



THE ROYAL INSTITUTION OF CORNWALL

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company registration number 08362598

Charity registration number 1150749

CONTENTS

	Page
Trustees' report	1-11
Independent Auditors' report	12-15
Consolidated statement of financial activities	16
Consolidated and Charity balance sheets	17
Group statement of cash flows	18
Notes to the group statement of cash flows	19
Notes to the financial statements	20-38

REFERENCE AND ADMINISTRATION DETAILS

Patron	HRH The Prince of Wales, Duke of Cornwall	Vice-Patron	The Rt. Hon Viscount Falmouth
President	Colonel ET Bolitho, Lord Lieutenant of Cornwall	Honorary Vice- Presidents	Sir Ferrers Vyvyan Mrs B Spring
Trustees	M Brooks M Chanter (resigned 21 June 2021) R Gripper N Johnson P Marsden J Seyler (Chair) A Watts A Allen (appointed 28 January 2021)		
Director	Jonathan Morton	Custodian trustee	Barclays Bank Trust Company Limited
Registered office and operating address	Royal Cornwall Museum, 25 River Street, Truro, TR1 2SJ	Website	www.royalcornwallmuseum.org.uk
Bankers	Lloyds Bank PLC, 7 Boscawen Street, Truro, TR1 2QT	Solicitors	Foot Anstey, High Water House, Truro, TR1 1QH
Investment advisers	Charles Stanley & Company Ltd, Broadwalk House, Southernhay West, Exeter, EX1 1TS	Auditors	RRL LLP Peat House, Newham Road Truro, TR1 2DP
Charity number	1150749	Company number	08362598

Chair's Report

Towards the end of 2019, the Board of the RIC made the decision to close the Royal Cornwall Museum - partially, and on a temporary basis. In March 2020, the new CEO joined the team and immediately set about implementing a full museum closedown in response to COVID19. The priority was people, public, building and collection safety and well-being.

During the year 2020/21 the landscape for the museum sector changed beyond recognition, business as usual was suspended and we found ourselves in new and unknown territory.

The team primarily have focused on keeping the museum and the collection safe whilst exploring new and innovative ways to engage with audiences, partners, and funders through remote interaction. The successful application for emergency funding took the immediate pressure off finance and resulted in a year end balanced budget. This is a great achievement under the circumstances. The NLHF grant made a significant contribution to the sustainability of the RIC during this year.

The five-year business planning has progressed but not finalised due to the ever-changing circumstances we are working with. The long-term impacts on funding are still being assessed at a time when the museum needs capital and revenue investment. The need for a flexible, agile, realistic, and sustainable, long term financial model is even more relevant now as we look forward to more stability in the sector.

The museum managed to reopen in September as planned and the decision to be free in 2020 was important and signalled the ambition for the museum to be a valued cultural space for our communities particularly as people adjust to being back in public spaces.

In summary, it has been a challenging year, but one in which foundations have been laid for the long-term success and sustainability of the RIC. The challenges will continue in the forthcoming years as we navigate through an ever-changing set of circumstances with a brand-new parameter to funding, at a time when there is a need for significant investment.

We thank the team for steering the museum through a volatile and complicated 12 months and look forward to welcoming a more stable and rewarding year/s ahead. The main priorities focus on creating a financial, social, and environmental sustainability, whilst looking at different ways to engage with our audiences in a meaningful way and putting the RIC's founding values at the heart of all that we do.

Julie Seyler, Chair of Trustees

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Background and Objectives

Founded in 1818 as the Cornwall Literary and Philosophical Society, the Royal Institution of Cornwall (RIC) was one of the earliest of five similar societies established in England and Wales during the 19th century. These voluntary bodies typically founded a library and a museum, offered a lecture programme and scientific demonstrations, and gave instruction to the local population, well before state education was available. Today the RIC (so called after receiving royal patronage in 1821) remains true to the objects stated in its constitution, which are 'To advance the education of the public by encouraging and promoting the study and knowledge of literature, natural sciences, archaeology, history, ethnology, geology and the fine and applied arts with special reference to Cornwall.'

In pursuit of these objectives the RIC operates Cornwall's oldest and most prestigious museum, the Royal Cornwall Museum (RCM) and the Courtney Library, as well as publishing the annual RIC journal. The values that led to the creation of the RIC in 1818, the sharing of knowledge and understanding about Cornwall and the opportunities this provided to connect with people and place, are as relevant now as they were then. With the collection at the heart of the organisation the opportunity exists to re-imagine the RIC as a hub which explores and celebrates a distinctly Cornish narrative. When visitors engage with the museum, or the library, they will be in no doubt that they are in Cornwall and visiting an organisation with a strong history and legacy where knowledge and ideas about Cornwall have been absorbed, debated, and challenged and where people can now explore and be inspired by the distinctiveness of place.

The RIC positions itself as the beacon for Cornish history and culture, establishing the Royal Cornwall Museum as the place where everyone who either lives in or visits Cornwall can explore Cornwall's rich cultural heritage. The focus will be on developing our audiences by making a positive impact on the lives of everyone who engages with us relative to their needs and interests. Our programme will reveal a story about Cornwall which is inspiring, and which encourages people to delve deeper into Cornish culture and landscape, visit other places, and create a sense of place which is relevant to them. This to also reflect Cornwall's connections across the globe and to bring the world to the county.

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit and confirm that they are satisfied the charity has met the relevant requirements.

Structure, governance and management

The RIC is an incorporated association and a registered charity, governed by its Memorandum and Articles of Association. It was incorporated in January 2013 and commenced trading on the 1 April 2013. Following the approval of the members, all the assets and liabilities of the former RIC, the unincorporated charity, were transferred to the incorporated RIC. The incorporated charity is also now the sole trustee of the unincorporated charity as well as the endowments that had been previously established. The RIC owns the entire share capital of a trading subsidiary, RIC Museum Limited. As the incorporated charity now controls these entities the consolidated accounts incorporate the assets and liabilities of them all.

The RIC's governing body is a board of trustees, which is responsible for the policies, control and monitoring of the RIC's day-to-day management. Under the constitution, the board of trustees is made up of between eight and fourteen members comprising:

- The trustees elected at the Annual General Meeting
- Members co-opted by the existing trustees until the following Annual General Meeting

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Structure, governance and management (continued)

The trustee selection process is designed to appoint persons who have the necessary skills to contribute to the RIC's management and development. Newly appointed trustees are introduced to the work of the RIC and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

The board meets no less than three times a year. There are also regular meetings of subcommittees. During the year, an Audit & Risk subcommittee was re-established; three trustees sit on this subcommittee.

The Chief Executive Officer (prior years: The Director), who is not a trustee, is responsible for day-to-day operation of the RIC and manages the staff on behalf of the trustees.

During the year, the RIC welcomed Andrew Allen, a partner at PKF Francis Clark, to the board, bringing experience in finance and accounting.

Key management personnel

The trustees consider the board of trustees, the Chief Executive Officer (CEO), the Creative Director, and the senior management team as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. The pay of the charity's CEO and senior management team is reviewed annually and benchmarked against other organisations.

Risk management

The major risks to which the RIC is exposed have been reviewed and systems have been developed to monitor and control those risks in order to mitigate any impact that they may have on the RIC in the future. Risk management overall is ultimately the responsibility of the Trustees and the CEO.

