

Trustees' Report and Financial Statements

For the year ended 30 September 2020

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Charity Information

Charity registration number:
227938

Principal office:
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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 for the entire financial year:

Sir Richard Sykes – Chair
Dr Sophie Forgan
Mr Simon Godwin
Lord Julian Hunt
Sir Roland Jackson
Mr John Krumins
Mr Christopher Potter
Prof Alison Woollard

Trustees who served for part of the financial year were:

Dr Suze Kundu – appointed May 2020
Mr Renato Lulia – appointed May 2020
Ms Angela Seddon – appointed May 2020
Mr Andrew Gregson – resigned January 2020
Dr Yike Guo – resigned January 2020
Ms Lucinda Hunt – resigned December 2019
Mrs Sarika Patel – resigned December 2019
Ms Louise Terry – Deputy Chair – resigned October 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

Audit & Risk Committee:

Mr Christopher Potter – Chair and Trustee - appointed Chair in December 2019
Mr Renato Lulia – Trustee since May 2020
Mr Nick Hills
Ms Lianne Frost – appointed March 2020
Ms Eileen Pembridge – appointed March 2020
Ms Ling Stephens – appointed March 2020
Ms Liz Walker – appointed March 2020
Mr Andrew Gregson – resigned January 2020
Mrs Sarika Patel – resigned December 2019
Ms Siobhan Peters – resigned December 2019

Nominations Committee:

Ms Angela Seddon – Trustee - appointed Chair September 2020
Mr Richard Sykes – Chair to September 2020 and Trustee
Alison Woollard – Trustee – joined January 2020
Mr Christopher Adams
Ms Janet Larsen
Mr David Phillips
Ms Lucinda Hunt – Trustee – resigned December 2019
Ms Louise Terry – resigned October 2019

Director:

Dr Shaun Fitzgerald FREng – resigned December 2019
Ms Lucinda Hunt BSc ARCS PGCE – appointed Interim Director March 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
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Trustees' Report for the year ended 30 September 2020

The Ri has experienced a year of two halves – a strong “on plan” first half followed by the March 2020 Covid-19 lockdown which caused the Ri significant financial stress.

The 2019/20 financial year began well, with the increased audience engagement across all programmes. For the first six months, from October 2019 to mid-March 2020:

- Masterclass participants grew 13%, representing expansion for the second year running.
- Science in Schools programmes benefitted 28,000 pupils by 17th March - 35% more students at 35% more schools than during the same period in the previous year.
- Public Programmes ran 31 public talks, four Discourses and two short courses.

In January 2020 the Kantor Charitable Foundation confirmed £250k funding of the Primary Masterclasses for two years. This allows us to reach and engage with more young people across the UK in mathematics.

Up to mid-March 2020, we were generally performing in line with our business plan and budget, producing growth in activities and impact together with a modest financial surplus.

However, this progress came to an abrupt halt in mid-March, due to the impact of the Covid-19 pandemic and subsequent UK national lockdown. We closed our building on 18 March and suspended most programmatic, educational activities and Venue Hire. Around 80% of staff were furloughed from early April 2020.

The Ri has produced a financial deficit of £1.105m as a result of the Covid-19 Pandemic. Results for the first 5 months were largely on track to deliver a modest financial surplus.

Following the short introduction to this report, subsequent sections describe the significant impact of the Covid-19 pandemic and regulation on Ri activities and finances and then results of our programmes and activities before the impact of Covid-19.

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 2020.

The Financial Statements comply with the Charities Act 2011 and the Statement of Recommended Practice – Accounting and Reporting by Charities – (SORP 2019). 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 in October 2019, 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 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.

Whilst the Ri strategy is being reassessed as a result of the Covid-19 induced shutdown, many of the key objectives of our existing strategy build on our strengths and expertise while providing an ambitious plan to expand reach, collaborate with other organisations and reinforce both digital and physical presence.

The audience-focused objectives set out in the strategy are focused on engaging the public in science 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, now under even greater focus.
- Develop and care for our staff and volunteers whose expertise and passion provide the cornerstone of our success.

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

Impact of and response to the Covid-19 pandemic

Incident Response

The Ri Business Continuity policy provides for ways to manage incidents of all types including the Covid-19 lockdown. Consistent with this, an Incident Response Team (IRT), Chaired by the COO, was established on 17 March and met twice weekly

by video call until mid-October. The IRT has now been replaced by reformation of the Senior Leadership Team. The IRT was used to gather information, decide on priorities, assign responsibilities and manage actions. It also provided a critical communication channel when all staff were working remotely, keeping focus/priorities aligned and ensuring furloughed staff were kept informed.

Under lockdown, staff not furloughed rapidly transitioned to working remotely enabled by our cloud-based network and systems, including video conferencing, implemented in 2019.

Strategic management

The Directors and Senior management have focused on addressing the impacts of Covid-19 and lockdown including:

- Communicating with staff, supporters, Members, audiences and stakeholders to keep them informed and retain their goodwill and support.
- Reducing variable costs and freezing any discretionary spend.
- Renegotiating contracts where services rendered were reduced.
- Use of the CJRS furlough scheme and other support.
- Delaying capital investment.
- Reassessing Ri strategy, strengths and activities with potential for improvement.
- Exploring opportunities to collaborate and work with other 'mission aligned' organisations.
- Assessing how we best organise and structure our people and resources to emerge from this crisis in a stronger operational condition.
- Identifying Covid-19 constraints and options to restructure or reengineer activities to continue to deliver against our mission. Then, enabling actions and support to deliver.

We do not underestimate the impact of Covid-19, on not only the way the Ri operates and its finances but also on the way we engage with our current and future audiences. Covid-19 has led us to re-examine what we do, how we work and look to collaborate with other organisations committed to science engagement.

Further impacts are inevitable as we recommence activities suspended by Covid-19 and we are also developing new opportunities that were not apparent pre-Covid-19. If successful, these will allow the Ri to broaden its activities and grow its impact and details will be announced as they are finalised.

Public programme

On 8 April 2020, just after lockdown, we experimented with a live streamed video by Prof Jim Al-Khalili which attracted over 1,900 viewers and donations exceeding £3.5k. From June 2020, we launched weekly live streamed lectures, welcoming new audiences across the UK and globally. In November we offered two livestreamed lectures weekly and we are planning further innovations to deliver great lectures in 2021.

Heritage & Collections

The Heritage and Collections team have been significantly impacted. The Ri's museum, archive and collections were closed

to the public in mid-March 2020 but have been closely monitored to ensure their protection during building closure. Plans to grow the team have been suspended, the team partially furloughed and one staff took voluntary redundancy.

CHRISTMAS LECTURES

The December 2020 CHRISTMAS LECTURES were announced in August 2020 and they addressed a critically important subject. Planet Earth: A user's guide unravelled an astonishing global systems and remarkable natural wonders that combine to support life on Earth. The lectures explored how human activity has become an overwhelming geological force – disrupting the finely tuned systems that have kept our planet running smoothly for billions of years. For the first time in 60 years we had three experts delivering the lectures: Dr Helen Czerski, Professor Chris Jackson and Dr Tara Shine. Professor Jackson was the first black person to present the Royal Institution Christmas lectures. Due to Covid-19 we were, sadly, unable to have a live audience at the Ri, but we had a virtual audience of >900 people watching and engaging with the lecturers. We are delighted that despite the challenging circumstances, we were still able to bring these lectures to the public.

In October 2020, and in preparation for the 2020 CHRISTMAS LECTURES, we held a virtual Online Youth Summit with over 200 young people (aged 16–18) from 22 schools on the subject of Climate Change. The maturity, pragmatism, and sheer volume of ideas coming from the students was inspiring and we built their feedback into the LECTURES and plan to engage more young people on this topic in the future.

Delivery of the 2020 CHRISTMAS LECTURES in such challenging circumstances reflects their importance and our commitment to our audience, supporters and heritage. The lectures have been delivered annually since first delivered by Michael Faraday in 1825, except for four years during the second World War.

Family programme

The Covid-19 lockdown meant we were unable to offer our ever-popular Summer Schools programme. Family lectures and other holiday events also had to be cancelled. This had been planned to include even more workshops than before. Whilst many Family events were cancelled, many of our speakers are ready and waiting to return to delivering inspirational science activities at the Ri, just as soon as it is safe to do so.

Overseas science shows

In July 2020, we were due to deliver two science projects in Singapore, but with travel impossible due to Covid-19 restrictions, these projects were re-shaped for digital delivery including live Q&A sessions from Singapore students with lecturer, Matt Parker, in London. Overseas shows planned in Japan and Hong Kong could not proceed and nor could development opportunities to grow these international events with other organisations, with consequent impact in income.

Masterclasses

Since mid-March, we have been unable to run any Masterclass events and the team has been furloughed for a large part of that time. Following the August staff consultation, the team was

reduced from six to four and the programme is now being refocussed. With the loss of staff, we will scale back some secondary mathematics and the engineering Masterclass series. This represents a significant programme reduction and loss of contact with volunteers but enables us to focus on the more popular and better funded of the Masterclass series, when they are able to recommence.

While we have been unable to run any Masterclass events, one group – Warwick University – did manage to deliver its last Masterclass session virtually in April, potentially paving the way for development of future virtual Masterclasses. We have reached out to the teachers and families we work closely with and who will be affected by the loss of Masterclasses with the hope that we can deliver virtual Masterclasses in the near future. We look forward to reconnecting with our Masterclass community as Covid-19 restrictions are lifted.

L'Oréal Young Scientist Centre

In mid-March, when the LYSC was closed, we were almost fully booked for the rest of the year. We are disappointed not to have been able to support a record number of workshops and students in this 11th year of operation. We have said goodbye to a number of the team as a result of the staff consultation.

The future remains uncertain but enquiries lead us to plan for an earliest reopening date of September 2021, and even then at volumes well under normal levels. Support from L'Oréal continues, and we will work together to develop the partnership to benefit young people.

Science in Schools

Visits to 92 schools booked for spring/summer 2020 had to be postponed due to the lockdown. Of that number, 29 were free funded show bookings to schools in disadvantaged areas that had to be postponed and will be delivered when the schools are able to host them in 2021.

Digital

Mid-March, all but two of the digital team were mostly furloughed, which had a significant impact on what we were able to do. However, thanks to a pipeline of unreleased lectures and repurposing of some earlier content, we continued to deliver a weekly release of new videos. This, combined with the increased use of the YouTube platform by people globally, meant that we had our most successful viewing month ever in May 2020.

The lockdown required pausing the development of a new Ri website and our monthly podcasts. We are hoping to restart the website development in April 2021 and the podcasts as resources allow.

We also suspended social media activity in April, but momentum generated in preceding months meant that we were still able to show strong growth with our Twitter followers increasing by 18%, Facebook by 6% and Instagram by 38%.

The one strong positive that has come out of the lockdown has been the new programme of live streamed lectures delivered with the public programmes team. Not only have the online lectures been watched, live, by over 9,000 people and generated substantial donations, they've also reached new audiences of

half a million people on YouTube.

Despite releasing 30% fewer videos this year, planning and careful delivery generated over £130k of YouTube advertising income this year (2018/19: £85k). One positive Covid-19 impact amongst the many negatives.

On 30 September 2020, the Ri YouTube channel had over 890k subscribers – an increase of over 260k, 41%, over the previous year. Our videos were watched over 36 million times for a total of 15 million hours.

