

Society of Chemical Industry

Annual Report and Accounts

31 December 2020

Charity Registration Number
206883



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REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Dr A D Baylis (Chairman)
 Dr G Fowler (Honorary Treasurer)
 Mr D Birkett
 Ms L Bruce-Gardyne
 Dr C Crowhurst
 Dr M Harrison
 Dr R Harrison
 Mr M Heijbroek
 Prof R Jones
 Prof J Mordue-Luntz
 Dr J Ramakers
 Prof J Sweeney
 Prof K C Thompson
 Dr A Walker
 Dr D Witty
 Dr T Wood

Chief Executive Officer

Ms S E Todd

Principal office

14-15 Belgrave Square
 London
 SW1X 8PS

Charity registration number

206883

Auditor

Buzzacott LLP
 130 Wood Street
 London
 EC2V 6DL

Investment manager

Quilter Cheviot Investment Management
 1 Kingsway London
 WC2B 6AN

Bankers

HSBC Bank plc
 The Peak
 333 Vauxhall Bridge Road
 London
 SW1V 1EJ

Solicitors

Stone King LLP
 16 St John's Lane
 London
 EC1M 4BS

The trustees present their statutory report together with the audited accounts of the Society of Chemical Industry ("SCI" or "the Society") for the year ended 31 December 2020. The accounts have been prepared in accordance with the accounting policies set out on pages 24 to 29 of the attached accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

The Society of Chemical Industry was founded in 1881 and incorporated by Royal Charter in 1907. A copy of the Royal Charter, By-laws and Rules which governs the charity's activities may be obtained on request from the principal office at 14-15 Belgrave Square, London, SW1X 8PS or viewed on our website, www.soci.org. SCI registered itself with the Charity Commission in 1962 (Charity Registration No 206883).

Board of Trustees

Overall responsibility for the affairs of the charity lies with its Board of Trustees ("the Board"). The following trustees were in office throughout the period of report and up to the date of approval of the annual report and accounts, except where shown:

TRUSTEE	APPOINTED/RESIGNED
Dr A D Baylis (Chairman)	
Mr D Birkett	
Mrs D Brown	Resigned October 2020
Ms L Bruce-Gardyne	
Dr C Crowhurst	
Dr G Fowler (Honorary Treasurer)	
Dr M Harrison	
Dr R Harrison	
Mr M Heijbroek	
Prof J Mordue-Luntz	
Dr J Ramakers	
Prof J Sweeney	
Prof K C Thompson	
Dr A Walker	Co-opted February 2020
Dr D Witty	
Dr T Wood	

Governance Structure

SCI is governed by the Board of Trustees, supported by standing and sub committees, to provide advice and support to BoT on aspects of the Society. Authority is delegated to the Chief Executive and her team to manage the operations of the Society.

SCI runs a process of rolling review of its governance and continues to implement changes, supported by its professional advisors, designed to strengthen the organisation. During 2020 a number of changes were introduced – specifically a new Nominations Committee and a new Presidents Council.

Presidents Council

During 2020 a new Presidents Council, comprising of senior stakeholders of the Society, was launched. The new Council, chaired by the SCI President, acts as an advisory body to the Board of Trustees and the Chief Executive on strategic and governance matters.

Diversity

During 2020 the Board of Trustees reviewed and revised its Diversity Policy, restating its commitment to ensuring SCI is a diverse and welcoming Society. Diversity is essential for effective innovation and the core values of respecting, valuing and including others, remain at the heart of SCI.

Appointment of trustees and standing committee members

Elections to the Board of Trustees and the other governance committees are held each year to ensure the succession management of governance and compliance with stated periods of office. This process is directed by the Board of Trustees and managed by the Chief Executive. In addition to elected positions on the Board, co-opted positions are used to attract trustees with skills and talent to complement the trustees elected by the membership of the Society.

Induction and training of those charged with governance

Trustees and others involved in SCI's governance are kept up-to-date with best practice standards and developments in governance through the Chief Executive and the Society's professional advisors. SCI seeks to comply with the Charity Governance Code for the voluntary and community sector.

New trustees and those taking office on Standing Committees are made aware of the responsibilities of trustees and office bearers under the Charities Act 2011 and under the Society's governing documents.

Standing Committees and Sub-Committees

The Board is supported by one Standing Committee and five Sub-Committees, which advise on specific aspects of SCI's work. The Chairs of each are also members of the Board of Trustees. The Board of Trustees meets at least four times a year and the Standing and Sub-Committees meet as often as needed, although not less than twice a year.

Finance and Investments Advisory Committee (FIAC)

FIAC is a Standing Committee and advises the Board on all financial matters relating to the Society including investments, investment policy issues, reserves policy, budgets (annual and project related), IT policy and property.

Membership Committee (MC)

The Membership Committee is a Sub-Committee of the Board of Trustees. It is responsible for advising on the needs and interests of SCI's members. Its overall aim is to advise the Board and the Chief Executive on ways and means of enhancing the value of SCI membership from the members' perspective.

The Publications Committee (PC)

The Publications Committee (PC) is a Sub-Committee of the Board. PC comprises of the editors-in chief of SCI's scientific journals with some elected members. PC is responsible for advising the Board on SCI publishing activities and strategies, the strategic development of the existing portfolio and the development of new publication products. PC, together with the Chief Executive, works with publishing advisors and partners to identify and appraise publishing opportunities and threats, to ensure that editorial policies are aligned with SCI's policies and strategy.

Early Careers Committee (ECC)

ECC is a Board Sub-Committee and advises on services and initiatives to support early career members of SCI and to oversee early career related awards. ECC also manages the College of Scholars and overseas key awards.

Senior Appointments and Remuneration Committee (SARC)

The purpose of SARC (a Board Sub-Committee) is to appoint and review the Chief Executive's remuneration package and to approve overall pay increases for SCI staff. For annual pay awards SARC receives input from the Chief Executive (CEO) and takes into account evidence of wage increases from the Office for National Statistics and other independent surveys. It is mindful of the financial performance of the Society during the year and the budget allowance for the following year.

Nominations Committee (NC)

In 2020 a new sub-committee, the Nominations Committee, was formed by the Board of Trustees. This committee, chaired by the SCI President, has the remit to oversee and strengthen the process of appointment or election of new trustees.

Organisation and Management

The Chief Executive is responsible to the Board for the efficient conduct of SCI's affairs in accordance with the Royal Charter, By-Laws and Rules.

The delivery of the strategy and the day-to-day management of SCI is delegated to the Chief Executive, and then further delegated to the line managers. Staff work to an agreed operational plan, targets and budget agreed with the Board at the beginning of the year and report progress to the trustees on a regular and formal basis. The management and staff work within a framework of delegated authority.

SCI pursues an overall policy of transparency and clear communication. Minutes are taken at all governance meetings and actions are recorded.

