,860
Total Endowment Funds	21,293	-	(186)	(12)	863	19	21,977

Total Return Approach – September 2019 Adoption

As noted in Note 1, the Total Return Approach has been adopted for two endowments during the financial year, with indexing from the date of the original gift using the CPI index. Details of the original adoption and other movements in the period are:

	Gillespie £'000	British Aerospace £'000	Total trust for investment £'000	Total unapplied total return £'000	Total endowment £'000
Original gift component	303	50	353		353
Add unapplied returns from period of original gift to 30 September 2019 (£392,384 for the period to 1.10.18 and £21,154 for the period to 30.09.19)	353	61		414	414
TOTAL	656	111	353	414	767
Note: during the year, 60k was transferred from the British Aerospace Restricted fund and 362k to the Gillespie restricted fund to bring the closing balance in line with the total endowment as calculated using a total return basis.					
Other movements in the reporting period					
Replenishment transfers (allocations)		10	10		10
Investment return: realised and unrealised gains	10			10	10
Less: investment management costs		(1)		(1)	(1)
TOTAL	10	9	10	9	19
At the end of the reporting period					
Gift component of the permanent endowment			363		363
Unapplied total return				423	423
TOTAL	666	120	363	423	786

1 October 2017 to 30 September 2018:

Group and Charity	Balance as at 1 October 2017 £000	Re-class- ification 1 October 2017 £000	(Outgoing) £000	Investment Manage- ment Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2018 £000
Permanent Endowment Funds:							
British Aerospace Educational fund	-	50	-	-	-	-	50
Clothworkers' Masterclasses fund	750	-	-	-	-	-	750
Dr Ludwig Mond Trust	16,377	(244)	-	-	(200)	-	15,933
Gillespie Trust fund	973	-	-	-	-	45	1,018
Philip Freer Studentships Fund	1,113	-	-	-	-	-	1,113
Total Permanent Endowment Funds	19,213	(194)	-	-	(200)	45	18,864
Expendable Endowment Funds:							
British Aerospace Educational fund	201	(201)	-	-	-	-	-
Building Preservation fund	95	-	-	(1)	-	2	96
Causeway Endowment	280	-	(54)	-	(22)	-	204
Clothworkers' Endowment fund	366	-	(42)	(2)	-	9	331
Old Broad Street Charity Trust fund	633	-	-	(2)	-	11	642
Philip Freer Studentships Fund	173	-	-	-	(49)	-	124
The Royal Institution Research fund	362	-	-	(1)	-	6	367
Victoria Woodhull Endowment fund	656	-	-	(2)	-	11	665
Total Expendable Endowment Funds	2,766	(201)	(96)	(8)	(71)	39	2,429
Total Endowment Funds	21,979	(395)	(96)	(8)	(271)	84	21,293

On 10 September 2019 the Ri Finance Committee recommended the adoption of Total Return Approach (TRA) for the British Aerospace Educational Endowment and the Gillespie Trust Endowment using the CPI index from the date the funds were received. This Charities Act provision ensures programme funding is not disadvantaged by one investment strategy over another.

Permanent Funds

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

Following a communication with the charity, the Clothworkers' Endowment Fund and the Clothworkers' Masterclass Fund have been confirmed as a Expendable Endowments and has been reclassified accordingly.

Dr Ludwig Mond Trust endowment includes 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 Gillespie Trust is set up to promote the education and research of physics.

The Philip Freer Studentships Fund provides help to students of science research and, as agreed by the Philip Freer Studentship Trustees in November 2017, to create a Ri Centre for Science in Culture. As per trust deed, 90% of original capital value cannot be depleted and, as such, is treated as Permanent Endowment.

Expendable Funds

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

The Causeway Endowment has been provided to support Computer Science Masterclasses.

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

The Clothworkers' Masterclass Fund supports Secondary Mathematics Masterclasses.

The Old Broad Street Charity Trust fund provides funds to send young scientists to an International Science Festival. The Trustees of the Old Broad Street Charity Trust have agreed that this fund may be used to support any Ri educational activity – this change has been confirmed with the Charity Commission in December 2019.