Membership

Our whole team worked hard to maintain Member engagement but with fewer Member benefits and events, attracting new members has been challenging, renewals have been significantly below plan and overall membership has fallen. As at 30 September 2020 we had 3,500 members (2019: 4,400) – down 20%, all occurring post Covid-19 lockdown. Member income for the year was £229k (2018/19: £230k), but the financial impact of the pandemic will be more greatly felt in 2020/21 as we recognise Member income across their 12-month membership period.

Commercial Operations

Venue Hire

Income to end February 2020, £540k, was 'on budget' and 6% above the previous year. Bookings held for the rest of the year were forecast to deliver 8% annual income growth to £1.330m but Covid-19 resulted in £343k of contracted March – September 2020 bookings being cancelled and the pipeline to year end to deliver total income of £790k evaporating. This loss of £790k income is the largest single impact to Ri finances of Covid-19.

Clients started deferring or cancelling events in February and events came to an end before the mid-March building shutdown as clients were unsettled by growing Covid-19 infections and rapidly evolving regulation.

Half the Venue Hire team was furloughed and two retained to reschedule bookings, strengthen client relationships, implement the Venue Hire section of the Ri website, enhance marketing collateral and plan for eventual re-opening.

We have been encouraged by the extent to which Venue Hire clients have not requested cancelled event deposit refunds and left over £200k as deposits for future events – a factor that has mitigated 25% of the cash impact of this lost business.

Our new caterers, Searcys, have been significantly impacted by the Covid lockdown and we have renegotiated commission rates and investment commitments to retain their commitment. Investment planned to enhance the building as an event destination has been suspended to be negotiated in late 2021.

Indications are that Venue Hire bookings will start to recover only after government restrictions are eased, clients are more confident about regulatory constraints and demand for such gatherings recovers, most probably in late 2021. We expect it will take to at least late 2022 for this income source to recover to pre-lockdown levels.

Tenants and lease income

The reduction in staff numbers and plans for more flexible working in the medium term has enabled the freeing up of Ri workspace to let office space to the Imperial College London Centre for Climate Change Innovation, which will be launched in March 2021.

Fundraising

Overall fundraising income for 2019/20 is down 20% compared to 2018/19. Corporates and trusts & foundations were the hardest funding streams hit. Corporate income was reduced due to a mix of phasing and withdrawal of support from six supporters. Trusts & foundations income was significantly lower than last year as the majority of the trusts support related to restricted programmes that could not operate due to Covid-19 restrictions. Partially offsetting these losses however, major donor income increased due to two six figure gifts from individuals and general donations increased as a result of small donations from our online audience, watching livestreamed public lectures, which have been running since the building was closed.

Our people

We started the 2019/20 year with 65 staff all focused on our charitable programmes and trading activities. When the Covid-19 lockdown commenced in March 2020, we had 68 staff including short term contracts.

In the week before Easter we furloughed 80% of our staff and implemented pay reductions that meant that those on Furlough were paid 80% (for salaries over £35k and graduation from 100% to 80% between £25k and £35k) of their March salary and the 20% of staff who were working were paid 90% (similarly graduated between £25k and £35k). The Ri Director and the Director of Finance who worked throughout lockdown volunteered 20% pay reductions which were accepted. Over the 6 months to 30 September (and subsequently) we closely monitored the rules of the Furlough grant scheme and responded to the evolving landscape. We supported staff and brought them back for work as required. This led to £498k of Furlough grant income for the year and some additional income in the next year although to a much lower level. Salary discounting to 30 September enabled £140k of savings.

In August 2020, we commenced a Staff Consultation, to explore options to reduce staff costs. The Consultation was understandably a difficult time for the whole team but has resulted in headcount falling by a third, through a mixture of voluntary redundancies, non-renewal of contracts and a small number of compulsory redundancies. By end January 2021, after notice periods have been served, headcount will have reduced from 68 to 45 – a 34% reduction. We have sought to retain staff who will enable us to recommence key activities when they are allowed and audiences demand.

In light of the current uncertainties and impact of Covid-19, the Directors decided to postpone the usual review of salaries and pay rises on 1 October each year.

During lockdown we have focused on keeping all staff informed of key developments and prospects and team leaders have

focused on mental wellbeing of their team members. Trustees are grateful for the numerous sacrifices made by staff in this period (and since) and for the significantly greater demands on the small core team working through from March, whilst up to 80% of their colleagues were furloughed.

Facilities

The Ri building was closed from 18 March 2020 with impact on public visits to the museum, public lectures and Venue Hire bookings.

From late March, most staff were working remotely but were well served by our 2019 implementation of a cloud-based network including videoconferencing. Issues with this change were minor and resolved quickly.

Some energy and utility costs savings have emerged as a result of the building being closed but tenants generally returned to use the building from July. Ri staff only attend the building when necessary, including the filming of the 2020 Christmas Lectures.

IT systems

The impact of Covid-19 required IT to rapidly enable our staff working remotely. The new cloud-based network developed in 2019 had a significant impact in efficiently supporting secure remote working with no additional infrastructure or configuration required.

To support remote teamwork and more effective communication, Microsoft Teams was rapidly implemented in March 2020 to enable remote collaboration, and with Windows Virtual Desktops and other existing network tools like Office 365 already in place, staff were quickly able to work remotely effectively and securely and collaborate with other team members.

The IT team has been reduced with previous on-site support being replaced by an outsourced helpdesk from an existing IT support provider.

Cyber security focus and risk awareness has been heightened with a network penetration test in early 2020, improved remote device monitoring, the introduction of phishing testing & follow-up training and extension of Single Sign On using multifactor authentication to a wider range of IT services.

Financial impact

The building closure in mid-March and lockdowns have brought almost all Ri services to a halt including unrestricted income from Venue Hire and ticketed events. This created considerable financial stress. These pressures have been mitigated to an extent through:

- Furloughing ~80% of staff from mid-April which resulted in Coronavirus Job Retention Scheme (CJRS) grant income of ~£500k to end September.
- Staff furloughed agreed to sacrifice up to 20% of their salaries, those who continued working sacrificing 10-20%.
- Renegotiating contracts with suppliers to reduce costs or extend contract periods where relevant.
- Reducing building services to reflect the fact that most occupants were working remotely (at least to July lockdown relaxation).

- £371k of unrestricted investments representing the Operating Reserve and other designated funds were liquidated in June 2020.
- Payments to HMRC for VAT, PAYE & NI have been deferred with HMRC consent. Westminster City Council have waived business rates as part of the Government's "support for businesses during coronavirus" initiative.
- Venue Hire clients leaving ~£200k of deposits for future events with us rather than demanding a refund.

As a result of all the above the Ri has incurred a deficit of £1.105m – all of which has arisen since Mid-March 2020 as a result of Covid-19. The underlying operating result is ~£500k of this loss – the remainder represented by adverse investment and Ri Pension fund revaluations.

Focus on preserving cash has meant that at 30 September we held £1.145m in the bank, of which £225k was unrestricted or free cash. During the financial year, we did not need to use our overdraft facility or raise debt.

Since year end, cash preservation focus has continued and benefited from:

- The award of a £589k Culture Recovery fund Grant by Arts Council England in October 2020. This grant was to fund our deficit from January – March 2021, although the worsened outlook since the applications means we will still incur a deficit, albeit smaller, in this period.
- Continued support from HMRC to defer PAYE and NI payments.
- Continued use of the Coronavirus Job Retention Scheme (CJRS) grant to retain staff critical to activities we plan to recommence when this crisis passes.
- Lower payroll costs as a result of the staff consultation and reduced headcount.
- Our fundraising, heritage and finance teams have prepared applications for emergency funding grants as they arose.

However, we do forecast that to get through this crisis will require that we borrow from our bank in the new financial year.

In January 2021, the Ri's bankers, HSBC, offered the Ri £1.5m of funding under the Coronavirus Business Interruption Loan Scheme (CBILS) and a £500k overdraft to enable the Ri to continue to operate through the next two years until positive cash generation returns, forecast in late 2022. The terms of the offer are for CBILS repayment over 5 years after a one year interest and repayment holiday. The interest rate to apply to the CBILS loan is currently 4.1% and will vary with Bank of England base rate movements. After assessment by the Finance Committee on 28 January 2021, the Trustees considered and resolved to accept this offer at a meeting on 2 February 2021. We forecast that CBILS drawdown will occur in April 2021.

Charitable activities and achievements to mid-March 2020

For the purposes of the 2020 Trustees' Report and Financial Statements we have selected programmatic highlights and impacts from our main areas of achievement, principally from the first half of this financial year. Further details of our accomplishments in 2020 and our plans for 2021 can be found in our 2020 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 despite the challenges posed by the Covid-19 outbreak. From October 2019 until mid-March 2020, when live events from the theatre were suspended, we ran 31 public lectures, four Discourses and two short courses. Highlights included a talk from Lord David Willetts on intergenerational inequality, celebrated US physicist Brian Greene on the end of time and astronaut Kathryn D. Sullivan on fixing the Hubble Space Telescope. We featured collaborations from a diverse range of partners, from Roche and Medtronic who supported our series on The Future of Health, to the National Quantum Technology Programme who partnered with us on a hands-on day of quantum exploration. We also collaborated with organisations such as the Genetics Society, the National Maritime Museum and the Society of Biology to increase the diversity and reach of our programmes.

Following the mid-March 2020 restrictions on live events, we developed a weekly programme of live streamed lectures. We've featured respected UK authorities such as Jim Al-Khalili, Lucie Green and Tim Harford, as well as high-profile speakers from across the world such as Susan Schneider, Anthony Zee and Katie Mack. We have live streamed a total of 19 lectures, with an average of 440 people watching each live lecture (coincidentally the maximum capacity of our theatre). The lectures are free to view live online with a suggested donation that has raised over £34k to support our work; not as much as tickets would have raised but very much appreciated.

The success of the live streamed lectures has led to this programme being expanded to two lectures per week from November 2020 and we look forward to filming events in the Faraday theatre without an audience when it is practical to do so in 2021.

Heritage and Collections

In the first half of the year, the heritage and collections team managed our accredited Faraday Museum and collections of scientific apparatus, archives, books and images. 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 and departments, answering queries and participating in internal and external projects.

Our Forward Plan developed to ensure continued ACE Accreditation status was approved by the Trustees in December 2019.

The museum played host to over 29,000 visitors up to Covid-19 lockdown. There were a further 30 dedicated archive visits by national and international scholars, students and members of the public. We also provided a series of detailed tours of the

collection for the general public and Venue Hire clients.

We continued to support the research of six PhD Students researching various aspects of the history of science and delivered events for the growing Centre for Science in Culture, both of which are funded by the Philip Freer Studentship Fund. The PhD students were provided with continued access to the Ri archives as well as desk space. A well-attended symposium on 'Perpetual Motion' was delivered in February 2020 with six internationally renowned history of science experts speaking. The papers delivered are being adapted to enable publication on this subject.

The Ri Professor of the History of Science retired in October 2019. In July 2020, we appointed Jenny Bulstrode as Ri History of Science Researcher in an appointment shared with UCL. Jenny is contributing to the promotion of the Ri and its history as well as to specific projects and is a very welcome addition to the Ri team.

We continued to support several national and international history of science projects including the latest publications in the John Tyndall correspondence series. The second phase of the Davy Notebook transcription project was submitted to the AHRC for funding. This project with Lancaster University is built on the initial successful phase of digitising five of Humphry Davy's notebooks within the Ri's collection to be transcribed via a Zooniverse crowd participation project. This next phase will undertake the same work on all known Davy notebooks both within the Ri's collection and elsewhere.

