ROYAL SOCIETY OF CHEMISTRY

Trustees' report and financial statements 2020

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FOREWORD FROM THE PRESIDENT

2020 did not turn out the way anyone had expected. When I was elected in 2018, I did not imagine being the first ever president of the Royal Society of Chemistry to take office in a fully virtual AGM. We have all had a great deal of stress to deal with, and there is still a long road ahead. But despite the backdrop of the pandemic, I'm pleased to report that we have achieved a tremendous amount in 2020 – both as a wider chemistry community, and specifically the RSC as an organisation.

Sustainability is at the heart of my personal and professional interests, and it's very important to me that we have put it at the heart of our organisation's agenda as well. Chemical science plays an essential role in making our lives more sustainable and we have made great strides. Our unique cross-sector collaboration event on corrosion, as part of our Synergy programme, brought experts of all stripes to make progress on a joint problem where chemistry is the linchpin for the solution. And our work to explore and communicate the idea of sustainable plastics hit some fantastic milestones, including the publication of our joint CS3 report with sister chemical societies, and continued media coverage for campaigns about technology recycling.

Sadly, the pandemic has exacerbated many of the inequalities in society. But 2020 has also been a year of ambition and change for equality, not least with the powerful resurgence of the Black Lives Matter movement. We have been more bold and more active than ever in taking action to make the chemical sciences a more inclusive place for everyone. An LGBT+ toolkit, special funding for projects supporting Black chemists, pioneering leadership in scientific publishing diversity work, and the culmination of our five-year programme into outreach interventions in schools are just some of the important initiatives from 2020 – there are many more, and I'm very proud of all of them.

If there's a positive thing to take from the events of 2020, it's that we are utterly inspired by the flexibility, tenacity and passion of our chemical science community who have kept the lights on and kept water supplies clean; who have designed diagnostics, therapeutics and technologies for tackling COVID-19; and who have taught the next generation of chemists in the most trying of circumstances. It has never been more apparent that it's the community we serve who make the incredible advances happen, and we have decided to recognise that more formally by updating our statement of purpose: *to help the chemical science community make the world a better place*. Because, in a nutshell, that's what we do.

So I say to every single person in our chemical science community: thank you, and well done. To have achieved so much in such difficult times is a great testament to your talent and dedication. You've made the world a better place, and we're proud to have helped.

Professor Tom Welton OBE CChem FRSC, President

FOREWORD FROM THE CEO

It has been a year like no other. Everything in work and life has been shaped by the COVID-19 pandemic, and every one of the successes we report here has in some way been affected by it. We know that 2020 was an incredibly tough year for many in our community.

I take great pride in the response from our staff, members and wider community: we worked together to support each other. At the RSC we were quickly able to adapt many of our own working processes and policies to better meet the needs of our community in this unprecedented year – and beyond.

Supporting people who teach and learn chemistry is such an important part of what we do – and perhaps never before have teachers and learners needed so much support. Many thousands of people teaching – whether full-time teachers or parents, like myself, finding themselves in that role – watched our live sessions, downloaded resources, and drew comfort and strength from a global community facing a global challenge. I'm very proud of how our dedicated team of education co-ordinators, and the staff who support them, quickly adapted from in-person to virtual support, and our new education website proved its worth to teachers and learners around the world.

2020 marked the centenary of the Chemists' Community Fund, the working name of the RSC's benevolent fund begun in the aftermath of the First World War and the 1918 flu pandemic. We had planned for a year of celebration; instead, we found ourselves supporting more people in need than ever before. With a 13-fold increase in the number of financial hardship grants – many of these awarded to students – and a doubling of overall cases, our staff and volunteer members have gone above and beyond to make sure that help is at hand for chemical scientists and their families.

The key to success, now and in the future, is our ability to adapt. 2020 required us to adapt on all fronts, at high speed; every process and workflow was in some way disrupted, adapted and, more often than not, improved. For the first time ever we welcomed hundreds of members from dozens of countries to join us live for our first virtual Annual General Meeting. Our staff and community quickly harnessed new technology to not only deliver an impressive portion of our portfolio of scientific events and conferences, but also increase attendance by more than half compared with forecasts. Science depends on people sharing their ideas and experiences; how they do that changes with the times. It certainly did this year.

2020 also marks the final year of our organisational strategy. It has enabled us, since 2017, to grow and transform our publishing business, support our diverse community, and achieve significant impact with our work in education, policy and thought leadership. It also gave us, through sound financial planning, risk management and good governance, the resilience to better respond to the challenges – societal and economic – of the coronavirus pandemic.

The next phase of our strategy will come into effect from July 2021 with a clear focus on the role of the RSC to deliver our Charter purpose to advance the chemical sciences and to help our community to make the world a better place. By being better connected across our core areas of activity, we will be able to create more impact on behalf of the chemical sciences, better support our community and enable innovation in a changing world.

Dr Helen Pain CSci CChem FRSC, Interim CEO

ABOUT US

CHEMISTRY IS AT THE CENTRE OF EVERYTHING YOU CAN SEE, SMELL, TOUCH AND TASTE.

Whether studying the chemistry of life, or developing the advanced science behind modern technology, chemical scientists use their expertise to improve our health, our environment and our daily lives.

The Royal Society of Chemistry is an international not-for-profit organisation connecting chemical scientists with each other, with other scientists, and with society as a whole. Founded in 1841 and based in London, UK, we have an international membership of over 45,000. We use the surplus from our global publishing and knowledge business to give chemical scientists the support and resources required to make vital advances in chemical science.

We develop, recognise and celebrate professional capabilities, and we bring people together to spark new ideas and new partnerships. We support teachers to inspire future generations of scientists, and we speak up to influence the people making decisions that affect us all. We are a catalyst for the chemistry that enriches our world.

WHY CHEMISTRY MATTERS

Chemistry is the science of change. Chemical scientists investigate how and why atoms and molecules react, and use that knowledge to design and build new products useful to humankind, like medicine, fuel and advanced materials. Society uses these new products to improve our health and the way we live our lives. Modern chemistry is guided by principles of sustainability; the drugs and fuels of the future will be made with renewable starting materials and used with minimal environmental impact.

Understanding chemistry is essential in so many aspects of life. Public safety depends on evidence-based assessments of chemical risk, and science-informed policy and regulation. Eating a healthy diet means choosing the right balance of nutrients, vitamins and minerals – the chemical fuel of life. Feeling confident to participate in important societal conversations about climate change and sustainability relies on a memorable and inspiring chemistry education.

Our charitable work supports all chemical scientists – whether they're working on ensuring sustainable supplies of clean water, food and energy, advanced treatments and therapies for better health, using specialist skills to detect and remove contaminants, or answering the fundamental questions that unlock unforeseen new technologies – as they use chemistry to create a better future.

OUR CHARTER

Our Royal Charter states that the object for which we are constituted is the general advancement of chemical science and its application and for that purpose:

- **to foster and encourage** the growth and application of such science by the dissemination of chemical knowledge;
- **to establish, uphold and advance** the standards of qualification, competence and conduct of those who practise chemistry as a profession;
- **to serve** the public interest by acting in an advisory, consultative or representative capacity in matters relating to the science and practice of chemistry; and
- **to advance** the aims and objectives of members of the Society so far as they relate to the advancement of the science or practice of chemistry.

OUR STRATEGY:

SHAPING THE FUTURE OF THE CHEMICAL SCIENCES

Chemistry changes the world

The chemical sciences are vital for the wellbeing of our world.

Chemical scientists change lives – and have been doing so in many ways, for many centuries.

They will enable enormous social and technological change in the future. The chemical sciences will change too.

Current trends indicate that by 2030:

- Chemistry will need to become more global, more interdisciplinary, and more collaborative
- New technologies will mean less work is done physically in a laboratory or classroom, and more is simulated on a screen
- There will be an enormous growth in scientific data, as well as the tools to manage, interrogate and analyse it
- The drive for openness will enable greater collaboration, and disrupt existing business models and regulatory frameworks for knowledge dissemination
- Funding structures and institutions will adjust to changes in how science is done, as well as addressing the implications of the UK leaving the EU

Chemistry is changing

For the chemical sciences to make their maximum impact, they need to change with the world.

By 2025 we want to see that:

- Chemical scientists have made faster progress in tackling global and societal challenges
- New business models mean chemical sciences research is more openly available
- Accreditation is a recognised and valued measure of chemistry expertise
- The UK chemistry community has made a step change in diversity and inclusion with a strong future pipeline, more routes into the profession and enhanced cross-over between academia and industry
- The UK chemistry community's ethical framework is influencing global standards
- Teachers have the resources and services they need to give their students a rich and inspiring chemistry education
- The UK is still a thriving environment for education, research and innovation in the chemical sciences

This is the future we want for the chemical sciences.

We can enable that change

The Royal Society of Chemistry's purpose is to advance excellence in the chemical sciences – to improve the lives of people around the world now and in the future.

We are the professional body for chemists in the UK, with more than 45,000 members in 125 countries, and an internationally renowned publisher of high quality chemical science knowledge.

As a not-for-profit organisation, we invest our surplus income to achieve our charitable objectives in support of the chemical science community and advancing excellence in the chemical sciences.

When we create plans and activities, we are guided by a shared set of organisational values:

- We are **professional**, holding ourselves accountable for the outcomes of our activity and demonstrating authoritative, evidence-based thinking
- We are **dedicated**, making a personal difference in all that we do, and valuing the purpose and heritage of our organisation
- We are **enabling**, building productive relationships and empowering others to achieve the best for the chemical sciences
- We are **respectful**, recognising people's diverse skills, knowledge and experience, embracing different styles and maintaining the dignity of others

We have a plan to enable that change

Our strategy to shape the future of the chemical sciences is based on our three core roles:

CHAMPION THE CHEMISTRY PROFESSION

As the UK's professional body for chemists, we will establish, uphold and advance professional standards, and inspire the next generation.

- We will set and maintain professional standards
- We will support practising chemists
- We will enrich the teaching and learning of chemistry

DISSEMINATE CHEMICAL KNOWLEDGE

As a knowledge provider, we will accelerate the growth, dissemination, application and impact of chemical science knowledge.

- We will increase our reputation for high quality impactful content supporting scientific priorities
- We will promote and enable the exchange of ideas
- We will facilitate collaboration across disciplines, sectors and borders

USE OUR VOICE FOR CHEMISTRY

As a trusted and authoritative voice, we will ensure that chemistry has a recognised and influential role in science and society.

- We will engage and enable our diverse community
- We will influence decision-makers in areas that impact the chemical sciences
- We will connect the chemical sciences with the wider world

We will change how we work

We're proud that our heritage spans more than 175 years – and it's our responsibility to ensure our legacy lasts just as long.

We will evolve our organisation's capabilities to meet the needs of the chemical science community, and to stay relevant in a changing world.

- We will understand our members and customers to make our products and services as tailored and relevant as possible
- We will strengthen our existing revenue streams as well as developing new sources of income to spend on our charitable work
- We will expand our digital capacity and capability to both manage our business and deliver world-leading services for the chemical sciences community

ADAPTING TO SUCCEED DURING COVID-19

WE ARE ONE RSC

The coronavirus pandemic has touched almost every aspect of our work, and of the lives of the people in the chemical science community. Throughout, we have as an organisation proactively managed our plans and activities to first and foremost protect the health and wellbeing of our staff and stakeholders, and also deliver as much leadership and support as possible and as restrictions allow.

We took our first difficult decisions early in 2020, temporarily closing our offices in China and postponing the official opening of our new Beijing office and, just as the first cases of coronavirus were being detected in the UK, we postponed our flagship Editors' Symposium due to be held near Heathrow – all in the best interests of our community's wellbeing. In March 2020, we closed our offices in London and Cambridge and adopted a virtual model for the many planned face-to-face meetings.

Given our established and tested business continuity plans, all RSC staff were able to quickly transition to working from home as we adapted to support our publishing, membership and outreach activities through what has proven to be a prolonged period of disruption. As a result, we were able to provide a weekly timetable of free online teaching and learning support within weeks. Our publishing teams were at normal operating capacity in a few days. We repurposed grants and funding, and were able to process a huge upswing in requests for financial support from our Chemists' Community Fund.

As the year went on, we uncovered and overcame unforeseen challenges in our new fully remote working setup, such as providing and maintaining IT and office equipment to over 600 staff. We also made our offices in Cambridge and London COVID-secure to provide an alternative to those staff unable to work easily from home. But we also found unforeseen benefits: different perspectives on collaboration, embracing new technologies and enhancing our cyber secure ways of working and, above all, a unifying purpose to do our best to support each other and our community during the pandemic: 'We are One RSC' became our rallying call.

Almost every achievement and initiative in this report was in some way affected by COVID-19, or created directly in response to it. The fact that we have been able to not only maintain our planned services but deliver fantastic support to the whole breadth of our community is a testament to sound financial planning, organisational resilience, and dedication in the face of adversity from our staff, members and wider community.

Paul Lewis, Deputy Chief Executive and Crisis Management Team Leader

MITIGATING THE IMPACT OF COVID-19 ON THE CHEMISTRY COMMUNITY

Throughout 2020 we have been in continual contact with our diverse community. Almost everyone has experience of everyday life being made more difficult by direct or secondary effects of the pandemic, and we've done what we can to alleviate those difficulties. Throughout this report we highlight examples of how we have either changed existing support, or created new kinds of support, to mitigate the negative impacts of COVID-19 on the chemistry community.

We know that certain groups of people have been especially or disproportionately affected. We've had many indications that women were bearing the bulk of extra lockdown childcare and home-schooling responsibilities. Undergraduate chemistry students were less able to have the hands-on laboratory training that would normally happen. School pupils were almost totally removed from practical science – and those with limited access to fast broadband, laptops and tablets have faced even tougher challenges. These inequalities will likely continue in 2021 and beyond.

We have also been active in contributing to and influencing the UK government's support for relevant sectors.

We were in close contact throughout 2020 with UK Research & Innovation (UKRI) on key COVID-19 related policy areas for the research and innovation sector including furlough schemes, research continuity, grant extensions, impacts on SMEs and university–business collaborations, contract staff, research priorities, and regional aspects of funding.

We worked with other organisations to press the government for more clarity on guidance for research labs in university settings, which they provided. Recognising the considerable impact on the higher education sector, we used relevant opportunities, such as policy consultation responses, to reiterate key asks for the chemistry community.

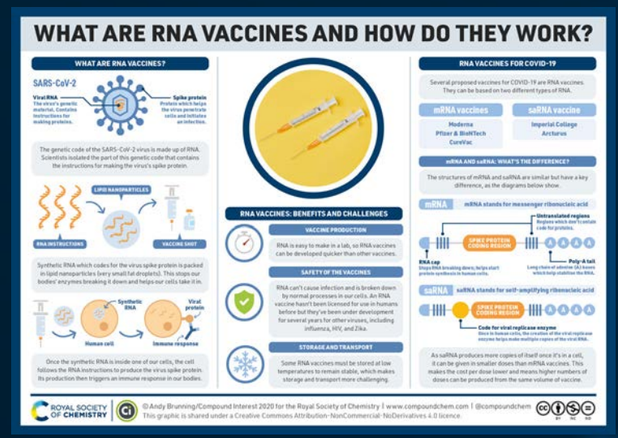
We were invited to provide input to the Department for Business, Energy & Industrial Strategy (BEIS) on the impact of Home Office immigration proposals and impact of COVID on chemicals sector SMEs. Following a ministerial meeting on SME guidance for COVID-compliant reopening, we saw several of our asks included in the announced measures.

CHEMISTRY AGAINST COVID-19

Many in the chemistry community have been making their contribution to the global fight against coronavirus by staying safely at home. Many of those are able to work from home. And many others – often those designated as key workers by governments – are going into their labs, offices and other workplaces to carry on essential work.

Throughout 2020 we have proudly celebrated the varied contributions of our community, reporting on their stories and raising the profile of the role of chemistry in global, multidisciplinary efforts to control and eradicate the virus. From a clean water supply to computer-aided drug design, chemical scientists of all kinds have worked hard to keep us healthy and safe.

An early series of articles from around our community told a wide range of these stories. Later in the year, as national regulatory agencies began to approve coronavirus vaccines, we collaborated with Compound Interest to create infographics explaining how the vaccines worked. These were our most successful social media content to date, being shared, liked and commented on many thousands of times by a diverse global audience, and the series will continue throughout 2021.



A series of twelve *Chemistry World* reports chronicled the outbreak COVID-19 and describes what has been learned and practiced during the first six months of the pandemic. The series is part of a forthcoming e-book.

> **I think we're just realising that, as a small business, we have the potential to contribute to society and help people who are fighting against – and who are suffering with – the virus. Certain things always seem impossible until you try, and in these extremely challenging times we're seeing real innovation fuelled by the desire to make a difference.**
>
> **Cristina Blanco-Andujar,** Chief Technology Officer, MediSieve

CHAMPIONING THE CHEMISTRY PROFESSION

SUPPORTING CHEMISTRY PROFESSIONALS, PRESENT AND FUTURE

Our careers and professional guidance services continued to serve our members through a worrying year marked by furlough schemes and business closures. We've grown the number of established mentoring relationships to more than 150 – a 54% increase on 2019. Our ChemCareers webinar gained a significantly increased overall reach, with a 54% increase in real-time attendance and a 153% increase in post-event views. For the first time we measured a Net Promoter Score for our careers consultations and the result of 60% exceeded our expectations. And our careers website A Future in Chemistry saw a 38% increase in activity following our *Making the Difference* campaign.