SCI communicates with its membership and other audiences through the SCI member news pages in Chemistry & Industry magazine, via its website, www.soci.org, and through electronic newsletters and emails that promote its conference programme and other membership activities. SCI has a blog, SCIBlog, and also has presence in social media, such as LinkedIn, Facebook and Twitter.

Key management personnel

The trustees consider that they, together with the Chief Executive, comprise the key management personnel of the charity in charge of directing and running the operations of the charity. Trustees are not remunerated for their services to the charity. The remuneration of the Chief Executive is determined through the Senior Appointments and Remuneration Committee. Benefits provided to the staff include a defined contribution pension scheme, BUPA cover and paid holidays in excess of the legal entitlement.

Trading subsidiary

SCI owns and controls the operations of a wholly owned subsidiary company, SCI Business Limited (Company Registration Number 02994541). It undertakes trading activities, which are ancillary to, but not part of, SCI's core activities, and donates the annual profits to SCI in the form of a Gift Aid donation. The activities undertaken by SCI Business Limited cover other trading activities within SCI's expertise that do not conflict with SCI's charitable objectives, such as advertising and meeting room hire.

The accounts accompanying the annual report are consolidated and incorporate the financial results and year end position of both SCI and its wholly owned subsidiary.

OBJECTIVES AND ACTIVITIES

SCI was established in 1881 by forward thinking scientists, inventors and entrepreneurs to help support and accelerate the commercialisation of chemistry and related sciences, into industry for the benefit of society. During its 140 years SCI's community has developed a multitude of new products and processes in a wide range of industry sectors, from new medicines to new materials, bringing extensive benefits to society.

Operating as an international membership organisation, SCI connects scientists, industry, government and other key stakeholders to come together to solve some of the biggest global challenges facing society, from Global Health issues to delivering solutions to Net Zero. By harnessing its unique networks novel solutions are developed, new entrepreneurial businesses are supported and knowledge is shared across boundaries.

SCI's is a unique multidisciplinary organisation, bringing together people from different disciplines, businesses and backgrounds, and from a wide range of sectors including agrifood, energy, environment, health and wellbeing and materials. Members include a wide range of scientists, engineers and business people (senior executives, R&D managers, marketers, IP professionals) from a wide range of science-based industries.

SCI's current strategy has focussed on SCI committing to:

- 1) **Accelerating Innovation** – helping to promote and support the acceleration of emerging technologies into industry for the benefit of society through the translation of knowledge via conferences, publications and by building communities.
- 2) **Supporting the Next Generation** – providing valuable resources for members including gaining new knowledge, personal development and training, and support to build new networks.
- 3) **Recognising and rewarding Excellence in Innovation** – recognising individuals or teams who show leadership in innovation or who excel in the application of science.
- 4) **Public Outreach** – engaging the public in the benefits of the application of science via events, publications, C&I Magazine and the Public Evening Lecture Programme.

In formulating the Society's aims and in planning the work of the charity, the trustees confirm that they have had due regard to the general guidance published by the Charity Commission on public benefit.

The strategy will be reviewed over the next 12 months.

ACHIEVEMENTS AND PERFORMANCE

2020 has been a challenging year for all. The global COVID pandemic presented significant challenges for SCI although the operations proved resilient. The Society had to adapt quickly to a new environment and many of its activities were reshaped, with most activities moved quickly to online operations. During the year the executive focused on maintaining operations with a strong focus on cash management. Although income was negatively impacted expenditure was managed and the overall performance resulted in a small surplus, despite the extremely difficult operating environment.

Despite the COVID pandemic membership numbers continue to grow, with increases in all membership categories, apart from life members. Overall, membership numbers increased by a healthy 10% in 2020. During the year all existing corporate partners continued their support for SCI with renewed membership, and SCI was delighted to welcome a further three corporate partners during the year; Unilever, Syngenta and Scott Bader.

Accelerating Innovation

PUBLICATIONS

Despite disruption to research throughout 2020 income from publications remained strong reflecting the importance of the journals, with a minimal decrease of 2.4% in 2020 compared to 2019. The publications operations ran without disruption throughout 2020, including the publication and distribution of C&I, the Society's globally renowned magazine.

SCI continues to invest in growing its digital media capabilities to both support the existing publications portfolio and to expand SCI's presence via existing and new digital platforms. Sharing knowledge and building networks through the use of digital platforms remains a focus for SCI.

CONFERENCES

SCI runs an extensive conference programme, with many events being an important vehicle for showcasing and progressing emerging technologies. Conferences are run across the range of areas covered by SCI, such as advancements in the areas of agrifood, materials, health and wellbeing and energy and environment.

At the start of the COVID crisis SCI made the decision to move as many conferences online, but with major scientific conferences postponed to 2021 or 2022. In addition the scientific conferences run were opened up to all parties, in an effort to support SCI's scientific community, many of whom were involved in the development of the vaccines and critical equipment such as PPE.

Through the year conference income decreased (by 83.8%) from the previous year, but the delegate numbers grew considerably (by 110%).

COMMUNITIES

New communities were launched in emerging tech areas such as Sustainable Materials, Battery Materials and AI, Data and Digitalisation. These communities bring together organisations and academia working on developing and commercialising new technologies in critical areas such as electric vehicles, new forms of energy such as hydrogen and sustainability.

Investing in the Next Generation

SCI continues to have a strong focus on supporting and developing early and mid career STEM students. Activities are aimed at educating and developing this critical group of future inventors and leaders. Events covered a wide range of technology areas as well as functional areas such as developing and managing intellectual property.

During the year several key events were postponed due to the COVID pandemic but others, such as the Mentoring Programme, continued to operate effectively online.

In addition to the early career activities the Mid-Careers Group ran a number of successful events online. This group, focussed on supporting and developing mid-career professionals, is developing a programme of activities designed to help support the leaders of the future.

Recognising Excellence in Innovation

SCI runs an extensive international Awards Programme, promoting and recognising excellence in innovation and industry. Excellence in leadership is recognised through the awarding of SCI Medals and through the Memorial Lectures. Excellence in research is recognised through a wide range of scholarships, awards, and prizes given to early and mid career scientists from academia and industry, to help support their personal development or to fund research.

COVID impacted on the awards programme during 2020, with many awards restricted, however over 70 scholarships, fellowships and prizes were awarded during the year. Three SCI Scholarships and one new Daphne Jackson Fellowship, in partnership with the Daphne Jackson Trust, were awarded.

In addition, three major medals were also awarded as follows:

- SCI America awarded The Chemical Industry Medal to Christopher D. Pappas, CEO of Trinseo.
- SCI America awarded The Perkin Medal to Dr Jane Frommer PhD (title and organisation?).
- The Beilby Medal was awarded to (Dr / prof?) Jin Xuan, Loughborough University.