Financial, building and business risks are monitored by the CEO and the Trustees' Audit & Risk subcommittee. Risks to the collections are monitored by the CEO and the collections team (prior years: The Curators) and covered by a suite of policies and procedures including an emergency plan. Risks to visitors, staff and volunteers are covered by the RIC's Health and Safety Policy and Procedures.

Investment Policy

The Charity's investment powers are set out in its Memorandum and Articles of Association. The investments are monitored by the Audit & Risk Subcommittee who compare performance with appropriate indices and meet with the charity's brokers on an annual basis. An investment policy document has been produced setting out the charity's requirements relating to income, risk, and asset mix. During the year, the Audit & Risk subcommittee embarked on a medium to long-term strategic review of the RIC's investment (endowment) holdings, ensuring that the RIC's goals of generating usable income, restricted and unrestricted, while ensuring future growth, continue to be resiliently and effectively achieved. The results of this strategic review will be brought to the full board during the 21/22 year.

The funds are held on a long-term basis and an average return of 2.4% on cost was obtained during the year from these investments.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Aims and Objectives

The financial year 2019/20 had marked the fifth year of the organisation's Five-Year Business Strategy. This identified two key aims: to ensure the long-term sustainability and resilience of the Royal Cornwall Museum and its heritage assets; and to enable an increased and diverse range of people to enjoy, take part in, and learn about the museum's collections and Cornish heritage and culture, as well as Cornwall's links to the world.

These aspirations continue to inform our business strategy as we develop our plan for the next five years, recognising that the museum, both in infrastructure and in its visitor-facing offer, has suffered from under investment across a long period of time. During the 20/21 year we took our first steps on a journey of renewal for our building by investing reserves in much-needed repairs and maintenance on the building's skeleton, in particularly in relation to dilapidations suffered on the roofing. The amounts invested by the RIC represent only a fraction of that which is required to bring the fabric of the building to modern standards, while the creation of new, contemporary, visitor experience will also require investment and vision.

The new Business Plan, to be agreed in 21/22, will set-out the ways in which we believe the RIC, its funders and its local and wider Cornish community can join together to realise this vision of a thriving and sustainable museum and art gallery sat in the heart of Cornwall's administrative capital, positioning Cornish heritage as one of the cornerstones of Truro's cultural offer. At the same time, our vision is of a museum that reflects diversity and inclusion at its very core, being a focal point for recording and explaining Cornish history in a way that has a broad and accessible reach.

In working towards its aims and objectives, and in formulating the business plan that will drive resilience and modernisation throughout the organisation, the RIC appreciates the support, guidance, and distribution of funding, via Arts Council England's National Portfolio Organisations (NPO) grant stream, of the Cornwall Museums Partnership (CMP). CMP's funding allows the delivery of both posts and projects, ensuring that the museum has a reach throughout Cornwall, bringing Cornish culture and history to rural locations and ensuring access to the collection far beyond its own doors. CMP's support is a key component of the RIC's funding portfolio and in its partnerships with like-minded organisations and we greatly value their wisdom and sector insight.

In addition, the museum has continued to benefit from investment from Cornwall Council through its core grant towards the cultural programme and wider access, collection care, running costs, as well as investment from grant-giving bodies for specific projects. During the year, the RIC appreciated Covid 19-specific funding support from Cornwall Council, and through the National Lottery Heritage Fund's Covid rescue funding stream. The RIC also protected the jobs of its staff during the extended periods of lockdown using HM Government's furlough Job Retention Scheme (JRS).

2020/21 – Year in Focus

As with all cultural institutions, the 20/21 year was extremely difficult for the RIC and its core team. As the pandemic approached, the staffing structure had already been realigned in anticipation of a scheduled period of closure for much-needed renovations work, particularly to the roof of our much-loved building. During the spring of 2020, it became clear that our temporary closure months would extend due to government directions on social distancing and lockdowns, which meant that the Royal Cornwall Museum was open for only short periods during 2020, and not again until the third lockdown period ended during May 2021.

During the weeks that we were permitted to open, observing social distancing and making a feature of our 'Masks' trail around the museum, we positioned ourselves as a 'free to enter' museum with the intent of making our space an escape from the trials and challenges of the pandemic for the local and

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Aims and Objectives (continued)

wider community with a modest donation 'ask' in place of entrance charges. A re-envisioned entrance fee, encouraging repeat visits, will apply in the 21/22 year.

During the year, our core staff team, supported with some finance work from the Hall for Cornwall team, as in 2019/20, transitioned to largely working from home, with regular building checks carried out. As with many other workplaces, this was a challenging adjustment for the team and has highlighted the requirement to move to more on-line collaborative working methods, be that via Teams and Zoom, using Microsoft's Sharepoint and One Drive cloud storage, and, as the team did during this year, moving its accounting system onto a Cloud-based solution. The changes made in working practices, born out of necessity, are a starting point for the RIC's drive to streamline its administrative process.

The 20/21 year has been a challenging period for museums generally away from the pandemic, with the Black Lives Matter movement causing all our institutions to reflect on our place in the drive for equality and inclusivity, and to reconsider the way we frame the narratives around our exhibition pieces against the legacy of Empire. Though some place this in the blunt expression 'cancel culture', we reject the idea that in re-examining historical context we do anything other than bring out a more fully rounded perspective to history. At the same time, as we tweeted on #BlackOutTuesday, we believe that our museum has a role to play in building a society that is diverse, inclusive, tolerant and respectful. These values will be at the heart of our activities and we will seek out opportunities to bring positive change.

Exhibitions and Engagements

During the periods when the museum could open its doors, our permanent exhibitions of the core collection, including the Main Hall's Cornish Gallery, provided visitors with a chronological history of Cornwall from prehistory to the present day. Alongside this, the natural history and geology and mineral collections in our main galleries, and the British Museum partnership gallery displaying our Ancient Civilisation collections, continued to be popular fixtures in our static offer.

Curated by Lizzy Broughton at Falmouth Art Gallery, during our brief intra-lockdown period of reopening in September 2020, we presented one-half of a twin exhibition gathered from the Cornwall Council Schools Art Collection, with the other half shown at Falmouth Art Gallery. This continued a longstanding and valued three-way relationship between the RIC, Falmouth Art Gallery and Cornwall Council in ensuring public access to the collection.

In response to public focus on well-being, the team curated an exhibition about the restorative qualities of the sea, creating a sensory space that captured the smells and sounds of the sea, and set those sensory experiences in context with Cornish seascapes from the Newlyn school.

Through our website and social media channels we appealed to our community and local businesses to contribute to our Covid 19 Cornwall Collection with testimonies, photographs, and stories. We sought to reflect everything from businesses moving online to keep going, to how the lives of keyworkers were impacted and changed, how busy residential streets made empty, children were home schooled, and people signed up to support their community. The museum will maintain this collection as a record of Coronavirus Cornwall 2020.

For Halloween 2020, we presented an online exhibition 'Mystic & Magic', a delve into the worlds of witches, fortune telling, and the comparable Cornish 31st October festival of Allantide. This exhibition, with an accompanying audio described version, continues to be maintained on our website.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Aims and Objectives (continued)

With valued support from Creative Kernow, we hosted Magical Realism, an online community creative writing project set at the Royal Cornwall Museum and led by Felicity Tattersall, encouraging open-to-all storytelling that used objects from the past as the inspiration for new work via workshops and podcasting and initiated a deep delve into the museum's archives for source material.