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 Endowment is shown as Expendable, providing a bursary to cover expenses incurred by selected students in the course of their studies.

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

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

20. Restricted Funds

1 October 2018 to 30 September 2019:

Group and Charity	Balance as at 1 October 2018 £000	Transfers 1 October 2018 £'000	Incoming £000	Pool income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2019 £000
American Friends Fund	13	-	-	-	(4)	-	-	-	9
Bragg Lecture Fund	10	-	-	-	(1)	-	-	-	9
British Aerospace Fund	129	-	2	-	(34)	-	(61)	-	36
Brynberg Math Primary	-	-	25	-	(11)	-	(14)	-	-
Building Preservation Fund	9	-	-	1	(3)	-	-	1	8
Charles Hayward Trust – Heritage	8	-	-	-	(8)	-	-	-	-
CHRISTMAS LECTURES Fund	-	-	30	-	-	-	-	-	30
Clothworkers' Endowment Fund	-	-	-	5	-	-	-	-	5
Clothworkers' Masterclass fund	844	-	25	18	(89)	-	(790)	8	16
Company of Actuaries	-	-	30	-	(20)	-	-	-	10
Dr Ludwig Mond Trust	285	-	-	5	-	-	(288)	2	4
DS Smith	-	-	10	-	-	-	-	-	10
E&Y Sponsored Event	-	-	3	-	(1)	-	-	-	2
Educational Funds	127	-	-	1	(1)	-	-	-	127
Enrichment & Enhancement Grant	-	-	25	-	(17)	-	-	-	8
Faraday Foundation Heritage Scanner	-	-	16	-	(1)	-	-	-	15
Genetic Society	-	-	94	-	(75)	-	(19)	-	-
Gillespie Trust Fund	158	-	-	28	(81)	(9)	362	-	458
John Cohen Foundation	-	-	4	-	-	-	-	-	4
LG Harris Trust STEM Grant	-	-	20	-	(17)	-	-	-	3
LRF	-	-	386	-	(139)	-	(26)	-	221
Manly Trust Fund	-	-	10	-	(5)	-	(5)	-	-
Maths set-up fund	36	-	-	-	(13)	-	-	-	23
NCNR Engineering	-	-	42	-	(54)	-	12	-	-
Old Broad Street Charity Trust fund	58	-	-	6	-	-	-	-	64
Philip Freer Studentships Income	398	-	-	48	(61)	(22)	(29)	31	365
Reece Foundation	-	-	45	-	(19)	-	(26)	-	-
Research Funds	144	-	-	4	-	-	-	-	148
Ri Online	7	-	-	-	(7)	-	-	-	-
Ternality Trust	63	-	-	-	-	-	-	-	63
Victoria Woodhull Endowment fund	60	-	-	6	(58)	-	-	-	8
Webcast grants fund	6	-	-	-	-	-	(6)	-	-
Website Development Fund	-	-	125	-	-	-	-	-	125
Young Scientist Centre fund	-	-	130	-	(100)	-	-	-	30
Total Restricted Income Funds	2,355	-	1,022	122	(819)	(31)	(890)	42	1,801