We quickly developed an online assessment process for Qualified Persons to accommodate COVID-19 restrictions. Usually requiring an in-person assessment, we created the new process in collaboration with the Royal Society of Biology and Royal Pharmaceutical Society. As it is a regulatory award, we sought and gained approval from the Medicines and Healthcare products Regulatory Agency (MHRA).

To ensure higher and further education chemistry students were continuing to receive the best quality teaching and qualifications, our accreditation committee began to meet monthly instead of three times a year, to more quickly make assessments and accreditation decisions for degree programmes.

STRONGER SUPPORT FOR TECHNICIANS

Our joint report with the Gatsby Charitable Foundation, *The Science Technician Workforce in English Secondary Schools*, found that science technician support in schools is falling. Salaries have been flat in real terms for a decade, the average number of technicians employed has fallen 16% in that time, and schools in the northern regions of England have considerably lower support than schools in the south east and London.

In 2020 we called on the government to investigate options to improve the level and provision of science technician support in schools, as well as strengthening our own support for all kinds of technicians and their employers.

We launched an action plan to help universities, research institutions and industry place technicians at the forefront of what they do. As part of the Science Council's Technician Commitment initiative, our plan focuses on four pillars: visibility, recognition, career development, and sustainability.

Each of these pillars offers support to technical staff through a range of grants, awards, networking, discounted training, mentoring, alongside professional accreditation and registration.

We provided more than £25,000 worth of professional development grants for technicians, and established a new network for technicians to discuss issues and share experiences.

For the first time, we awarded accredited status to a vocational programme, reflecting the increasing importance of apprenticeships as a route into the chemical science profession.

West Suffolk College (Bury St Edmunds) gained accreditation for the delivery of the Level 3 Advanced Apprenticeship Laboratory Technician Standard with the Level 3 Cambridge Technical Extended certificate in Applied Science. Accredited status is a marker of quality for a higher education programme, assuring prospective students that the programme is of a high standard.

As a supporter of the Technician Commitment, the Royal Society of Chemistry is committed to recognising the professional status of the technical workforce. Opening up accreditation of the Laboratory Technician apprenticeship programmes is an important step towards this aim.

> **A career in the technical sciences is both fulfilling and rewarding – I started my own career as a technical member of staff. It is only right that we make sure all technicians receive the recognition and career development that they deserve.**
>
> **Technicians are vitally important to the advancement of the chemical sciences and the health of our economy. Our action plan has been designed to improve the landscape in which technicians find themselves working, to not only maximise the potential of and to retain our skilled technicians but also attract new talent to the sector.**
>
> **Carol Robinson**, president (2018-2020), Royal Society of Chemistry

> **I am absolutely delighted that the hard work and dedication of the team has led to West Suffolk College becoming the first college to receive this amazing accolade. We are delighted to work with such an incredible organisation as the Royal Society of Chemistry and look forward to our learners and employers benefiting from this wonderful partnership.**
>
> **Laraine Moody**, Vice Principal for Employer Engagement, West Suffolk College

CHEMISTRY'S CONTRIBUTION TO THE ECONOMY AND WORKFORCE

We published *Chemistry's contribution*, a report highlighting how important the chemical sciences sector is for the present and future prosperity of the UK and its regions, calling on the UK government to deliver against its investment commitments in research and development to boost productivity and fully deliver on its levelling up agenda for the UK's green economic recovery.

Researched and written by Cambridge Econometrics, the report demonstrates the substantial economic contribution of the UK's 275,000 chemistry-using professionals at an average of £83bn per year. It also showed the regional losses of capability and capacity, with declines in workforce of more than 25% in Wales, the North East and the North West of England.

We issued a five-point action plan along with the report, calling for:

1. better support for research-intensive SMEs

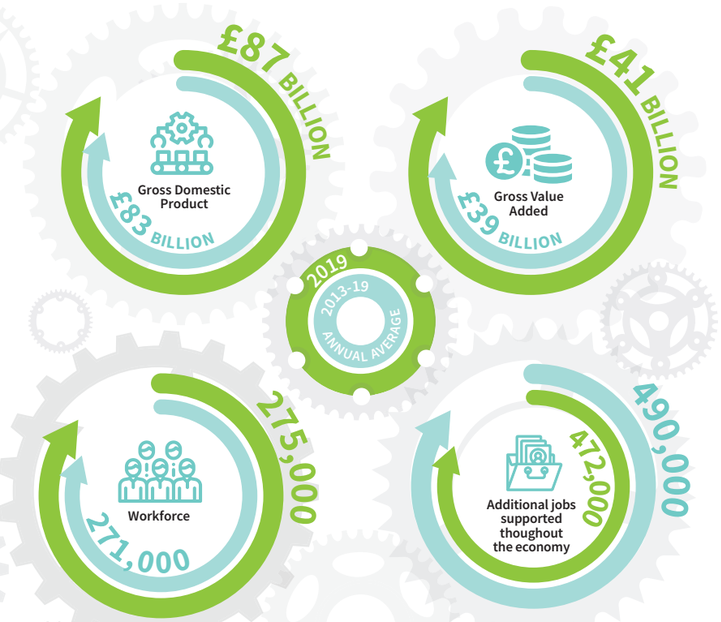
2. better place-based understanding of sector capacity

3. collaboration between government and professional bodies

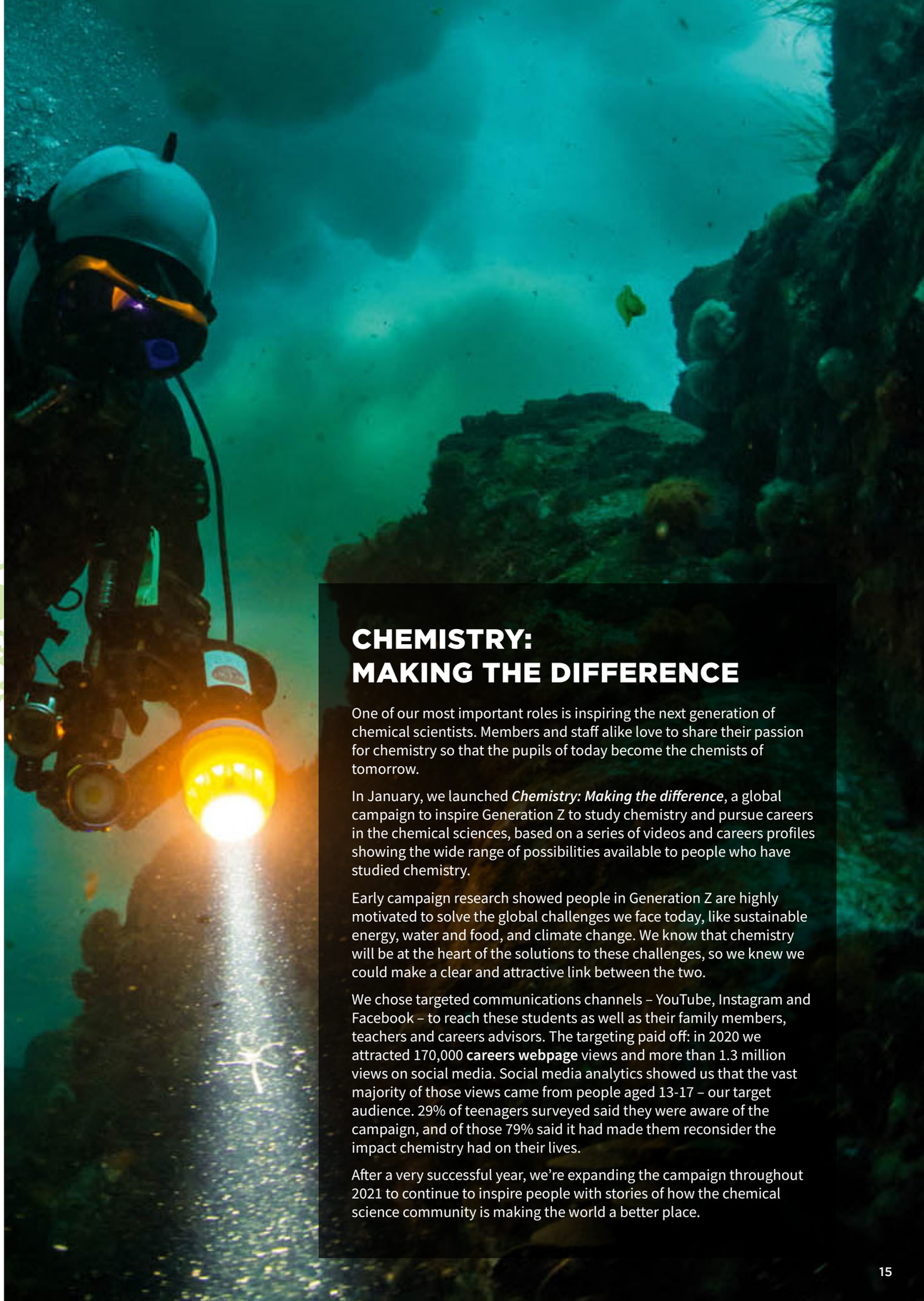
4. subject-specific training for teachers at all stages of their career

5. retention of our existing high levels of chemical knowledge and skills

We communicated the findings and recommendations of this report directly to policymakers and civil servants, as well as gaining significant media coverage when an interview with our president Tom Welton was syndicated on ITV regional news.



> **The government has a real opportunity to drive that recovery by ensuring it prioritises long-term investment in R&D to boost and sustain productivity. The chemical sciences in the UK are world-leading and are absolutely critical in responding to the many challenges COVID-19 has thrown at us.**
>
> **Tom Welton**, president, Royal Society of Chemistry



CHEMISTRY: MAKING THE DIFFERENCE

One of our most important roles is inspiring the next generation of chemical scientists. Members and staff alike love to share their passion for chemistry so that the pupils of today become the chemists of tomorrow.

In January, we launched ***Chemistry: Making the difference***, a global campaign to inspire Generation Z to study chemistry and pursue careers in the chemical sciences, based on a series of videos and careers profiles showing the wide range of possibilities available to people who have studied chemistry.

Early campaign research showed people in Generation Z are highly motivated to solve the global challenges we face today, like sustainable energy, water and food, and climate change. We know that chemistry will be at the heart of the solutions to these challenges, so we knew we could make a clear and attractive link between the two.

We chose targeted communications channels – YouTube, Instagram and Facebook – to reach these students as well as their family members, teachers and careers advisors. The targeting paid off: in 2020 we attracted 170,000 **careers webpage** views and more than 1.3 million views on social media. Social media analytics showed us that the vast majority of those views came from people aged 13-17 – our target audience. 29% of teenagers surveyed said they were aware of the campaign, and of those 79% said it had made them reconsider the impact chemistry had on their lives.

After a very successful year, we're expanding the campaign throughout 2021 to continue to inspire people with stories of how the chemical science community is making the world a better place.

RECOGNISING EXCELLENCE

REVIEWING AND OVERHAULING OUR AWARDS PORTFOLIO

We announced a significant overhaul of our awards portfolio following extensive consultation with our community, which will see greater emphasis placed on exceptional science, modernising our portfolio from 2021 to more closely reflect how science is carried out today.

The independent review was carried out by a panel chaired by Jeremy Sanders, professor of chemistry at the University of Cambridge. It included consulting more than 2,000 people through surveys, interviews and workshops, as well as reviewing literature on recognition, and data and perspectives captured from winners, judges, members, Royal Society of Chemistry staff, and the wider community since our last review of prizes and awards in 2008.

More than 80 of the 90 prizes we previously awarded were for individuals, but the new structure will result in more opportunities for teams and collaborations to be recognised for their work, as well as educators and lab technicians. From 2021 we will announce detailed plans for how we will revamp our recognition structure, including new ways to recognise leadership in science and engagement with the public and policymakers.

> **In carrying out the review, it was clear more recognition for teams was required. Science breakthroughs come more often from teams than from individuals. Breakthroughs also come from unconventional or unexpected places. It's important we recognise both these aspects.**
>
> **Jeremy Sanders**, University of Cambridge

CELEBRATING EXCELLENCE ONLINE

We proudly celebrated online the winners of our prizes and awards – more than 80 individuals and teams – for exceptional achievements in advancing the chemical sciences through their work in everything from education and research, to innovation, policy and volunteering.

In previous years the main awards ceremony has been held at Burlington House just before our annual Summer Party. The switch to online made our celebrations both COVID-safe and more globally inclusive.

Our digital gallery featured individual profile pages containing a photo gallery and a Q&A, as well as easy ways to share celebratory messages and graphics on social media. Many thousands of people across the globe shared, liked and retweeted messages of celebration and support around the globe.

REWARDING INNOVATION IN CHEMICAL TECHNOLOGY

Our eighth annual Emerging Technologies Competition recognised incredible technological advances including in cultivated meat production, transforming carbon dioxide into useful chemical ingredients, and coating vaccines to reduce the need for cold storage.

The competition is a European programme identifying some of the most novel, innovative and promising chemistry. It awards a share of £160,000 no-strings funding and support to accelerate tech innovators, start-ups and spin-outs, across the categories of Health, Energy & Environment, Food & Drink and Enabling Technologies.

The programme is designed to provide a unique platform for these innovators to engage directly with and learn from large multinational partners and judges – including AstraZeneca, Boots, Croda, Johnson Matthey, PepsiCo, Reckitt Benckiser, RSSL, Scott Bader and Unilever – to build exposure and unrivalled industry validation for their projects.

Emerging Technologies Competition winners from previous years have gone on to raise a combined total of over £109 million in equity investment and grant funding, with one company subsequently being sold for £28 million. Winners and participants have significantly raised their profiles, expanded overseas, entered commercial contracts, conducted clinical and industrial scale trials, and collectively doubled their staff.

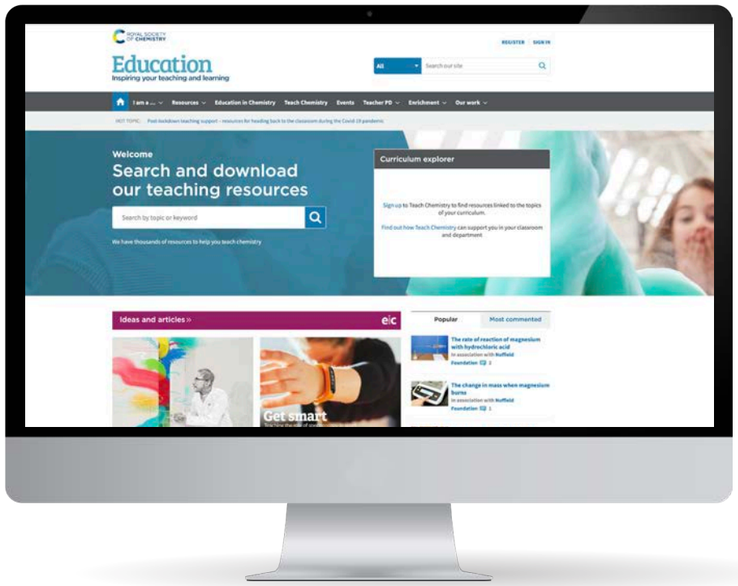
> **Our recent review of recognition highlighted a need to evolve to a more modern, inclusive way of recognising excellence and we are proud to be taking the first steps towards that with our new digital gallery that can be accessed by anyone, anywhere.**
>
> **Helen Pain**, interim CEO, Royal Society of Chemistry

> **Having recognition from the RSC is really important – it will help us connect with vaccine manufacturers to build new partnerships, which is what we need right now.**
>
> **Asel Sartbaeva,** winner of Emerging Technologies Competition Health category 2020

TEACHING AND LEARNING

With schools and universities closed around the world, teachers, lecturers, technicians, parents and students faced monumental new challenges in 2020.

Last year we launched a new education website at **edu.rsc.org**. This year, as learners and educators worldwide were looking for free, high quality education support at home, our website came into its own.



REMOTE TEACHING SUPPORT HUB

In response to the first UK lockdown in early 2020, we surveyed educators' needs and quickly created a remote teaching support hub, bringing together a huge range of free education resources including worksheets, lesson guides, video and simulated experiments. More than 33,000 users accessed the hub, and our key-stage-specific remote teaching support articles gained more than 44,000 page views.

In 2020, users downloaded more than a million resources and read more than half a million Education in Chemistry articles. In Q4 2020 more than 20,000 registered users used our education website, an increase of 56% from Q4 2019. Of these, nearly 4,500 were signed up to Teach Chemistry, our support service for teachers in the UK and Ireland, which now has more than 8,000 members.

> The RSC's Education website has always been my go-to place, but the speed at which the RSC has got so much support up and running is extraordinary. Looking at the website there is already a tab with vast amounts of remote teaching support there – it's got all these articles that keep you sane, bits of advice that you can trust and loads of resources that you can use everywhere.
>
> **Peter Banks**, Director of Studies at Ardvreck School, Crieff

MORE THAN 100 FREE ONLINE EVENTS FOR TEACHERS

Our national UK team of education coordinators led a series of free drop-in webinars for teachers on a range of topics, including website walkthroughs to practical advice on teaching specific age groups remotely and guides on specific resources, such as teaching a titration remotely. After more than 100 webinars our programme culminated in a free, week-long conference from 22–26 June, welcoming more than 1,300 trainee, primary and secondary teachers.