Work continued with the University of Leeds on preparation of an exhibition and permanent display information on the life of Sir William Henry Bragg for their new Sir William Henry Bragg building due to open in early 2021.

Education

CHRISTMAS LECTURES

The December 2019 Ri CHRISTMAS LECTURES, 'Secrets and lies: The hidden power of maths' were delivered by Mathematician Dr Hannah Fry with support from Matt Parker. Co-produced by the Ri and Windfall Films Ltd the lectures involved a live audience of 1,180 at the Ri. For the second year, the filming was also 'livestreamed' to audiences at 20 partner organisations around the UK - reaching an additional 1,400 mainly young people. A total of 2.34 million viewers watched the lectures on BBC4 or via BBC iPlayer and they are now available for viewing on the Ri website. The lectures mathematical theme was reinforced in programming including a Youth Summit, Debate Kits for Schools to use and a 'Christmas Lectures Zone'- an online forum in which young people could ask specialists questions relating to the lectures.

Family Programme

Family Programme attendance continued to grow compared with previous years. Over 4,500 people took part in the family programme prior to mid-March.

The Programme expanded on the 2019 CHRISTMAS LECTURES themes in Ri theatre based events, with talks from statistician Jen Rogers and mathematician Rob Eastaway. Family Fun days also continued to be sell-out successes. Our October event was

a particular highlight, with a fantastic show by our very own Dan Plane exploring the science of disaster movies.

We also piloted a new careers-focussed event for teenagers, 'For Your Inspiration', in partnership with the Royal Society of Chemistry. Attendees heard from former Christmas Lecturer Saiful Islam, about how he became a chemist, and then had the opportunity to try 'hands on' activities and talk to people who work in a range of careers in Chemistry. Following the success of this event, we plan for this to become a regular part of the Programme, and a benefit for young Members who are too old to attend family fun days. The aim will be to partner with learned societies, to leverage their connections, to attract a broader range of exhibitors and to assist young people in their assessment of career options in science.

Masterclasses

Our national Masterclass programme opens young people's eyes to 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 tells us that this programme increases participants confidence and encourages them to take on more learning opportunities in these important subject areas.

The programme stretches from Aberdeen to Truro 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.

Highlights in the year prior to lockdown include:

- Running 137 Masterclass series with over 5,100 students in attendance up to March 2020.
- Coordinating a total of 686 workshops during this time. This constitutes 72% of the total Masterclass activity we were projecting to deliver for the whole year.
- Expanding into Northern Ireland, running our very first secondary mathematics series.
- Welcoming new supporters Kantor who will be supporting primary Masterclasses with £250k over two years.

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. In late 2019, the Centre celebrated its 10th anniversary of operation and partnership with L'Oréal UK and Ireland, following a record breaking year in terms of numbers of young people visiting the Centre

Up until lockdown, we had had more school bookings than any previous year. This included international visitors from Ireland and Spain. Significant interest from groups of home-schooled students continued. We increased workshops focused on teenagers to achieve a roughly even split of visits from secondary (27) and primary (29) school groups up to mid-March 2020.

We ran more holiday workshops than previously for young Members and individuals, ten up to closure. Between October and mid-March we hosted over 2,100 students putting us on

track to exceed the number of students reached in previous years.

The LYSC closed on 16 March 2020 and remains closed.

Science in Schools

Science shows and support activities were delivered in 77 schools up to the mid-March 2020 lockdown (2018/19: 155). We reached ~28,000 students (2018/19: ~57,000), provided ~1,000 teachers with science CPD and delivered community shows to parents of the school's students.

We delivered seven shows to schools in disadvantaged areas, with another 29 deferred due to Covid-19, funded from Ri endowments. In England, 75% of schools offered funded shows were in the 20% most deprived areas of the country according to the Income Deprivation Affecting Children Index, and 53% of schools were in the lowest 10% of deprived areas.

STEM Directories

We received 441 applications for STEM grants (2018/19: 350) for £45k of funding (£25k from the Clothworkers' Foundation and £20k from the LG Harris Trust). 86 schools were offered funding to host activities chosen from the STEM Directory, and 35 events had taken place before schools closed in mid-March 2020. We have agreed that the 51 schools unable to run their events before lockdown may continue to access funding for events to July 2021.

Digital

In December 2019 we celebrated the 10th anniversary of the Ri's YouTube channel. Our YouTube following has been on a rapid growth trajectory and 2019/20 was no different. At 30 September 2020, the Ri YouTube channel had over 890k subscribers – an increase of over 260k / 41%, over the previous year. Our videos were watched over 36 million times for a total of 15 million hours.

Our online audience continues to be global with the top five countries being the US (39%), the UK (13%), Canada (6%), India (5%) and Australia (5%).

The first half of the year was marked by online successes of extremely popular talks:

- "There is No Algorithm for Truth" by YouTuber Tom Scott (1.2m views) and
- "A Brief History of Quantum Mechanics" by physicist Sean Carroll (688k views).

Fundraising

Fundraising for this financial year has been severely impacted by the Covid-19 lockdown. Our original forecast looked set to grow on the previous year's successful fundraising result. However, after the lockdown in mid-March, it was clear that our forecast could not be achieved.

The team also focused on stewardship of our current donors, Patrons, Members and sponsors to ensure our key stakeholders were updated and informed of the Ri's plans for charitable programme work in lockdown.

Whilst this has been a very difficult year this year, it has not been without some highlights.

Corporate support

- 2019 CHRISTMAS LECTURES corporate supporters included UKRI, KPMG and Schlumberger.
- 2020 CHRISTMAS LECTURES supporters include IBM as the headline sponsor and UKRI continuing their support for a second year.
- L'Oréal continued their long-established support of the L'Oréal Young Scientist Centre with a focus on sustainability and has confirmed their continued commitment to the LYSC.
- The Faraday Institute and AWE renewed their support of our work.

Trusts and Foundations

- The Kantor Charitable Foundation generously committed to support the Kantor Primary Maths Masterclass programme with £250k funding over two years.
- Lloyd's Register Foundation continued their longstanding support for the CHRISTMAS LECTURES in 2019 and the 2020 CHRISTMAS LECTURES – this being their fifth year of continued support.
- Masterclass support from The Reece Foundation, AG Manly Charitable Trust, The DS Smith Charitable Foundation, The Company of Actuaries Charitable Trust and National Centre for Nuclear Robotics was very much appreciated in light of the lockdown's impact on our education work post mid-March.
- The Causeway Foundation endowment continues to support of our Computer Science Masterclasses.
- The Clothworkers' Foundation endowments continue to support both our Secondary Maths Masterclasses, Science Demonstration team and STEM grant programmes.
- LG Harris Trust also supported our STEM grants in order to deliver science workshops to schools around the country.
- The Ternality Trust agreed to fund additional development for the new Ri website – development and integration of a new Membership system and development of a Venue Hire section to attract new clients.

Patrons

Support from Patrons totalled £144k, including gift aid (2018/19: £155k) – a decrease due mainly to the Covid-19 lockdown with some Patrons committing to other deserving charities focused on the pandemic. This decrease is the result of non-renewal, a decrease in the average levels of support and some deferrals to the next financial year.

The 2020 CHRISTMAS LECTURES support included a significant gift from a Patron.

Individual Donations

We received £64k in individual gifts (2018/19: £46k), growth due largely to donations connected with our live streamed lectures.

Legacies

We are very grateful for legacies totalling £27k received this financial year (£30k in 2018/19).

Major Donors

We received two "six figure" gifts from major supporters of the

Ri this financial year. One, as referred above, was from the Kantor Charitable Trust to support our Primary Masterclasses and the other, as referred above, from a Patron to help fund the Christmas Lectures in a year when other sponsorship prospects have disappeared.

The Ri Trustees wish to thank each and every one of the generous 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, in part, to such generous commitments that the Ri is able plan to overcome the devastating impacts of the Covid-19 pandemic.

Membership

Our Membership community provides invaluable support and has been at the core of the Ri since 1810. This year has proved challenging but up to mid-March membership renewals remained strong although attracting new members fell 20% short of plan. To mid-March, overall Membership numbers were stable vs a 4% growth plan.

We are very grateful that just over 70% of Ri Members chose to renew their commitments and support the Ri for another year, and for the new Members who have signed up. Member income for the year was £229k (2018/19: £230k), but the financial impact of the pandemic will be more greatly felt in 2020/21 as we recognise Member income across their 12-month membership period.

Before the building closed in mid-March 2020, our Members enjoyed Discourses from Sir Paul Nurse, Lord David Willetts, Sir Gregory Winter and Brendan Walker. Our Young Members had the opportunity to attend our first ever career-focused event 'For Your Inspiration: An element of success with Saiful Islam and they attended the wonderful 2019 CHRISTMAS LECTURES delivered by Dr Hannah Fry.

Commercial Operations

Venue Hire

RIGB Limited, our trading subsidiary which provides Venue Hire, had a strong year to the end of February 2020 before Covid-19 concerns impacted client's events. We were on track for 8% income growth. Our new caterer, Searcys, commenced working with us from 1 January 2020 and introduced an exciting new food and beverage offering enhancing our events offer and they funded the creation of a much improved café.

With the hospitality industry still unable to reopen for meetings and conferences the team continues to work on the developing business rather than delivering events. Significantly enhanced website content was launched in October 2020 and we are working to ensure that this raises the Ri Venue Hire profile in online search results. We are also developing client event options that reflect our history, scientific purpose and expertise to differentiate our offerings and improve enquiry success rates, client satisfaction and repeat bookings.

The lockdown has also led to creative innovations for events on site that maximise the number of participants allowed under social distancing rules and enable events across multiple locations. We are also offering events where a client may wish to stream to hundreds of employees nationally or internationally.

Tenants and lease income

We derived £817k (2018/19 £807k) income from tenants who occupy space in our buildings that is not required for Ri activities. All tenants have continued to make rental payments broadly as contracted which has assisted financial planning.

Smaller tenants representing about 40% of this income have short three-year leases, all of which renew in the first half of 2021. However, we have been inundated with demand for space in the building that has resulted in two new large 'mission aligned' and science focused tenants. One new tenant, LIMS, is focused on mathematical science and has replaced two departing tenants. We have also freed up additional space, as a result of reduced staff numbers and plans for more flexible working in the medium term, to let space to the Imperial College Centre for Climate Change Innovation which will be launched in March 2021. These two new tenants provide exciting opportunities for collaboration with our charitable programmes and for enhancing our contribution to public engagement in science.

Volunteers and donated services

Trustees are very grateful for the valuable contribution made by volunteers who support our 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.

We would like to express our thanks to the many volunteers for their significant contribution in helping to deliver its heritage, communication and education charitable activities. For example, 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:

- John Weaver, who conducted an Internal Audit on GDPR at the Ri.
- Laurence Scales who has continued to assist 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 2020, the Ri had a total income of £4.213m (2018/19: £5.252m) and a deficit on Total Funds of £1.105m (2018/19: £9k deficit).

The Ri trading subsidiary, RiGB Ltd generated total income of £875k (2018/19: £1.640m) and loss of £225k (2018/19: £126k

profit) due to lower Covid-19 related income not covering costs.

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 £893k (2018/19: £1.144m), although not to levels of prior years, reflecting other charities' experience.