Our collection was also used for 'Maps That Matter', a project that brought together Cornwall Museums Partnership, Carefree Cornwall, and the Royal Cornwall Museum to enable children in care to explore maps and identity. Via Shout Out Loud, part of English Heritage, the project was one of 14 funded nationally through the Reverberate scheme, aiming to 'explore the places, voices, and activities that make local heritage unique, engaging critically and creatively with the past to create a broader view of what heritage is, and who owns it.' Visiting the museum, the group were able to engage directly with our historic materials, examining compasses, telescopes, and globes, and talking with our Collections and Engagement Officer about the possible uses and histories of the objects.

We fundraised towards the preservation of the 1865 Cornish language dictionary, Lexicon Cornu-Britannicum: A Dictionary of the Ancient Celtic Language of Cornwall, setting an ambitious £7,000 target to ensure conservation and digitisation of this important text, part of the 'Nance Collection' received to the RIC by bequest in 1959, and currently withdrawn from public access due to its fragile state. This lexicon is considered invaluable for students with an interest in Middle Cornish vocabulary, and though the crowd-funding campaign continues into the 2020/21 year, all the funds have been raised to safeguard this important work with any additional monies being dedicated to ensuring wide digital access.

The diversity and quality of the museum collections continued to attract attention from international, national, and local organisations. The museum has long-term loans at 21 museums nationally and regionally and has made a number of short-term temporary loans for exhibitions such as at the Penlee House Gallery Museum, Falmouth Art Gallery, Pool Academy School, Bude Heritage Centre, National Maritime Museum Cornwall, Torre Abbey in Torquay, National Museum of the Royal Navy in Portsmouth, London Art Fair for Art UK, and Petworth House in West Sussex.

Winston Graham Prize

The Winston Graham Historical Prize was initiated as part of Centenary Celebrations of the author's birth, which was also marked by the RIC in 2008 with an exhibition devoted to his life and works entitled 'Poldark's Cornwall: The Life & Times of Winston Graham'. Funded by a legacy from the author and supported by Pan MacMillan it is open to any published historical novel, preferably with an association with Cornwall, and judged by a panel chaired by RIC trustee Philip Marsden. Previously last awarded in 2018, the 2020 award went to Katye Nunn for *The Botanist's Daughter*.

Citizen Curators

We adapted the Citizen Curators project to online delivery, supporting five Citizen Curators with workshops and mentoring around the theme of Climate Emergency, with the intention that this work will contribute to an online exhibition. This programme is led by Cornwall Museums Partnership and funded by the Museums Association Esmeé Fairbairn Collections Fund.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Aims and Objectives (continued)

Events and Community Engagement

As would be expected from the sustained periods of lockdown during the year, our options for in-person engagement has been severely restricted by mandatory closures and social distancing. Even our AGM, traditionally an opportunity to welcome our valued members to the museum as a group to discuss the year in review and our future planning, had to be performed via a postal mail-out and 'return form' method.

Online, however, we realised the importance of engagement via social media, where we continued our drive to bring our collection to wide attention. Using the hashtag #ThrowbackThursday we scheduled regular Twitter postings displaying historic images from the RIC's extensive collection of Cornish photography while our #MineralMonday tweets shared our passion for geology. #FineArtFriday shared our curation of Cornish art; these regular social media postings helped keep the museum engaged with its core supporters while spreading visibility of our exhibits.

Our social media platforms also supported a diverse range of campaigns and awareness hashtags, linking us to complementary activities that enabled us to showcase the depth of our Cornish collections. This included tweeting in support of Women's History Month, Cornish Queer Culture, LGBTQ+ History Month 2021 (when Sophie Meyer from Queer Kernow CIC did a takeover Q&A alongside our sequence of tweets illuminating related collection pieces), Black Lives Matter, International Artists Day, World Mental Health Day, and Earth Day. We also used social media to engage and support our fellow Cornish cultural organisations, such as CMP, Falmouth Art Gallery, Kresen Kernow, Multivax, The Museums Association and others.

Learning

The museum's formal education programme, always well-received by teachers, traditionally demonstrates a strong geographical spread, with young visitors from across Cornwall. Again, because of the pandemic, our school visits through the year were limited in number, while our popular loan box system also saw reduced activity due to the risks of multi-handling in the context of Covid-19. We appreciated the patience and support of our learning assistants during this time and look forward to welcoming school groups back into our building during the coming year.

Digital

The Institution's digital engagement grows exponentially year on year as more and more conversations are conducted through various media channels and platforms. These channels have been a key part of our engagement process during the lockdowns of 2020/21. Our Instagram page now has over 400 posts, with c. 2,400 people following our posts, while our Twitter feed reaches over 6,000 followers and over 4,400 'like' our Facebook presence. While these channels are vital in reaching supporters and widening visibility to the museum, its programmes, and the RICs charitable aims, they also link back to our website, which describes our work in an accessible and informative way.

We have also continued to increase our digital cultural content online through the continued publication of the photographic archive through Media Storehouse with 5,084 images available to download or purchase as wall art or as photographs.

We took part in the Cornwall Museums Partnership, Art Fund project 'Beyond Digitisation'. This enabled us to create 3D scans of 25 items from our costume collection, helping address collections care issues in displaying fragile historic fabrics and allowing people to see in close-up, details that would not be possible in a physical exhibition. Additionally, these 3D models will be made available for gaming development companies to buy.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Aims and Objectives (continued)

Conservation, Collection Care and Acquisitions

We are taking part in South-West Museum Development's Pest Partners project, to identify, monitor and manage pests, and thereby better understand the threats to our collection that comes from this source. The project has provided free pest management equipment and a dehumidifier to reduce the moisture that creates the environment in which pests thrive.

We undertook a full evaluation of the environmental conditions of the onsite stores and review of the offsite stores, with a view to decant from the Lemon Street store. During the new financial year, we will be working with South-West Museum Development on their 'Collections on the Move' project through a Collections Care Stimulus Grant funded by ICON (The Institute of Conservation), to provide greater access to collections and improve resilience through storage-related cost reductions.

Routine and regular monitoring throughout the year has enabled the RIC to continue to care for the museum and library collections. The collections team have been working through the recommendations from the Accreditation Review by the Arts Council in July 2015. We are now working towards the next Accreditation review in 2021.

A Community Chest grant from Cornwall Council enabled the museum to purchase a sketch watercolour by Clifford Fishwick (1923-1997) of the Cornish artist Jack Pender. The work builds our collection of art associated with Cornwall in the inter-war years, a collection area highlighted in our Collections Development Policy.

Organisational Health

We have continued to address specific risks associated with the way the museum has operated historically in particular breaking down silo working between departments and developing more effective communication. In partnership with Cornwall Museums Partnership the RIC, as a result of staff changes, refocused on the development of the pilot Citizen Curator programme which will create a pool of trained volunteer curators.

Volunteers

With the closure of the museum and lockdowns, it has been particularly important to maintain connection with volunteers and along with regular communications we created a volunteer newsletter. On reopening volunteers were engaged in front of house activities and in research for future exhibitions.