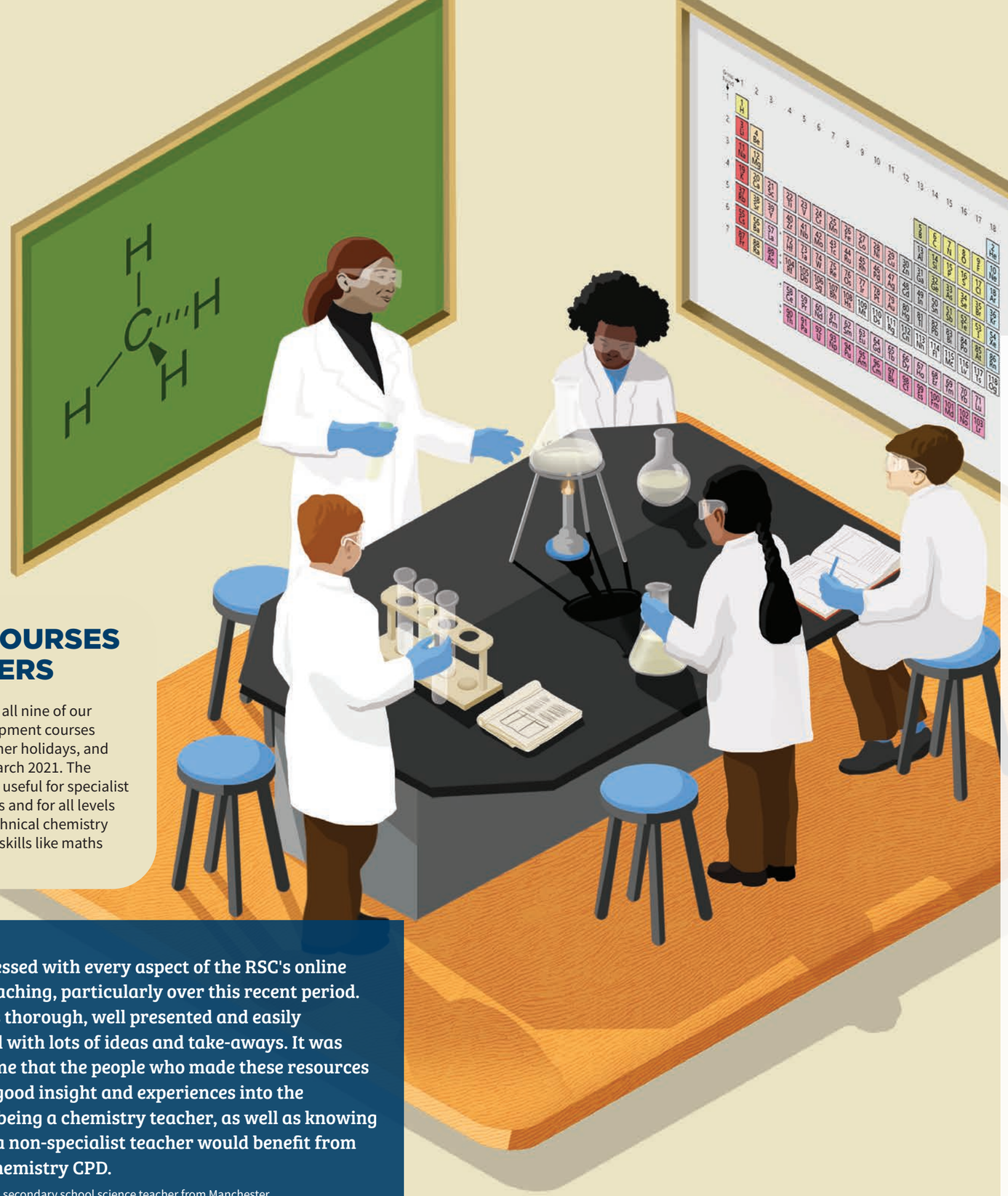
Together with the Indian Institute of Science Education and Research (IISER-Pune) we organised a series of 12 webinars for teachers and educators, Teaching the Next Gen, between September and December 2020. They addressed various topics in the field of education including engagement and active learning techniques, assessment, and simulation and project based learning.

More than 3,000 people across India registered for the series, as well as from dozens of other countries, and the webinars attracted a total of 55,000 views.

> I am so glad that I have been attending these webinars. They are incredibly useful, not just for subject knowledge but for pedagogy and networking with other chemistry teachers and professionals. My Twitter friends have grown exponentially in this time! And I'm getting to know the RSC Education website better, there is so much on there.
>
> [The webinars] have been invaluable for me bridging the gap between being in placement and finishing my PGCE. It was pretty traumatic being pulled out of placement knowing how much real life experience I would miss in the classroom. Speaking to the other professionals on the webinars has really helped me have an insight into how schools are operating, and the challenges and opportunities.
>
> **Charlotte Edwards**, UK-based RSC Teacher Training Scholar

> The RSC resources have been extremely valuable and the support provided during the lockdown period and learning from home has been brilliant. The bank of articles with hyperlinks is user-friendly and can be trusted to provide a quick read and an abundance of ideas for bringing into the classroom, be that at home or onsite. And all for the cost of a few minutes of my time to register!
>
> **Elizabeth Cranfield**, teacher in Sydney, Australia

> Excellent webinars. These are real eye-openers for facilitators and teachers.
>
> **Beena Achari**, Bharatiya Vidya Bhavan's V. M. Public School, Vadodara



FREE CPD COURSES FOR TEACHERS

We made available for free all nine of our online professional development courses for teachers over the summer holidays, and extended this offer until March 2021. The courses are designed to be useful for specialist and non-specialist teachers and for all levels of experience, covering technical chemistry aspects and underpinning skills like maths and pedagogy.

> I was so impressed with every aspect of the RSC's online content for teaching, particularly over this recent period. Each course is thorough, well presented and easily navigated and with lots of ideas and take-aways. It was very clear to me that the people who made these resources have a really good insight and experiences into the challenges of being a chemistry teacher, as well as knowing exactly what a non-specialist teacher would benefit from when doing chemistry CPD.
>
> **Ghassan Al-Sammari**, secondary school science teacher from Manchester

A FRAMEWORK FOR A SUCCESSFUL CHEMISTRY CURRICULUM

Everyone is entitled to an excellent chemistry education that is engaging, inspiring and relevant. It should equip learners with the skills and understanding they need to be scientifically literate citizens and to pursue the study of chemical sciences at higher levels should they so wish. The chemistry curriculum that school-age learners experience is fundamental to achieving this.

The elements of a successful chemistry curriculum presents an overview of our curriculum framework at ages 11–19, representing what we see as the core of an ideal chemistry curriculum. It's designed to allow learners to encounter a wide range of modern chemistry, to demonstrate both its impact on everyday life and its potential to address some of the major problems facing society.

This is a community and evidence-informed framework, developed by a succession of curriculum and assessment working groups comprising chemistry teachers, curriculum designers, assessment specialists, and representatives from higher education and industry. The working groups drew on evidence about good curriculum design generally, on effective learning in chemistry, and looked at current practice.

We aim to influence the development of chemistry curricula and qualifications by governments and other authorities throughout the UK and Ireland. While this framework is intended to be a valuable resource to policymakers and curriculum designers, we hope it will also be of interest and use to teachers.

SUPPORTING CHEMISTRY EDUCATION IN CHINA

During the summer school break of 2020, we worked with our partner ASDAN on an online Middle-School Chemistry Poster Competition. We received hundreds of high quality posters from all over China on a range of subjects related to chemistry. Graduate representatives of our student member clubs formed judging panels to choose finalists, and our president Tom Welton selected the winners.

BUILDING AND SHARING CHEMICAL SCIENCE KNOWLEDGE

> The benchmark for what constitutes excellence in science is long overdue a rethink – and we are proud to commit to DORA.
>
> **Helen Pain**, interim CEO, Royal Society of Chemistry

A SUCCESSFUL TRANSPARENT PEER REVIEW PILOT

We launched a transparent peer review process for RSC Chemical Biology, meaning that reviewers' comments can be read publicly. The move is part of our commitment to make research and decision-making more open, robust and accessible. RSC Chemical Biology is gold open access so articles and the review process are free to read.

Authors have no obligation to take part and can opt out at any stage, but are encouraged to opt-in for the publication of an article's peer review history (which includes reviewer comments, author responses and editorial decision letters). By enabling readers to read the discussions between authors, reviewers and editors, we aim to provide an additional level of assurance to ensure research integrity and reproducibility. Since launch, we have consistently seen 50% of submitting authors opting in.

NEW OPEN ACCESS JOURNALS FOR MULTIDISCIPLINARY SCIENCE

Materials Advances, a gold open access journal, is free to read and free to publish in until mid-2022. It shares an editorial board with our Journal of Materials Chemistry journal family, enabling a consistent assessment process. This also enables smooth and speedy transfers between journals in the family, ensuring each piece of research can find the right home.

Environmental Science: Atmospheres, a cross-disciplinary journal spanning all aspects of atmospheric science, is fully gold open access. We waived article processing charges until mid-2023, meaning it is both free to read and free to publish in, and it offers transparent peer review.

Atmospheric science is a broad field comprising a range of interconnected disciplines that advance our understanding of the world we live in, beginning with the chemical composition and physical behaviour of the air we move and breathe in, and ultimately providing insights into weather patterns, air quality, and climate change.

READ AND PUBLISH ACCESS FOR ALL UK RESEARCH INSTITUTIONS

We collaborated with the Jisc consortium on a transformative national deal that provides UK institutions with access to read and publish open access in the Royal Society of Chemistry's peer-reviewed portfolio of hybrid journals in the chemical sciences and related fields.

The new, national agreement offers a funder-compliant way to rapidly increase open access publishing in the UK. From January 2020 until December 2021, corresponding authors at qualifying institutions can have an article made publicly available in the Royal Society of Chemistry's hybrid portfolio at no direct cost to them. At the same time, all UK institutions were given access to our full journal portfolio.

COMMITMENT TO MODERN RECOGNITION OF IMPACT WITH DORA

We signed the San Francisco Declaration on Research Assessment (DORA), continuing our drive to modernise how we measure excellence in the chemical sciences. We were the first major chemical society to sign up to the declaration's principles to assess research outputs in a fair and balanced manner.

DORA was developed in 2012 during the Annual Meeting of the American Society for Cell Biology in San Francisco. Its principles highlight a need to assess research on its own merits and to use opportunities provided by online publication, such as unconstrained page length, in addition to adopting new indicators of significance and impact.

CELEBRATING CHEMICAL SCIENCE'S 10TH ANNIVERSARY

Throughout 2020, we highlighted through a range of activities the 10-year anniversary of our flagship journal Chemical Science. The journal publishes the very best chemical science research, and as a gold open access journal its content – more than 5,000 articles – is free to read.

Celebrations included a series of key opinion leader interviews and videos, physical and online forums, themed journal issues, and joint celebratory events with Nanjing University on the occasion of its 100-year anniversary.

PUBLISHING IN STATS

	2020	Change from 2019
Articles submitted	119,760	-5.0%
Articles published	38,192	+5.9%
Articles published open access	25.7%	+2.5% points

COLLABORATION IN A CHANGING WORLD

NEW ROLE FOR ROBERT PARKER

In November, Robert Parker relinquished his role as CEO and became an ambassador for the organisation. He announced that he was temporarily stepping down as CEO at the end of 2019 to accommodate two hip replacements, planning on returning at the end of 2020. Helen Pain, currently Acting CEO, became Interim CEO until a permanent successor to Robert is announced – likely to be in the summer of 2021.

“

It's an understatement to say that nobody could have predicted the events that would follow regarding COVID-19 when I temporarily stepped down as CEO. Part of my plans for 2020 was to launch the first Commonwealth Chemistry Congress that we then postponed for obvious reasons.

This year has turned out to be one of reflection for me, and after much thought and careful consideration I have decided to stand down as CEO permanently. Of course, I don't relinquish the role lightly and it is something that will be tinged with a significant amount of sadness for me.

There are several reasons behind my decision. Having celebrated my 35th work anniversary at the RSC earlier this year, it served as a reminder of how lucky I have been to serve the community for so long, and what a privilege it has been to serve as the CEO for the last nine years – something I would never even have dreamt of when I joined the organisation.

Importantly, there comes a time when you sense that it is right to hand over the baton. I'm not normally one for expressing personal pride. I am, however, proud of building a resilient organisation that could weather the storms of 2020 with real confidence and ensure that we can continue to support the community for years to come.

My decision is also significantly influenced by how things have changed so considerably for the organisation as a result of COVID-19. The staff have done an amazing job in supporting the community during such unprecedented times. And the community have been truly awe inspiring in their response to the pandemic.

Given the impact of COVID-19, I strongly believe there is a need for continuity of leadership over the next six months or so, and Helen Pain is ideally placed to do this having led the organisation so incredibly well in the last year.

Robert Parker

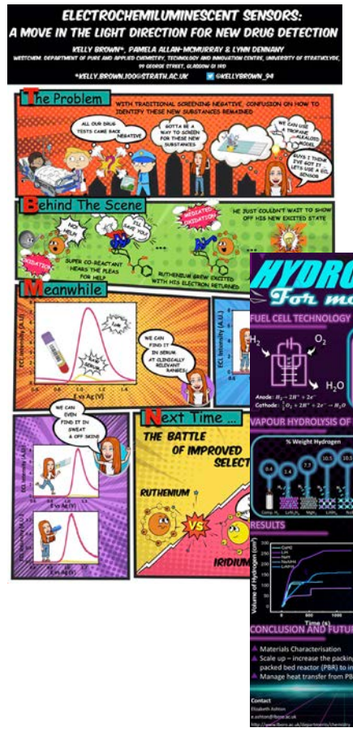
FIRST COMMONWEALTH CHEMISTRY POSTER EVENT

The Commonwealth is home to 12% of the world's researchers and, with an estimated 60% of its population under the age of 30, it is set to play an ever more important role in solving global challenges with science.

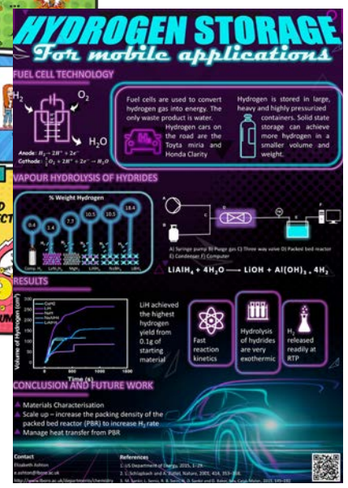
To this end, Commonwealth Chemistry – the Federation of Commonwealth Chemical Sciences Societies – held the first-ever Commonwealth Chemistry poster conference, Building the Partnership, in August 2020.

The first-ever Commonwealth Chemistry Congress was due to be held in May 2020 in Trinidad and Tobago but was postponed to May 2021. In place of the Congress, Commonwealth Chemistry invited all the delegates to a three-day online poster conference.

The chemists presented their posters in a virtual format, and networked with members of the community from across the Commonwealth. Delegates from around the world presented and shared knowledge and the 20 available prizes went to researchers from 18 different countries.



OUR BIGGEST-EVER TWITTER POSTER CONFERENCE AND FIRST WeChat POSTER EVENT



The sixth edition of our virtual poster conference #RSCPoster was the biggest yet, with almost 800 entries submitted from 59 countries around the world. The event took place over 24 hours on 3 March, with 4,700 conference attendees – accounts which used the hashtag – taking advantage of the event's global, cost-free and low-carbon format.

Scientific discussions took place between presenters and attendees at every career stage, with over 9,900 tweets leading to a potential audience of 32 million Twitter users.

In parallel, we launched our 2020 WeChat Poster Event specifically for China, which saw over 15,000 people contributing and selecting posters.

> I keep my mobile notifications on all day so I get to interact with people live. The great thing about the online format is that you're not stuck standing with your poster – you get to roam around and look at everyone else's posters, and if someone wants to know more about yours you'll get a notification. You also end up interacting with other disciplines, not just your own. And best of all you don't pay a single penny!
>
> **Drupad Trivedi**, winner of the Analytical category in #RSCPoster 2019

PARTNERING TO SUPPORT RESEARCH COLLABORATION IN INDIA

In June 2020, we partnered with the Council of Scientific and Industrial Research's (CSIR) Summer Research Training Programme, reaching 30,000 students in total through a range of digital networking tools – our largest community engagement programme in India to date. Our current and former presidents, and interim CEO Helen Pain, joined a host of other eminent speakers to give scientific and inspirational lectures, leadership talks, and workshops on publishing high impact research and careers management.

With funding from the UK government, we helped to set up the Innovative and Sustainable Chemistry Consortium, a bilateral and multi-disciplinary network across the UK and India. The network will initiate and stimulate sector-wide engagement that will translate into future research and innovation collaborations between the two countries, to address some of the world's greatest challenges. The consortium currently brings together researchers from a geographically-diverse range of universities and research centres in the UK and India including ICT Mumbai, IIT Mumbai, UCL, St Andrews, Oxford, Manchester and IIT Kanpur.