1 October 2017 to 30 September 2018:

Group and Charity	Balance as at 1 October 2017 £000	Transfers 1 October 2017 £'000	Incoming £000	Pool income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2018 £000
American Friends fund	7		-	-	-	-	6	-	13
Bragg Lecture fund	10		-	-	-	-	-	-	10
British Aerospace fund	(1)	152	2	3	(30)	(1)	-	4	129
Building preservation fund	8	-	-	1	-	-	-	-	9
CHRISTMAS LECTURES fund	-		141	-	(103)	-	(38)	-	-
Clothworkers' Endowment Fund	-		-	6	(6)	-	-	-	-
Clothworkers' Masterclass fund	897	-	2	21	(68)	(9)	(33)	34	844
Conservation work grants	-		33	-	(43)	-	18	-	8
Dr Ludwig Mond Trust	38	243	(7)	5	-	(3)	-	9	285
Educational Funds	124		-	1	-	-	-	2	127
Enrichment & Enhancement Grant	-		18	-	(18)	-	-	-	-
Gillespie Trust Fund	143	-	-	30	(4)	(11)	-	-	158
Maths set-up fund	36		-	-	-	-	-	-	36
Maths Fund - Primary	-		97	-	(87)	-	(10)	-	-
Maths Fund - Secondary	-		35	-	(35)	-	-	-	-
Maths Fund - Engineering	-		86	-	(70)	-	(16)	-	-
Old Broad Street Charity Trust fund	51		-	7	-	-	-	-	58
Philip Freer Studentships Income	328	-	2	49	(26)	(22)	23	44	398
Research Funds	105		1	3	-	-	-	2	111
Ri Online	10		-	-	-	-	(3)	-	7
School Outreach Fund	-		18	-	(8)	-	(10)	-	-
Sponsored events	-		60	-	(48)	-	(12)	-	-
Ternality Trust	61		2	-	-	-	-	-	63
The Royal Institution Research fund	29		-	4	-	-	-	-	33
Victoria Woodhull Endowment fund	53		-	7	-	-	-	-	60
Webcast grants fund	6		-	-	-	-	-	-	6
Young Scientist Centre fund	-		120	-	(132)	-	12	-	-
Total Restricted Income Funds	1,903	395	610	138	(677)	(46)	(63)	95	2,355

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

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

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

The Brynberg Fund was set up to support primary mathematics Masterclass groups around the UK providing extracurricular mathematics for gifted and talented children.

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

The Charles Hayward Trust paid for a conservation audit of the paper records of the RI.

The Company of Actuaries supports London Masterclasses.

DS Smith Fund provides funding for Engineering Masterclasses.

The Educational Funds consist of the Davenhall Bequest, Acton and Neate funds transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees in 2012. The funds support the educational programme of the charity.

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

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

The Gillespie restricted fund support schools events about Physics in disadvantaged areas.

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

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

The NCNR Engineering provides funding for Engineering Masterclasses.

The Reece Foundation provides funding for Engineering Masterclasses.

The Research Funds consists of the Fullerton Accumulated, Professorship of Chemistry and Professorship of Physiology transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees in 2012.

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

The Webcast grant was provided to enable CHRISTMAS LECTURES webcasting in Japan.

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

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

21. Unrestricted income funds

Group – 1 October 2018 to 30 September 2019:

	Balance as at 1 October 2018 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2019 £000
General fund	(1,836)	2,442	26	(3,681)	-	1,098	(179)	-	(2,130)
Non charitable trading funds	-	1,640	-	(542)	-	(1,098)	-	-	-
Total Unrestricted Funds	(1,836)	4,082	26	(4,223)	-	-	(179)	-	(2,130)
Designated funds:									
Christmas Bursary fund	20	-	-	-	-	-	-	-	20
Library fund	97	-	-	(50)	(1)	-	-	1	47
Life Membership fund	168	-	-	(1)	(1)	-	(16)	1	151
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve ¹	-	-	-	-	-	-	222	-	222
Total designated funds	25,123	-	-	(51)	(2)	-	206	2	25,278
Total Unrestricted Income Funds	23,287	4,082	26	(4,274)	(2)	-	27	2	23,148

Charity – 1 October 2018 to 30 September 2019:

	Balance as at 1 October 2018 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2019 £000
General fund	(1,836)	2,442	26	(3,681)	-	1,098	(179)	-	(2,130)
Designated funds:									
Christmas Bursary fund	20	-	-	-	-	-	-	-	20
Library fund	97	-	-	(50)	(1)	-	-	1	48
Life Membership fund	168	-	-	(1)	(1)	-	(16)	1	151
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve ¹	-	-	-	-	-	-	222	-	222
Total designated funds	25,123	-	-	(51)	(2)	-	206	2	25,278
Total Unrestricted Income Funds	23,287	2,442	26	(3,732)	(2)	1,098	27	2	23,148

Group – 1 October 2017 to 30 September 2018:

	Balance as at 1 October 2017 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2018 £000
General fund	(1,995)	2,202	8	(3,284)	(1)	880	350	4	(1,836)
Non charitable trading funds	-	1,288	-	(408)	-	(880)	-	-	-
Total Unrestricted Funds	(1,995)	3,490	8	(3,692)	(1)	-	350	4	(1,836)
Designated funds:									
Christmas Bursary fund	24	-	-	(4)	-	-	-	-	20
Library fund	142	-	-	(48)	(1)	-	-	4	97
Life Membership fund	181	-	-	-	(1)	-	(16)	4	168
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,717	2	-	-	-	-	-	-	4,719
Total designated funds	25,183	2	-	(52)	(2)	-	(16)	8	25,123
Total Unrestricted Income Funds	23,188	3,492	8	(3,744)	(3)	-	334	12	23,287

Charity – 1 October 2017 to 30 September 2018:

	Balance as at 1 October 2017 £000	Incom -ing £000	Pool Income £000	(Out- going) £000	Manage -ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recog -nised Gains £000	Balance as at 30 September 2018 £000
General fund	(1,995)	2,202	8	(3,284)	(1)	880	350	4	(1,836)
Designated funds:									
Christmas Bursary fund	24	-	-	(4)	-	-	-	-	20
Library fund	142	-	-	(48)	(1)	-	-	4	97
Life Membership fund	181	-	-	-	(1)	-	(16)	4	168
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,717	2	-	-	-	-	-	-	4,719
Total designated funds	25,183	2	-	(52)	(2)	-	(16)	8	25,123
Total Unrestricted Income Funds	23,188	2,204	8	(3,336)	(3)	880	334	12	23,287

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 made up of 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.

¹ On 19 September 2019 the Trustees resolved to create an Operating Reserve.

22. Analysis of net assets between funds
Group – As at 30 September 2019:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Endowment Funds:							
Permanent endowment	11,880	-	-	6,237	-	-	18,117
Expendable endowment	-	-	-	3,860	-	-	3,860
Total Endowment Funds	11,880	-	-	10,097	-	-	21,977
Total Restricted Income Funds	-	-	-	861	940	-	1,801
Unrestricted Income Funds:							
General fund	2,441	106	-	(2,417)	(1,098)	(1,162)	(2,130)
Non charitable trading funds	36	14	-	-	(49)	(1)	-
Total Unrestricted Income Funds	2,477	120	-	(2,417)	(1,147)	(1,163)	(2,130)
Designated Funds:							
Fixed Assets	20,119	-	4,719	-	-	-	24,838
Other	-	-	-	200	240	-	440
Total Designated Funds	20,119	-	4,719	200	240	-	25,278
Total Funds	34,476	120	4,719	8,741	33	(1,163)	46,926

Charity – As at 30 September 2019:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Endowment Funds:							
Permanent endowment	11,880	-	-	6,237	-	-	18,117
Expendable endowment	-	-	-	3,860	-	-	3,860
Total Endowment Funds	11,880	-	-	10,097	-	-	21,977
Total Restricted Income Funds	-	-	-	861	940	-	1,801
Unrestricted Income Funds:							
General fund	2,441	106	-	(2,417)	(1,098)	(1,162)	(2,130)
Total Unrestricted Income Funds	2,441	106	-	(2,417)	(1,098)	(1,162)	(2,130)
Designated Funds:							
Fixed Assets	20,119	-	4,719	-	-	-	24,838
Other	-	-	-	200	240	-	440
Total Designated Funds	20,119	-	4,719	200	240	-	25,278
Total Funds	34,440	106	4,719	8,741	82	(1,162)	46,926