Public Outreach

During 2020 a new online public lecture programme, SCITalks, was launched. This programme proved to be very popular, attracting audiences from around the world with talks ranging from *'The Quest for Effective Dementia Treatment'*, to *'Combatting Antimicrobial Resistance'* and *'Big Bangs and Black Holes – frontiers of space science.'*

FUTURE PLANS

The worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the Society, its beneficiaries, partners and stakeholders and on the wider society.

Key areas of the charity's operations that have been impacted include:

- A changing shape of income, in particular from conferences. It is anticipated that going forward conferences will be a mix of face to face, hybrid (combining face to face with webinar attendance) and webinars. The financial impact of this future way of working has yet to be tested.
- The income associated with the building at Belgrave Square will change due to new COVID compliance procedures potentially limiting income for the next 12 months.

SCI Strategy

As a result of changing landscape SCI has initiated a strategic review, starting in 2021, to assess and develop the strategy for the new post COVID world.

It is anticipated that the current programme of SCI activities, such as the dissemination of knowledge and facilitating innovation through conferences, publications and early career programmes, will continue to grow and develop, however these may take new forms into the future. In addition, opportunities by providing further digital products and services, to supplement existing product offerings will be reviewed.

SCI will continue to focus on developing its membership through individual members, its successful corporate partners programme and by supporting innovative SMEs and academics.

Publishing activities will continue to change as the marketplace is changing with the moves to open access models. SCI is supportive of approaches designed to accelerate the dissemination of knowledge and continues to work with key stakeholders to find new models that will support not for profit scholarly publishing into the future.

The review of governance structures, focused on ensuring that SCI has the structure fit for future needs will continue. Significant changes have already been implemented and the establishing of the Presidents Council in 2020 is an exciting step forward.

SCI : Celebrating 140 Years in 2021

SCI was established in 1881 by forward thinking scientists, inventors and entrepreneurs intent on working tougher to solve some of the biggest challenges of their day. In 2021 SCI enters into its 140th year - still focussed on the original charitable objectives, supporting the acceleration of the development and implementation of scientific solutions the global societal challenges of today.

FINANCIAL REVIEW

Results for the year

A summary of the year's results is provided on page 21 of the attached accounts.

Total income for the year amounted to £2,873k (2019 – £3,556k). The principal funding sources were: publications £1,943k (2019 – £1,991k), conferences £89k (2019 – £549k), investment income £191k (2019 – £171k), income from letting and licensing of premises £342k (2019 – £514k), commercial trading operations £66k (2019 – £178k); and member subscriptions of £152k (2019 – £146k). We also received £79k of grant income via the Coronavirus Job Retention Scheme.

Total expenditure for the year amounted to £3,121k (2019 – £3,704k), £3,033k (2019 – £3,442k) of the expenditure incurred in the year, representing 97% (2019 – 93%) of the total expenditure incurred, was spent on charitable activities, which includes directly attributable costs, project costs and overhead costs supporting core charitable objectives.

Other expenditure incurred of £88k (2019 – £262k) was on trading activities, on letting and hiring of premises and on investment management.

The net expenditure for the year before investment gains and losses was therefore £248k (2019 – net expenditure of £148k).

After accounting for the net gains generated on the revaluation and disposal of listed investments totalling £395k (2019 – gains of £580k), the charity's overall funds increased by £147k (2019 – increased by £432k).

The Society's wholly owned trading subsidiary, SCI Business Limited, reported a profit before Gift Aid donations of £39k (2019 – £43k). The profit earned was payable to the parent charity under Gift Aid in order to assist in meeting its objectives.

Fundraising

The Society does not currently engage in traditional forms of fundraising activity such as collections or appeals, and as such, the trustees do not consider it necessary at the moment for the Society to adopt any particular code of practice in this area. However the Society plans to undertake a scoping exercise in the area of fundraising, incorporating process, procedure, governance and compliance. No complaints have been received by the Society in relation to fundraising.

Investment Policy and Performance

All funds of the Society not immediately required to be used or applied for the ordinary purposes of, or in carrying out the objects of, the Society and any property held by the Society, subject to the terms of any trust, may be invested by the Board of Trustees on behalf of the Society in any permitted investment.

The Board may appoint and terminate the appointment of investment managers upon such terms and conditions as they may from time to time determine, except that no person should be appointed as investment manager unless authorised for this purpose in accordance with the Financial Services Act 2010 or any statutory modification thereof or replacement thereof.

Under delegated authority from the Board of Trustees, administration of the funds of the Society, subject to the overall authority of the Board, are overseen by the Finance & Investments Advisory Committee ("FIAC"). FIAC members take advice on the investment portfolio and performance from an independent advisor, Quilter Cheviot Investment Management, who are also responsible for the management of the charity's investments. They assist the Committee to review the investment policy, asset reallocation and risk level. The principal custodian of investment securities is Bank of New York Mellon. The Committee reviewed SCI's investment policy in late 2018. The overall policy is for a broadly moderate risk appetite, with balanced expectations of income and gains.

Surplus cash is held in deposit accounts with the Society's bankers, HSBC. The market value of investments at 31 December 2020 was £7,578k compared with £7,433k at 31 December 2019.

Income from listed investments during the year amounted to £166k (2019 – £163k) representing an income yield of approximately 2.46% (2019 – 2.4%). The net gains on the listed investments in 2019 were £348k (2019 – gains of £580k). The total return on the portfolio for the year to 31 December 2020 was 7.9% compared with the benchmark return of 3.5% as per the published ARC Steady Growth Charity Index (2019: 10.9% vs 15.6%).

Reserves policy and financial position

Part of the charity's net assets is represented by the net book value of SCI's interest in its tangible fixed assets. The availability of these assets is essential to the day-to-day work of the charity and as such, the value of these assets cannot be regarded as funds that would be realisable with ease, in order to meet future contingencies. As such, an amount equal to the net book value of the tangible fixed assets has been separated from the charity's general funds and held as a separate designated fund. At the year end, the balance on this fund was £4,419k (2019 – £4,601k).

At 31 December 2020, funds totalling £2,247k (2019 – £2,177k) comprised restricted funds that must be applied in accordance with the wishes of the donor.

FIAC has considered SCI's free reserves requirements and advised on the same to the charity's Board. Free reserves comprise the general funds of the Society, excluding designated and restricted funds. When setting the reserves policy, FIAC and the Board have given consideration to the following:

- Funds being employed to invest in the infrastructure of SCI, specifically in 2021 around internal maintenance and systems development. Capital expenditure outlay of £230k is forecast for 2021.
- A prudent fiscal policy should be adopted in order to ensure funds are not unduly depleted during a period where additional investment is required.
- The members have a consensus to ensure the Society preserves the value of its capital in line with the long-term rate of inflation. In July 2008 FIAC agreed to maintain a minimum level of free reserves (i.e. unrestricted general funds which are freely available for application towards the general charitable objectives of the charity) at £6 million. The RPI inflation adjusted value in 2020 is £8.2 million based on an inflation rate of 36.1% over the past twelve and a half years.
- A significant proportion of the Society's net assets are represented by listed investments. Such assets are subject to fluctuations in market value due to the inherent volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. As such, the reserve requirement needs to take account of an element of unpredictability.