VIRTUAL EVENTS

In 2019 we ran more than 200 events with nearly 12,000 delegates attending. Our programme was looking similar for 2020 until it became clear early in the year that events would need to be very different. An immense collaborative effort between RSC staff and our indomitable community meant we ran a hugely successful programme of virtual scientific conferences and events throughout the latter half of 2020. Our community responded very positively to the change and, for events that would have run physically from late summer to the end of the year, we saw a 60% uplift in delegate numbers compared with our forecasts.

Faraday Discussions are unique interactive conferences with a century's worth of history that we have run more than 300 times. Our July Faraday Discussion on bio-optics was our first full virtual event. Staff and the conference chairs worked closely together throughout the day, overcoming minor technology teething problems as a full and fruitful scientific discussion unfolded.

The delegates were patient and supportive, and showed great flexibility in testing a new format that brought many new challenges. One presenter based in Australia gladly stayed awake late into the night to participate. The virtual format also enabled a wider set of parallel discussions that are not usual possible at a physical event, with chemical scientists at all career stages able to engage in discussions with their peers.

INCLUSION AND DIVERSITY

"Chemistry should be for everyone", we said in our 2018 report Diversity landscape of the chemical sciences. Two years on, we must accept that however we look at it – data, stories of lived experience, or just common sense – the sad truth is that, today, chemistry does not welcome everyone.

The 2018 report drew together the best available data and evidence – and in many places still found it lacking. So we worked harder to collect, analyse and publish more data. Each research project, survey and event contributed more data that supported the same conclusion: there are many groups of people who face barriers to entering and staying in chemistry in the UK, and they are under-represented compared with the general population.

The data confirms the stories we hear from members of the chemistry community: that the issues of bias and discrimination are real, current and harmful; that these biases are embedded in the systems and institutions that chemistry is built on; and that countless talented people are driven out from chemistry – or are never able to join us at all.

Despite the global disruption of COVID-19, we have responded to many inclusion and diversity issues, and led on some truly innovative work to make chemistry more accessible for everyone.

ADDRESSING RACIAL INEQUALITY

The 2020 resurgence of the Black Lives Matter movement put race inequality centre stage. It spurred us to accelerate planned work and start new initiatives on racial equality in chemistry.

We consulted the community and listened to Black individuals in the chemical sciences to understand the challenges faced and the support required. We funded 15 projects around the world through a special call from our Inclusion & Diversity Fund for projects that specifically focus on breaking down barriers faced by Black chemists.

We also prioritised research into racial inequality and published an analysis of recent data from the Higher Education Statistics Agency (HESA) showing that Black chemists are underrepresented from postgraduate level onwards.

Closing 2020, we hosted our annual Inclusion & Diversity Forum with a focus on race inequality. Over 500 people registered representing 54 countries. The forum engaged participants in lively discussions on the actions needed to eradicate racial discrimination in chemistry.

> **[the RSC's Inclusion and Diversity Fund special call] has come at a perfect time. There is an urgent need to recognise and amplify Black voices not only in chemistry but the sciences as a whole.**
>
> **Sandile Mtetwa**, main grant applicant, Black in STEM project, University of Cambridge

SUPPORTING LGBT+ SCIENTISTS

In a collaborative 2019 report with the Institute of Physics and the Royal Astronomical Society, Exploring the workplace for LGBT+ physical scientists, we gathered evidence that many LGBT+ people do not find the physical sciences to be a comfortable working environment, have thought about leaving, and have experienced or observed exclusionary behaviour in the workplace.

In November 2020 we launched our LGBT+ toolkit, which provides resources to empower LGBT+ individuals and guide employers and colleagues in creating positive change. The toolkit includes posters, booklets and our popular pronoun stickers, as well as a glossary of terms, to help everyone build a more inclusive environment for LGBT+ scientists.

MAKING SCIENTIFIC PUBLISHING MORE INCLUSIVE

Our November 2019 research report Is publishing in the chemical sciences gender biased? analysed more than 700,000 manuscript submissions and 141,000 citations to RSC journals and concluded: "Biases exist at each step of the publishing profile… their combined effect puts women at a significant disadvantage."

We have since led the publishing industry in a series of coordinated efforts to reduce such discrimination. We developed our Framework for Action in Scientific Publishing – a practical reference of methods to achieve change, and to quantify inclusion and diversity in publishing.

At the same time we drafted our Joint commitment for action on inclusion and diversity in publishing, which sets out four key areas where we can scrutinise and improve our processes to minimise bias. By the end of 2020, 33 scholarly publishers – including Wiley, Elsevier, Taylor & Francis, PNAS, the BMJ and the American Chemical Society, and who together publish XX,XXX journals – have co-signed our commitment, and we have formed sub groups to take forward specific actions under each of the commitments.

> **Really pleased [the BMJ] is working with [RSC] and others to drive meaningful and sustainable change. Let's be bold!**
>
> **Chris Jones**, CEO, BMJ, commenting on their signing up to our joint commitment

In 2020 we made two important changes to our publishing policies and processes. We changed a policy to ensure researchers can update their name on articles previously published. Authors change their name for a variety of personal reasons, and this can negatively impact their ownership of their research – an impact that is particularly severe for transgender researchers. By making it more straightforward for anyone to update their name on articles they publish with us, we hope to reduce those negative impacts. The other process improvement was to collect appropriate gender data as part of our publishing submission process, to enable better understanding in the future of barriers faced by certain groups.

SUPPORTING PEOPLE WHO EXPERIENCE BULLYING AND HARASSMENT

Through our work to understand the experiences of several under-represented or discriminated-against groups in chemistry – including women, ethnic minority scientists, or LGBT+ people – a common theme that emerged was experience of being bullied or harassed at work or school.

We are committed to helping to eliminate these behaviours from our community. In 2020 we took a practical step by launching a bullying and harassment support line, which is a free, impartial and completely confidential service open to anyone who is affected by or concerned about bullying and harassment in the chemical sciences – whether they have been targeted, accused, or are a witness.

Later in 2020 we were proud to join the UK Research & Innovation (UKRI) Forum for Tackling Bullying and Harassment in Research and Innovation, a group of funding, policy and regulatory organisations who meet quarterly with the goals of campaigning to raise awareness, sharing best practice and promoting collaboration to reduce and eliminate bullying and harassment.

FIVE-YEAR OUTREACH RESEARCH PROGRAMME RESULTS PUBLISHED

Our *Chemistry for All* research and outreach study, begun in 2015, confirmed that chemistry is sadly not accessible to all. However, while the study highlighted that disadvantaged students face significant barriers to participation in post-16 chemistry education, it also showed that these can be overcome with carefully designed intervention.

Data from UCAS shows that students from the most socio-economically advantaged backgrounds are five times more likely to study chemistry at undergraduate level than the least advantaged students. Relatively few girls, few children from families with less advantaged circumstances, and few children from some ethnic backgrounds study non-compulsory science subjects at upper-secondary school (ages 16–18) and at university.

The effects of social inequalities are compounded by the perception that only "naturally clever" people can study chemistry, and by a lack of role models to help students feel that chemistry can be for "people like me". It's clear that social and economic factors only widen the participation gap in chemistry. And, since the study's conclusion, COVID-19 has had a devastating impact on children's education, with those from less advantaged backgrounds disproportionately affected.

> **The pupils are going to be disadvantaged further down the line, because they never had the aspirations to begin with and building on the aspirations has been knocked because of COVID.**
>
> **Kayleigh Hughes**, chemistry teacher, County Durham

Through a five-year programme of intervention activities and monitoring, our research partners discovered that well-targeted interventions could improve pupils' aspirations and confidence, with the groups who were part of the Chemistry for All programme almost twice as likely to report increased interest in pursuing chemistry in their further education or career.

> **Through this programme it explained quite a lot about what studying at university and studying science at university was like, how it is quite a developing line of work, and how a lot of universities are looking for students now – so it has kind of given me more confidence in applying and that I could get in.**
>
> **Luke**, student who participated in the Chemistry for All programme

As a result of the programme, we published an action plan including a full review of our outreach activities, launching an outreach hub, specific support for schools with high proportions of pupils receiving free school meals, and collaboration with partners to implement the findings of Chemistry for All even more widely. We are also now offering new funding of up to £25,000 for outreach projects that remove socio-economic barriers.

NEW ORGANISATION-WIDE STRATEGY FOR INCLUSION AND DIVERSITY TO 2025

Given the overwhelming evidence of discrimination and exclusion, we need more than ever to have a powerful, all-encompassing approach to reducing and eliminating inequality in chemistry. Our new Inclusion & Diversity Strategy to 2025 sets out that approach: we will increase the diversity of people choosing the chemical sciences and fulfilling their potential for a truly inclusive community.

In practice this means that our work on improving how we collect and use data and evidence has only just begun. We will base all of our interventions and initiatives to improve inclusion and diversity in the chemical sciences on the best available evidence. At the end of 2020 we published our first RSC Diversity Data report, aiming to be transparent with our data so that we can design targeted actions and initiatives to improve representation of under-represented groups.

We have two clear, measurable aims: to increase the representation of under-represented groups both entering and progressing in chemistry. Our evidence shows under-representation in chemistry of women at senior levels, Black chemists retained at postgraduate level, people from deprived socio-economic backgrounds entering chemistry, LGBT+ people, disabled people, and more. Through our ongoing research we will likely find more under-represented groups of people, and we will aim to increase their representation too.

By identifying key partners and sharing best practice we will extend the reach and influence of our work. And by driving the development of cross-sector standards, we can begin to embed longer-term improvements in the scientific ecosystem.

This is not an action plan for diversity activities. It is a fundamental shift in how we approach everything we do. Just as inequality sadly permeates all of science, our belief in equality will permeate every project, event, process, policy and message. Chemistry will benefit, society will benefit – and it is the right thing to do.

Chemistry does not welcome everyone – but it should, and it will.

SUSTAINABILITY

CONVENING CROSS-SECTOR EFFORTS AGAINST CORROSION

Unsustainable replacement and repairs of corroded metals – in rail, aerospace, batteries, wind turbines and more – cost the global economy £1.9 trillion per year.

Sustainable, non-metallic, non-corroding materials could replace traditional materials like steel, but adopting these materials is a challenge too complex and risky for any single organisation to solve alone. Tackling this challenge needs collaboration across the supply chain, multidisciplinary research and development, and changes to policies and regulations.

Last year we brought together a diverse group of experts representing independent and governmental technology organisations and multiple industries and sectors, to share knowledge and begin to tackle this challenge.

An output from that collaboration, our 2020 report Improving performance of sustainable non-metallics solutions for corrosion, outlines the reasons that industry may wish to adopt sustainable non-metallics in the future, the trends influencing innovation in this topic, and the technical challenges and potential gaps in existing knowledge. It identifies specific opportunities for cross-industry collaboration, and lists five key areas that will be important for enabling collaboration.

MAKING SUSTAINABLE PLASTICS A REALITY

Plastics are essential for a sustainable future – but much more work is needed – concluded an international group of scientists who came together at our Burlington House headquarters in November 2019.

In 2020 we released a report based on those discussions at the Chemical Sciences and Society Summit (CS3), which takes place every two years and brought together learned societies and funders from China, Germany, Japan and the UK. Science to enable sustainable plastics says that with plastics likely to play a crucial role in healthcare and in low-carbon technologies in the future, it's vital that new types of plastic are designed that can fulfil those roles without adverse impact on the environment.

Plastics' worst environmental impacts are a common sight in the news or on social media, but they also play crucial roles in producing renewable energy and reducing the environmental impact of transport, as well as preserving fresh food and protecting it from contamination. Plastics have also played a lifesaving role during the COVID-19 pandemic – as personal protective equipment such as masks, gowns and gloves all contain plastic.

INFLUENCING SUSTAINABILITY POLICY

We provided ongoing direct input to the development of the Department for the Environment, Food & Rural Affairs (Defra) chemicals strategy, as well as influencing through Westminster Forum speeches and our involvement in the UK Chemicals Stakeholder Forum. Defra confirmed they would be using our 'four pillars' concept from our **Chemicals strategy for a sustainable chemicals revolution** leaflet.

Following our successful 'Elements in Danger' campaign in 2019, we provided oral evidence to the Environmental Audit Committee on critical raw materials and the circular economy. Our evidence was cited extensively in the Committee's report and informed its recommendations. And Opposition MPs tabled two of the amendments proposed in our briefing on the Environment Bill and got reassurances from the government on the points raised.

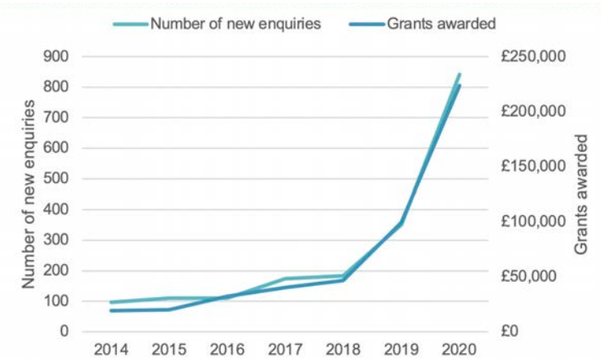
> We use plastics because they can do things other materials cannot. We have an opportunity and an obligation to think about how we can re-design plastics to make them fully sustainable and fit for purpose, both for existing applications and for those we will need tomorrow. In the process, we must aim to reduce and even reverse some of the damage plastic pollution has already caused.
>
> Building a new future for plastics will require extensive collaboration across disciplines – including science, engineering, social sciences, policy, regulation and business.
>
> **Charlotte Williams**, University of Oxford

CHEMISTS' COMMUNITY FUND

The Chemists' Community Fund, formerly known as the Benevolent Fund, was created in 1920 as a memorial to fellows of the Institute of Chemistry who died in the First World War, to support widows, children, the elderly and disabled people. It coincided with the end of another global disaster: the 1918 flu epidemic.

A century later, the world is again gripped by a viral pandemic. Although we hope the global toll of COVID-19 will be less than that of 1918's flu – particularly with the aid of remarkable vaccine development by the international scientific community – there have rarely been moments in the Fund's history where its help has been more necessary, for more people.

In 2019 we had already seen enormous growth in both the number of new enquiries and the total financial value of grants awarded. In 2020 we saw even bigger increases: 140% increase in new enquiries and 124% increase in total grant value compared with 2019.



As the immediate impacts of COVID-19 on our community became apparent, the Board of Trustees agreed that we should use the Fund to extend one-off hardship grants to non-members in the UK and Republic of Ireland.

97% of the recipients of this exceptional support were chemistry students, who were particularly financially vulnerable: many lost their part-time jobs as demonstrators in teaching laboratories, or in retail or hospitality as lockdowns and restrictions closed businesses. The total number of people receiving grants for financial hardship during 2020 was 439, a 13-fold increase compared with 2019.

We also awarded our first care home top-up grant in 2020, enabling vital support for members and their partners at a challenging time in their lives.

STORIES BEHIND THE NUMBERS

Sometimes a seemingly small offer of support can make an enormous impact on someone's life. The true benefit of many of our grants went well beyond the total financial grant:

- same-day purchase of a train ticket for collection at a local station, to ensure a member stranded in the UK due to COVID-19 could travel to the airport in time to catch a short notice repatriation flight
- repatriation flight grants for members stranded overseas when cancelled bookings were not refunded
- supermarket vouchers sent immediately by email to a member, enabling them to buy food for their family straight away
- referrals to paid-for specialist legal guidance on employment contract changes, furlough agreements, redundancy issues, eviction and housing rights and more
- advice and services for 10 members who gained a cumulative £10,636 in welfare benefits already received, through our partnership with Citizens Advice Manchester
- laptop purchase grants for families on low income with limited equipment for home-schooling
- volunteer befriending phone calls to members isolated owing to social distancing restrictions or shielding advice
- bereavement emotional support

CCF IN NUMBERS

98
Fund volunteers

£323,655
total grant value

931
people received support from the Fund in 2020

£7,378
highest grant

842
new enquiries for help and support

£195
lowest grant

468
attendees of Fund workshops

14
members regularly receive Talking *Chemistry World*

CELEBRATING 100 YEARS
SUPPORTING OUR MEMBERS
Chemists' Community Fund

FINANCIAL REVIEW

We undertake a diverse range of activities to fulfil our charitable mission to advance excellence in the chemical sciences. We aim to deliver these activities in an effective and sustainable way, supported by a long-term approach to financial planning.

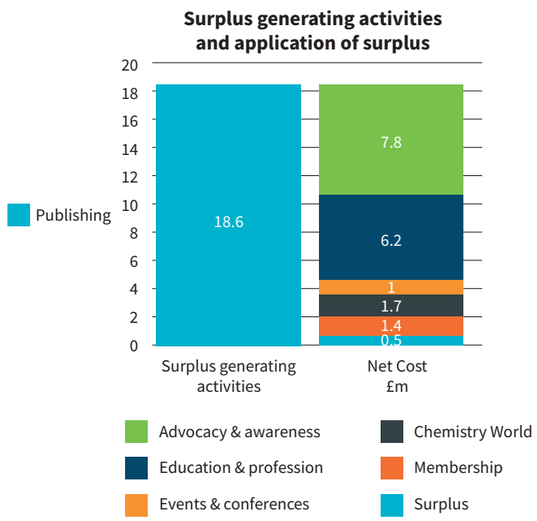
Key activities in 2020

2020 has been a challenging year due to the disruption in the global economy precipitated by, amongst other things, the outbreak of the COVID-19 virus which has led to a major reduction in activities for certain sectors. The RSC has not been immune to this disruption, and financial modelling and reforecasting has taken place throughout 2020 to reprioritise activities in response to COVID-19 to ensure the RSC remains financially strong and continues to deliver its charitable objectives into the foreseeable future.