Group – As at 30 September 2018:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Endowment Funds:							
Permanent endowment	11,880	-	-	6,990	(6)	-	18,864
Expendable endowment	-	-	-	2,432	(3)	-	2,429
Total Endowment Funds	11,880	-	-	9,422	(9)	-	21,293
Total Restricted Income Funds	-	-	-	2,034	320	-	2,354
Unrestricted Income Funds:							
General fund	2,316	112	-	(2,733)	(291)	(1,238)	(1,834)
Non charitable trading funds	9	41	-	-	(37)	(13)	-
Total Unrestricted Income Funds	2,325	153	-	(2,733)	(328)	(1,251)	(1,853)
Designated Funds:							
Fixed Assets	20,119	-	4,719	-	-	-	24,838
Other	-	-	-	264	21	-	285
Total Designated Funds	20,119	-	4,719	264	21	-	25,123
Total Funds	34,324	153	4,719	8,987	4	(1,251)	46,935

Charity – As at 30 September 2018:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Endowment Funds:							
Permanent endowment	11,880	-	-	6,272	(6)	-	18,146
Expendable endowment	-	-	-	2,432	(3)	-	2,429
Total Endowment Funds	11,880	-	-	9,422	(9)	-	21,293
Total Restricted Income Funds	-	-	-	2,034	320	-	2,354
Unrestricted Income Funds:							
General fund	2,316	112	-	(2,733)	(291)	(1,238)	(1,834)
Total Unrestricted Income Funds	2,316	112	-	(2,733)	(291)	(1,238)	(1,853)
Designated Funds:							
Fixed Assets	20,119	-	4,719	-	-	-	24,838
Other	-	-	-	264	21	-	285
Total Designated Funds	20,119	-	4,719	264	21	-	25,123
Total Funds	34,315	112	4,719	8,987	40	(1,238)	46,935

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 those Endowment and Restricted Funds in the 15 years to 30 September 2025. The Charity Commission noted that these Endowment and Restricted Funds were applied to secure the long-term success of the Charity.

In the year to 30 September 2019, Endowment and Restricted Funds were replenished by £143k (2018: £150k), consistent with a plan agreed by Trustees in June 2018, to replenish these funds over 15 years from 1 October 2018. Replenishment since 2009 now totals £1.265m (2018: £1.122m). The Ri remains committed to replenish these Endowment and Restricted Funds by a further £2.466m (2018: £2.609m). The Charity Commission has agreed to this new replenishment plan.

The Charity Commission, after their visit in March 2019 and clarification of various matters, advised in October 2019 that they are "... satisfied that the Ri no longer requires any special oversight from the Commission and our current engagement can therefore now end."

23. Analysis of net debt

	Balance at 1 October 2018 £000	Cash Flows £000	Balance at 30 September 2019 £000
Cash Movement:			
Cash at bank and in hand	1,138	(255)	883
Increase in Cash and cash at bank and on hand	1,138	(255)	883

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

	2019		2018	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Financial assets measured at fair value through the SOFA	4,385	4,385	4,749	4,749
Financial assets measured at amortised cost	406	246	284	177
Financial liabilities measured at amortised cost	(638)	(660)	(606)	(598)

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. A triennial valuation is currently being undertaken as at 30 September 2019 but the results are not yet available and not expected until early 2020. The scheme currently has eleven pensioners and six deferred members.

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

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

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 (2018: £41k).

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 2019.

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

	2019	2018
Discount Rate	1.80%	2.90%
RPI assumption	3.10%	3.20%
CPI assumption	1.80%	1.90%
Pension increases	3.90%	4.00%

The underlying mortality assumption for both years is that based upon the standard table known as S3PA on a year of birth usage with CMI_2018 future improvement factors and a long term rate of future improvement of 1.25% p.a. and an initial addition of 0.25% (2018 – S1PA with CMI future improvement factors and a long term future rate of improvement of 1.25% p.a.) This results in the following life expectancies:

Male age 65 now has a life expectancy of 86.9 years (previously 86.7 years)

Female age 65 now has a life expectancy of 89.2 years (previously 88.9 years)

	2019 £000	2018 £000
The amounts recognised in the balance sheet are as follows:		
Present value of plan liabilities	(2,312)	(1,827)
Market value of plan assets	2,312	2,126
Surplus / (Deficit) in the plan	-	299
Adjustment for non-recoverable surplus	-	(299)
Net defined benefit liability	-	-