Resilience and Long-term Planning

The months of pause in public access to our collection has given our staff time to reflect on the challenges that lie ahead for a building that continues to need diligent care and renewal to elevate it to the standards expected of a vibrant, contemporary museum. Looking to the future, the senior management team will explore multiple avenues of funding opportunities to ensure the capital regeneration of our building results in an enhanced visitor experience within a modernised framework, ensuring the very best access to the collection while generating a fresh revenue model that will see the RIC rebalance the ratio of funded to earned income in favour of generating much more of its revenue independent from the public finances. This will, over the coming years, create a viable and robust museum at the heart of Cornish heritage and culture.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Financial Review

Total income for 2020/21 was £514,157 [2019/20 £470,818] while total expenditure was £608,577 [2019/20 £715,968].

The resulting surplus for the year was £351,395 against a corresponding deficit of £247,359 in 2019/20. The annual surplus most significantly represents the market rebound in endowment funds. At the start of the Covid-19 pandemic, and therefore posted in the 19/20 accounts, the RIC suffered a £291,000 loss on restricted endowments, and a £60,000 reduction in unrestricted investment assets. During the year, investments fluctuated in accordance with varying market responses to the global pandemic situation but recovered their losses from 19/20 and posted additional revaluation gains. The overall gain on investment assets in 2020/21 was £445,815 split between restricted funds (£410,997) and unrestricted funds (£34,818).

The net movement in reserves is an increase of £351,395 to give a year end reserves total of £6,388,302.

After allowing for gains in investment assets, the underlying deficit for the year was £94,420 after allowing for depreciation. This deficit, an improved position over recent trading years, was controlled through the various grant packages and funding streams designed to support the business community and the cultural sector during the time of Covid-19, including recourse to the Job Retention Scheme (Furlough), local government business interruption grants, and emergency funding from the National Lottery Heritage Scheme. The deficit is after accounting for emergency roof repairs of £76,343.

The deficits suffered in recent years have arisen primarily as a result of a continuing reduction in grant revenue received to support core costs from central and local government, which has seen funding becoming insufficient to cover the expenditure arising under previous operational models. Though the reduction of the annual deficit during 2020/21 was against the trend of previous recent years, it comes from a unique set of circumstances and the trustees continue to explore alternative ways of operating the charity on a sustainable basis, developing the new five-year business plan as described in this report.

Investments

The Charity's investment funds are professionally managed, and the trustees are satisfied their performance has met the objectives set. The 2019/20 year saw the start of the impact of the global pandemic on the value of endowment investments and in setting its 2020/21 operating budget the organisation was mindful of the likely impact on investment revenue received and forecasted significant reductions in revenue from those sources. These forecasts were prudently made in the face of a highly volatile market and actual monthly investment income performed better than expected, while the overall endowment rebounded through the second half of the financial year. We continue, however, to be prudent in our forecasts of investment income during 2021/22.

Reserves

The trustees review reserves policy annually and aim to maintain unrestricted general funds at a figure equal to at least three months operating expenditure, requiring minimum reserves of £206,000.

In the prior years, mindful of reductions in the opening general reserves for the year, the trustees made the difficult decision to re-designate the RIC Endowment Fund previously set up by them to add this to the general reserve.

At the end of the 2020/21 the general fund or "free" reserves were £385,296 (2019/20 £349,834).

Future Plans

In March 2020, Jonathan Morton, previously of Tate St. Ives, was appointed as CEO, taking up post at the end of the financial year. Early into 20/21, the RIC additionally appointed Bryony Robins, formerly of Cornwall Museums Partnership, to a new role as Creative Director and de-facto Deputy to the CEO. This new executive team is the foundation from which the reimagining of the Royal Cornwall Museum for the third decade of the 21st Century springs.

During the year 2021/22 we will:

- Formulate our Five-Year Business Plan and agree with our cultural partners and funders, such as Cornwall Museums Partnership. We will articulate this plan with our members, visitors, and staff to bring of all those invested in us, financially or otherwise, along with us on the road to a reimagined contemporary museum.
- Create the strategy that over the next five years will bring us to a balanced annual budget which does not place its key reliance on public sector funding, but which moves our revenue towards our own fundraising and earned income.
- Ensure that we have created a compelling 'Case for Support' for the funds needed to bring our infrastructure and visitor-facing experience to the standards of a vibrant contemporary museum.
- Build on the work during lockdown of our dedicated core team of staff members by recruiting to further strength the team with fresh appointments to create the expanded staffing structure that will deliver our Business Plan in the coming years.
- Continue to reflect on our approach to diversity and inclusion, ensuring that these are at the heart of the museum as we think about our future operation and presentations. Delivering a relevant and inclusive cultural programme which meets the RIC's audience development targets for children and young people including families, marginalised, and excluded groups, older independents, and people with disabilities will always be at the heart of what we do.
- Continue to develop the museum's curatorial skills by fostering increased access, research, and care of the collection, for example through the Citizen Curator programme.
- Build on our cross-museum and intra-cultural sector networking, through which we will further understand how we can best add value to museums nationally, regionally and locally by continuing to expand our partnering and temporary and long-term loan exchanges.
- Play our part in supporting the footfall of Truro as pandemic restrictions ease.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The Royal Institution of Cornwall for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

By order of the trustees.

Andrew Allen
Trustee

27 November 2021

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

We have audited the financial statements of The Royal Institution of Cornwall (Limited by Guarantee) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise of the statement of financial activities, balance sheet, statement of cash flows 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 Financial Reporting Standard 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 parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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 charitable company 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 relating to going concern

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

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

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

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtain an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the following laws and regulations were most significant: the Charities Act 2011 and the Companies Act 2006;
- Review of the disclosures in the financial statements and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Williams FCA DChA **(Senior Statutory Auditor)**

For and on behalf of RRL LLP

Statutory Auditors

Peat House

Newham Road

TRURO

Cornwall

TR1 2DP

10 December 2021

The Royal Institution of Cornwall
Consolidated Statement of Financial Activities for the year ended 31st March 2021
(including Income and Expenditure Account)

2019/20		Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
£						
	Income					
	Donations and legacies					
158,878	• Grants		316,342	68,555	-	384,897
8,858	• Donations & legacies		5,342	2,495	9,241	17,078
2,356	• Gift Aid		723	-	-	723
	<i>Income from charitable activities:</i>					
56,643	Admissions		-	-	-	-
24,731	Learning		1,811	-	-	1,811
15,227	Members subscriptions		2,041	-	-	2,041
3,903	Other		3,127	-	-	3,127
	Other trading activities					
25,948	• Retail activities		80	-	-	80
64,669	• Rental income		28,498	-	-	28,498
109,541	Investment Income		5,097	70,753	-	75,850
64	Other Income		52	-	-	52
<u>470,818</u>	Total Income	4	<u>363,113</u>	<u>141,803</u>	<u>9,241</u>	<u>514,157</u>
	Expenditure					
	<i>Cost of raising funds:</i>					
-	Generating voluntary income		8,200	-	-	8,200
20,030	Retail activities		3,922	-	-	3,922
22,761	Investment management		1,981	-	22,538	24,519
	<i>Charitable activities:</i>					
<u>673,177</u>	Operation of RIC		<u>429,628</u>	<u>142,308</u>	<u>-</u>	<u>571,936</u>
<u>715,968</u>	Total expenditure	5	<u>443,731</u>	<u>142,308</u>	<u>22,538</u>	<u>608,577</u>
(350,209)	Net gains/(losses) on investment assets		34,818	-	410,997	445,815
(595,359)	Net income/(expenditure) before transfers		(45,800)	(505)	397,700	351,395
-	Transfer between funds		-	-	-	-
<u>(595,359)</u>	NET INCOME/(EXPENDITURE) FOR THE YEAR		<u>(45,800)</u>	<u>(505)</u>	<u>397,700</u>	<u>351,395</u>
	Actuarial losses on defined benefit pension scheme	17	-	-	-	-
348,000	Gain on cessation of defined benefit pension scheme	17	-	-	-	-
<u>(247,359)</u>	Net movement in funds for year		<u>(45,800)</u>	<u>(505)</u>	<u>397,700</u>	<u>351,395</u>
<u>6,284,266</u>	Total funds brought forward		<u>1,171,020</u>	<u>1,877,720</u>	<u>2,988,167</u>	<u>6,036,907</u>
<u>6,036,907</u>	Total funds carried forward	16	<u>1,125,220</u>	<u>1,877,215</u>	<u>3,385,867</u>	<u>6,388,302</u>