We have faced additional activities such as enabling our staff to work from home, or adapting our premises to allow staff to safely work within local government guidelines. We have placed a large focus on our community support through the Chemists' Community Fund to alleviate the struggles of members' who have been facing new hardships brought about from COVID-19. A renewed and stronger focus on bad debt risk has been prioritised in response to the downturn that the global economy is experiencing.

Our publishing operations are central to achieving our charitable objectives in support of the chemical science community and advancing excellence in the chemical sciences. Our publishing revenues remained consistent year on year, generating 89.3% (2019: 85.4%) of our total income.

Overall, our publishing operations generated a net surplus of £18.6m (2019: £18.8m). A portion of this surplus has been invested in the continued development of our publishing products and services, while the majority has been used to fund our other charitable activities and our running costs.



Definitions

Usable funds:	These are unrestricted funds made up of our general funds, funds retained within non-charitable subsidiaries and designated funds.
Unusable funds:	These funds are made up of the pension reserve, which represents the RSC's defined benefit pension liabilities as at year end. The pensions reserve is reduced by payments made against the agreed recovery plans in the year.
General funds:	These are unrestricted funds representing monies earned primarily from publishing activities and membership subscriptions.
Designated funds:	These are unrestricted funds that have been internally 'ring fenced' for a specific purpose and consist of earmarked funds, member network funds and various trust and lecture funds.
Restricted income funds and endowment funds:	Represent grants, financial or other gifts bequeathed in a will or trust deed to the RSC with a specific direction as to use. These are not available for the general purposes of the charity and consist of the Chemists' Community Fund, various trust and lecture funds, restricted grants, Royal Chemistry India Foundation and Friends of the RSC, Inc.
Free reserves:	The amount of general funds after deducting the balances held within our fixed assets. The portion of 'available reserves' freely available to spend and use on any of our charitable activities.
Intangible and tangible fixed assets:	Assets purchased for long-term use, and not likely to be quickly converted into cash. This includes buildings, equipment, software and intellectual property.
Investments:	Funds held by investment managers on behalf of the Royal Society of Chemistry (RSC) for the purpose of generating income and capital gains over the long-term.
Debtors:	Amounts owed from third parties.
Creditors:	Amounts owed to third parties.
Deferred liabilities:	Income received / invoiced in advance for journal and membership subscriptions relating to future periods. This is held on the balance sheet and only recognised as income when the subscriptions fall due.
Cash:	Includes cash held at the bank and short-term highly liquid investments.
Working capital:	The capital, which is used in our day-to-day operations, calculated as current assets (i.e. cash, stock and debtors) less current liabilities (i.e. creditors and deferred liabilities).
Defined benefit pension liability:	The net deficit on our pension scheme, representing the difference between valuations of the pension scheme assets and liabilities.

In 2020 we continued to support the exchange of knowledge through our events programme however due to the global pandemic the majority of planned events for 2020 had to be cancelled or postponed. We spent £1.2m (2019: £3.4m) on organising and sponsoring conferences and symposia, including those events which moved to the virtual space.

We continued to invest in education and professional practice programmes to help secure a strong, diverse and sustainable supply of chemists at all levels. We spent £6.4m (2019: £8.7m) on our education and professional practice programmes in 2020.

In addition, we continued to support chemical science professionals through our member services, with total spend on membership of £5.6m (2019: £5.7m).

We also supported a range of activities to engage the policymakers and the public with the chemical science community. Overall, we spent £7.8m (2019: £4.8m) on advocacy and awareness programmes in 2020.

Financial Performance

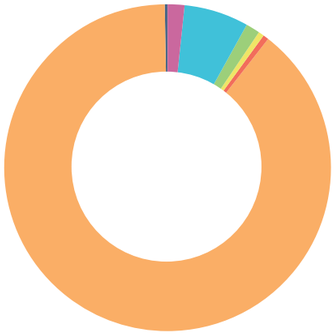
Overview

Our finances have been resilient to the pandemic. Publishing revenues were maintained, and although other revenue streams saw some impact, spending reductions due to pandemic restrictions offset this and enabled an operating surplus to be achieved. Together with good investments performance, we ended 2020 in a financially sound position, well placed to address ongoing challenges.

We have continued to review and prioritise our activities according to strategic impact as well as accommodating the activities brought about from the COVID-19 pandemic, as a result we generated £64.8m of income across the group in 2020, representing a decrease of £2.5m on income recognised in 2019 (2019: £67.3m). Total group expenditure in 2020 was £64.3m, representing a decrease of £1.4m on 2019 expenditure (2019: £65.7m).

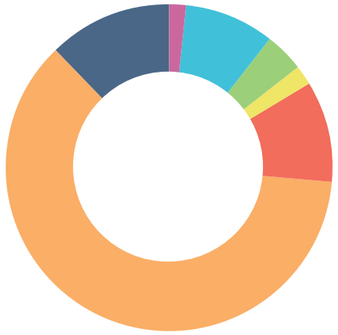
The breakdown of our sources of income and areas of expenditure are shown in the charts below.

Total income



Fundraising and other income	£1.2m
Membership	£4.1m
Chemistry World	£0.9m
Scientific conferences and events	£0.4m
Education and professional practice	£0.3m
Publishing	£57.9m
Advocacy, awareness and other income	£0.1m

Total expenditure



Fundraising and other expenditure	£1.2m
Membership	£5.6m
Chemistry World	£2.6m
Scientific conferences and events	£1.2m
Education and professional practice	£6.4m
Publishing	£39.3m
Advocacy and awareness	£7.8m

The activities undertaken in the year were carried out within the budget approved by our Trustees, and all the income of the charity has been spent on our charitable and fundraising activities or retained in our charitable reserves (see notes 24 and 25).

Overall we achieved a net operating surplus of £0.5m (2019: net operating surplus of £1.6m) and a net surplus of £9.0m after investment movements (2019: net surplus of £9.0m). The following table reconciles this to the operating surplus of £1.2m reported in our internal management accounts.

'Real' operating surplus As reported in internal management accounts	**£1.2m**
Add: Member networks grants Grant expenditure in respect of Member Networks is included within our internal management accounts but is represented as a transfer on the SOFA.	**£0.3m**
Add: Investment Income Not included in the management accounts as the income was reinvested in the portfolio rather than used to fund operating expenditure. The income is shown in the Consolidated Statement of Financial Activities (SOFA) as required by accounting rules.	**£0.9m**
Less: Defined benefit pension fund interest Not included in the management accounts because this is a notional cost that accounting rules require to be shown in the SOFA.	**(£0.6m)**
Less: Foreign Exchange Not included in the Management accounts as revaluations do not form part of operational budgeting.	**(£0.7m)**
Less: Investment Management Costs Not included in the management accounts because investment portfolio costs do not form part of the operational budgeting.	**(£0.6m)**
Net operating surplus (net income before investment gains) Per the SoFA.	**£0.5m**
Add: Investment movements Not included in the management accounts because investment portfolio movements do not form part of the operational budgeting.	**£8.5m**
Net income Per the statement of financial activities.	**£9.0m**

Our usable reserves, consisting of general funds, funds retained in non-charitable subsidiaries and designated funds, remain healthy with a balance of £105.0m (2019: £98.3m).

Our working capital position remains strong, with a net current asset position of £7.7m (2019: £7.8m) owing to the large cash and debtor balances offsetting the creditor balances and advance payments received for journal and member subscriptions.

Overall, our financial position remains healthy, with substantial usable reserves readily available to fund future activities. We will continue to focus on allocating our resources to deliver our strategy in a sustainable and effective way.

Investments

We hold financial investments to maximise the security of our reserves and generate returns. Our investment portfolio is designed to ensure long-term growth and to provide additional funding to support our charitable objectives.

The long-term investment objectives for general funds and restricted funds are to achieve an annual rate of return of 2.0% (2019: 2.0%) in excess of the rate of UK inflation, as measured by the Retail Price Index (RPI), after fees and costs at an acceptable level of risk for the investment portfolio.

Trustees adopt an investment time horizon of at least 10 years, over which they aim to achieve their objectives and expect the portfolio to remain substantially invested. The Trustees accept that investment performance objectives may not be achievable every year and that there will be occasional temporary adverse movements. As a result, we will review investment performance over relevant time frames.

Responsibility for investment strategy resides with the Board of Trustees, acting under advice from the Finance and Resources Board. Investment parameters are agreed with our investment managers, whilst monitoring performance in the context of long-term objectives and external benchmarks.

JP Morgan primarily manages our investments, with a small residual private equity investment maintained by Schroders Investment Management (UK) Limited. Our investment portfolio is split between general funds and restricted funds to maintain appropriate governance and stewardship of funds, while minimising management fees. Risk is managed through diversification of the portfolio between different asset classes and geographic markets, and the wider social and environmental impact of the portfolio is monitored through independently provided Environmental, Social and Governance (ESG) Quality Scores where appropriate.

We withdrew £3m from the investment portfolio to support liquidity in October 2020, with an equivalent balance returned from surplus cash in December 2020 so that we had small net contribution in the year of £24k (2019: net contribution of £1.5m). The portfolio generated investment income of £0.9m in 2020 (2019: £1.0m), all of which was reinvested. Together with investment gains of £8.5m (2019: £7.6m) and investment management costs of £0.6m (2019: £0.8m) the value of our investments increased overall to £117.0m (2019: £108.2m), an increase of £8.8m during the year.

Reserves policy

We review our reserves policy regularly. Our aim is to maintain our reserves at a sufficient level to ensure our financial resilience and sustainability, including protecting us against risks identified in the Risk Register.

Our reserves policy sets out the target reserves level and the key principles by which we will manage any excesses or deficits compared to the target. Our aim is to strike the appropriate balance between ensuring a sustainable financial position and using our funds to fulfil our charitable mission.

Free reserves represent unrestricted general funds of the RSC and exclude both the restricted funds held and funds that have been designated by our Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use.

In 2020, our policy was to maintain free reserves within a target range of £34.9m to £38.5m (£36.7m +/- 5%) consisting of:

Free reserves element	Purpose for reserve	Target amount £m
Contingency reserve	• Ensure short term solvency and stability in case of an extreme event • Buy some time in the event of a serious income shock • Enable the organisation to function while action is taken • Ensure charitable commitments can be met	16.5
Financial management reserve	• Smooth out volatility • Provide coverage for permanent changes in circumstances • Enable adjustments to be phased in over a longer time period • Insulate usable reserves from adverse fluctuation in the investment portfolio	11.0
Pension fund reserve	• Ensure affordability of the deficit recovery plan • Provide surety to the Pension Fund, underpinning the employer covenant (Partially repositioned as a designated fund)	9.2
Total		**36.7**

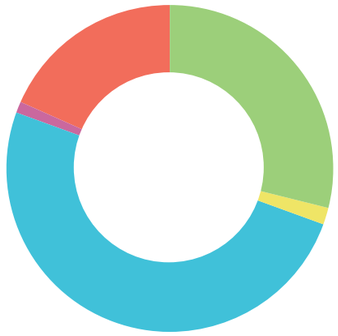
In November 2020, the Board of Trustees approved the transfer of £9.0m to a new Pension Scheme Recovery Fund, £3.0m to a new Strategic Alignment Reserve and an additional £4.3m to the Technology Roadmap fund.

To improve transparency on the amount of spendable funds, a Fixed Assets Reserve was also created to mirror the Fixed Asset balance thereby reducing the value held in the General Fund accordingly.

Designated Fund	Purpose for designated fund	Target amount £m
Pension Scheme Recovery Fund	The Pension Scheme Recovery Fund ensures we can meet our remaining contractual commitments in the Recovery Plan	9.0
Strategic Alignment Reserve	The Strategic Alignment Reserve will enable strategy implementation, realignment of our priorities and implement our cost efficiencies programme.	3.0
Technology Roadmap Fund	The Technology Roadmap Fund comprises of four strategic programmes which have been developed to support the RSC strategic objectives over the next 5 years, with total expenditure of £12.7m. In 2019 a transfer of £3.3m from the General Fund to the Technology Roadmap Fund took place. This £4.3m transfer is in addition to the 2019 transfer.	4.3
Fixed Assets Reserve	The Fixed Assets Reserve mirrors the current balance held in fixed assets. Fixed assets represent a portion of the free reserves which are locked and not readily available and historically have been deducted from general funds when calculating the free reserves number. Transferring this amount to a separate designated fund improves transparency of the amount of spendable funds on the face of the balance sheet.	5.8
Total		**22.1**

The level of accumulated usable funds held at 31 December 2020 was £105.0m (2019: £98.3m). Of this, £37.6m (2019: £46.6m) relates to the Charity's unrestricted general funds and represents the 'free reserves' available to the group. Our designated funds total £65.2m (2019: £49.4m), which have been earmarked for specific purposes. The balance of £2.2m (2019: £2.3m) relates to funds retained within the group's non-charitable subsidiaries.

Total usable and restricted funds



General funds (free reserves)	£37.6m
Funds retained within non-charitable subsideries	£2.2m
Designated funds	£65.2m
Restricted income funds	£1.6m
Endowment funds	£23.5m

Designated funds

The designated funds consist of earmarked funds totalling £57.7m (2019: £42.3m), designated trust and lecture funds totalling £5.4m (2019: £5.1m) as well as reserves totalling £2.0m (2019: £2.0m) held by branches of the Royal Society of Chemistry including our Local Sections, Regions and Interest Groups. Each of these branches is managed by a committee, which organises activities to advance the chemical sciences in local and specialist areas. Earmarked funds are specific amounts set aside for future contingency or policy purposes. Earmarked funds are established by appropriating amounts out of the general funds and are subject to Board of Trustees approval.

Designated funds

Pension long term strategy fund	£17.5m
Strategic initiatives fund	£12m
Pension scheme recovery fund	£9m
Technology roadmap fund	£6.9m
Fixed assets reserve	£5.8m
Trust and lecture funds	£5.4m
Strategic alignment reserve	£3m
New ventures fund	£2.5m
Member networks	£2m
TGH repairs fund	£1.1m

Restricted funds

The total restricted funds, including restricted income and endowment funds, held at 31 December 2020 were £25.2m (2019: £24.1m) and represents income for restricted purposes specified by the donor that are not available for the general purposes of the charity.

Of this, £17.4m (2019: £16.7m) relates to the Chemists' Community Fund, which provides a flexible range of financial and non-financial help to members and their dependents. The remainder comprises other restricted income and endowment trust funds totalling £1.6m (2019: £1.6m) and £6.2m (2019: £5.8m) respectively.

Our strategy for all of our restricted funds is to maintain capital over the long-term while generating income to meet current and expected expenditure levels.

Pensions

Employees who joined from January 2003 are entitled to join a defined contribution pension scheme. For employees who joined prior to that date, we operate a defined benefit scheme, which commits to pay a pension based on the number of years worked and the final salary of the members. This was closed to new members in 2002 and the scheme was closed to future accrual for existing members in 2011.

The Defined Benefit Pension Scheme therefore represents a commitment by the Royal Society of Chemistry to pay members a pension (scheme liability), which is paid from a fund managed by the Pension Fund Trustees (the scheme asset).

We agreed a recovery plan with the Pension Fund Trustees to address the deficit, following the triennial valuation of the pension scheme as at 31 December 2019. This replaces the previous recovery plan agreed on the pension scheme as at 31 December 2016. The funding valuation method is used to determine the recovery plan and the annual deficit payments made by the RSC, and therefore this method has a direct impact on the actual costs falling upon the RSC. In accordance with the recovery plan, the RSC will pay the following contributions per year to 2027 inclusive, when the shortfall is expected to be eliminated.

- January 1 to December 31 2021 : £1,924,000
- January 1 to December 31 2022 : £2,300,000
- January 1 to December 31 2023 : £2,500,000
- January 1 to December 31 2024 : £2,900,000
- January 1 to December 31 2025 : £3,200,000
- January 1 to December 31 2026 : £3,400,000
- January 1 to August 31 2027 : £2,400,000

In addition to these contributions, the RSC have agreed to make further contributions by revenue sharing each year from 2022. This will be based on Operating Revenue, 50% of any surplus up to a maximum of £0.5m. The first payment will take place in May 2022 based on the approved 2021 Financial Statements.

Accounting rules require the use of an accounting valuation method, which measures the pension fund's assets and liabilities on a different basis to the funding valuation method, and results in a larger deficit. FRS 102 is the accounting standard that dictates how the scheme is presented in the financial statements and the valuation is determined by an actuary. The FRS 102 valuation (accounting valuation) of the deficit on the Defined Benefit Pension Scheme was £40.0m at the end of 2020 (2019: £29.8m). This followed an increase in the liabilities of the scheme of £13.9m, attributable to changes in the actuarial assumptions, most notably the decrease in the discount rate from 2.1% to 1.4%, as well as a corresponding increase in the assets of the scheme of £3.8m.