The Ri had cash in bank and short-term investments of £1.145m at 30 September 2020 (2018/19: £883k). The increase follows actions to preserve funds as referred in the opening section of this report.

The £400k HSBC overdraft facility was replaced in February 2021 with a £500k facility and £1.5m CBILS loan as referred above. The overdraft was not used in this financial year following actions described above to preserve funds.

Going concern

During the year, and subsequent to year end, the Coronavirus disease (Covid-19) and lockdowns have had a significant adverse impact across all business sectors including charities. As referred above, the March 2020 lockdown of schools and the hospitality industry has significantly impacted the Ri. We have reacted with agility and some success in evolving our programmes to a digital or remote platform as relevant, suspending other activities after full communication with their audiences and focused on maintaining strong relationships to enable rapid recommencement when the regulations allow and audiences demand.

The Trustees have undertaken detailed analysis and forecasting of the impact of Covid-19 for the foreseeable future and have concluded that, with financial support offered by our bank, HSBC, the Ri and the group remains a going concern. This analysis has been progressively updated as the outlook has changed and most recently based on forecasting the impact of various scenarios for return to "normal" activities. However, the Trustees recognise that, in common with many other organisations, the impact of Covid-19 and the lockdown has created significant uncertainty regarding the short-term future. In particular, the Trustees acknowledge that there is a lack of visibility of the potential impact of possible future outbreaks of the virus on the Ri's operations and financial position.

The impact of Covid-19 has produced a level of uncertainty over the Ri's future income and expenditure that did not exist previously. Since the lockdown in mid-March 2020 management have focused on freeing up unrestricted funds and preserving funds to support the charity through the crisis such that at year end, the Ri has £225k free cash funds and no debt. As a degree of clarity emerged about the level of financial support required to enable the Ri to survive this crisis and, as HSBC have considered and supported our application for a medium term financing facility, we have focused on all actions to preserve funds and maintain engagement with audiences, where possible, using new methods. Since year end, HSBC has offered the Ri a CBILS loan of £1.5 million, repayable over six years, plus a £0.5m overdraft facility, a £100k overdraft increase on that applying in this financial year. This offer has now been accepted and represents a significant strengthening of the charity's position and security.

In assessing the level of financial support required to survive this crisis, the Ri has developed a variety of severe but plausible downside scenarios for the period to 30 September 2023 which indicate that the Ri may need to rely fully on this facility. Based on cash flow projections and discussion with HSBC, the Trustees consider that with these facilities the Ri will be able to continue to operate and emerge from this crisis and continue to deliver our Mission. HSBC have also indicated, but not committed, a willingness to consider providing additional support if it was required.

Based on the above information the Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate. Further information is provided in the financial statements at pages 21 to 22.

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. Live streamed lectures are offered at no costs, but a requested donation, pending consideration of a Digital Membership model.

Certain activities such as the Mathematics Masterclasses, some Science in Schools events and some L'Oréal Young Scientist Centre events, are made available free of charge or for a nominal fee, made possible by the generous support of companies, endowments, trusts and foundations that help fund our educational and charitable activities.

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

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 December 2020 transferred 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 2019 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) basis using the CPI index.

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 minus 6.7%% (2018/19: plus 3.0%) due to stock

market falls in the March and September quarters. The result was below benchmark for the growth and income / medium risk portfolios of minus 2.2% (2018/19: plus 5.0%).

Ri Pension and Life Assurance Scheme

The Ri Pension and Life Assurance scheme, with 9 current or deferred members) has been closed to new members for many years. A £147k charge has arisen in the current year as a result of the FRS102 valuation calculating a liability greater than the underlying investments (see note 25 for details).

The Trustees of this Scheme have demonstrated support and understanding toward the Ri in this difficult year and agreed to waive Deficit Reduction Payments as allowed by the Pensions Regulator. These payments will recommence from 1 October 2020 at the rate of £41k per annum to extinguish the liability over the next nine years. The Ri Trustees are very grateful to the Scheme Trustees for this understanding which has helped preserve cash funds.

Reserves policy

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

The Trustees are committed to replenish Endowment and Restricted investment funds as described in Note 22 to the Financial Statements. However the loss of income due to Covid-19 and the lockdown from March 2020 and the need to preserve funds has led Trustees to decide not replenish endowments in the current year. In light of the debt expected to be taken on to get through this crisis, Trustees will prioritise repayment of debt over endowment replenishment in the coming years.

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 have had an aim to establish an Operating Reserve of around £3.5m, equating to one year's total operating expenditure, although we plan to reassess the appropriate level of reserve required in future years when re-creating such a Reserve. Operating Reserves are established to support the charity in times of financial stress. The March 2020 lockdown has created such financial stress and in June the Trustees resolved to liquidate the Operating reserve of £222k to ensure sufficient funds were available as the year progressed.

The Ri has a deficit on free unrestricted funds of £1.901m and £2.017m for the Group (2018/19: £2.130m for the charity and Group) as a consequence of historic overspending on the building refurbishment, the additional cost of running the refurbished building and a shortfall in capital and operational funding. This deficit will be eliminated as Endowments and Restricted funds are replenished as referred in Note 22 to the financial statements. The deficit has increased as a result of the year's deficit.

Total funds are £45,821k (2018/19: £46,926k) and of that, £23,475k (2018/19: £23,780k) were Endowment and Restricted funds. Total funds include Tangible Fixed Assets and Heritage Assets funds which are only realised if the assets are disposed,

for which there are no plans.

Plans for future periods

The Ri's strategic priorities are demanding and ambitious, albeit paused as we face this Covid-19 crisis. They build upon the Ri's strengths, expertise and over 200-year history of public engagement with science.

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.

Implementation of our strategy has continued 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.

The Covid-19 lockdown led to a reassessment of priorities and identification of a number of strategic opportunities that are being progressed as rapidly as we are able. If successful, these opportunities could have a very significant impact on the Ri's future prospects. Announcements will be made as these opportunities develop.

When the restrictions of Covid-19 are eased and we return to more normal levels of activity, and as funding allows, the Ri will resume planned growth of current and new activities 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 as reported in last year's Trustees' Report. 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) and three Standing Committees (an Audit & Risk Committee, a Finance Committee and a Nominations Committee). The Board of Trustees, Audit & Risk Committee, Finance Committee, and Nominations Committee generally meet at least 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 and Ri Members.

A Director of the Ri is appointed by the Trustees to lead the organisation to ensure delivery of the business plan and budget with the full engagement of a committed and exceptionally talented team. The Ri Director does this with the collective support of the Director of Development, Director of Finance & COO, Director of HR and Organisational Development (from December 2019) and Director of Strategy and Business Development (from September 2020). A Director of Science Engagement was appointed in February 2021 and will join the Ri team in March. Ri staff salaries are determined by independent benchmarking and evaluated by the Remunerations Committee.

As reported last year, the Ri Director and Director of Science & Education both resigned in Autumn 2019. Trustee Lucinda Hunt resigned from the Board of Trustees in December 2019, and the Board subsequently appointed her to the position of Interim Ri Director from March 2020. Lucinda has had a distinguished career in education and has maintained a close association with the Ri over many years. She has served as a Trustee, and as a member of both the Nominations and the Science & Education Committees. As Lucinda had previously been a Trustee, the Ri sought approval from the Charity Commission for her appointment. A Charity Commission Order dated 12 March 2020 authorised the Ri to employ Ms Hunt as Interim Ri Director for a period of 12 months.

Covid-19, and its impact on the Ri as described above, has led the Trustees to ask Lucinda to extend her term for a further 12 months, which she has agreed to do.

The Board of Trustees review the Governance Code annually, monitoring progress and acting upon areas in which improvement is required. As part of last year's review, the Board of Trustees have continued work on expanding diversity and inclusivity across all aspects of the Ri's governance.

The Board have appointed Suze Kundu as Trustee responsible for Diversity & Inclusion, widened diversity on the Board of Trustees and Standing Committees in the 2020 Election and started the process to amend Terms of Reference for the Nominations Committees to include their responsibility for Diversity & Inclusion at Board and Committee levels.

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).

In respect of the 2020 Election, the Nominations Committee received 10 nominations and an election took place as per Byelaw regulations. Following the election and subsequent 28 May 2020 AGM, three Trustees were elected with Audit, Finance, Development, Science and Engagement experience and expertise, with an additional Trustee appointed with Audit & Cyber Security expertise.

Trustee induction and training

New Trustees are inducted to the Board using an approved induction plan. They are briefed and receive a copy of the Ri Byelaws, as well as key policies and procedures, and the Charity Commission's "The essential Trustee: what you need to know". Trustees are kept up to date throughout the year with changes to legislation by the Directorate; are invited to attend Ri staff Team Breakfasts and briefings; and training. 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 building at 21 Albemarle Street, to maximise the return on the its charitable assets and provide income to support charitable programmes. The Ri's event space is established as an attractive destination for many clients and the diversity of these clients has grown up until lockdown in March 2020.

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, normally, gift aids its profits to the Ri. RiGB generated revenues of £875k (2018/19: £1.640m) but made a loss of £341k (2018/19 £126k profit) due to the impact of the Covid-19 lockdown from 18 March 2020. The Ri has provided a letter of support to the Directors of RiGB Limited to enable them to sign this year's financial statements.

The Ri has a tenancy arrangement on normal commercial terms with UK Stem Cell Foundation for an office in 21 Albemarle Street for an annual rent of £10.6k. The Chairman is chair of UK Stem Cell. This agreement is consistent with other small tenancies as to lease rates, terms and other conditions.

The Ri had an agreement with the Genetic Society, to provide a member of staff, and support to undertake various Genetics Society projects. Income from this work was £94k in the

2019/20 year. This agreement was based on normal commercial terms, but for practical reasons came to an end in July 2020. The Deputy Chair of the Ri Board, Prof Alison Woollard, is the Vice-President of the Genetics Society.

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

Fundraising approach and standards

Our fundraising approach is 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" 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, but they do not assist us to raise funds. We use a research organisation to assess prospective supporters. This year we have worked with a consultant to support the Development Team to deal with the impact that Covid-19 has had on fundraising and charity sector this year.

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 aim 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 reports to the Board at quarterly Trustees meetings.

Complaints received by the charity

We have an established complaints procedure, newly introduced in the last financial year. For the financial year ending 30 September 2020, 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 ICA 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>) and clearly explains 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 our approach to managing people's privacy under a clearly headlined '*Fundraising and Development*' section. Individuals are made aware of updates and changes through email communication.

The Ri offers a 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 Salesforce based CRM system. 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 who can contact and be contacted by the donor. 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 appropriate communications are 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 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.

Risk management

The major risks to which the Ri is exposed have been reviewed and systems have been embedded to manage and 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 Directorate, and supported by the Audit & Risk Committee using a variety of risk management tools, including a Risk Assurance Framework, Risk Register and Heat Maps, 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 receive quarterly updates on Ri risks via regular updates from the Audit & Risk and Finance Committees, allowing them to effectively evaluate 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

The Ri also continuously monitors operational and financial risks, which are core to ensuring a sustainable and valued charitable offering. 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 quality of its programmes help mitigate the risk. The Ri's ability to reshape itself and implement a sustainable strategy for the future remains the key focus of the Directors.