All income and expenditure are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The Royal Institution of Cornwall
Consolidated and Charity Balance Sheets as at 31st March 2021

Group 2020 £	Charity 2020 £		Note	Group 2021 £	Charity 2021 £
		Fixed Assets			
7,000	7,000	Intangible assets	9	7,000	7,000
2,618,055	2,618,055	Tangible assets	10	2,537,185	2,537,185
32,200	32,200	Heritage assets	10	32,555	32,555
3,163,462	3,164,462	Investments	12	3,603,330	3,604,330
5,820,717	5,821,717			6,180,070	6,181,070
		Current Assets			
8,266	8,266	Stock		8,266	8,266
48,870	48,870	Debtors	13	64,624	64,624
213,329	213,329	Cash at bank and in hand		196,425	196,425
270,465	270,465			269,315	269,315
(54,275)	(57,818)	Creditors: amounts falling due within one year	14	(61,083)	(64,626)
216,190	212,647	Net Current Assets		208,232	204,689
6,036,907	6,034,735	Total assets less current liabilities		6,388,302	6,385,759
-	-	Pension liability	17	-	-
6,036,907	6,034,364	Net assets		6,388,302	6,385,759
		Funds of the charity			
349,834	347,291	Unrestricted general funds		385,296	382,753
821,186	821,186	Unrestricted designated funds		739,924	739,924
1,171,020	1,168,477	Total Unrestricted Funds	15	1,125,220	1,122,677
1,877,720	1,877,720	Restricted Funds	15	1,877,215	1,877,215
2,988,167	2,988,167	Endowment Funds	15	3,385,867	3,385,867
6,036,907	6,034,364	Total Charity Funds	16	6,388,302	6,385,759

Included in the above funds is a revaluation reserve of £362,551 (2020: (£107,000)).

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the financial statements required by the Companies Act 2006 and are for circulation to the members of the company.

Signed on behalf of the trustees by:

Andrew Allen
Trustee

Approved and authorised for issue by the trustees on 27 November 2021

Company registration number 08362598

The Royal Institution of Cornwall
Group statement of cash flows for the year ended 31st March 2021

	<i>Notes</i>	£	2021 £	£000s	2020 £000s
Cash flows from operating activities:					
Net cash used in operating activities	1		(97,656)		(230)
Cash flows from investing activities:					
Investment income received		75,850		110	
Net investment disposals/(additions)		(103,687)		407	
Fixed asset additions		(690)		-	
Heritage asset additions		(355)		-	
Net cash (used in)/provided by investing activities			(28,882)		517
Change in cash and cash equivalents in the reporting period			(126,538)		287
Cash and cash equivalents at the beginning of the reporting period			415,635		128
Cash and cash equivalents at the end of the reporting period	2		289,097		415

The Royal Institution of Cornwall
Notes to the group statement of cash flows for the year ended 31st March 2021

1 Reconciliation of net income to net cash provided by operating activities

	2021 £	2020 £000s
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	351,395	(596)
<i>Adjusted for:</i>		
Depreciation and loss on disposals	81,560	44
Investment income	(75,850)	(110)
(Gains)/Losses on investments	(445,815)	351
Increase in stock	-	9
(Increase)/Decrease in debtors	(15,754)	128
Increase/(Decrease) in creditors within one year	6,808	(56)
	<hr/>	<hr/>
Net cash used in operating activities	(97,656)	(230)
	<hr/> <hr/>	<hr/> <hr/>

2 Analysis of cash and cash equivalents

	2020 £	2020 £
Cash in hand	503	949
Cash in bank – current accounts	31,075	34,213
Cash in bank – deposit accounts	164,847	178,167
Cash held in investments	92,672	202,306
	<hr/>	<hr/>
Total cash and cash equivalents	289,097	415,635
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been adopted in dealing with items which are considered material in relation to the preparation of the financial statements.

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic (FRS 102) and the Companies Act 2006.

The Royal Institution of Cornwall meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The consolidated financial statements have been prepared in respect of The Royal Institution of Cornwall and RIC Museum Limited. RIC Museum Limited is dormant.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

Voluntary income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Intangible income is not included unless it represents goods or services which would otherwise be purchased. No amount is included in the financial statements for volunteer time in line with SORP (FRS 102).

Legacies are recognised in the financial statements in the period to which the charity becomes entitled to the income, unless it is incapable of financial measurement.

Income from trading activities is recognised as earned (as the related goods and services are provided). Investment income is recognised on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions it is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when performance related grants are received in advance of the activity to which they relate.

1.4 Expenditure

Expenditure is included on an accruals basis. The irrecoverable element of VAT is included with the expense to which it relates. Expenditure is recognised when a liability is incurred.

Governance costs represent the cost of governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity on the basis of the estimated usage by each cost centre of services provided.

1.5 Funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets the criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other income received or generated for any of the charity's objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Endowment funds capital is required to be retained in perpetuity.

1.6 Pension costs

Defined benefit schemes

In accordance with the provisions of Financial Reporting Standard 102, current service costs and gains and losses on settlements and curtailments are included within expenditure in the Statement of Financial Activities. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. Actuarial gains and losses are recognised immediately and shown separately within the Statement of Financial Activities. The pension asset or liability, based upon actuarial valuation, is presented separately, after other net assets, in the balance sheet. A pension asset is allocated to unrestricted funds unless the economic benefit of the asset will accrue to a particular fund through reduced contributions or refunds, in which case it is allocated to that fund. A pension liability is allocated to unrestricted funds unless a constructive liability arises to fund the deficit and could properly be met from a particular fund, in which case it is allocated to that fund.

The charity exited the scheme on 31 March 2020. See note 17 for further details.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

Defined contribution schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

1.7 Operating leases

Rental charges are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.8 Heritage assets

Heritage assets are tangible fixed assets which are of historical, artistic or scientific importance that are held and maintained principally for their contribution to knowledge and culture. They are capitalised and included at cost when purchased or if donated, their valuation. When information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

1.9 Tangible fixed assets (other than heritage assets)

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental costs of acquisition.

With effect from 2004, the RIC's freehold land and buildings have not been depreciated, as they are maintained in good working order and are considered to have a residual value at least equal to the cost of the asset. Depreciation of other assets is provided to write off the cost less residual value on a straight-line basis as follows:

Computer equipment	4 years
Other equipment and furniture	5 – 10 years

For assets purchased with restricted income recognised in prior years, the related depreciation has been charged against those restricted funds.