The accounting valuation results in a notional deficit that does not directly impact on the actual costs falling upon the RSC. The funding valuation is considered the real figure and this, along with the agreed recovery plan, will remain until the next triennial valuation process in 2022.

The differences between the 2020 accounting valuation and 2019 funding valuation measures of the pensions fund deficit are summarised in the table below:

Details	Accounting valuation 31 Dec 2020 *For use in the 2020 financial statements* **£m**	Funding valuation 31 Dec 2019 *For use in the recovery plan agreed in October 2020 subject to acceptance by the Pensions Regulator* **£m**	Difference
Scheme assets	105.7	101.8	3.9
Scheme liabilities	(145.7)	(122.7)	(23.0)
Net deficit	**(40.0)**	**(20.9)**	**(19.1)**

Over time, the deficit will vary in line with market interest rates and equity returns and may ultimately become a surplus. Given the length of time over which the scheme will exist, the FRS 102 figures represent only a best estimate of the final position if existing market factors remain unchanged.

Risks

Our leadership team regularly review risks to our ability to deliver our strategy and to the organisation, and oversee plans for mitigating these risks. These risks are detailed in the Strategic Risk Register, which is a standing item on the Audit and Risk Committee agenda, to ensure thorough oversight on behalf of our Trustees.

The most recent update to the register was received by the Audit and Risk Committee in November 2020.

The key risks faced by the RSC along with their associated mitigations, are detailed in the table below:

Strategic risk	Mitigation
General compliance failure	Maintain appropriate knowledge and skills to ensure compliance with our domestic and international regulatory and statutory obligations, including the Bribery Act, Charity Commission requirements, Data Protection, EU GDPR, employee rights, health and safety regulations, international trade sanctions, Modern Slavery Act, Safeguarding Children & Vulnerable Adults, statutory financial reporting, and tax legislation.
Pension fund deficit increase	A triennial valuation process was completed in 2020 with an agreed deficit recovery plan that is affordable to the RSC. This risk is mitigated until 2022 when the valuation process will be repeated. Sufficient funds are being held in compliance with the Reserves Policy to ensure that any future disruption to the operating budget is avoided.
Publishing surplus decrease	The RSC publishes significant volumes of journal content, providing flexibility and economies of scale. The RSC's developing Commercial Strategy seeks to identify additional revenue streams. Increasing proportions of Open Access (OA) content/revenues within our publishing portfolio reduces the exposure to content piracy or illegitimate sharing, since we do not own the intellectual property for OA content. Regular scenario planning and financial planning exercises provide assurance over the organisation's capacity to respond to market adjustments.
Business continuity and disaster recovery	In response to the COVID-19 outbreak, all UK based staff have been working remotely since 16 March 2020. Staff in our international offices have also been working from home although staff in China, Japan and Germany are now able to work from their offices in line with local advice. Equipment has been provided to staff to enable an extended period of home working and wellbeing continues to be monitored. 3 pilots have been held to test COVID safe measures at TGH, which allowed a reduced opening of the office over the summer. Burlington House has remained closed and staff continue to work from home.
Cyber security	Externally validated back-up procedures, anti-virus software, firewall penetration testing, security penetration-testing of services and redundancy built-in to application services. Access to best-practice cyber security provisions through the use of specialist outsourced IT services.
Organisational focus	Clear cascade of RSC strategy through management meetings and staff briefings. The Portfolio Management Office was established in 2019 to prioritise activities and assess new initiatives in line with organisational strategy. Adoption of strategy-focused management reporting, including the adoption of a balanced scorecard to monitor overall organisational health.
Workforce management	Investment in Change Management capabilities. On-going monitoring of staff turnover. Measurement of morale through employee engagement surveys, including participation in the Best Companies survey published by the Sunday Times. Provide effective performance management through annual objective setting. Targeted succession planning for key roles.
Banking and investments failure	The organisations use of bank accounts continues to operate in accordance with the banking policy, setting out how cash funds will be distributed between banks to ensure security and liquidity. RSC Board of Trustees approved revised Investment Strategy targets in July 2018, which intend to strike an appropriate balance between risk and return. The position is kept under close review, including a formal fortnightly review by the Director of Finance and reports to each meeting of the Finance & Resources Board.
Brexit Impact on RSC	Campaign work on UK science and Brexit policy, voicing our concerns and recommendations on key issues. Director of HR and Organisation Development is liaising with senior HR contacts on access to skilled workers. Medium-term financial planning to reflect expected movements in foreign exchange rates.
Burlington House Occupancy	Negotiations into a new long-term lease with the property owner for Burlington House continues, with the next renewal due in 2025. Ongoing rent increases are to be agreed to an affordable and acceptable level for the RSC. Alternative scenario planning may be required if a sustainable rent basis cannot be agreed, although there are no immediate risks.

Structure, governance and management

The Royal Society of Chemistry is a registered charity governed by a Royal Charter that was granted on 15 May 1980, following the amalgamation of the Chemical Society, the Royal Institute of Chemistry, the Faraday Society, and the Society for Analytical Chemistry.

We are governed by our Board of Trustees, members of which are elected or appointed in accordance with our charter and by-laws.

Our Board of Trustees comprises:

- President
- President Elect
- Honorary Treasurer
- Seven Elected Trustees
- Up to eight Appointed Trustees, who may be chairs of our boards or other persons appointed by The Board of Trustees.

In accordance with the By-laws of the Society, the trustees are elected to position at the Annual General Meeting. Any member of the RSC may stand for election as an Elected Trustee and any Honorary Fellow, Fellow or Member, may stand for election as President. All members are eligible to nominate candidates and vote in elections. Voting takes place electronically and is managed by an external provider approved by the Board of Trustees. Election of Elected Trustees for the Board of Trustees normally takes place every two years. The next election will be for Elected Trustees to take office after the 2021 Annual General Meeting (AGM).

Our governance structure

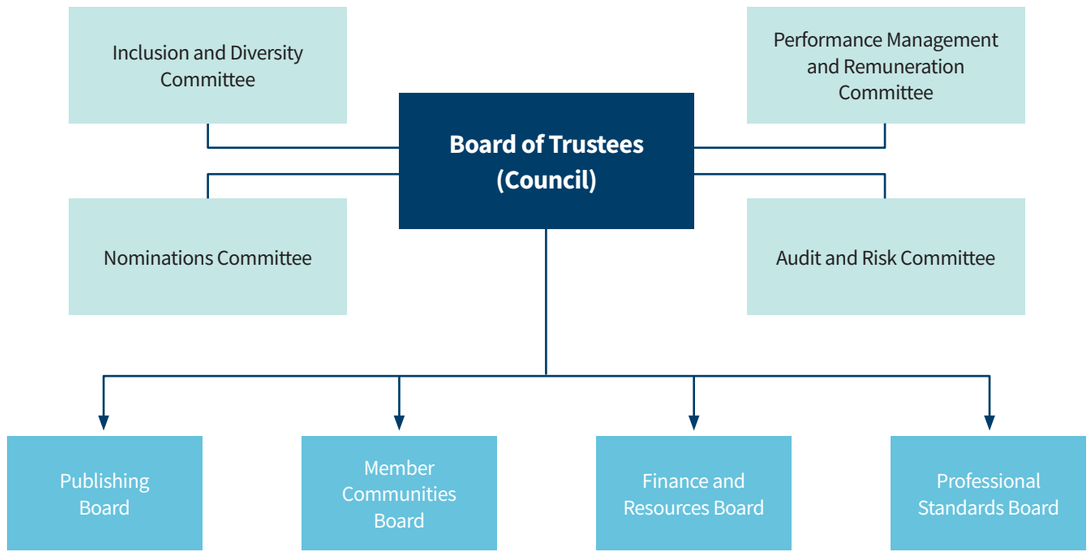
Our governance boards and committees develop strategic planning and policies with the support of staff and subject to approval by the Board of Trustees, which delegates the day-to-day management of the organisation and strategy implementation to the Chief Executive Officer (CEO). Members of staff provide updates on progress to the governance bodies, which, in turn, report to the Board of Trustees on performance against our strategy.

Each board and committee has a chair appointed by the Board of Trustees. More details on the current structure and membership of each board can be found on our website:

http://www.rsc.org/about-us/our-structure/-boards-committees

The Board of Trustees has oversight of the RSC's involvement in the Science Council, EuChems - the European Chemical Society and the European Technology Platform for Sustainable Chemistry (SusChem).

Our governance structure



Remuneration of key management personnel

Our Leadership Team, led by the Chief Executive Officer (CEO), manages the implementation and operational delivery of the RSC's agreed strategy, programmes of activity by promoting leadership and direction, and works closely with the Board of Trustees to ensure we are governed effectively. The Performance Management and Remuneration Committee is responsible for:

- Setting objectives for and reviewing the performance of the CEO, and determining his or her salary in accordance with the organisation's performance management procedures
- On the basis of recommendations from the CEO, discussing and agreeing any major changes to the duties of senior staff i.e. the Deputy Chief Executive Officers (DCEOs) and the leadership team (LT), their annual remuneration and any change in the number of such posts
- Ensuring that appropriate benchmarking is in place to understand how the salary and remuneration packages of the CEO, DCEOs and LT members compare to those in similar organisations
- Providing general advice to the CEO on people management issues, in accordance with by-law 74

Remuneration for the CEO, DCEOs and the LT is reviewed on an annual basis at the same time as the annual pay review for all staff. Please refer to disclosure note 6 for more information on LT remuneration.

Trustees

At the date of signing the Trustees' Report, the Board of Trustees are the Trustees of the Royal Society of Chemistry. A list of the Trustees for the period from January 2020 to the date of this report is shown on pages 50 and 51.

All Board of Trustees members are required to attend trustee training sessions covering the responsibilities of trustees, including financial and business planning and strategy development. Trustees are also offered external training and are provided with a Governance Handbook and trustee induction pack that they are asked to familiarise themselves with.

We also conduct an annual skills audit to ensure that the Board of Trustees includes the right skills to provide effective strategic direction and oversight for the organisation.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The Trustees are satisfied that the RSC's activities provide public benefit by advancing chemical sciences through publishing chemistry books, journals and magazines; informing and influencing policy makers; supporting and advancing chemical science education; recognising and regulating professional standards in the chemical sciences; organising meetings, conferences and networking events and informing and engaging the public.

All members of the Board of Trustees and its Boards and committees give their time voluntarily to the RSC.

Subsidiary Companies

Overview

The RSC has two wholly owned UK registered subsidiaries, Chemistry Limited and RSC Worldwide Limited. The loss before taxation for Chemistry Limited was £97k (2019: £267k profit). The profit before taxation for RSC Worldwide Limited was £595k (2019: £655k).

The principal activity of RSC Worldwide Limited is to facilitate the RSC's activities overseas. It also holds the ChemSpider asset, a database providing fast text and structure search access to over 71 million chemical structures from hundreds of data sources.

In 2020, RSC Worldwide Limited continued to facilitate operations in the US, China, India, Japan, Brazil and Germany, representing activities to advance the chemical sciences internationally.

The principal activity of Chemistry Limited is to promote Burlington House as a unique venue for both chemistry and non-chemistry related events and to carry out any non-primary purpose trading on behalf of the RSC. The disruption in the events and hospitality sector precipitated by the outbreak of the COVID-19 virus in 2020 led to the temporary closure of the Burlington House venue in March 2020. Consequently, a reduction in revenues took place and a loss was incurred within Chemistry Limited for the 2020 financial year.

Consolidation shown on page 56

We have reflected in the Consolidated Statement of Financial Activities and Balance Sheet the following entities covered by the Royal Society of Chemistry charity registration:

- Chemistry Limited
- RSC Worldwide Limited
- RSC Worldwide (US) Inc.
- RSC (Beijing) Chemical and Science Technology Company Limited
- Royal Chemistry India Private Limited
- Royal Chemistry India Foundation
- Royal Society of Chemistry Japan KK
- Friends of RSC Inc.
- RSC Worldwide (Germany) GmbH

Connected charities

The RSC jointly administers the Sir George Beilby Memorial Fund. An annual prize of £1,000 is awarded and sustained by a trust fund commemorating Sir George Beilby FRS, President of the Society for Chemical Industry (SCI) (1898-99), the Institute of Chemistry (1909-12) and The Institute of Metals (1916-1918) and founding Chairman of the Fuel Research Board.

The award is administered in rotation by the RSC, the Institute of Materials, Minerals and Mining and the SCI. It recognises substantial work of exceptional practical significance in chemical engineering, applied materials science, energy efficiency or related field, and is made to scientists or engineers. The assets of the fund are held in a named portfolio with Schroders Investment Management Limited. The RSC's share of the fund has not been consolidated within the Consolidated Balance Sheet and Statement of Financial Activities on the basis of materiality.

The RSC works with a broad range of UK and international charities. Details are available on request.

Reference and Administrative Details

Charity Registration Number

The Royal Society of Chemistry's charity registration number is 207890 and this registration encompasses the RSC Chemists' Community Fund, the Royal Society of Chemistry and its trust and lecture funds and member networks.

Leadership team for the year 1 January 2020 to 31 December 2020

Chief Executive Officer
Dr Robert Parker CSci CChem FRSC (until 15 January 2020)

Acting Chief Executive Officer
Dr Helen Pain CSci CChem FRSC (from 15 January 2020)

Deputy Chief Executive
Paul Lewis FRSA FInstLM

Finance Director
Stephen Joyce FCPFA

Director of Science and Communities
Dr Jo Reynolds FRSC

Director of Human Resources and Organisation Development
Karen Roberts MCIPD

Director of Education and Professional Practice
Sarah Robertson

Director of Publishing, Journals and Databases
Dr Emma Wilson MRSC

Director of Technology
Dr Amanda Spencer

Director of Sales and Marketing
Stephen Rumbelow

Auditors, Bankers and other Professional Advisors

Auditors

RSM UK Audit LLP
2nd Floor, North Wing East
City House
Hills Road
Cambridge
CB2 1RE

Bankers

National Westminster Bank plc
Market Street Branch
23 Market Street
Cambridge
CB2 3PU

Nationwide Building Society
Nationwide House
Pipers Way,
Swindon
SN38 1NW

Goldman Sachs Asset Management International
Plumbtree Court
25 Shoe Lane
EC2A 4AU

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Lloyds Bank plc
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Investment managers

J P Morgan
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London
E14 5JP

Schroder Investment Management (UK) Limited
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EC2Y 5AU

Actuary

Mercer Limited
1 Tower Place West
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London
EC3R 5BU

Pension Advisors

Broadstone Consultants & Actuaries Limited
CBBS House
23-25 St George's Road
Bristol
BS1 5UU

Legal Advisors

Charity, technology, intellectual property and employment matters:

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Commercial, compliance and employment matters:

Mills & Reeve LLP
Botanic House
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Commercial property matters:

Bristows LLP
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Publishing matters:

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Trust Law

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Translation and Document Review:
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Shanghai 200041, P.R. China

Compliance and company law:

ARC – Arfiff Rozhan & Co
Solaris Mont Kiara
50480 Kuala Lumpar
Malaysia

Property law:

Peixoto & Cury
Rua Teixeira da Silva
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Unter den Linden 10, 10117 Berlin

Royal Society of Chemistry Trustees

Patron
Her Majesty The Queen

Board of Trustees Members for the year 1 January 2020 to 31 December 2020

Honorary Officers

President
Professor Tom Welton OBE CChem FRSC (from July 2020)

Professor Dame Carol Robinson DBE HonFRSC FRSC (retired July 2020)

President Elect
Professor Gill Reid FRSC (from July 2020)

Professor Tom Welton OBE CChem FRSC (until July 2020)

Honorary Treasurer and Chair, Finance & Resources Board
Dr Paul Satchell CChem FRSC

Appointed Trustees

Chair, Publishing Board
Professor Duncan Graham CChem FRSC FRSE (from July 2020)

Professor Geoffrey Maitland CChem FRSC CEng FIChemE FREng (retired July 2020)

Chair, Member Communities Board
Jonathan Oxley CChem FRSC CMgr FCMI (from April 2020)

Professor Tom Brown CChem FRSC FRSE (resigned January 2020)

Chair, Professional Standards Board
Dr Andy Rudge CSci CChem FRSC

Chair, Inclusion and Diversity Board
Professor Marina Resmini FRSC

Dr Annette Doherty OBE FRSC (from November 2020)

Professor Saiful Islam CChem FRSC (from October 2020)

Elected Trustees

Professor Andrew Bell CChem FRSC (resigned November 2020)

Julia Hatto BEM CSci CChem FRSC

Dr Elizabeth Rowsell FRSC

Professor Tom Simpson CChem FRSC FRS FRSE

Dr Louise Armstrong-Denby CChem FRSC

Claire Gallery-Strong CSci CChem FRSC

Professor Annie Powell CChem FRSC

All the members named above, except for those who retired or resigned in 2020, form the Board of Trustees as at the date of signing the Trustees' report.

Responsibilities of the Trustees

Statement of Trustees' responsibilities in respect of the Trustees' report and the accounts

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Royal Society of Chemistry will continue in business.