At 31 December 2020, the charity held free reserves totalling £7.24m (2019 – £6.98m). While the actual level of free reserves is below the desired level, the trustees are satisfied with the progress of the increase in free reserves over recent years, taking into account the significant investment in the infrastructure in 2019 and the disruption associated with the COVID pandemic. A review of the reserves is planned for 2021.

Going concern

There is a reasonable expectation that the Society of Chemical Industry has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue operating as a going concern. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic and conclude that the charity can sustain its operations for a period of at least twelve months from date of signing these accounts. Consequently, the financial statements have therefore been prepared on the basis that the charity remains a going concern.

Related entities

During 2019 SCI established two Dutch legal entities to support and promote SCI's activities in Europe post Brexit. SCI Europe B.V. (registration no. 860729813) and Stichting SCI Europe (860729795) were both registered on 16th December 2019 and remained dormant to 31 December 2020.

Funds held as Custodian Trustee

The Society acts as Custodian Trustee for the SCI Benevolent Fund and Rideal Trust. The financial results of these two charities are consolidated into SCI's accounts and full accounts for the trust funds are produced in note 22 in compliance with Charity Commission guidelines.

SCI Benevolent Fund

The object of SCI's Benevolent Fund is to provide financial relief to persons who are or have been members of the Society and to their spouses, children and dependents and to the widows/widowers, children and dependents of deceased members. The assets as at 31 December 2020 are investments, which amounted to £131k.

The Rideal Trust

The object of the Rideal Trust is the general advancement of chemical science and, in particular, branches relating to chemisorption, colloid science, interface science, catalysis and related topics. The Trust is jointly administered by SCI and the Royal Society of Chemistry. The activities of the Trust directly support the overall object of the Society which is to advance the science of applied chemistry and related sciences for the public benefit by providing information, granting bursaries, awards etc. The assets as at 31 December 2020 are investments, which amounted to £18k.

RISK MANAGEMENT

The trustees pursue a system of risk management through FIAC, the Executive, and the Board of Trustees. A Risk Register is in place and this is regularly reviewed throughout the year by the Executive, FIAC and BoT.

The trustees regularly review the high-level risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks.

The main risks to the Society continue to be market related – in particular from the potential impact of open access on publishing income and the potential volatility in the investment earnings. The potential loss of income from publishing is managed by having programmes in place to deliver income growth and appropriate agreements with the publishing partner. The investments are reviewed by FIAC regularly against benchmarks to determine the effectiveness of the investment strategy, which can then be modified if required.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and the group for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation. The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity and the group's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustees and signed on their behalf by:



Honorary Treasurer

Approved by the Board of Trustees on: 19 May 2021

Independent auditor's report to the members and trustees of Society of Chemical Industry

Opinion

We have audited the accounts of Society of Chemical Industry (the 'parent charity') including its subsidiary (collectively the 'group') for the year ended 31 December 2019 which comprise the group statement of financial activities, group and parent charity balance sheets, group statement of cash flows, the principal accounting policies and notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of their income and expenditure 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 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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and the 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 the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

How the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing accounts disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at 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 section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Date : 12 October 2021

FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year to 31 December 2020

		Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
INCOME FROM:							
Donations and legacies	1	—	—	—	1	2	3
Charitable activities	2	2,184	—	2,184	2,686	—	2,686
Other trading activities	3	408	—	408	692	—	692
Investments	4	146	45	191	132	39	171
Grant income (CJRS)		79	—	79	—	—	—
Other income		11	—	11	4	—	4
Total income		2,828	45	2,873	3,515	41	3,556
EXPENDITURE							
Raising funds	5	88	—	88	262	—	262
Charitable activities	6	2,956	77	3,033	3,386	56	3,442
Total expenditure		3,044	77	3,121	3,648	56	3,704
Net expenditure before gains and losses on investments and transfers		(216)	(32)	(248)	(133)	(15)	(148)
Transfers		(8)	8	—	(15)	15	—
Net expenditure before gains and losses on investments		(224)	(24)	(248)	(148)	—	(148)
Net gains on the revaluation and disposal of listed investments	13	301	94	395	442	138	580
Net income and net movement in funds	10	77	70	147	294	138	432
RECONCILIATION OF FUNDS:							
Fund balances brought forward							
at 1 January		11,585	2,177	13,762	11,291	2,039	13,330
Fund balances carried forward							
at 31 December		11,662	2,247	13,909	11,585	2,177	13,762

All of the group's activities derived from continuing operations during the above two financial periods.

The group has no recognised gains and losses other than those shown in the consolidated statement of financial activities.

BALANCE SHEETS

Year to 31 December 2020

	Notes	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
FIXED ASSETS					
Tangible assets	12	4,419	4,601	4,419	4,601
Investments	13	7,578	7,433	7,578	7,433
		11,997	12,034	11,997	12,034
CURRENT ASSETS					
Debtors	14	925	1,057	984	1,191
Cash at bank and in hand		1,913	1,492	1,841	1,344
		2,838	2,549	2,825	2,535
Creditors: amounts falling due within one year	15	(839)	(716)	(826)	(702)
Net current assets		1,999	1,833	1,999	1,833
Total assets less current liabilities		13,996	13,867	13,996	13,867
Creditors: amounts falling due after more than one year	16	(87)	(105)	(87)	(105)
Total net assets		13,909	13,762	13,909	13,762
The funds of the group and charity:					
Unrestricted funds					
Designated funds	17	4,419	4,601	4,419	4,601
General funds		7,243	6,984	7,243	6,984
		11,662	11,585	11,662	11,585
Restricted funds	18	2,247	2,177	2,247	2,177
		13,909	13,762	13,909	13,762

Approved by the trustees and signed on their behalf by:



Honorary Treasurer

Approved by the Board of Trustees on: 19 May 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

Year to 31 December 2020

	Notes	2020 £'000	2019 £'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by (used in) operating activities	A	117	(463)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income		191	171
Purchase of tangible fixed assets		(137)	(193)
Proceeds from the disposal of investments		1,332	8,064
Purchase of investments		(936)	(8,694)
Net cash provided by (used in) investing activities		450	(652)
Change in cash and cash equivalents in the year		567	(1,115)
Cash and cash equivalents at 1 January	B	1,518	2,633
Cash and cash equivalents at 31 December	B	2,085	1,518

Notes to the statement of cash flows for the year to 31 December:

A Reconciliation of net income to net cash provided by (used in) operating activities

	2020 £'000	2019 £'000
Net income (as per the statement of financial activities)	147	432
ADJUSTMENTS FOR:		
Depreciation charge	301	374
Loss on the disposal of fixed assets	18	—
(Gains) on investments	(395)	(580)
Investment income	(191)	(171)
Decrease (increase) in debtors	132	(268)
Increase (decrease) in creditors	105	(250)
Net cash provided by (used in) operating activities	117	(463)

B Analysis of changes in net debt

	2020 £'000	2019 £'000
Cash at bank and in hand	1,913	1,492
Cash held by investment managers	172	26
Total cash and cash equivalents	2,085	1,518

PRINCIPAL ACCOUNTING POLICIES

Year to 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2020 with comparative information in respect of the year to 31 December 2019. They are presented in sterling and are rounded to the nearest thousand pounds.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the results of SCI and its wholly owned subsidiary company, SCI Business Limited, groups and applicable trust funds, made up at the balance sheet date. The results are consolidated on a line-by-line basis.

The results of all the groups were fully incorporated into the Society's accounts with the exception of the Macro Group which is jointly administered with the Royal Society of Chemistry.

The charity is taking advantage of the concession to only provide a consolidated statement of financial activities and income and expenditure account as permitted by the Charities SORP FRS 102. No separate statement of financial activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds;

- the basis on which support costs have been allocated across expenditure headings; and
- assessing future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The total eventual impact of the ongoing global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, suppliers, beneficiaries and the wider economy. However, the trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due including sufficient to enable the charity to operate in the exceptional circumstances created by Covid-19.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

Income recognition

Income is recognised in the period in which the charity and the group have entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. It excludes VAT where charged.

Income is deferred only when the charity and the group has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, grants, income from charitable activities including conferences and events, publications and membership subscription; income from other trading activities including the letting and licensing of the charity's premises; and investment income and interest receivable.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grant funding is recognised as and when the work is completed and the grant conditions are fulfilled.

Income from conferences and events are recognised in the financial period in which the conference or event was hosted.

Income from publications and royalties are recognised in the period in which the royalties were accrued or the publications sold.

Annual membership subscriptions are recognised as income on an accruals basis applicable to the membership period, and part of the subscription applicable to the following year is carried forward as deferred income. Life membership can be purchased based on 10 years standing and aged 60 or over on a sliding scale, depending on age. To reflect the costs of providing future membership benefits to such members, a provision is calculated multiplying the annual membership subscription by the estimated number of years that the benefits will be provided for each life member.

Income derived from the letting and licensing of the charity's premises, is recognised in the period to which the letting or licencing relates. Rent free period income is recognised as a deferred debtor which is written down over the lease period or the lease break clause date, whichever is earlier.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity and the group to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Irrecoverable input VAT is included in the expenditure. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity and the group. This includes the fees payable to the investment manager in connection with the management of the charity's listed investments, the costs in connection with the management and upkeep of the charity's premises, and other direct costs associated with the charity's other trading activities.
- Expenditure on charitable activities comprises expenditure in support of the charity and the group's primary charitable purposes as described in the trustees' report. This includes the costs associated with the servicing of members, costs in connection with hosting events and conferences for the Society's beneficiaries, costs associated with the production of publications, grants and awards to individuals for endeavour in the fields of science, engineering and technology as well as bursaries and scholarships.

Grants are awarded from various restricted funds by the Early Careers Committee to successful applicants. Each fund has its own particular criteria. They are accounted for in the statement of financial activities in the year in which they are awarded.

Expenditure on charitable activities includes both costs which can be directly attributed to the four key activities as well as an allocation of shared support costs (see below).

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity and the group it is necessary to provide support in the form of a finance function, IT and human resources function, and facilities management support.

Furthermore, support costs include governance costs. These comprise the costs involving the public accountability of the charity and the group (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs including governance costs are allocated to the various categories of charitable expenditure on an appropriate basis such as the number of staff serviced in each area, floor space, or in proportion to direct costs. The basis of allocation is further explained in note 8 to the accounts.

Tangible fixed assets

Tangible fixed assets costing less than £1,000 are not capitalised and are written off in the year of purchase.

Tangible fixed assets which are capitalised are included at cost (including any incidental expenses of acquisition), stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- | | |
|-----------------------------------|---|
| ▪ Long leasehold property | by equal instalments over the life of the lease |
| ▪ Leasehold improvements | ten to twenty years on cost |
| ▪ Furniture, IT & other equipment | three to five years on cost |

Assets under the course of construction are not depreciated until the asset is complete and available for use.

The property is subject to an annual impairment review.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

As noted above, the main form of financial risk faced by the charity and the group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

The Society's investment in its wholly owned trading subsidiary is included in the charity balance sheet at cost.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity and the group anticipate it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objectives.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities in equal annual amounts over the lease term.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to income and expenditure through the statement of financial activities.

Taxation

SCI is a UK registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

SCI Business Limited passes all its taxable profits as Gift Aid to the Society in accordance with an agreed Deed of Covenant.

Custodian arrangements

The Society acts as Custodian Trustee for the SCI Benevolent Fund and Rideal Trust. The financial results of these two charities are consolidated into SCI's accounts and full accounts for the trust funds are produced in note 22 in compliance with Charity Commission guidelines.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments, and are measured at amortised cost.

NOTES TO THE ACCOUNTS

Year to 31 December 2020

1 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Donations and legacies	—	—	—
2020 Total funds	—	—	—

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Donations and legacies	1	2	3
2019 Total funds	1	2	3

CONTRIBUTIONS FROM VOLUNTEERS

Members of SCI, its trustees, committees and many other volunteers make major practical contributions to SCI's meetings, publications and other operations as well as to its overall governance. The trustees consider that there is no objective way of putting a financial value of this effort and therefore, in accordance with the guidance provided in the Charities SORP FRS 102, the value of volunteer time is not recognised in these accounts. However, Trustees wish to record their gratitude to these volunteers (and in many cases their employers) for this considerable and essential contribution.