1.10 Investments

Investment assets other than properties and unlisted shares are included in the balance sheet at market value. Investment properties are included in the balance sheet at the trustees' estimate of fair value. Unlisted shares are valued at net asset value as shown by the charity's accounts. Unrealised gains and losses on revaluation and realised gains and losses on disposal are included in the Statement of Financial Activities and dealt with in the relevant fund.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Intangible assets

Intangible fixed assets are capitalised at cost. No depreciation is charged in respect of intangible assets regarded as having an indefinite useful life.

1.12 Stock

Stock is valued at the lower of cost and net realisable value.

1.13 Debtors and creditors

Debtors receivable and creditors payable within one year are recorded at transaction value.

1.14 Taxation

The company is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.15 Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

As disclosed in note 18 the charity left the Local Government Pension Scheme on 31 March 2020. No liability falls on the charity, and as a result no liability requires recognition at 31 March 2021 or 2020 on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement of financial activities include those of the RIC's wholly owned subsidiary, RIC Museum Limited, a company registered in England and Wales number 02485070. The company was dormant during this financial year and therefore the charity only SOFA mirrors the consolidated SOFA on page 16.

3. SUBSIDIARY UNDERTAKINGS

The RIC's wholly owned subsidiary, RIC Museum Limited, a company registered in England and Wales number 02485070, was dormant during the financial year. Its net assets are summarised below.

2020		2021
£		£
1,000	Current assets	1,000
-	Current liabilities	-
<u>1,000</u>	Net assets	<u>1,000</u>
<u>1,000</u>	Share capital & reserves	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS

4. TOTAL INCOME

Total 2020 £		Donations and legacies £	Other trading activities £	Charitable activities £	Investment & other income £	Total 2021 £
	Grants:					
88,479	• Cornwall Council – funding allocation	126,096	-	-	-	126,096
10,000	• Cornwall Council – Schools Art Collection	10,000	-	-	-	10,000
-	• CJRS grants*	22,422	-	-	-	22,422
35,259	• Arts Council England – NPO	68,555	-	-	-	68,555
-	• NLHF – Emergency grant	157,824	-	-	-	157,824
25,140	• Other grants	-	-	-	-	-
8,858	Donations	17,078	-	-	-	17,078
2,356	Gift Aid	723	-	-	-	723
56,643	Admissions (including Gift Aid)	-	-	-	-	-
25,948	Sale of goods	-	80	-	-	80
64,669	Property income	-	28,498	-	-	28,498
109,541	Investment income	-	-	-	75,850	75,850
	Fees from workshops and other learning activities	-	-	1,811	-	1,811
15,227	Members subscriptions	-	-	2,041	-	2,041
3,967	Other	-	-	3,179	-	3,179
470,818		402,698	28,578	7,031	75,850	514,157

*HMRC grants have been received totalling £22,422 (2020: Nil) to assist with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

5. TOTAL EXPENDITURE

Total 2020 £		Direct Costs £	Apportioned support costs £	Apportioned Governance Costs £	Total 2021 £
	<i>Costs of raising funds:</i>				
-	• Generating voluntary income	8,200	-	-	8,200
20,030	• Retail activities	3,922	-	-	3,922
22,761	• Investment management	24,519	-	-	24,519
	<i>Charitable activities:</i>				
673,177	• Operation of RIC	31,756	537,811	2,369	571,936
	<i>Other costs:</i>				
-	• Governance costs	-	-	-	-
715,968		68,397	537,811	2,369	608,577

NOTES TO THE FINANCIAL STATEMENTS

6. ALLOCATION OF SUPPORT COSTS

Total 2020 £		Premises & Operation £	Management & Administration £	Total 2021 £
-	Generating voluntary income	-	-	-
-	Investment management	-	-	-
556,257	Charitable activities	212,214	325,597	537,811
<u>556,257</u>		<u>212,214</u>	<u>325,597</u>	<u>537,811</u>

Direct expenditure is allocated to categories of activity. Support costs which cannot be directly allocated to activities are apportioned on the basis of estimated space usage (in the case of premises and operation costs) or estimated usage (in the case of management and administration costs).

7. TRUSTEES & STAFF COSTS

The average number of staff employed during the year was 12 (2020: 25) and the staff costs were as follows:

2020 £		2021 £
283,027	Wages and salaries	220,310
15,223	Employers national insurance	12,474
12,937	Pension costs	3,021
24,999	Redundancy costs	-
<u>336,186</u>		<u>235,805</u>

Employer's pension contributions for the year totalled £3,021 (2020: £12,937). There were outstanding contributions of £Nil (2020: £Nil) at the year end. No employees earned £60,000 or more.

The total remuneration and benefits of key management personnel for the year were £104,750 (2020: £62,015).

Trustees are not remunerated for their services but may claim reasonable travel expenses incurred to attend company business. During the year ending 31 March 2021 no (2020: one) trustees received a total of £Nil (2020: £1,165) for reimbursement of costs to attend meetings.

8. TOTAL EXPENDITURE IS STATED AFTER CHARGING

2020 £		2021 £
	Auditors remuneration for:	
4,000	Audit services	5,500
8,000	Other services	3,700
43,185	Depreciation	81,560
7,000	Operating lease rentals	7,786

NOTES TO THE FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS

Intangible fixed assets comprise copyrights relating to the literary work of A L Rowse.

<i>Cost</i>	£
At 1 st April 2020 and 31 st March 2021	<u><u>7,000</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold premises	Furniture & equipment	Total Tangible Assets	Heritage assets	Group Total
	£	£	£	£	£
<i>Cost or valuation</i>					
At 1 st April 2020	2,543,615	736,219	3,279,834	32,200	3,312,034
Additions	-	690	690	355	1,045
At 31 st March 2021	2,543,615	736,909	3,280,524	32,555	3,313,079
<i>Depreciation</i>					
At 1 st April 2020	124,611	537,168	661,779	-	661,779
Charge for the year	-	81,560	81,560	-	81,560
At 31 st March 2021	124,611	618,728	743,339	-	743,339
<i>Net Book Value</i>					
At 31 st March 2021	2,419,004	118,181	2,537,185	32,555	2,569,740
At 31 st March 2020	2,419,004	199,051	2,618,055	32,200	2,650,255

All of the tangible fixed assets are held by the charity. The trustees are not aware of any material change to the valuation of tangible fixed assets during the period.

Part of the museum building is currently let out to a third party. The rental income generated is used to further the charity's objectives. The trustees do not believe that it is practical to value the part of the building that could be classed as an investment property. The trustees have no current or future intention to sell the property and any valuation would be of no additional use to a reader of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

11. HERITAGE ASSETS

The Museum's collections are diverse in origin and nature. The vast majority of the objects held were acquired many years ago. In the opinion of the Trustees, reliable information on cost or valuation is not available for the majority of the Museum's collections. This is owing to the lack of information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held. These collections are therefore not reported as assets in the balance sheet. The value of heritage assets held by the RIC is very significant.

The RIC's policy for the acquisition, preservation, management and disposal of heritage assets is available on its website.

12. INVESTMENTS

The endowments, invested in equity portfolios have remained with the unincorporated charity of which the incorporated charity is the sole trustee.