In 2019/20 this risk was exacerbated by the impact of the Covid-19 pandemic and lockdown, causing all physical events to be cancelled. This has increased this risk from both a financial and programmatic perspective. Mitigating actions have been developed by the Directors and the Incident Response Team and are constantly reviewed. Further impacts will emerge as the lockdown restrictions and the Government's CJRS Scheme ends and we make plans to recommence events and open the building in 2021. Significant aspects of Covid-19 related risks include:

- Beneficiaries and supporters: Covid-19 restrictions have reduced beneficiaries' access to events which cannot be held in their traditional form. Remaining relevant to an ever-evolving audience at a time when events could not be held, the building was closed and staff furloughed has been a key strategic risk. Supporters are less willing to support programmes where delivery is principally online. Member retention is reduced while tangible benefits from events are reduced. Mitigation taken includes creating alternative digital services, virtual live streamed lectures and new digital content and outreach unconnected to the confines of the building.
- Trading income and Venue Hire clients: Due to Covid-19, customers are unable to hold face to face meetings and events. This may cause habits to change and alternatives may be preferred in a post Covid-19 future. Alternatively, in the medium-term customers may prefer alternative venues outside of London where more space can be secured at lower cost enabling wider social distancing. Secured venue bookings have been postponed indefinitely and there is a risk that customers may request refunds. Suppliers such as caterers Searcy's may be unable to comply with their contract with the Ri and undermine the appeal of the venue. RIGB staff have invested considerably in client relationships, developing new offerings, promoting offerings to new prospects and working with existing clients to discuss how and when events can be held safely.
- Staff: In times of such uncertainty it becomes more difficult to retain staff, especially while they fear redundancy. Remote working may undermine teamwork and cross-departmental innovation may be undermined. Following reorganisation, the Executive is working with the wider team to support innovation and focus efforts on generating income.
- Financial: Income, in particular unrestricted income, may fall to levels insufficient to cover the cost of running the organisation. The Ri has, and is, reducing costs whilst Covid-19 impacts continue. In addition to this, the Ri is taking advantage of all Covid-19 related grants and support programmes such as the Coronavirus Job Retention Scheme. Detailed cashflow forecasting has been developed to assess financial needs and actions to survive this crisis. HSBC has

offered, and we have accepted, a £2m facility comprising £1.5m CBILS loan and £0.5m overdraft. The Arts Council is supporting the Ri with a £589k Culture Recovery grant for Q1 2021. The Ri has also issued a letter of support to the Directors of RIGB Ltd, which is technically insolvent following the loss on Venue Hire income since lockdown.

The Ri's work to establishing a stable financial foundation over the past few years continues, together with the close management of cash flows, monthly financial reviews including forecasting and management reporting.

Since charitable programme content is the core element of the Ri's Royal Charter, the final major risk, monitored regularly, is the potential failure of programme content to attract financial support. This is even more vital in the current lockdown.

The Trustees are confident that the Ri will survive this crisis and emerge more focused and effective than in the past. The Board and Sub-Committees have met numerous times outside the normal four meetings per year to support management in responding to this crisis. With financial facilities secured to enable the Ri to emerge stronger from this crisis, the Ri remains in a secure and 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:

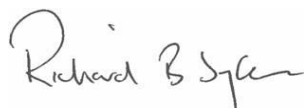
- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities' Statement of Recommended Practice.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject 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
24 February 2021

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 2020 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 2020 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 14, 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 *26 February 2021*

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 2020

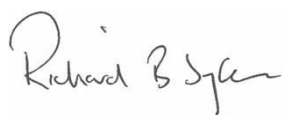
	Notes	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2020 Total Funds £000	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2019 Total Funds £000
Income and endowments from:							
Donations and legacies	2	735	135	870	318	209	527
Other trading activities	3	1,785	-	1,785	2,666	-	2,666
Investments	4	29	115	144	27	125	152
Charitable activities	5	771	643	1,414	1,097	810	1,907
Total		3,320	893	4,213	4,108	1,144	5,252
Expenditure on:							
Raising funds	6	1432	56	1,488	1,681	51	1,732
Charitable activities	7	2,562	778	3,340	2,594	1,000	3,594
Total		3,994	834	4,828	4,275	1,051	5,326
Net (losses) / gains on investments	14	(21)	(322)	(343)	1	64	65
Net (expenditure) / income		(695)	(263)	(958)	(166)	157	(9)
Transfers between funds	10	143	(143)	-	170	(170)	-
Net income / (expenditure) before Replenishment		(552)	(406)	(958)	4	(13)	(9)
Replenishment of funds	22	-	-	-	(143)	143	-
Other recognised losses							
Actuarial losses on defined benefit pension scheme	25	(147)	-	(147)	-	-	-
Net Movement In Funds		(699)	(406)	(1,105)	(139)	130	(9)
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		23,148	23,778	46,926	23,287	23,648	46,935
Fund balances carried forward at 30 September		22,449	23,372	45,821	23,148	23,778	46,926

The notes on pages 21 to 44 form part of these financial statements.

Balance Sheet as at 30 September 2020

		Group	Charity	Group	Charity
		2020	2020	2019	2019
	Notes	£000	£000	£000	£000
Fixed Assets:					
Intangible Assets	11	183	172	120	106
Tangible Assets	12	34,457	34,407	34,476	34,440
Heritage Assets	13	4,719	4,719	4,719	4,719
Investments	14	7,727	7,727	8,741	8,741
Total Fixed Assets		47,086	47,025	48,056	48,006
Current Assets:					
Debtors	15	295	295	731	569
Cash at bank and in hand		1,145	1,115	883	753
Total Current Assets		1,440	1,410	1,614	1,322
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,280)	(1,155)	(1,581)	(1,240)
Net Current Assets		160	255	33	82
Total assets less current liabilities		48,246	47,280	48,089	48,088
Creditors: Amounts falling due after more than one year	17	(1,278)	(1,087)	(1,163)	(1,162)
Net Assets Excluding Pension Liability		46,968	46,193	46,926	46,926
Defined Benefit Pension Scheme Liability	25	(147)	(147)	-	-
Total Net Assets		45,821	46,046	46,926	46,926
The Funds of The Group and Charity:					
Endowment funds	19	21,457	21,457	21,977	21,977
Restricted income funds	20	1,915	1,915	1,801	1,801
Unrestricted funds	21	22,596	22,821	23,148	23,148
Pension reserve	25	(147)	(147)	-	-
Total Charity Funds		45,821	46,046	46,926	46,926

Approved by the Board of Trustees on 23 February 2021 authorised for issue, and signed on its behalf by:



Sir Richard Sykes
 Chairman
 Date: 24 February 2021

The notes on pages 21 to 44 form part of these financial statements.

Consolidated and Charity Cash Flow Statements for the year ended 30 September 2020

	Notes	2020 Group £000	2020 Charity £000	2019 Group £000	2019 Charity £000
Cash flows from operating activities:					
Net cash used in operating activities		(396)	(334)	(499)	(497)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	144	144	152	152
Purchase of property, plant and equipment	12	(63)	(36)	(219)	(184)
Purchase of intangible assets	11	(94)	(83)	(1)	(1)
Purchase of investments	14	(1,938)	(1,938)	(1,457)	(1,457)
Proceeds from sale of investments	14	2,609	2,609	1,769	1,769
Net cash provided by investing activities		658	696	244	279
Change in cash and cash equivalents in the reporting period		262	362	(255)	(218)
Cash and cash equivalents at 1 October		883	753	1,138	971
Cash and cash equivalents at 30 September		1,145	1,115	883	753
Reconciliation of cash flows from operating activities:					
Net income/(expenditure) for the reporting period		(958)	(733)	(9)	(9)
Adjustments for:					
Depreciation and Amortisation charges	11,12	105	78	92	57
(Gains)/Losses on investments	14	343	343	(66)	(66)
Dividends, interest and rents from investments	4	(144)	(144)	(152)	(152)
Loss on disposal of fixed assets	12	8	8	9	9
Decrease/(increase) in debtors	15	436	274	(281)	(245)
(Decrease) in creditors	16,17	(186)	(160)	(92)	(91)
Net cash (used in) operating activities		(396)	(334)	(499)	(497)

The notes on pages 21 to 44 form part of these financial statements

Notes to the financial statements for the year ended 30 September 2020

1. Accounting policies

Charity Information

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

Basis of Accounting

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

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

These financial statements consolidate the results of The Royal Institution of Great Britain and its wholly owned subsidiary RiGB Limited (Company number 4065626) on a line-by-line basis. 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

During the financial year the Covid-19 disease has created a global pandemic causing a significant impact across all business sectors and charities. The Ri has responded with agility and with a considerable degree of success in evolving charitable programmes to, where possible, continue to deliver to audiences despite the severe constraints whilst also protecting its financial resources.

The Executive, with Trustee involvement, have undertaken a detailed analysis of programmes and activities to adapt where possible to social distancing rules and emerge from this crisis with

stronger, more relevant and focused programmes than before. This has led to prioritising the public engagement of science, reassessment of our education programmes, reducing and restructuring the Ri team – reducing headcount by 34%.

Up to the mid-March 2020 lockdown programme impact grew and we were on track to deliver a modest financial surplus for the year. Subsequent to lockdown, all programmes have been significantly impacted and most income generation has ceased. The uncertainty of the timing and eventual impact of the virus on the Charity's operations has created significant uncertainty regarding the short to medium term future. Forecasting future financial needs has led to strengthening working capital, reducing costs and securing loan funds to fund activities and survive this pandemic until the Ri becomes financially self-sustaining once again.

The key operational impacts of COVID-19 are described in the Trustees Report attached to these financial statements. Impacts include suspension of almost all programmatic activity and trading income generation. The one positive exception has been premises leased to tenants which have continued to generate income as contracted. Lease renewals scheduled in 2021 have demonstrated greater demand for Ri space and, through release of additional space due to headcount reductions, will generate higher levels of future income. Charitable programmes and trading activities are however not expected to recover to pre-Covid-19 levels until late 2022.

The Executive have acted to ensure the best use of resources and funds including:

- Variable cost reductions, stopping discretionary spend and agreeing HMRC payment deferrals;
- Reducing staff costs by discounting salaries up to 10% for those working and up to 20% for those furloughed. Additionally, the usual 1 October pay rise in 2020 has been deferred;
- Headcount reduction through largely voluntary, but some compulsory redundancies, staff on short term contracts being terminated and, with a small number of 'strategic' exceptions, recruitment frozen;
- Use of the government furlough scheme and securing emergency funding grants;
- Suspending capital spending;
- Liquidating the Operating reserve and designated funds totaling £371k.

It is recognised that the impact of Covid-19 is not unique to the Ri. Operational and financial risks are however increased if Covid-19 changes behaviours and therefore may affect short-term and long-term resilience. The principal risks facing the Ri, including those resulting from the impacts of Covid-19, and how they are mitigated, are described in the Trustees report on page 14.

The financial impacts of Covid-19, particularly on unrestricted income, have been severe and have been, to a degree, mitigated by developing other sources of income, reducing staff and non-staff costs and taking other actions as described above and in the Trustees report on pages 5 & 6. These actions have enabled the Ri to avoid the need to borrow or raise debt during this financial year.

To assess potential future financial impacts of Covid-19, the Ri has forecast activities and resulting cash flows using:

- A Base Case – based on 31 December 2020 actual results and forecast for the period to 30 September 2021 plus cash flows for the 2022 – 2028 years modelled on a series of conservative operational and financial assumptions
- Two plausible downside scenarios to the Base Case modelled for the same period but with later and longer recovery periods.
- Two “mothballing” scenarios modelled for the same period.