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

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

On behalf of the Trustees

Professor Tom Welton OBE CChem FRSC

Independent Auditors' Report to the Trustees of the Royal Society of Chemistry

Opinion on the financial statements

We have audited the financial statements of the Royal Society of Chemistry (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Financial Activities, the Group and parent charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2020 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Conclusions 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 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 51, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks, that the group and parent charity operate in and how the group and parent charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, and remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to data protection, sanctions and anti-money laundering and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of Our Report

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

RSM UK Audit LLP
Statutory Auditor, Chartered Accountants
2nd Floor, North Wing East, City House, Hills Road,
Cambridge, CB2 1RE

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

FINANCIAL STATEMENTS

Consolidated statement of financial activities for the year ended 31 December 2020

		Unrestricted funds					Restricted funds				
	Note	General funds 2020 £000	Designated funds 2020 £000	**Total general and designated funds 2020 £000**	Pension reserve 2020 £000	**Total unrestricted funds 2020 £000**	Restricted income funds 2020 £000	Endowment funds 2020 £000	**Total restricted funds 2020 £000**	**Total 2020 £000**	Total 2019 £000
Income and endowments from:											
Donations and legacies	1	18	32	50	-	50	78	56	134	**184**	579
Other trading activities	2	124	-	124	-	124	-	-	-	**124**	593
Investment income	3	527	169	696	-	696	194	-	194	**890**	1,075
Charitable activities											
Membership		4,071	17	4,088	-	4,088	-	-	-	**4,088**	4,255
Chemistry World		868	-	868	-	868	-	-	-	**868**	701
Scientific conferences and events		77	252	329	-	329	52	-	52	**381**	1,717
Education and professional practice		143	-	143	-	143	132	-	132	**275**	820
Publishing		57,889	-	57,889	-	57,889	-	-	-	**57,889**	57,407
Advocacy and awareness		39	4	43	-	43	-	-	-	**43**	100
Other income		56	-	56	-	56	-	-	-	**56**	4
Total income and endowments		63,812	474	**64,286**	-	**64,286**	456	56	**512**	**64,798**	**67,251**
Expenditure on:											
Raising funds											
Donations and legacies		292	92	384	4	388	-	-	-	**388**	560
Other trading activities		221	-	221	-	221	-	-	-	**221**	326
Investment management costs		365	130	495	-	495	7	123	130	**625**	772
Charitable activities											
Membership		3,746	1,104	4,850	55	4,905	713	-	713	**5,618**	5,738
Chemistry World		2,575	37	2,612	24	2,636	-	-	-	**2,636**	2,707
Scientific conferences and events		1,152	25	1,177	16	1,193	52	-	52	**1,245**	3,407
Education and professional practice		5,861	226	6,087	72	6,159	274	-	274	**6,433**	8,669
Publishing		38,275	637	38,912	369	39,281	1	-	1	**39,282**	38,653
Advocacy and awareness		7,464	300	7,764	75	7,839	-	-	-	**7,839**	4,849
Total expenditure	7	59,951	2,551	**62,502**	615	**63,117**	1,047	123	**1,170**	**64,287**	**65,681**
Net income/(expenditure) before investment gains/(losses)		3,861	(2,077)	**1,784**	(615)	**1,169**	(591)	(67)	**(658)**	**511**	**1,570**
Gains on investment assets	15	5,138	1,628	6,766	-	6,766	101	1,643	1,744	**8,510**	7,595
Net income/(expenditure)		8,999	(449)	**8,550**	(615)	**7,935**	(490)	1,576	**1,086**	**9,021**	**9,165**
Transfer between funds	24, 25	(18,206)	16,283	(1,923)	1,924	1	153	(154)	(1)	**-**	-
Net group (expenditure)/income before other recognised gains and losses		(9,207)	15,834	**6,627**	1,309	**7,936**	(337)	1,422	**1,085**	**9,021**	**9,165**
Remeasurement on defined benefit pension scheme	11	-	-	-	(11,470)	(11,470)	-	-	-	**(11,470)**	(1,031)
Net movement in funds (decrease)/increase		(9,207)	15,834	**6,627**	(10,161)	**(3,534)**	(337)	1,422	**1,085**	**(2,449)**	**8,134**
Reconciliation of funds											
Fund balances brought forward		48,961	49,380	98,341	(29,827)	68,514	1,945	22,124	24,069	**92,583**	84,449
Fund balances carried forward		39,754	65,214	**104,968**	(39,988)	**64,980**	1,608	23,546	**25,154**	**90,134**	**92,583**

Notes 1–33 form an integral part of these Financial Statements.
Refer to note 33 for the accounting policies that have been used in preparing these financial statements.

A separate statement of financial activities has not been presented for the Charity alone.
Refer to note 23 for further disclosure on the Charity's financial outturn for 2020.

Consolidated and Charity balance sheets as at 31 December 2020

	Note	Group 2020 £000	Group 2019 Restated £000	Charity 2020 £000	Charity 2019 Restated £000
Fixed assets					
Intangible assets	13	129	233	129	233
Tangible assets	14	5,631	6,197	5,555	6,110
Investments	15	116,960	108,226	116,960	108,226
Total fixed assets		**122,720**	114,656	**122,644**	114,569
Current assets					
Debtors	17	13,154	11,449	13,313	11,584
Cash at bank and in hand		24,256	23,501	21,431	21,270
Total current assets		**37,410**	34,950	**34,744**	32,854
Current liabilities					
Creditors	18	(5,871)	(5,815)	(5,485)	(6,162)
Deferred income	18	(23,885)	(21,335)	(23,823)	(21,310)
Total current liabilities		**(29,756)**	(27,150)	**(29,308)**	(27,472)
Net current assets		**7,655**	7,800	**5,436**	5,382
Long-term liabilities					
Deferred income	19	(252)	(46)	(252)	(46)
Defined benefit pension liability	11	(39,988)	(29,827)	(39,988)	(29,827)
Total long-term liabilities		**(40,240)**	(29,873)	**(40,240)**	(29,873)
Net assets	**20**	**90,134**	92,583	**87,840**	90,078
Accumulated funds					
Unrestricted funds:					
Usable funds					
General funds (free reserves)	25	37,567	46,618	37,567	46,618
Funds retained within non-charitable subsidiaries	25	2,187	2,343	-	-
Designated funds	25	65,214	49,380	65,214	49,380
Total usable funds		**104,968**	98,341	**102,781**	95,998
Unusable funds					
Pension reserve	11, 25	(39,988)	(29,827)	(39,988)	(29,827)
Total unusable funds		**(39,988)**	(29,827)	**(39,988)**	(29,827)
Total unrestricted funds		**64,980**	68,514	**62,793**	66,171
Restricted funds:					
Restricted income funds	24	1,608	1,945	1,501	1,783
Endowment funds	24	23,546	22,124	23,546	22,124
Total restricted funds		**25,154**	24,069	**25,047**	23,907
Total charity funds		**90,134**	92,583	**87,840**	90,078

Approved by Board of Trustees and authorised for issue on 28 April 2021

Tom Welton President **Stephen Joyce** Finance Director

Notes 1–33 form an integral part of these Financial Statements.
Refer to note 33 for the accounting policies that have been used in preparing these financial statements.

Consolidated and Charity statements of cash flows for the year ended 31 December 2020

	Note	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Reconciliation of net income to net cash outflow from operating activities					
Net income for the reporting period		9,021	9,165	9,232	8,560
Adjustments for:					
Depreciation and amortisation		982	1,317	949	1,311
Loss on disposal of fixed assets		14	-	14	1
Losses/(gains) on investments		(8,510)	(7,595)	(8,510)	(7,595)
Investment income	3	(890)	(1,075)	(890)	(1,075)
Investment management fees deducted from investments	15	690	746	690	746
Decrease in stock		-	445	-	445
(Increase)/decrease in debtors		(1,705)	2,204	(1,729)	2,245
Increase/(decrease) in creditors and accruals		56	(1,199)	(613)	(753)
Increase/(decrease) in deferred income		2,756	570	2,719	581
Receipt of endowment		(56)	(367)	(56)	(367)
Exchange rate movements on cash and cash equivalents		235	256	201	199
Employer's contributions payable to the defined benefit pension scheme	11	(1,924)	(1,924)	(1,924)	(1,924)
Net pension interest expense	11	615	811	615	811
Net cash inflow from operating activities		**1,284**	3,354	**634**	3,185
Cash flows from investing activities					
Investment income	3	890	1,075	890	1,075
Investment income reinvested	15	(890)	(941)	(890)	(941)
Purchase of investments	15	(3,024)	(1,565)	(3,024)	(1,565)
Proceeds from sale of investments	15	3,000	-	3,000	-
Purchase of intangible fixed assets	13	-	(32)	-	(32)
Purchase of tangible fixed assets	14	(326)	(652)	(304)	(567)
Net cash inflow from financing activities		**(350)**	(2,115)	**(328)**	(2,030)
Cash flows from financing activities					
Receipt of endowment		56	367	56	367
Net cash inflow from financing activities		**56**	367	**56**	367
Increase in cash and cash equivalents		**990**	1,606	**362**	1,522
Cash and cash equivalents at the beginning of the reporting period		23,501	22,151	21,270	19,947
Change in cash and cash equivalents due to exchange rate movements		(235)	(256)	(201)	(199)
Cash and cash equivalents at the end of the reporting period		**24,256**	23,501	**21,431**	21,270

Analysis of changes in net debt

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Cash and Cash Equivalents				
Cash and cash equivalents at the start of the reporting period	23,501	22,151	21,270	19,947
Cash flows	990	1,606	362	1,522
Non cash flows	(235)	(256)	(201)	(199)
Cash and cash equivalents at the end of the reporting period	**24,256**	23,501	**21,431**	21,270

A reconciliation of net debt is required per the Charities SORP (FRS 102).
There was no debt within the group during 2020 (2019: Nil), and there were no non-cash flows to reflect other than the change in cash and cash equivalents due to exchange rate movements.

Notes 1–33 form an integral part of these Financial Statements.
Refer to note 33 for the accounting policies that have been used in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	General funds £000	Designated funds £000	Restricted income funds £000	Endowment funds £000	2020 Total £000	2019 Total £000
Donations	18	32	78	18	146	234
Bequests and legacies	-	-	-	38	38	345
Total	18	32	78	56	**184**	579

2. Income from other trading activities

Income from other trading activities consists entirely of turnover from Chemistry Limited, a wholly owned trading subsidiary of the RSC. Its principal activity is to promote Burlington House as a unique venue for both chemistry and non-chemistry related events and to carry out any non-primary purpose trading on behalf of the RSC. All the profit from the trading subsidiary is passed to the charity under the gift aid scheme.

The disruption in the events and hospitality sector precipitated by the outbreak of the COVID-19 virus in 2020 led to the temporary closure of the Burlington House venue in March 2020 and a suspension of trading activity. Consequently, a reduction in revenues took place and a loss was incurred within Chemistry Limited for the 2020 financial year.

3. Investment income

	General funds £000	Designated funds £000	Restricted income funds £000	2020 Total £000	2019 Total £000
Assets in the UK					
Fixed interest	10	1	7	18	142
Assets outside the UK					
Fixed interest	4	1	2	7	133
Unit trusts	378	124	137	639	552
Equities	78	25	28	132	129
Interest	56	18	20	94	119
Total	527	169	194	**890**	1,075

4. Government grants

The RSC receives grant funding from national and international governmental bodies. In 2020 £115k of government funding was recognised in the statement of financial activities (2019: £411k) for education related and teaching training programmes.

Funds have been used for the RSC's Initial Teacher Training Scholarship scheme which offers packages of support to eligible trainee chemistry teachers. We have received funds to support a pilot mentoring programme in Scotland.

5. Analysis of grant expenditure (Group and Charity)

	Grants to institutions 2020 £000	Grants to individuals 2020 £000	Total 2020 £000	Grants to institutions 2019 £000	Grants to individuals 2019 £000	Total 2019 £000
Hardship	-	322	322	-	99	**99**
Prizes & Awards	-	377	377	-	304	**304**
Travel & Divisons	3	28	31	-	434	**434**
Research	600	421	1,021	360	181	**541**
Diversity	31	110	141	-	115	**115**
Education & Outreach	206	427	633	264	176	**440**
Industry	163	8	171	-	210	**210**
Intl Engagement	48	29	77	62	-	**62**
Member Network Grants	285	-	285	326	3	**329**
Total	1,336	1,722	**3,058**	1,012	1,522	**2,534**

The RSC provides grants through the Chemists' Community Fund , with its primary purpose being the prevention and relief of poverty of its members. As a secondary purpose, the Chemists' Community Fund is used for the benefit of other legally charitable purposes insofar as funds not being required for the primary purpose.

To help promote excellence in chemistry, the RSC also funds a number of prizes and awards as well as providing grants to fund travel to events and conferences.

The RSC operates a research fund which provides grants to promote original research in the science of chemistry, as explained in note 27. No individual institution was awarded more than £10k for research, with the £600k (2019: £360k) of total research grants to institutions split between multiple beneficiaries.

6. Total staff costs

	2020 £000	2019 £000
Gross wages and salaries	25,131	23,292
National insurance	2,591	2,376
Pension and related costs	2,482	2,194
Redundancy payments	7	12
Other payments	742	718
Temporary staff and contractors	107	431
Total	**31,060**	29,023

As required by FRS 102, an amount of £397k (2019: £243k) relating to holiday pay owed to staff at 31 December 2020 has been accrued for. A total of £61k (2019: £104k) was paid in relation to compensation for loss of earnings under agreed settlement agreements. There were no outstanding obligations at year end.

In 2020 the RSC paid a total of £7k (2019: £12k) in respect of statutory and other employment severance-related payments. The number of employees across the Group who earned more than £60k during the year (including taxable benefits in kind, but excluding employer pension costs) is shown below:

Employee earnings	Number of employees 2020	Number of employees 2019
£60,000 - £69,999	34	25
£70,000 - £79,999	14	11
£80,000 - £89,999	4	3
£90,000 - £99,999	1	2
£100,000 - £109,999	3	2
£110,000 - £119,999	2	8
£120,000 - £129,999	5	2
£130,000 - £139,999	1	-
£140,000 - £149,999	1	-
£160,000 - £169,999	1	-
£170,000 - £179,999	-	1
£180,000 - £189,999	1	-
£190,000 - £199,999	1	-
£210,000 - £219,999	1	1
£250,000 - £259,999	-	1
Total	**69**	56

The number of employees who earned more than £60k, for whom pension benefits are accruing under the RSC defined contribution scheme is 58 (2019: 48). 11 employees (2019: 8 employees) did not accrue pension benefits under the RSC defined benefit contribution scheme. The key management personnel of the RSC comprises the trustees and the leadership team. Key management personnel are in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 30 to the accounts. Total employee benefits of £1,577k (2019: £1,363k) were paid to the RSC's leadership team personnel in 2020. Employer national insurance contributions of £174k (2019: £153k) were paid to HMRC in respect of RSC leadership team personnel. An interim Director of Technology was in post up to the end of 2019 and was paid outside of payroll to the value of £303k. 2020 saw the introduction of a full time Director of Technology and the return of the Director of Education and Professional Practice. The leadership team consisted of 10 personnel in 2020 (2019: 10 personnel).

Average monthly headcount (number of staff employed)

	2020	2019
Membership	39	39
Chemistry World	17	17
Scientific conferences and events	14	14
Education and professional practice	63	56
Publishing	289	264
Advocacy and awareness	53	33
Support	149	167
Fundraising	3	3
Total	**627**	593

Average monthly FTE

	2020	2019
Total average FTE	599	569

7. Total expenditure

Unrestricted funds

	General funds				Designated funds					
	Direct staff costs £000	Direct costs £000	Support costs £000	**Total general fund costs £000**	Direct staff costs £000	Direct costs £000	Support costs £000	**Total designated fund costs £000**	**2020 Total £000**	2019 Total £000
Expenditure on raising funds										
Donations and legacies	159	7	130	**296**	-	85	7	**92**	**388**	560
Other trading activities	18	197	6	**221**	-	-	-	**-**	**221**	326
Investment management costs	-	365	-	**365**	-	130	-	**130**	**495**	604
Total	177	569	136	**882**	-	215	7	**222**	**1,104**	1,490
Charitable activities										
Membership	1,398	797	1,606	**3,801**	3	1,017	84	**1,104**	**4,905**	5,216
Chemistry World	954	950	695	**2,599**	-	-	37	**37**	**2,636**	2,707
Scientific conferences and events	406	284	478	**1,168**	-	-	25	**25**	**1,193**	3,291
Education and professional practice	2,295	1,554	2,084	**5,933**	55	61	110	**226**	**6,159**	8,111
Publishing	13,543	14,396	10,705	**38,644**	-	75	562	**637**	**39,281**	38,606
Advocacy and awareness	2,512	2,856	2,171	**7,539**	76	110	114	**300**	**7,839**	4,846
Total	21,108	20,837	17,739	**59,684**	134	1,263	932	**2,329**	**62,013**	62,777
Total expenditure	21,285	21,406	17,875	**60,566**	134	1,478	939	**2,551**	**63,117**	64,267

Direct costs also include foreign exchange charge of £675k (2019: Gains of £442k) and doubtful debt expenditure of £1,622k (2019: £96k), which is the net of debt write offs of £847k (2019: £313k) and doubtful debt provision charges during the year of £775k (2019: £217k release).