2020		2021			
		Unrestricted	Restricted	Endowment	Total
£		£	£	£	£
	<i>Group (all in the UK)</i>				
2,961,156	Listed investments	-	-	3,510,658	3,510,658
202,306	Bank and other deposits	-	-	92,672	92,672
<u>3,163,462</u>		<u>-</u>	<u>-</u>	<u>3,603,330</u>	<u>3,603,330</u>
	<i>Charity:</i>				
3,163,462	As above				3,603,330
	Investment in subsidiary				
1,000	undertaking				1,000
<u>3,164,462</u>					<u>3,604,330</u>
	<i>Movement in listed investment assets:</i>				
3,719,821	At 1 st April 2020				2,961,156
925,476	Additions at cost				1,044,775
(1,273,865)	Disposals at carrying value				(876,305)
(410,276)	Net gain/(loss) on revaluation				381,032
<u>2,961,156</u>	At 31 st March 2021				<u>3,510,658</u>

The cost of the above investments at 31 March 2021 was £3,148,107 (2020: £3,067,705).

NOTES TO THE FINANCIAL STATEMENTS

13. DEBTORS

Group	Charity		Group	Charity
2020	2020		2021	2021
£	£		£	£
11,157	11,157	Trade debtors	3,768	3,768
35,315	35,315	Prepayments and accrued income	54,898	54,898
2,398	2,398	Value added tax	5,958	5,958
48,870	48,870		64,624	64,624

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	Charity		Group	Charity
2020	2020		2021	2021
£	£		£	£
38,280	38,280	Trade creditors	25,849	25,849
-	3,543	Amount owed to subsidiary undertaking	-	3,543
6,765	6,765	Accruals and deferred income	29,783	29,783
8,859	8,859	Other creditors	5,451	5,451
53,904	57,447		61,083	64,626

NOTES TO THE FINANCIAL STATEMENTS

15. FUNDS

		Balance 1 st April 2020	Income	Expenditure	Transfers, gains/losses	Balance 31 st March 2021
	Note	£	£	£	£	£
Unrestricted Funds						
General fund		349,834	363,113	(443,731)	116,080	385,296
General fund asset reserve	(a)	821,186	-	-	(81,262)	739,924
		1,171,020	363,113	(443,731)	34,818	1,125,220

- (a) The general fund asset reserve is the value of the assets of the RIC used in the day to day operations of the RIC. They are not readily convertible into cash. This also has the effect of showing usable or free reserves separately.

NOTES TO THE FINANCIAL STATEMENTS

		Balance 1 st April 2020	Income	Expenditure	Transfers, gains/losses	Balance 31 st March 2021
	Note	£	£	£	£	£
Restricted funds:						
Buildings	(a)	1,647,018	-	-	-	1,647,018
HC Cardew Rendle	(b)	-	17,995	(17,995)	-	-
Reverend Selkirk	(c)	28,009	-	-	-	28,009
PAS	(d)	-	-	-	-	-
Winston Graham	(e)	15,000	-	(3,000)	-	12,000
Hawkins Galsworthy	(f)	-	52,758	(52,758)	-	-
Heritage Lottery Fund	(g)	150,243	-	-	-	150,243
St Levan Coin Hoard	(h)	31,047	-	-	-	31,047
Arts Council England – National Portfolio Organisations funds via Cornwall Museum Partnership	(i)	-	68,555	(68,555)	-	-
Heritage Addition - Painting	(j)	-	300	-	-	300
Jayne Wackett Memorial Fund	(k)	6,403	-	-	-	6,403
Cornish Language Book	(l)	-	2,195	-	-	2,195
		1,877,720	141,803	(142,308)	-	1,877,215

- (a) The buildings fund represents funding received for capital building projects.
- (b) The HC Cardew Rendle fund comprises investment income generated by the HC Cardew Rendle permanent endowment fund.
- (c) The Reverend Selkirk fund relates to a legacy to be used for the purchase of materials and equipment for the RIC's Courtney Library.
- (d) The PAS fund relates to funding received under the Portable Antiquities Scheme.
- (e) The Winston Graham fund relates to a historical prize competition.
- (f) The Hawkins Galsworthy fund comprises investment income generated by the Hawkins Galsworthy permanent endowment fund.
- (g) The Heritage Lottery Fund relates to the capital expenditure for the installation of the Ancient Civilisations exhibition in the De Pass gallery.
- (h) The St Levan Coin Hoard relates to the purchase of a coin hoard.
- (i) Arts Council England – National Portfolio Organisations funding via Cornwall Museum Partnership
- (j) Heritage Addition – Cornwall Council Community Chest grant towards the acquisition of a portrait of the Cornish Artist Jack Pender by Clifford Fishwick
- (k) Donations received in memory of Jayne Wackett.
- (l) Conservation of Cornish Language Book.

NOTES TO THE FINANCIAL STATEMENTS

		Balance 1 st April 2020	Income	Expenditure	Transfers, gains/ losses	Balance 31 st March 2021
	Note	£	£	£	£	£
Endowment funds						
HC Cardew						
Rendle Capital	(a)	609,214	-	(4,677)	83,014	687,551
Winston Graham	(a)	35,450	-	(295)	5,950	41,105
Hawkins						
Galsworthy	(b)	2,239,781	-	(16,769)	305,491	2,528,503
HLF – Endowing the next 200 years	(c)	103,722	9,241	(797)	16,542	128,708
		2,988,167	9,241	(22,538)	410,997	3,385,867

- (a) The HC Cardew Rendle and Winston Graham funds represent permanent endowments, from legacies, to be held indefinitely and the income restricted to the purposes set out at note 16(c) and 16(h) respectively.
- (b) The Hawkins Galsworthy fund represents a permanent endowment created from the sale of two paintings and the income restricted to use on care of RIC's collections.
- (c) HLF – Endowing the next 200 years represents funding for the long term sustainability of the RIC which is made up of legacies and donations received which have been matched by a grant from the Heritage Lottery Fund.

16. ANALYSIS OF GROUP NET ASSETS BY FUND

Current year	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Intangible fixed assets	7,000	-	-	7,000
Tangible fixed assets	739,924	1,797,261	-	2,537,185
Heritage fixed assets	-	32,555	-	32,555
Fixed asset investments	288,472	-	3,314,858	3,603,330
Net current assets	89,824	47,399	71,009	208,232
	1,125,220	1,877,215	3,385,867	6,388,302

Prior year	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total £000s
Intangible fixed assets	7	-	-	7
Tangible fixed assets	821	1,797	-	2,618
Heritage fixed assets	-	32	-	32
Fixed asset investments	257	-	2,906	3,163
Net current assets	86	48	82	216
	1,171	1,877	2,988	6,036

NOTES TO THE FINANCIAL STATEMENTS

17. PENSION SCHEMES

Defined benefit scheme

A number of the RIC's employees were members of a defined benefit pension scheme, the Cornwall Council Pension Fund (the "CCP Fund"), to which the employees and the RIC contribute. The assets of the CCP Fund are held separately in a fund administered for the benefit of local authority employees and employees of other specified bodies and managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended).

Actuarial valuations of the CCP Fund are obtained triennially, for the purpose of setting employer contributions. The last such valuation was at 31 March 2016, as a result of which the RIC's employer contribution rate for the year ending 31 March 2017 was set at 25%.

The contributions outstanding at 31 March 2021 amounted to £Nil (2020: £14,844).

The charity had entered into an agreement with the LGPS Trustees to make additional annual contributions of £6,700 in addition to normal funding levels over a period of 20 years in order to bridge the deficit. As a result of cessation of the scheme on 31 March 2020 no further additional contributions are due.