The Base Case forecast and first downside Scenario indicates that the HSBC loans secured (see below) will be sufficient for the Ri to emerge from the crisis and return to financial sustainability and service debt taken on. The forecast for the second, more severe, downside scenario indicates that the HSBC loans secured will be sufficient for the Ri to emerge from the crisis and return to financial sustainability and service debt after additional and significant action to reduce costs commensurate with a later and longer recovery. The forecasts of the two mothballing scenarios identify funding required to substantially reduce capability and protect assets – forecast funding for these scenarios is significantly lower than that recently secured but would require renegotiation of terms or asset sales.

The Base Case and plausible downside scenario forecasts indicate however that the Ri will not be able to finance itself through this crisis to recovery. An application to HSBC for a £2m finance facility to fund activities through the pandemic and to recovery has resulted in HSBC offering a £1.5m CBILS loan (repayable over six years) and a £0.5m overdraft. This has been accepted by Trustees and represents a significant strengthening of the security of the financial position.

Continued uncertainty exists regarding Covid-19 and future government action, guidelines and the impact of vaccination programmes. Trustees are prepared to accept further reduction of activity and capability should this become necessary for the survival of the organisation.

Based on existing levels of free cash, the HSBC loan facility secured, income and expenditure and cash flows forecast under the Base Case and two plausible downside scenarios, the Trustees are satisfied that the charity has adequate resources to continue in operation for the foreseeable future. Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Recognition of Income

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

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

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. Due to Covid-19 related social distancing, the Venue Hire team worked with their customers postponing previously scheduled events. The judgement whether an event may take place in the next financial year or later affects the short-term or long term liabilities. Considerations were given to, among others, the ability to fit participants in under distancing rules, whether the event was considered overdue, whether the customer had enough cash resources to postpone again rather than cancel.

Grants are included in incoming resources when the charity has met all conditions of receipt. Coronavirus Job Retention Scheme grants are accounted for in the period the entitlement arises.

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

Recognition of Liabilities

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

Allocation of costs

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

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

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

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

Properties, fixed assets and depreciation

Long leasehold land and buildings are stated at deemed cost in the case of properties for charitable use. The freehold property of No. 20 Albemarle Street is stated at deemed cost (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 at rates calculated on a straight line basis. The principal rates used are as follows (half a normal year's depreciation charged on assets acquired and capitalised during the year):

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

Investments

Fixed asset investments, which include Investment Property, are included in the financial statements at market value on the Balance Sheet date. The Investment Property is valued at the discounted value of future lease payments contracted under a 20 year lease contracted in 2016. 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 at rates calculated on a straight line basis. 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):

Finance Software	10% pa
All other Software	33% pa

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.

Estimates and judgements

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

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

Redundancy and Termination Payments

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

2. Donations and legacies

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2020 Total Funds £000	2019 Total Funds £000
Voluntary Income:				
Donations – Patrons	123	125	248	121
Donations – Other	69	-	69	66
Legacies	27	-	27	30
Total Voluntary Income	219	125	344	217
Other income:				
Government Grant CJRS	496	-	496	-
Donations – Education	20	10	30	234
Donations – Corporates	-	-	-	76
Total donations and legacies	735	135	870	527

The group received a grant of £496k via the Coronavirus Job Retention Scheme (2019:£0). The CJRS is the only form of direct financial assistance received from the UK Government in this financial year (2019: £0) and there are no unfulfilled conditions or other contingencies attached to this grant.

3. Other trading activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2020 Total Funds £000	2019 Total Funds £000
Rents receivable	817	-	817	807
RiGB Limited room hire income	710	-	710	1,495
Sundry income	258	-	258	364
Total other trading activities	1,785	-	1,785	2,666

4. Investments

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2020 Total Funds £000	2019 Total Funds £000
Quoted investments	28	114	142	150
Deposit interest	1	1	2	2
Total investments	29	115	144	152

The split of investment income between funds for 2019 was £27k Unrestricted and £125k Restricted.

5. Income from charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2020 Total Funds £000	2019 Total Funds £000
Membership subscriptions	216	-	216	194
Patron subscriptions	21	-	21	47
Corporate subscriptions	25	-	25	17
Public and educational events	390	-	390	622
Sponsored events	115	-	115	145
Educational programme grants	-	643	643	872
Heritage	4	-	4	10
Total income from charitable activities	771	643	1,414	1,907

The split of income from charitable activities between funds for 2019 was £1,097k Unrestricted and £810k Restricted.

6. Raising funds

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2020 Total Funds £000	2019 Total Funds £000
Direct costs – Voluntary Income	72	-	72	96
Direct costs – Other Income	242	5	247	177
Support costs	263	-	263	245
RiGB Limited direct costs	408	-	408	542
RiGB Limited support costs	447	-	447	621
Investment Management and Audit Fees	-	51	51	51
Total costs of raising funds	1,432	56	1,488	1,732

The split of Raising Funds for 2019 was £1,681k Unrestricted and £51k Restricted.

7. Charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2020 Total Funds £000	2019 Total Funds £000
Members' Costs:				
Direct costs	85	3	88	96
Support costs	72	-	72	110
Total Members' Costs	157	3	160	206
Education:				
Programme costs	434	465	899	1,055
Young Scientist Centre	164	30	194	159
Online	174	10	184	178
CHRISTMAS LECTURES	87	218	305	325
Support costs	1,323	-	1,323	1,278
Total Education costs	2,182	723	2,905	2,995
Heritage				
Collection costs	113	3	116	145
Philip Freer Fund	-	49	49	71
Support costs	110	-	110	177
Total Heritage costs	223	52	275	393
Total charitable activities	2,562	778	3,340	3,594

The split of charitable activities for 2019 was £2,594k Unrestricted and £1,000k Restricted.

Auditor's remuneration excluding VAT was £31k for audit services and £3k for other accountancy services (2019: £26k for audit services and £3k for other accountancy services).

8. Allocation of support costs

	Fundraising & Development £000	Members ' Costs £000	Education £000	Heritage £000	RiGB Ltd £000	Total 2020 £000	Total 2019 £000
Premises costs	84	23	423	35	190	755	928
Operations, Finance & IT	73	20	365	30	104	592	682
Staff recruitment, training & welfare	12	3	60	5	17	97	108
Office costs	26	7	130	11	37	211	114
Legal and professional	6	2	30	3	9	50	47
Depreciation	9	3	47	4	13	76	62
Marketing	21	6	105	9	30	171	208
Digital costs	1	0	5	0	1	7	24
Governance	31	8	158	13	46	256	260
Total	263	72	1323	110	447	2,215	2,433

9. Staff costs

	2020 £000	2019 £000
Wages and salaries	2,551	2,294
Social security costs	249	234
Pension costs – defined benefit	15	64
Pension costs – defined contribution	107	40
Total Staff Costs	2,922	2,632

No remuneration was paid to Trustees (2019: £nil). £386 travel expenses have been paid to two Trustees during the year (2019: £nil).

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

	2020 No.	2019 No.
£60,001-£70,000	1	2
£70,001-£80,000	2	-
£80,001-£90,000	2	2
£120,001-£130,000	-	1

Three of the above employees (2019: three) benefited from employer's contributions to their stakeholder schemes during the year totalling £13k (2019: £32k).

Average number of employees analysed by function

	2020 No.	2019 No.
Educational Programme	28	26
Heritage	2	4
Premises	12	11
Directorate	2	1
Fundraisers	5	5
Membership department	1	2
Operations, Finance and IT	15	10
Total Staff	65	59

Staff loans

At 30 September 2020, staff loans totalled £0k (2019: £10k). No interest is charged on these loans, which mainly relate to advances for travel season tickets. Due to the requirement to work from home, no new loans were requested.

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 for part of the year, the Director of Development, the Director of Human Resources and Organisational Development for part of the year. Total remuneration of the key management personnel, including employer's national insurance and employer's pension contributions, was £442k (2019: £434k).

Executive Liability Insurance has been purchased from Chubb which covers staff and Trustees. A premium of £4k (2019: £4k) was paid for £1m (2019: £1m) of cover.

Redundancy Payments

A reorganisation following a staff consultation necessitated by Covid-19 resulted in eleven redundancies totalling £38k in the year (2019: one, £50k). Six of those redundancies are payable after balance date and have been accrued.

Termination Payments

There were no termination payments in the year (2019: £14k) as compensation for terminating an employment contract in lieu of notice.

Ex-gratia payments

There were no Ex-gratia payments in the year (2019: NIL).

10. Gross transfers between funds

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
British Aerospace	A			(22)	22
Causeway	B	(17)			17
Christmas Bursary	C	(1)	1		
Clothworkers	D	(16)		8	8
Company of Actuaries	E	(5)		5	
DS Smith	F	0		0	
Genetic Society	G	1		(1)	
Gillespie	H	(6)		(10)	16
Kantor	I	(7)		7	
LG Harris	J	(1)		1	
Library funds	K	(36)	36		
Life Membership Fund	L	(14)	14		
LRF	M	(64)		64	
Manly Trust	N	0		0	
NCNR	O	(7)		7	
Philip Freer Studentships Income	P	(17)		17	
Reece Foundation	Q	(4)		4	
Total Transfers (excluding redesignation)		(194)	51	80	63
Redesignation of Funds:					
Christmas Bursary	R	(18)	18		
Life Membership Fund	R	(131)	131		
Operating Reserve	R	(222)	222		
Endowment Replenishment		(371)	371		

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

- A) The TRA valuation enabled a transfer from endowment into restricted funds (see note 19)
- B) This is the contribution to overheads
- C) This is the contribution to overheads
- D) Contribution to overhead was £16k, and any excess expenditure of income fund (£8k) was replenished by expendable endowment
- E) This is the contribution to overheads
- F) This is the contribution to overheads
- G) Overspend on fund carried by general fund. A provision of £3k was made for work outstanding.
- H) £16k relates to the TRA valuation that enabled a transfer from endowment into restricted funds (see Note 19), £6k are contribution to overheads.
- I) This is the contribution to overheads
- J) This is the overall contribution to overheads, included in the nominal amount given for grant funding.
- K) This is the contribution to overheads
- L) This is the contribution to overheads
- M) This is the contribution to overheads
- N) This is the contribution to overheads
- O) This is the contribution to overheads
- P) This is the contribution to overheads
- Q) This is the contribution to overheads
- R) This is the redesignation of designated funds during Covid-19 to free up unrestricted cash

11. Intangible assets

Group and Charity	Computer Software £000	Charity Total £000	CRM Software RiGB Limited £000	Group Total £000
Cost or Valuation:				
At 1 October 2019	125	125	81	206
Additions	83	83	11	94
At 30 September 2020	208	208	92	300
Amortisation:				
At 1 October 2019	19	19	67	86
Charge for the year	17	17	14	31
At 30 September 2020	36	36	81	117
Net Book Value:				
At 30 September 2019	106	106	14	120
At 30 September 2020	172	172	11	183

12. Tangible assets

Group and Charity	Freehold Building £000	Long Leasehold Land & Buildings £000	Restaurant Fixtures & Fittings £000	Computer Equipment £000	Plant & Equipment £000	Fixtures and Fittings £000	Charity Total £000	RiGB Ltd £000	Group Total £000
Cost or Valuation:									
At 1 October 2019	11,880	22,332	37	549	-	494	35,292	101	35,393
Transfer	-	-	-	-	15	(15)	-	-	-
Additions	-	-	-	5	11	20	36	27	63
Disposals	-	-	-	(8)	-	-	(8)	-	(8)
At 30 September 2020	11,880	22,332	37	546	26	499	35,320	128	35,448
Depreciation:									
At 1 October 2019	-	-	37	383	-	432	852	65	917
Transfer	-	-	-	-	3	(3)	-	-	-
Charge for the year	-	-	-	47	4	10	61	13	74
On Disposals	-	-	-	-	-	-	-	-	-
At 30 September 2020	-	-	37	430	7	439	913	78	991
Net Book Value:									
At 30 September 2019	11,880	22,332	-	166	12	50	34,440	36	34,476
At 30 September 2020	11,880	22,332	-	116	19	60	34,407	50	34,457

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 Property, Plant and Equipment valuation is being taken as deemed 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 2019	665	2,626	410	919	99	4,719
Additions	-	-	-	-	-	-
Valuation at 30 September 2020	665	2,626	410	919	99	4,719

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

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

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

The collections are accessible to the public and scholars in a number of ways. Roughly a thousand objects are displayed around the building, whilst the archives and reserve collection may be viewed by appointment. The museum has been closed as a result of Covid-19 regulations since mid-March 2020.