2 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	
	2020 £'000	2019 £'000
Conferences	89	549
Publications	1,943	1,991
Members subscriptions	152	146
	2,184	2,686

3 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	
	2020 Total funds £'000	2019 Total funds £'000
Commercial trading operations	66	178
Letting and licensing of premises	342	514
	408	692

NOTES TO THE ACCOUNTS

Year to 31 December 2020

4 INCOME FROM INVESTMENTS

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
Income from listed investments	143	45	188
Interest receivable	3	—	3
2020 Total funds	146	45	191

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
Income from listed investments	124	39	163
Interest receivable	8	—	8
2019 Total funds	132	39	171

5 EXPENDITURE ON RAISING FUNDS

	Unrestricted funds	
	2020 £'000	2019 £'000
Commercial trading costs	56	229
Investment management costs	32	33
	88	262

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
CONFERENCES			
. Direct costs	201	—	201
. Support costs (note 8)	193	—	193
	394	—	394
PUBLICATIONS			
. Direct costs	341	—	341
. Support costs (note 8)	278	—	278
	619	—	619
MEMBERSHIP ACTIVITIES			
. Direct costs	1,101	—	1,101
. Support costs (note 8)	802	—	802
	1,903	—	1,903
AWARDS, BURSARIES AND SCHOLARSHIPS			
. Grants payable (note 7)	—	77	77
. Other direct costs	1	—	1
. Support costs (note 8)	39	—	39
	40	77	117
2020 Total funds	2,956	77	3,033

NOTES TO THE ACCOUNTS

Year to 31 December 2020

6 EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds £'000	Restricted funds £'000	2019 Total funds £'000
CONFERENCES			
. Direct costs	587	—	587
. Support costs (note 8)	353	—	353
	940	—	940
PUBLICATIONS			
. Direct costs	334	—	334
. Support costs (note 8)	280	—	280
	614	—	614
MEMBERSHIP ACTIVITIES			
. Direct costs	1,025	—	1,025
. Support costs (note 8)	748	—	748
	1,773	—	1,773
AWARDS, BURSARIES AND SCHOLARSHIPS			
. Grants payable (note 7)	—	55	55
. Other direct costs	6	1	7
. Support costs (note 8)	53	—	53
	59	56	115
2019 Total funds	3,386	56	3,442

7 GRANTS PAYABLE

	2020 £'000	2019 £'000
Awards, bursaries and scholarships to individuals	77	55
GRANTS PAYABLE TO INDIVIDUALS COMPRISED:	2020 Number	2019 Number
Awards of £1,000 or more	3	7
Awards of up to £1,000	7	30
Total number of grants awarded	10	37

Grants which have been agreed internally, but for which no legal or constructive obligation existed at 31 December 2020 and thus not accrued in these accounts totalled £nil (2019 - £nil)

NOTES TO THE ACCOUNTS

Year to 31 December 2020

8 SUPPORT COSTS

	Basis of allocation	Conferences £'000	Publications £'000	Member- ship activities £'000	Awards, bursaries and scholarships £'000	Total 2020 £'000
Finance	Cost	62	105	337	25	529
IT and Human Resources	Head count	13	17	45	1	76
Executive Office	Head count	34	44	117	4	199
Facilities Management and Shared Premises	Floor space and head count	79	104	276	9	468
Governance costs (note 9)	Cost	5	8	27	—	40
2020 Total		193	278	802	39	1,312

	Basis of allocation	Conferences £'000	Publications £'000	Member- ship activities £'000	Awards, bursaries and scholarships £'000	Total 2019 £'000
Finance	Cost	174	100	304	19	597
IT and Human Resources	Head count	17	17	43	3	80
Executive Office	Head count	44	45	111	9	209
Facilities Management and Shared Premises	Floor space and head count	106	111	270	22	509
Governance costs (note 9)	Cost	12	7	20	—	39
2019 Total		353	280	748	53	1,434

9 GOVERNANCE COSTS

	Unrestricted funds	
	2020 £'000	2019 £'000
Auditor's remuneration	15	14
Trustees expenses	4	15
Legal and professional fees	21	—
AGM and annual review	—	10
	40	39

10 NET (EXPENDITURE) AND NET MOVEMENT IN FUNDS THIS IS STATED AFTER CHARGING:

	2020 £'000	2019 £'000
AUDITOR'S REMUNERATION		
- Statutory audit	15	14
- Other services	3	5
Depreciation	301	374
Operating lease rentals	2	6

NOTES TO THE ACCOUNTS

Year to 31 December 2020

11 STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

STAFF COSTS DURING THE YEAR WERE AS FOLLOWS:

	2020 £'000	2019 £'000
Wages and salaries	1,410	1,424
Social security costs	119	116
Other pension costs	106	105
Staff restructuring costs	15	—
Other	13	12
	1,663	1,657

A salary sacrifice pension scheme was introduced during 2012. Under the scheme staff members can choose to sacrifice part of their gross salary. The amount sacrificed is paid into the individual's pension plan directly by SCI, together with the associated employer's national insurance saving.

The average number of employees during the year, analysed by function, was as follows:

	2020 Number	2019 Number
Conferences support	4	5
Membership support	15	12
Publications support	5	5
Administration and support	12	13
	36	35

Of the total average monthly number of employees, 29 (2019 - 29) were full time and 7 were part time (2019 - 6).

The number of employees whose remuneration was £60,000 or more were as follows:

	2020 Number	2019 Number
Between £60,000 - £70,000	2	1
Between £70,000 - £80,000	1	—
Between £110,000 - £120,000	1	1
	4	2

The key management personnel of the charity in charge of directing and controlling the charity and the group on a day-to-day basis comprise the trustees and the Chief Executive Officer. The total remuneration (including taxable benefits) and on-costs of the key management personnel for the year was £158,335 (2019 – £154,505). None of the trustees received any remuneration during the year (2019 – £nil).

NOTES TO THE ACCOUNTS

Year to 31 December 2020

12 TANGIBLE FIXED ASSETS

Group and Charity	Long leasehold premises £'000	Leasehold improvements £'000	Assets in the course of construction £'000	Furniture, IT & other equipment £'000	Total £'000
COST					
At 1 January 2020	3,400	2,171	17	1,422	7,010
Additions	—	—	68	69	137
Transfers	—	—	(15)	15	—
Disposals	—	(71)	—	(3)	(74)
At 31 December 2020	3,400	2,100	70	1,503	7,073
DEPRECIATION					
At 1 January 2020	729	751	—	929	2,409
Charge for the year	24	132	—	145	301
Released on disposal	—	(53)	—	(3)	(56)
At 31 December 2020	753	830	—	1,071	2,654
NET BOOK VALUE					
At 31 December 2020	2,647	1,270	70	432	4,419
At 31 December 2019	2,671	1,420	17	493	4,601

At 31 December 2020 the Society was committed to a further £nil in relation to assets in the course of construction that is not accrued in these accounts (31 December 2019 – £nil).