The Royal Institution of Cornwall ceased as an employer in the Cornwall Council Pension Fund on 31 March 2020. A final valuation was prepared by Hymans Robertson LLP (actuary) to determine the net liability at cessation. This was calculated at £656,000. An arrangement has been entered into with Cornwall Council acting as guarantor, and as a result no cessation payment will need to be made by the Royal Institution of Cornwall. Therefore it has not been necessary to provide for any liability on the balance sheet as at 31 March 2021 or 31 March 2020.

Defined contribution scheme

Membership of the defined benefit scheme was closed to new entrants during the year ended 31 March 2008, and new employees are now instead offered membership of the Amber Group Personal Pension Plan, which is a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS

18. TAXATION

The RIC is a registered charity and no provision is considered necessary for taxation.

19. CONTINGENT ASSET

The charity is aware that it is the beneficiary of a number of legacies. The total amount receivable from these legacies cannot be accurately quantified at this time, therefore no income has been accrued in the financial statements.

20. CONTINGENT LIABILITY

A grant of £233,000 was provided by the National Heritage Lottery Fund towards the installation costs of the Ancient Civilisations gallery. There is a legal charge of £233,000 on the freehold property, 25 River Street, Truro which was provided to the National Heritage Memorial Fund as the grant is repayable in certain circumstances.

21. FINANCIAL COMMITMENTS

Total commitments under operating leases expiring:

2020		2021
£		£
	Land and buildings:	
6,333	Within one year	4,750
4,750	Between one and five years	-
	Other:	
1,453	Within one year	1,453
3,996	Between one and five years	2,543

22. CAPITAL COMMITMENT

As at the 31 March 2021, The Royal Institution of Cornwall are committed to capital expenditure works of £Nil (2020: £72,000).

23. RELATED PARTY TRANSACTIONS

The Hall for Cornwall Trust – a charity in which J Seyler (Chair of Trustees) is key management provided a finance admin service during the year. Transactions totalled £11,375 (2020: £5,514) and £900 remained due as at the year-end (2020: £635).

There were no other related party transactions during the year or previous year.

NOTES TO THE FINANCIAL STATEMENTS

24. Consolidated Statement of Financial Activities for the year ended 31st March 2020 (including Income & Expenditure Account) – Comparative period

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total Funds £000s
Income				
Donations and legacies				
• Grants	125	34	-	159
• Donations & legacies	2	7	-	9
• Gift Aid	2	-	-	2
<i>Income from charitable activities:</i>				
Admissions	56	-	-	56
Learning	25	-	-	25
Members subscriptions	15	-	-	15
Other	4	-	-	4
Other trading activities				
• Retail activities	26	-	-	26
• Rental income	65	-	-	65
Investment Income	29	81	-	110
Other Income	-	-	-	-
Total Income	349	122	-	471
Expenditure				
<i>Cost of raising funds:</i>				
Retail activities	20	-	-	20
Investment management	3	-	20	23
<i>Charitable activities:</i>				
Operation of RIC	557	116	-	673
Total expenditure	580	116	20	716
Net gains/(losses) on investment assets	(60)	-	(291)	(351)
Net income/(expenditure) before transfers	(291)	6	(311)	(596)
Transfer between funds	-	-	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR	(291)	6	(311)	(596)
Gain on cessation of defined benefit pension scheme	348	-	-	348
Net Movement in funds for the year	57	6	(311)	(248)
Total funds brought forward	1,114	1,871	3,299	6,284
Total funds carried forward	1,171	1,877	2,988	6,036

NOTES TO THE FINANCIAL STATEMENTS

25. FUNDS for the year ended 31 March 2020 (comparative period)

		Balance 1 st April 2019	Income	Expenditure	Transfers, gains/losses	Balance 31 st March 2020
	Note	£000s	£000s	£000s	£000s	£000s
Unrestricted Funds						
General fund		597	349	(580)	(16)	350
General fund asset reserve	(a)	865	-	-	(44)	821
General fund pension reserve	(b)	(348)	-	-	348	-
		1,114	349	(580)	288	1,171

(a) The general fund asset reserve is the value of the assets of the RIC used in the day to day operations of the RIC. They are not readily convertible into cash. This also has the effect of showing usable or free reserves separately.

(b) The general fund pension reserve relates to the defined benefit pension scheme referred to in note 18.

NOTES TO THE FINANCIAL STATEMENTS

		Balance 1 st April 2019 £000s	Income £000s	Expenditure £000s	Transfers, gains/losses £000s	Balance 31 st March 2020 £000s
<i>Restricted funds:</i>	Note					
Buildings	(a)	1,647	-	-	-	1,647
HC Cardew Rendle	(b)					
Income		-	19	(19)	-	-
Reverend Selkirk	(c)	28	-	-	-	28
PAS	(d)	-	29	(29)	-	-
Winston Graham	(e)	15	-	-	-	15
Hawkins Galsworthy	(f)	-	61	(61)	-	-
Heritage Lottery Fund	(g)	150	-	-	-	150
St Levan Coin Hoard	(h)	31	1	(1)	-	31
Wilder Cornwall Project	(i)	-	4	(4)	-	-
Algorithmic Art Programme	(j)	-	1	(1)	-	-
Jayne Wackett Memorial Fund	(k)	-	6	-	-	6
Cornish Language Book	(l)	-	1	(1)	-	-
		1,871	122	(116)	-	1,877

- (a) The buildings fund represents funding received for capital building projects.
- (b) The HC Cardew Rendle fund comprises investment income generated by the HC Cardew Rendle permanent endowment fund.
- (c) The Reverend Selkirk fund relates to a legacy to be used for the purchase of materials and equipment for the RIC's Courtney Library.
- (d) The PAS fund relates to funding received under the Portable Antiquities Scheme.
- (e) The Winston Graham fund relates to a historical prize competition.
- (f) The Hawkins Galsworthy fund comprises investment income generated by the Hawkins Galsworthy permanent endowment fund.
- (g) The Heritage Lottery Fund relates to the capital expenditure for the installation of the Ancient Civilisations exhibition in the De Pass gallery.
- (h) The St Levan Coin Hoard relates to the purchase of a coin hoard.
- (i) Funding received for the Wilder Cornwall Project.
- (j) Funding received for the Algorithmic Art Programme.
- (k) Donations received in memory of Jayne Wackett.
- (l) Conservation of Cornish Language Book.

NOTES TO THE FINANCIAL STATEMENTS

	Note	Balance 1 st April 2019 £000s	Income £000s	Expenditure £000s	Transfers, gains/ losses £000s	Balance 31 st March 2020 £000s
<i>Endowment funds</i>						
HC Cardew						
Rendle Capital	(a)	663	-	(4)	(50)	609
Winston Graham	(a)	43	-	-	(7)	36
Hawkins						
Galsworthy	(b)	2,479	-	(15)	(224)	2,240
HLF – Endowing the next 200 years	(c)	114	-	(1)	(10)	103
		3,299	-	(20)	(291)	2,988

- (a) The HC Cardew Rendle and Winston Graham funds represent permanent endowments, from legacies, to be held indefinitely and the income restricted to the purposes set out at note 16(c) and 16(h) respectively.
- (b) The Hawkins Galsworthy fund represents a permanent endowment created from the sale of two paintings and the income restricted to use on care of RIC's collections.
- (c) HLF – Endowing the next 200 years represents funding for the long term sustainability of the RIC which is made up of legacies and donations received which have been matched by a grant from the Heritage Lottery Fund.