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

Group and Charity	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
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 2020 £'000	Group Total 2019 £000
Fair value at 1 October 2019:	356	4,385	4,000	8,741	8,987
Disposals - Quoted investments	-	(2,339)	-	(2,339)	(1,887)
Net realised losses on sale of quoted investments	-	(163)	-	(163)	(80)
Purchase of quoted investments	-	1,938	-	1,938	1,457
Net unrealised investment gains (losses) on quoted investments	-	(180)	-	(180)	146
Cash movements	(270)	-	-	(270)	118
Fair value at 30 September 2020	86	3,641	4,000	7,727	8,741
Historical cost at 30 September	86	3,465	-	3,550	4,009

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	2020 £000	2019 £000
HSBC - UK Fixed Interest	104	16
HSBC - Overseas Fixed Interest	442	581
HSBC - UK Equities	1,823	1,479
HSBC - Overseas Equities	877	1,804
HSBC - Alternative Investment Property	395	504
Total quoted investments	3,641	4,384

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

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

	2020 £000	2019 £000
Turnover	875	1,640
Cost of sales	(653)	(893)
Management fee paid to Ri	(447)	(621)
Operating (Loss) / Profit	(225)	126
(Loss) / Profit on ordinary activities before taxation	(225)	126
Taxation	-	-
(Loss) / Profit for the year after Taxation (2019 profit was distributed to parent as Gift Aid)	(225)	126

The balance sheet of the subsidiary is as follows:

	2020 £000	2019 £000
Fixed assets		
Tangible fixed assets	50	36
Intangible fixed assets	11	14
Current assets		
Debtors	5	287
Cash at bank	30	130
Creditors: Amounts falling due within one year	(130)	(466)
Net current assets	(95)	(49)
Creditors: Amounts falling due after more than one year	(191)	(1)
Total assets less liabilities	(225)	-
Capital and reserves		
Called up share capital	-	-
Profit and loss account	(225)	-
Shareholders' Deficit	(225)	-

15. Debtors

	2020 Group £000	2020 Charity £000	2019 Group £000	2019 Charity £000
Trade debtors	93	89	337	177
Amount owed by subsidiary	-	5	-	-
Other debtors	7	7	10	10
Tax recoverable	7	7	53	53
Prepayments and accrued Income	188	187	331	329
Total Debtors	295	295	731	569

16. Creditors: Amounts falling due within one year

	2020 Group £000	2020 Charity £000	2019 Group £000	2019 Charity £000
Trade creditors	184	170	398	377
Amount owed to subsidiary	-	-	-	63
Other tax and social security	462	408	154	89
Holiday pay accrual	52	52	28	28
Other creditors	16	16	42	34
Income received in advance (see note 18)	407	363	780	483
Accruals	159	146	179	166
Total Creditors: Amounts falling due within one year	1,280	1,155	1,581	1,240

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

	2020 Group £000	2020 Charity £000	2019 Group £000	2019 Charity £000
Income received in advance (see note 18)	1,278	1,087	1,163	1,162
Total Creditors: Amounts falling due after more than one year	1,278	1,087	1,163	1,162

18. Income received in advance

	Balance as at 30 September 2019 £000	Income released in the year £000	Income received in advance during the year £000	Balance as at 30 September 2020 £000
Charity				
Grant income	158	(123)	15	50
Subscription income	105	(249)	234	90
Events income	41	(200)	177	18
Advanced Rental & Service Charge	104	(704)	730	130
Lease Premium	1,237	(75)	-	1,162
Total Charity	1,645	(1,351)	1,156	1,450
RiGB Limited	299	(786)	722	235
Group	1,944	(2,137)	1,878	1,685

19. Endowment funds

1 October 2019 to 30 September 2020:

Group and Charity	Balance as at 1 October 2019 £000	(Outgoing) £000	Investment Management Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2020 £000
Permanent Endowment Funds:						
British Aerospace Educational fund	119	-	(1)	(22)	-	96
Clothworkers' Masterclasses fund	-	-	-	-	-	-
Dr Ludwig Mond Trust	16,219	-	(1)	-	(14)	16,204
Gillespie Trust fund	666	-	(9)	(16)	(68)	573
Philip Freer Studentships Fund	1,113	-	-	-	-	1,113
Total Permanent Endowment Funds	18,117	-	(11)	(38)	(82)	17,986
Expendable Endowment Funds:						
Building Preservation fund	97	-	-	-	(9)	88
Causeway Endowment	124	(43)	-	(17)	-	64
Clothworkers' Endowment fund	376	(33)	-	-	(16)	327
Clothworkers' Masterclasses fund	1,503	(19)	(7)	(8)	(58)	1,411
Old Broad Street Charity Trust fund	642	(26)	(1)	-	(18)	597
Philip Freer Studentships Fund	124	-	-	-	(103)	21
The Royal Institution Research fund	367	-	(1)	-	(11)	355
Victoria Woodhull Endowment fund	627	-	-	-	(19)	608
Total Expendable Endowment Funds	3,860	(121)	(9)	(25)	(234)	3,471
Total Endowment Funds	21,977	(121)	(20)	(63)	(316)	21,457
Total Return Approach						
	Gillespie £'000	British Aerospace £'000	Total trust for investment £'000	Total unapplied total return £'000	Total endowment £'000	
At the beginning of the reporting period	666	119	363	422	785	
Other movements in the reporting period						
Investment return: realised and unrealised gains (losses)	(68)			(68)	(68)	
Less: investment management costs	(9)	(1)		(10)	(10)	
TOTAL	(77)	(1)		(78)	(78)	
Unapplied total return allocated to income in the reporting period	(15)	(22)		(37)	(37)	
Net movements in the reporting period	(92)	(23)		(115)	(115)	
At the end of the reporting period						
Gift component of the permanent endowment			363		363	
Unapplied total return				307	307	
TOTAL	574	96	363	307	670	

1 October 2018 to 30 September 2019:

Group and Charity	Balance as at 1 October 2018 £000	(Outgoing) £000	Investment Management 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

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 an 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 2019 to 30 September 2020:

Group and Charity	Balance as at 1 October 2019 £000	Incomin g £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 2020 £000
American Friends Fund	9	-	-	(5)	-	-	-	4
Bragg Lecture fund	9	-	-	-	-	-	-	9
British Aerospace Fund	36	-	2	(24)	(1)	22	-	35
Building Preservation fund	8	-	1	-	-	-	-	9
CHRISTMAS LECTURES Fund	30	285	-	(20)	-	-	-	295
Clothworkers' Endowment Fund	5	-	5	(9)	-	-	-	1
Clothworkers' Masterclass Fund	16	-	19	(21)	(7)	(7)	-	-
Clothworkers' Enrichment & Enhancement Grant	8	25	-	(24)	-	(1)	-	8
Company of Actuaries	10	30	-	(34)	-	(5)	-	1
Dr Ludwig Mond's fund	4	-	4	-	(1)	-	-	7
DS Smith	10	-	-	(2)	-	-	-	8
E&Y Sponsored Event	2	-	-	-	-	-	-	2
Educational Funds	127	-	1	-	(1)	-	(3)	124
Faraday Foundation - Heritage Scanner	15	-	-	(3)	-	-	-	12
Genetic Society	-	78	-	(79)	-	1	-	-
Gillespie Trust Fund	458	-	29	(23)	(5)	10	-	469
John Cohen Foundation	4	-	-	(4)	-	-	-	-
Kantor Fund	-	125	-	(46)	-	(7)	-	72
L G Harris Trust STEM Grant	3	20	-	(20)	-	(1)	-	2
LRF	221	140	-	(154)	-	(64)	-	143
Manly Trust	-	10	-	(2)	-	-	-	8
Maths Set Up	23	-	-	-	-	-	-	23
NCNR Engineering	-	20	-	(13)	-	(7)	-	-
Old Broad Street Charity Trust Fund	64	-	5	(69)	-	-	-	-
Philip Freer Studentships Fund	365	-	41	(46)	(17)	(17)	-	326
Reece Foundation	-	45	-	(30)	-	(4)	-	11
Research Funds	148	-	3	-	-	-	(3)	148
Ternality Trust	63	-	-	(3)	-	-	-	60
Victoria Woodhull Endowment fund	8	-	5	-	-	-	-	13
Website Development Fund	125	-	-	-	-	-	-	125
Young Scientist Centre fund	30	-	-	(30)	-	-	-	-
Total Restricted Income Funds	1,801	778	115	(661)	(32)	(80)	(6)	1,915

1 October 2018 to 30 September 2019:

Group and Charity	Balance as at 1 October 2018 £000	Incoming £000	Pool income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recogn- ised Gains £000	Balance as at 30 September 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
Clothworkers' Enrichment & Enhancement Grant	-	25	-	(17)	-	-	-	8
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
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

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

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

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.

Ernst & Young contributed funds towards events.

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

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

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

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

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

The Kantor funding supports Primary Masterclasses.

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

The AG Manly Trust provides funding for Engineering Masterclasses.

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

The NCNR Engineering provides funding for Engineering Masterclasses.

The Reece Foundation provides funding for Engineering Masterclasses.

The Research Funds consists of the Fulleren 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 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 2019 to 30 September 2020:

	Balance as at 1 October 2019 £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 2020 £000
General fund	(2,130)	2,416	29	(3,581)	-	692	565	(8)	(2,017)
Non charitable trading funds	-	875	-	(408)	-	(692)	-	-	(225)
Total Unrestricted Funds	(2,130)	3,291	29	(3,989)	-	-	565	(8)	(2,242)
Designated funds:									
Christmas Bursary fund	20	-	-	(1)	-	-	(19)	-	-
Library Designated Fund	47	-	-	(3)	(1)	-	(36)	(7)	-
Life Membership fund	151	-	-	-	-	-	(145)	(6)	-
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve	222	-	-	-	-	-	(222)	-	-
Total designated funds	25,278	-	-	(4)	(1)	-	(422)	(13)	24,838
Total Unrestricted Income Funds (excluding Pension Reserve)	23,148	3,291	29	(3,993)	(1)	-	143	(21)	22,596
Pension Reserve	-	-	-	(147)	-	-	-	-	(147)
Total Unrestricted Income Funds (incl. Pension Reserve)	23,148	3,291	29	(4,140)	(1)	-	143	(21)	22,449

Charity – 1 October 2019 to 30 September 2020:

	Balance as at 1 October 2019 £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 2020 £000
General fund	(2,130)	2,416	29	(3,581)	-	692	565	(8)	(2,017)
Designated funds:									
Christmas Bursary fund	20	-	-	(1)	-	-	(19)	-	-
Library Designated Fund	47	-	-	(3)	(1)	-	(36)	(7)	-
Life Membership fund	151	-	-	-	-	-	(145)	(6)	-
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve	222	-	-	-	-	-	(222)	-	-
Total designated funds	25,278	-	-	(4)	(1)	-	(422)	(13)	24,838
Total Unrestricted Income Funds (excluding Pension Reserve)	23,148	2,416	29	(3,585)	(1)	692	143	(21)	22,821
Pension Reserve	-	-	-	(147)	-	-	-	-	(147)
Total Unrestricted Income Funds (incl. Pension Reserve)	23,148	2,416	29	(3,732)	(1)	692	143	(21)	22,674

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	-	-	-	-	-	-	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

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

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

The 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.