Group and Charity	Leasehold premises £'000	Leasehold improvements £'000	Assets in the course of construction £'000	Furniture, IT & other equipment £'000	Total £'000
COST					
At 1 January 2019	3,400	2,127	341	1,677	7,545
Additions	—	44	17	132	193
Transfers	—	—	(341)	341	—
Disposals	—	—	—	(728)	(728)
At 31 December 2019	3,400	2,171	17	1,422	7,010
DEPRECIATION					
At 1 January 2019	704	623	—	1,436	2,763
Charge for the year	25	128	—	221	374
Released on disposal	—	—	—	(728)	(728)
At 31 December 2019	729	751	—	929	2,409
NET BOOK VALUE					
At 31 December 2019	2,671	1,420	17	493	4,601
At 31 December 2018	2,696	1,504	341	241	4,782

NOTES TO THE ACCOUNTS

Year to 31 December 2020

13 INVESTMENTS

GROUP AND CHARITY	2020 £'000	2019 £'000
LISTED INVESTMENTS AT MARKET VALUE		
Market value at 1 January	7,407	6,197
Additions at cost	936	8,694
Disposal proceeds	(1,332)	(8,064)
Realised (losses) gains	(39)	359
Disposals at opening book value	(1,371)	(7,705)
Unrealised gains	434	221
Market value at 31 December	7,406	7,407
Cash held by investment manager for re-investment	172	26
	7,578	7,433
HISTORICAL COST OF LISTED INVESTMENTS:	6,780	7,185

At 31 December, listed investment at market value comprised the following:

	2020 £'000	2019 £'000
Fixed income	1,072	1,138
Equities	5,360	5,219
Alternatives	974	1,050
	7,406	7,407

At 31 December 2020 listed investments included no individual holdings deemed material when compared with the overall portfolio valuation (including cash held by the investment manager) as of that date (2019 – no holdings deemed material).

Investment in subsidiary

SCI owns 100% of the share capital of SCI Business Limited, a company incorporated in England and Wales, Company Registration Number 02994541. The investment in the subsidiary is held at cost on the charity's balance sheet.

The main activities of the company are advertising in SCI's publications and the hiring of meeting rooms. The company donates all its taxable profits to SCI under the Gift Aid scheme. The net assets of the subsidiary at 31 December 2020 are £100 represented in full by the share capital owned by SCI.

NOTES TO THE ACCOUNTS

Year to 31 December 2020

13 INVESTMENTS (CONTINUED)

A summary of the subsidiary's financial results for the year is provided below:

	2020 £'000	2019 £'000
SALES		
Advertising in Chemistry and Industry	2	3
Room hire and associated services	72	173
	74	176
COSTS (INCLUDING SCI SERVICE CHARGES)		
Advertising in Chemistry and Industry	1	1
Room hire and associated services	26	123
Accounting and general administration	8	9
	35	133
Profit for the year before Gift Aid	39	43
Gift Aid to SCI	(39)	(43)
Net profit for the year	—	—

A summary of the subsidiary's financial position as at 31 December is provided below:

	2020 £'000	2019 £'000
BALANCE SHEET		
Current assets	82	215
Current liabilities	(82)	(215)
Net assets	—	—
REPRESENTED BY:		
Share Capital	—	—
Profit and loss account	—	—
	—	—

14 DEBTORS

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	120	192	113	126
Amount due from subsidiary undertaking	—	—	68	201
Other debtors	54	90	52	89
Prepayments and accrued income	751	775	751	775
	925	1,057	984	1,191

NOTES TO THE ACCOUNTS

Year to 31 December 2020

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade creditors	66	146	66	146
Taxes and social security	289	33	289	33
Other creditors	306	198	293	184
Deferred income (see below)	178	339	178	339
	839	716	826	702

Deferred income

Deferred income relates to annual subscriptions received in advance from SCI's members, income from corporate partner agreements covering two years, rent invoiced in advance, income received in the year for conferences taking place next year and royalties relating to SCI's journals invoiced in advance. Movements on the deferred income balance during the year were as follows:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Deferred income at 1 January	339	356	339	356
Amounts released to income	(322)	(349)	(322)	(349)
Cash received in advance during the year	161	332	161	332
Deferred income at 31 December	178	339	178	339

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Licensee rent deposits	29	60	29	60
Membership income	—	11	—	11
Conference income	28	—	28	—
Life composition fees (see below)	30	34	30	34
	87	105	87	105

As at 31 December 2020 the charity held a total of £86,013 (2019 - £100,567) in eight separate Client Deposit Accounts at HSBC in relation to rent deposits. A deposit is legally required to be paid by each of SCI's tenants on the commencement of their rental lease and is used as protection against the potential default of rent payment. The deposits are repayable at the end of the relevant lease term.

NOTES TO THE ACCOUNTS

Year to 31 December 2020

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

The life composition fees are in respect of income received from members who have opted for life membership of the Society. A life membership payment is released into the accounts as income over a period of nine years.

	2020 £'000	2019 £'000
At 1 January	38	43
Decrease in provision	(4)	(5)
At 31 December	34	38
Amounts falling due within one year	4	4
Amounts falling due after one year	30	34
	34	38

17 DESIGNATED FUNDS

The income funds of the charity and the group include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

GROUP AND CHARITY	2020 £'000	2019 £'000
TANGIBLE FIXED ASSETS FUND		
At 1 January	4,601	4,782
Movement during the year	(182)	(181)
At 31 December	4,419	4,601

The balance on the tangible fixed assets fund at 31 December 2020 represents the carrying value of SCI's tangible fixed assets. The availability of these assets (which is primarily the leasehold interest in the property occupied by SCI) is essential to the day-to-day work of the charity and the group and as such, the value of these assets cannot be regarded as funds that would be realisable with ease, in order to meet future contingencies. As such, an amount equal to the net book value of the tangible fixed assets has been separated from the charity and the group's general funds and held as a separate designated fund.

NOTES TO THE ACCOUNTS

Year to 31 December 2020

18 RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following to be applied for specific purposes:

GROUP AND CHARITY	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Other gains, (losses) & transfers £'000	At 31 December 2020 £'000
A J Banks	345	7	—	15	367
Commemoration	103	2	—	4	109
Leverhulme Prize	3	1	—	—	4
Messel	107	2	(15)	13	107
Seligman	73	2	—	3	78
Benevolent	123	3	—	5	131
Rideal Trust	17	—	—	1	18
S P S Andrew	1,363	27	(62)	59	1,387
ISEC	43	1	—	2	46
	2,177	45	(77)	102	2,247

GROUP AND CHARITY	At 1 January 2019 £'000	Income £'000	Expenditure £'000	Other gains & (losses) £'000	At 31 December 2019 £'000
A J Banks	320	6	(2)	21	345
Commemoration	95	2	(1)	7	103
Leverhulme Prize	3	—	—	—	3
Messel	112	2	(29)	22	107
Seligman	71	2	(4)	4	73
Benevolent	113	2	—	8	123
Rideal Trust	17	2	(3)	1	17
S P S Andrew	1,269	24	(17)	87	1,363
ISEC	39	1	—	3	43
	2,039	41	(56)	153	2,177

The main purpose of each fund is as follows:

- **A J Banks Fund** – supports research in the manufacture of foodstuffs and dissemination of science.
- **Commemoration Fund** – supports the advancement of public education in science according to the objectives of SCI.
- **Leverhulme Prize Fund** – distributes travel bursaries.
- **Messel Fund** – supports the advancement of scientific research and includes a permanent endowment fund of £97,000.
- **Seligman Fund** – assists current or former members of the Society who may be in financial need.