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

Interest on net defined benefit liability	-	-
Total	-	-

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

Present value of plan liabilities at 1 October	1,827	1,916
Benefits paid	(12)	(11)
Interest on plan liabilities	53	42
Actuarial (gains) / losses	444	(120)
Present value of scheme liabilities at 30 September	2,312	1,827

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

Market value of plan assets at 1 October	2,126	1,977
Contributions paid by the Company	12	11
Benefits paid	(12)	(11)
Interest on plan assets	53	42
Return on assets, less interest included in the SOFA	132	107
Market value of plan assets at 30 September	2,311	2,126
Actual return on plan assets	185	149

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

	2019	2018
Equities and property	78%	79%
Bonds	22%	21%
	100%	100%

Analysis of the remeasurement of the net defined benefit liability recognised in the SOFA for the year are as follows:

Actual return on assets, less interest included in Profit and Loss	132	107
Experience gains and losses arising on plan liabilities	(26)	(9)
Changes in assumptions underlying the present value of plan liabilities	(418)	129
Change in non-recoverable surplus	(299)	(238)

Remeasurement of net defined benefit liability recognised in SOFA	(13)	(11)
--	-------------	-------------

Movement in deficit in the as follows:

Deficit in plan at 1 October	-	-
Recognised in SOFA	-	-
Contributions paid by the Company	12	11
Actuarial loss recognised in SOFA	(12)	(11)

Deficit in plan at 30 September	-	-
--	----------	----------

The remeasurement of net defined benefit liability recognised in SOFA has been adjusted in the accounting statements by £54k (2018: £54k) to reflect the recognition of contributions in the accounts.

Funding Policy

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

The last such valuation was as at 1 October 2016. This showed that the Scheme'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 Scheme's Statement of Funding Principles dated 6 July 2017 and are as follows:

£10,250 per quarter payable from 1 July 2019 to 1 September 2028.

These payments are subject to review following the funding valuation as at 1 October 2019. This is expected to be available before 31 March 2020.

Universities Superannuation Scheme

Employers' contributions are currently payable at a rate of 19.5% (2018: 18%) of pensionable earnings. Employees' contributions were equivalently 8.8% (2018: 8%).

The Universities Superannuation Scheme is valued formally every three years by the scheme actuary, who is currently Mr Ali Tayyebi of Mercer Limited. The 31 March 2017 valuation has been finalised and audited. The 31 March 2017 valuation was carried out using normal actuarial principles, and the projected unit method in particular. Employer contributions increased to 19.5% (2018: 18%) from 1 April 2019. The key financial actuarial assumptions used are available on-line from the USS website, www.uss.co.uk. The financial assumptions are calculated using a 'yield curve approach', with different assumptions applying at different points in time, reflecting the term structure of financial instruments.

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual participating employers. As at 31 March 2017, the fair value of the scheme's assets was £60bn and the estimated present value of the scheme's liabilities was £67.5bn resulting in a scheme shortfall of £7.5bn. The Trustees have determined that in order to correct the shortfall the employers should make shortfall contributions of 6% of total salaries from 1 April 2019.

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:

	2019 £000	2018 £000
Within 1 year	3	3
Between 1 and 5 years	3	6
Total	6	9

The value of lease payments recognised in expenditure in the year was £3k (2018: £12k).

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:

	2019 £000	2018 £000
Within 1 year	242	242
Between 1 and 5 years	968	968
After 5 years	2,783	3,025
Total	3,993	4,235

27. Rents receivable and related party transactions

The following transaction with related parties took place during this period: A Trustee and their related parties made donations to the Ri totalling £112k (2018: £36k).

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

	2019 £000	2018 £000
Paid from RiGB Limited to Charity		
Cost sharing agreement	621	528
Gift Aid distribution	126	153
Trademark License Fee	120	120
Premises License Fee	230	262

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 2019 the contingent liability of the group was £83,051 (2018: £79,935).

29. Post Balance Sheet Events and Other Matters

On 17 February 2020 HSBC Bank PLC advised renewal of the secured overdraft facility of £400k subject to normal standard banking terms and conditions and for the facility to be reviewed again in October 2020.