To strengthen cash resources adversely impacted by Covid-19, the Trustees agreed to re-designate the Christmas Bursary, Life Membership Fund and Operating Reserve. The re-designation of the Life Membership Fund does not affect the benefits to Life Members.

22. Analysis of net assets between funds

Group – As at 30 September 2020:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Liability £'000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	6,106	-	-	-	17,986
Expendable endowment	-	-	-	3,471	-	-	-	3,471
Total Endowment Funds	11,880	-	-	9,577	-	-	-	21,457
Total Restricted Income Funds	-	-	-	997	918	-	-	1,915
Unrestricted Income Funds:								
General fund	2,408	172	-	(2,847)	(663)	(1,087)	-	(2,017)
Non charitable trading funds	50	11	-	-	(95)	(191)	-	(225)
Total Unrestricted Income Funds	2,458	183	-	(2,847)	(758)	(1,278)	-	(2,242)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	-	-	-	-	-
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	(147)	(147)
Total Funds	34,457	183	4,719	7,727	160	(1,278)	(147)	45,821

Charity – As at 30 September 2020:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Reserve £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	6,106	-	-	-	17,986
Expendable endowment	-	-	-	3,471	-	-	-	3,471
Total Endowment Funds	11,880	-	-	9,577	-	-	-	21,457
Total Restricted Income Funds	-	-	-	997	918	-	-	1,915
Unrestricted Income Funds:								
General fund	2,408	172	-	(2,847)	(663)	(1,087)	-	(2,017)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	-	-	-	-	-
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	(147)	(147)
Total Funds	34,407	172	4,719	7,727	255	(1,087)	(147)	46,046

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)
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

Use of funds

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

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

In the year to 30 September 2020, the impact of Covid-19 on Ri finances led Trustees to conclude that Endowment and Restricted Funds could not be replenished as had been planned without significant adverse impact on Ri finances – funds were retained to support financial stability. In 2018/19 Endowments and Restricted funds had been replenished by £143k. The Charity Commission has been advised of this change to plans.

Replenishment of Endowment and Restricted funds since 2009 totals £1.265m (2019: £1.265m). The Ri remains committed to replenish these Endowment and Restricted Funds by a further £2.466m (2019: £2.466m) subject to financial constraints resulting from Covid-19.

23. Analysis of net debt

	Balance at 1 October 2019 £000	Cash Flows £000	Balance at 30 September 2020 £000
Cash Movement:			
Cash at bank and in hand	883	262	1,145
Increase in Cash and cash at bank and on hand	883	262	1,145

24. Financial Assets and Liabilities and Financial Instruments

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

	2020		2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Financial assets measured at fair value through the SOFA	3,641	3,641	4,385	4,385

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 2019. The scheme currently has eight 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 46 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 2019:

Rate of increase in pensions in payment	4.00%
Inflation assumption	3.00%

The employer's pension charge for the year was NIL (2019: £41k) following a request of the pension fund trustees to waive the contributions in this year as a result of Covid-19 on the financial position of the RI. The schemes Trustees agreed to waive these payments consistent with powers provided by The Pension Regulator.

The full scheme valuation undertaken was at 1 October 2019 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 2020.

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

	2020	2019
Discount Rate	1.50%	1.80%
RPI assumption	3.00%	3.10%
CPI assumption	2.20%	1.80%

Pension increases	3.90%	3.90%
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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. (2019 – S3PxA, CMI_2018, 1.25% p.a.) This results in the following life expectancies:

Male age 65 now has a life expectancy of 86.8 years (previously 87 years)
 Female age 65 now has a life expectancy of 89.1 years (previously 89.2 years)

	2020 £'000	2019 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of plan liabilities	(2,492)	(2,312)
Market value of plan assets	2,345	2,312
Surplus / (Deficit) in the plan	(147)	-
Adjustment for non-recoverable surplus	-	-
Net defined benefit liability	(147)	-
The amounts to be recognised in Statement of Financial Activities (SOFA) for the year are as follows:		
Interest on net defined benefit liability	-	-
Total	-	-
Changes in the present value of the plan liabilities for the year are as follows:		
Present value of plan liabilities at 1 October	2,312	1,827
Benefits paid	(12)	(12)
Interest on plan liabilities	42	53
Actuarial (gains) / losses	150	444
Present value of scheme liabilities at 30 September	2,492	2,312
Changes in the market value of the plan assets for the year are as follows:		
Market value of plan assets at 1 October	2,311	2,126
Contributions paid by the Company	12	12
Benefits paid	(12)	(12)
Interest on plan assets	42	53
Return on assets, less interest included in the SOFA	(8)	132
Market value of plan assets at 30 September	2,345	2,311
Actual return on plan assets	34	185
The major categories of plan assets as a percentage of total plan assets at the balance sheet date are as follows:		
	2020	2019
Equities and property	77%	78%
Bonds	22%	22%
Cash	1%	-
	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	(8)	132
Experience gains and losses arising on plan liabilities	-	(26)
Changes in assumptions underlying the present value of plan liabilities	(150)	(418)
Change in non-recoverable surplus	-	(299)
Remeasurement of net defined benefit liability recognised in SOFA	(158)	(13)
Movement in deficit in the as follows:		
Deficit in plan at 1 October	(1)	-
Recognised in SOFA	-	-
Contributions paid by the Company	12	12
Actuarial loss recognised in SOFA	(158)	(12)
Deficit in plan at 30 September	(147)	-

The remeasurement of net defined benefit liability recognised in SOFA has been adjusted in the accounting statements by £147k (2019: NIL) to reflect the change in liability.

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 2019. 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 Schedule of Contributions dated 30 June 2020 and are as follows: £10,250 per quarter payable from 1 July 2020 to 30 September 2028

Universities Superannuation Scheme

Employers' contributions are currently payable at a rate of 21.1% (2019: 19.5%) of pensionable earnings. Employees' contributions were equivalently 9.6% (2019: 8.8%).

The Universities Superannuation Scheme is valued formally every three years by the scheme actuary, who was 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 21.1% (2019: 19.5%) from 1 October 2019 (until September 2021). 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. A triennial valuation is currently being undertaken as at 31 March 2020 but the results are not yet available and not expected until 2021.

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:	2020	2019
	£000	£000
Within 1 year	3	3
Between 1 and 5 years	1	3
Total	4	6

The value of lease payments recognised in expenditure in the year was £3k (2019: £3k).

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:	2020	2019
	£000	£000
Within 1 year	242	242
Between 1 and 5 years	968	968
After 5 years	2,541	2,783
Total	3,751	3,993

27. Rents receivable and related party transactions

The following transaction with related parties took place during this period: Five Trustees and their related parties made donations to the Ri totalling £117k (2019: £112k).

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

Paid from RiGB Limited to Charity	2020	2019
	£000	£000
Cost sharing agreement	447	621

Gift Aid distribution	-	126
Trademark License Fee	120	120
Premises License Fee	125	230

28. Contingent Liabilities

VAT

The company is part of a Group VAT registration and hence is jointly and severally liable for any group VAT liability. At 30 September 2020 the contingent liability of the group was £108,773 (2019: £83,051).

Universities Superannuation Scheme

From the late 1970's, Ri has provided University Superannuation Scheme (USS) membership to relevant interested staff although Ri staff being offered membership of the Scheme generally ended in the late 2000's. However, during that ~30 year period approximately 70 Ri staff accrued benefits under the USS scheme. Please refer to note 28, Pension Commitments, where it is explained that membership of this Scheme is accounted for as a defined contribution scheme under FRS102.

Under Section 75 of the Pensions Act, a participating employer becomes liable for what is known as a Section 75 employer "debt" if they withdraw from the Scheme. This "debt" is calculated on a 'buy-out' basis, which tests whether there would be sufficient assets in the Scheme to secure all the member benefits by buying annuity contracts from an insurance company. USS advised the Ri on 30 March 2020 that our Section 75 "debt" is estimated at £4.7m. The USS is currently undergoing a new triennial valuation, after which, based on publicly available information from USS, it is likely the quantum of this Section 75 "debt" will increase.

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

29. Post Balance Sheet Events and Other Matters

On 16 October 2020, the Arts Council England awarded a Culture Recovery Fund grant of £589k to the Ri following an application to support the charity for the months January to March 2021. The Grant is being funded from DCMS resources and is payable in three instalments, of which £530k has been received to date. The balance of £59k is due in May 2021 after submission of an activity report. This grant is of immense value to the Ri, creating confidence, supplementing cash resources, contributing to a lower level of debt than would have been otherwise required and will enable to Ri to continue its charitable work.

In August 2020, the Ri commenced a Staff Consultation, to explore options to reduce staff costs. The Consultation was understandably a difficult time for the whole team but has resulted in headcount falling by a third, through a mixture of voluntary redundancies, non-renewal of contracts and only a small number of compulsory redundancies. By end January 2021, after notice periods have been served, headcount will have been reduced from 68 at 31 August 2020 to 45 – a 34% reduction. The costs of redundancy agreed before 30 September 2020 have been accrued in the 30 September 2020 results (see note 9. Staff costs).

In December 2020, following a Charity Commission Public Order dated 2 December 2020, the Trusteeship and funds of the Holmes Hines Memorial Fund (charity number 284529) was transferred to the Royal Institution. This Fund holds an endowment valued at £791k on 5 April 2020 and its objects are its income "to pay for the expenses of administering the Trust, Provision of annual prizes, Scholarships, Exhibitions, Research grant, Incidental expenses of visiting scientist, Purchase of scientific apparatus and equipment, Such other purposes for the advancement of scientific knowledge". The fund was initially administered by the Science Research Council and passed to its successor organisations, and most recently UKRI. The Fund has supported schools to advance scientific knowledge and the Ri plans to continue to support this goal through our Schools programmes. The endowment funds will be managed by the Ri's investment manager, CCLA, consistent with other Ri endowments and investment management.

In December 2020, the Ri's bankers, HSBC, offered the Ri £1.5m of funding under the Coronavirus Business Interruption Loan Scheme (CBILS) and a £500k overdraft to enable the Ri to continue to operate through the next two years until positive cash generation occurs in late 2022. The terms of the offer are for repayment over 5 years after a one year repayment and interest holiday. The interest rate to apply to the CBILS loan is currently 4.1% and will vary with Bank of England base rate movements. After assessment by the Finance Committee in January 2021, the Trustees considered and accepted this offer at a meeting on 2 February 2021 and anticipate that drawdown will occur in March 2021.