NOTES TO THE ACCOUNTS

Year to 31 December 2020

18 RESTRICTED FUNDS (CONTINUED)

- **Benevolent Fund** – assists current or former members of the Society who may be in financial need.
- **Rideal Trust Fund** – is a fund jointly administered with the Royal Society of Chemistry, supporting the advancement of chemical science and colloids in particular.
- **S P S Andrew Fund** – is a fund for lectures and research into neglected science.
- **ISEC Fund** – is a restricted fund, relating to conferences on solvent extraction run by the International Committee for Solvent Extraction.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	General funds £'000	Designated funds £'000	Restricted funds £'000	2020 Total £'000
FUND BALANCES AT 31 DECEMBER 2020 ARE REPRESENTED BY:				
Tangible fixed assets	—	4,419	—	4,419
Investments	5,331	—	2,247	7,578
Current assets	2,838	—	—	2,838
Creditors: amounts falling due within one year	(839)	—	—	(839)
Creditors: amounts falling due after more than one year	(87)	—	—	(87)
	7,243	4,419	2,247	13,909

GROUP	General funds £'000	Designated funds £'000	Restricted funds £'000	2019 Total £'000
FUND BALANCES AT 31 DECEMBER 2019 ARE REPRESENTED BY:				
Tangible fixed assets	—	4,601	—	4,601
Investments	5,256	—	2,177	7,433
Current assets	2,549	—	—	2,549
Creditors: amounts falling due within one year	(716)	—	—	(716)
Creditors: amounts falling due after more than one year	(105)	—	—	(105)
	6,984	4,601	2,177	13,762

NOTES TO THE ACCOUNTS

Year to 31 December 2020

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

	General funds £'000	Designated funds £'000	Restricted funds £'000	2020 Total £'000
CHARITY				
FUND BALANCES AT 31 DECEMBER 2020 ARE REPRESENTED BY:				
Tangible fixed assets	—	4,419	—	4,419
Investments	5,331	—	2,247	7,578
Current assets	2,824	—	—	2,824
Creditors: amounts falling due within one year	(825)	—	—	(825)
Creditors: amounts falling due after more than one year	(87)	—	—	(87)
	7,243	4,419	2,247	13,909
CHARITY				
	General funds £'000	Designated funds £'000	Restricted funds £'000	2019 Total £'000
FUND BALANCES AT 31 DECEMBER 2019 ARE REPRESENTED BY:				
Tangible fixed assets	—	4,601	—	4,601
Investments	5,256	—	2,177	7,433
Current assets	2,535	—	—	2,535
Creditors: amounts falling due within one year	(702)	—	—	(702)
Creditors: amounts falling due after more than one year	(105)	—	—	(105)
	6,984	4,601	2,177	13,762

The total unrealised gains as at 31 December included in the above constitute movements on revaluation of the charity's listed investments. Movements during the year were as follows:

	2020 £'000	2019 £'000
RECONCILIATION OF MOVEMENTS IN UNREALISED GAINS:		
Total unrealised gains (losses) at 1 January	221	(188)
Add (less) in respect to disposals in the year	39	(359)
Add gains arising on revaluations in the year	434	768
Total unrealised gains at 31 December	434	221

20 COMMITMENTS UNDER OPERATING LEASES

At 31 December the group and charity were committed to total future minimum lease payments under non-cancellable operating leases as follows:

	OFFICE EQUIPMENT	
	2020 £'000	2019 £'000
Within one year	1	2
Within two to five years	—	1
	1	3

NOTES TO THE ACCOUNTS

Year to 31 December 2020

21 RELATED PARTY TRANSACTIONS

SCI Business Limited is a wholly owned subsidiary of SCI. The subsidiary donates all profits to SCI in the form of a Gift Aid donation (see note 13).

The accounts do not include disclosure of any further transactions between SCI and SCI Business Limited. By virtue of SCI Business Limited being a wholly owned subsidiary undertaking of SCI, SCI is exempt from the requirement to disclose such transactions under section 33.1A of FRS 102.

None of the trustees (or any persons connected with them) received any remuneration during the year, but 12 of them were reimbursed a total of £4,068 in expenses (2019 – 17 were reimbursed £13,856) travel and meeting costs.

All of the trustees are members of the Society and as such, pay an annual membership subscription. The trustees do not benefit from any discounts in the subscription rates set by the Society for all other members.

22 REGISTERED TRUSTEES FUNDS AND JOINT ACCOUNTS

The results of the two charities below are consolidated into SCI's accounts as restricted funds (see note 18).

SCI Benevolent Fund	Registered Charity Number 277329
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Rideal Trust	Registered Charity Number 271558
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SCI Benevolent Fund

The object of SCI's Benevolent Fund is to provide financial relief to persons who are or have been members of the Society and to their spouses, children and dependents and to the widows/widowers, children and dependents of deceased members. The assets as at 31 December 2020 amounted to £131k.

The Rideal Trust

The object of the Rideal Trust is the general advancement of chemical science and, in particular, branches relating to the chemisorption, colloid science, interface science, catalysis and related topics. The Trust is jointly administered by SCI and the Royal Society of Chemistry. The activities of the Trust directly support the overall object of the Society which is to advance the science of applied chemistry and related sciences for the public benefit by providing information, granting bursaries, awards etc. The assets as at 31 December 2020 amounted to £18k.

NOTES TO THE ACCOUNTS

Year to 31 December 2020

22 REGISTERED TRUSTEES FUNDS AND JOINT ACCOUNTS (CONTINUED)

	ALL RESOURCES ARE RESTRICTED BY THE TRUST DEEDS			
	BENEVOLENT FUND		RIDEAL TRUST	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
STATEMENT OF FINANCIAL ACTIVITIES				
Donations	—	—	—	2
Investment income	3	2	—	—
Total income	3	2	—	2
Grants and awards	—	—	—	(3)
Other expenditure	—	—	—	—
Total expenditure	—	—	—	(3)
Net income (expenditure)	3	2	—	(1)
Gains on investments	5	8	1	1
Income and movement in funds	8	10	1	—
Total funds brought forward	123	113	17	17
Total funds carried forward	131	123	18	17
BALANCE SHEET				
Investments at market value	131	123	18	17
Total net assets	131	123	18	17



Society of Chemical Industry

140 YEARS

ANNIVERSARY

1881 : 2021



SCI is
a global
organisation -
connecting
science with
business.



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SCI founded in London 1881 and in New York 1894 | Incorporated by Royal Charter 1907 | Registered as UK Charity 206883
Recognised as a not for profit organisation across the world | SCI is a trademark of Society of Chemical Industry