Restricted funds

	Restricted income funds				Endowment funds			
	Direct staff costs £000	Direct costs £000	Support costs £000	**Total restricted income fund costs £000**	Direct costs £000	**Total endowment fund costs £000**	**2020 Total £000**	2019 Total £000
Expenditure on raising funds								
Investment management costs	-	7	-	**7**	123	**123**	**130**	168
Total	-	7	-	**7**	123	**123**	**130**	168
Charitable activities								
Membership	235	478	-	**713**	-	**-**	**713**	522
Scientific conferences and events	9	43	-	**52**	-	**-**	**52**	116
Education and professional practice	76	197	1	**274**	-	**-**	**274**	558
Publishing	-	1	-	**1**	-	**-**	**1**	47
Advocacy and awareness	-	-	-	**-**	-	**-**	**-**	3
Total	320	719	1	**1,040**	-	**-**	**1,040**	1,246
Total expenditure	320	726	1	**1,047**	123	**123**	**1,170**	1,414

Defined contributions and other pension related costs totalling £2,486k (2019: £2,194k) are included within direct staff costs charged to general funds and restricted income funds.

8. Support costs

	Management	Finance	Information technology	Comms	Human resources	Accomm.	Governance	2020 Total	2019 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Basis of allocation	**Head count**	**Head count**	**Head count**	**Head count**	**Head count**	**Head count**	**Head count**		
Donations and legacies	8	24	55	8	22	19	2	138	112
Other trading activities	-	-	-	-	-	-	6	6	7
Membership	93	291	681	101	266	231	28	1,691	2,074
Chemistry World	40	126	294	44	115	100	12	731	953
Scientific conferences and events	28	87	202	30	79	69	8	503	627
Education and professional practice	121	378	883	131	346	299	36	2,194	2,414
Publishing	620	1,936	4,524	672	1,772	1,534	209	11,267	12,471
Advocacy and awareness	126	393	920	137	360	312	37	2,285	1,737
Total	1,036	3,235	7,559	1,123	2,960	2,564	338	**18,815**	20,395

9. Governance costs

	Note	2020 £000	2019 £000
Trustee expenses	30	6	10
Legal fees		-	4
Audit and accounting fees	See below	94	94
Governance support costs		238	225
Total		**338**	333

Analysis of auditor's remuneration

	2020 £000	2019 £000
Fees payable to:		
RSM UK Audit LLP for the audit of the current year RSC and consolidated accounts	58	56
RSM UK Audit LLP for other audit work, including grant audits	4	9
RSM UK Tax and Accounting Limited for tax advisory services	20	12
Auditors other than RSM UK Audit LLP	12	17
Total	**94**	94

The RSC's internal policy on the 'use of external auditors to provide non-audit services', limits the amount of non-audit services that can be commissioned without Audit Committee pre-approval to 50% of the average of the previous three years' audit fee. A total of £20k (2019: £12k) of non-audit services have been billed in 2020, which is below the policy threshold for 2020 of £30k.

10. Outturn per charitable activity

	2020			2019		
	Income £000	Expenditure £000	Net income/ (expenditure) £000	Income £000	Expenditure £000	Net income/ (expenditure) £000
Donations and legacies	184	(388)	(204)	579	(560)	**19**
Other trading activities	124	(221)	(97)	593	(326)	**267**
Investments	890	(625)	265	1,075	(772)	**303**
Membership	4,088	(5,618)	(1,530)	4,255	(5,738)	**(1,483)**
Chemistry World	868	(2,636)	(1,768)	701	(2,707)	**(2,006)**
Scientific conferences and events	381	(1,245)	(864)	1,717	(3,407)	**(1,690)**
Education and professional practice	275	(6,433)	(6,158)	820	(8,669)	**(7,849)**
Publishing	57,889	(39,282)	18,607	57,407	(38,653)	**18,754**
Advocacy and awareness	43	(7,839)	(7,796)	100	(4,849)	**(4,749)**
Other	56	-	56	4	-	**4**
Total	64,798	(64,287)	**511**	67,251	(65,681)	**1,570**

11. Pension fund

Group and Charity

The RSC operates a defined benefit scheme in the UK. This is a fund, administered by independent and separate trustees, holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 December 2019 and updated to 31 December 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown in this note. The most recent actuarial valuation showed a deficit of £20,922k. The RSC has agreed with the Trustees that it will aim to eliminate the deficit by annual payments as per an agreed recovery plan for a period of 7 years and 8 months from 1 January 2021 to 31 August 2027. In addition, the RSC earmarked £15m in 2018 to facilitate a buyout transaction in 2033, which will provide a permanent resolution to the deficit and fully discharge the RSC's obligations to the defined pension fund. In 2020 the RSC transferred a further £9m to a new designated fund to ensure we can meet our remaining contractual commitments in the recovery plan. Refer to note 25 for more detail.

The difference of £19,066k between the triennial actuarial valuation net liability of £20,922k and the FRS 102 net liability of £39,988k shown in these financial statements arises due to differences in the dates at which the respective valuations took place and the differences in the valuation basis applied. The triennial actuarial valuation (carried out at 31 December 2019) allows for the actual investments in which the Scheme is invested, and these expected returns are used to discount the liabilities. In contrast the FRS 102 valuation (carried out as at 31 December 2020) discounts the liabilities using the yield on high quality corporate bonds as required by accounting standards. The Scheme's investments would be expected to return more than corporate bonds, allowing a higher discount rate to be used, resulting in lower obligation liabilities compared to the FRS 102 accounting basis of valuation.

The RSC also operates a defined contribution scheme. The contributions are administered by investment managers on behalf of the employees. The cost for the year to the employer was £2,442k (2019: £2,130k).

Defined benefit scheme: employee benefit obligations

	2020 £000	2019 £000
Present value of funded obligations	(145,680)	(131,764)
Fair value of scheme assets	105,692	101,937
Net liability	**(39,988)**	(29,827)

Defined benefit scheme: Statement of financial activities impact

	2020 £000	2019 £000
Net interest cost	(615)	(811)
Total expense	**(615)**	(811)

Defined benefit scheme: Amount recognised in the Statement of financial activities after net income/(expenditure)

	2020 £000	2019 £000
Remeasurement on defined benefit scheme liability	(11,470)	(1,031)
Net cumulative actuarial losses	(37,598)	(26,128)

Defined benefit scheme: Reconciliation of fair value of the defined benefit obligation and fair value of plan assets

	2020 £000	2019 £000
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	(131,764)	(122,602)
Interest expense	(2,731)	(3,377)
Actuarial losses	(14,584)	(9,826)
Benefits paid	3,408	4,041
Losses due to benefit changes	(9)	-
Closing defined benefit obligation	**(145,680)**	(131,764)
Change in the fair value of plan assets:		
Opening fair value of plan assets	101,937	92,693
Interest Income	2,125	2,566
Return on plan assets less interest income	3,114	8,795
Contributions by employer	1,924	1,924
Benefits paid	(3,408)	(4,041)
Closing fair value of plan assets	**105,692**	101,937

The actual return on the plan assets over the period ended 31 December 2020 was £5,239k (31 December 2019: £11,361k).

11. Pension fund (continued)

Defined benefit scheme: principal actuarial assumptions at the balance sheet date

	At 31/12/2020	At 31/12/2019
	%	%
Rate of discount	1.40	2.10
Inflation (RPI)	3.00	2.85
Inflation (CPI)	2.00	2.05
Salary increases	n/a	3.05
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.00	2.05
Allowance for revaluation of deferred pensions of CPI or 2.5% p.a. if less	2.00	2.05
Allowance for pension in payment increases of RPI or 5% p.a. if less	2.90	2.75
Allowance for pension in payment increases of RPI or 3.5% p.a. if less	2.55	2.45
Allowance for commutation of pension for cash at retirement	90% take-up	90% take-up

Defined benefit scheme: the mortality assumptions adopted at 31 December imply the following life expectancies:

	Life expectancy at age 60 (years) At 31/12/2020	Life expectancy at age 60 (years) At 31/12/2019
Male retiring in 2020 (2019)	27.0	27.0
Female retiring in 2020 (2019)	28.9	29.0
Male retiring in 2040 (2039)	28.5	28.2
Female retiring in 2040 (2039)	30.4	30.3

Defined benefit scheme: assets in the plan as a percentage of total plan assets

	At 31/12/2020	At 31/12/2019
Equities and Diversified Growth Funds	53%	64%
Bonds	15%	36%
Liability Driven Investment	29%	0%
Private Debt	2%	0%
Cash	1%	0%

Defined benefit scheme: Movement in net liability during the year

	2020	2019
	£000	£000
Net liability at beginning of the year	(29,827)	(29,909)
Movement in year		
Employer's contributions	1,924	1,924
Interest Income	2,125	2,566
Actuarial (losses)/gains	3,114	8,795
Interest on pension liabilities	(2,740)	(3,377)
Experience gains arising on the plan liabilities	1,016	517
Changes in assumptions underlying the plan liabilities	(15,600)	(10,343)
Total movement	**(10,161)**	82
Deficit in plan at end of the year	**(39,988)**	(29,827)

Defined contribution scheme

	2020	2019
	£000	£000
Employer's contributions	2,442	2,130

12. Operating leases

Charges under operating leases to the Statement of Financial Activities during the year was £85k (2019: £73k).

At 31 December the RSC was committed to making the following payments for each of the following periods:

Group and charity

	2020	2019
	£000	£000
Leases payments:		
Within a year	85	69
Within two to five years	15	15
Later than five years	1,082	1,085
Total	**1,182**	1,169

The RSC, along with the four other courtyard societies, continues to be in negotiation with the landlord on the renewal of the lease of Burlington House. The accounts have been prepared on the assumption that the RSC will retain use of the property for the foreseeable future.

Rent payments have been paid 'on account' up to March 2021 however, retrospective indexation adjustments and future financial commitments have not been finalised and therefore are not included above.

13. Intangible fixed assets

Group

	Index and databases	Web platform	Total
	£000	£000	£000
Cost			
Balance at 1 January 2020	1,737	3,657	5,394
Transfers	30	-	30
Balance at 31 December 2020	1,767	3,657	**5,424**
Accumulated amortisation			
Balance at 1 January 2020	1,737	3,424	5,161
Charge for Year	3	123	126
Transfers	8	-	8
Balance at 31 December 2020	1,748	3,547	**5,295**
Net book value at 31 December 2020	19	110	**129**
Net book value at 31 December 2019	-	233	**233**

Charity

	Index and databases	Web platform	Total
	£000	£000	£000
Cost			
Balance at 1 January 2020	695	3,657	4,352
Transfers	30	-	30
Balance at 31 December 2020	725	3,657	**4,382**
Accumulated amortisation			
Balance at 1 January 2020	695	3,424	4,119
Charge for Year	3	123	126
Transfers	8	-	8
Balance at 31 December 2020	706	3,547	**4,253**
Net book value at 31 December 2020	19	110	**129**
Net book value at 31 December 2019	-	233	**233**

The intangible asset index relates to the intellectual property rights of the Merck Index acquired for $750k by the RSC during 2012. The intangible asset database relates to ChemSpider owned by RSC Worldwide Limited and Marin Lit owned by the RSC. RSC Worldwide Limited is a wholly owned subsidiary of the RSC. The web platform provides access to RSC online purchases of journal articles, books, CPD courses and other ecommerce purchases and is owned by the RSC. The amortisation charge for the year is included as part of support costs which in turn are allocated across expenditure headings in the consolidated statement of financial activities, as detailed in notes 7 and 8. Transfers relate to items which have been reclassified within the Fixed Asset Register during the year.

14. Tangible fixed assets

Group

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
Balance at 1 January 2020	8,435	14,284	22,719
Additions	-	326	326
Disposals	-	(43)	(43)
Transfers	-	(30)	(30)
Balance at 31 December 2020	8,435	14,537	**22,972**
Accumulated depreciation			
Balance at 1 January 2020	5,579	10,942	16,521
Disposals	-	(29)	(29)
Charge for year	249	608	857
Transfers	-	(8)	(8)
Balance at 31 December 2020	5,828	11,513	**17,341**
Net book value at 31 December 2020	2,607	3,024	**5,631**
Net book value at 31 December 2019	2,856	3,342	**6,198**

Charity

	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
Balance at 1 January 2020	8,433	13,919	22,352
Additions	-	304	304
Disposals	-	(39)	(39)
Transfers	-	(30)	(30)
Balance at 31 December 2020	8,433	14,154	**22,587**
Accumulated depreciation			
Balance at 1 January 2020	5,579	10,663	16,242
Disposals	-	(25)	(25)
Charge for Year	249	574	824
Transfers	-	(8)	(8)
Balance at 31 December 2020	5,828	11,205	**17,032**
Net book value at 31 December 2020	2,605	2,950	**5,555**
Net book value at 31 December 2019	2,854	3,256	**6,110**

Heritage Assets

As one of the foremost chemical societies in the world, the RSC is the guardian of an extensive historical collection of over 3,500 books, the oldest of which dates back to 1505, and over 2,000 journals. The collection is primarily composed of materials from the Chemical Society, further augmented by the collections of other societies and further added to by donations, bequests and loans.

The library provides access to items of interest to walk-in visitors, whilst older and more valuable items are kept securely elsewhere throughout Burlington House.

Many of the items within the collection are irreplaceable originals to which no reliable value can be attributed.

Reliable cost information or comprehensive valuations are not readily available for these assets and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the RSC. Accordingly, these assets are not capitalised in the financial statements. The Trustees take the view that any further and detailed particulars of the numerous items making up this collection would unduly clutter the accounts and thus detract from their primary purpose.

Due to the importance of the collection the RSC has a policy to not dispose of any items held within it.

There were no additions or disposals in the year (2019: Nil additions).

15. Fixed asset investments

Group and charity

	Unrestricted funds		Restricted funds			
	General funds £000	Designated funds £000	Restricted income funds £000	Endowment funds £000	**2020 Total £000**	2019 Total £000
Investments listed on recognised stock exchange in the UK						
Mixed funds	16,904	5,427	564	6,694	29,589	26,781
Investments listed on recognised stock exchange outside the UK						
Fixed income	22,556	7,305	791	7,364	38,016	36,812
Equities	10,434	3,425	514	3,556	17,929	17,571
Mixed funds	17,502	5,657	495	4,558	28,212	24,750
Total investments listed on recognised stock exchange	67,396	21,814	2,364	22,172	**113,746**	105,914
Cash held for investment	371	174	168	129	842	792
FX hedging	1,410	454	44	464	2,372	1,520
Total liquid investments	1,781	628	212	593	**3,214**	2,312
Total investments	69,177	22,442	2,576	22,765	**116,960**	108,226

Movement in market value

	Unrestricted funds		Restricted funds			
	General funds £000	Designated funds £000	Restricted income funds £000	Endowment funds £000	**2020 Total £000**	2019 Total £000
Investments listed on recognised stock exchange						
Market value at 1 January 2020	62,633	20,376	2,233	20,672	105,914	97,026
Realised and unrealised (losses)/gains	4,628	1,465	84	1,482	7,659	5,402
Add: Purchases at cost including share exchanges	-	-	-	-	-	1,565
Net transfers to cash held for investment	135	(27)	47	18	173	1,921
Market value at 31 December 2020	67,396	21,814	2,364	22,172	**113,746**	105,914
Cash and liquid assets held for investment						
Market value at 1 January 2020	1,262	405	56	589	2,312	1,845
Transfers from investments listed on recognised stock exchange	(135)	27	(47)	(18)	(173)	(1,921)
Investment management costs	(365)	(130)	(7)	(123)	(625)	(772)
Cost accrual movements	(42)	(6)	(1)	(16)	(65)	26
Investment income	527	169	194	-	890	1,075
Less: Investment income distributions	-	-	-	-	-	(134)
Add: Capital contributions	3,024	-	-	-	3,024	-
Less: Capital distributions	(3,000)	-	-	-	(3,000)	-
Movements on FX Hedging	510	163	17	161	851	2,193
Market value at 31 December 2020	1,781	628	212	593	**3,214**	2,312
Total investments at 31 December 2020	69,177	22,442	2,576	22,765	**116,960**	108,226

During the year, £3,000k was withdrawn from investment portfolios (2019: £Nil), with these funds replaced later in the year when the Society transferred an additional £3,024k of surplus cash balances into the investment portfolio (2019: £1,565k).

The sum of 'realised and unrealised gains/(losses)' of £7,658k and 'movements on FX hedging' of £852k equates to a total investment gain of £8,510k for 2020 (2019: £7,595k).

The historical cost of investments held at fair value as at 31 December 2020 is £94,709k (2019: £94,685k).

16. Investment in subsidiaries

Charity

	Investment	Capital and Reserves
	£	£000
RSC Worldwide Limited*	100	560
RSC Worldwide (US) Inc**	6,431	505
RSC Worldwide (Germany) GmbH**	21,869	55
Chemistry Limited*	2	25
RSC (Beijing) Chemical and Science Technology Consulting Co., Ltd.**	120,000	747
Royal Chemistry India Private Limited***	157,272	500
Royal Society of Chemistry Japan K.K.**	69,729	183
Royal Chemistry India Foundation****	151	77
Friends of the RSC, Inc.	-	30

* RSC owns 100% of the Issued Share Capital.
** RSC Worldwide Limited owns 100% of the Issued Share Capital.
*** RSC Worldwide Limited owns 99.99% of the Issued Share Capital.
**** Royal Chemistry India Private Limited owns 100% of the Issued Share Capital.

The Consolidated Balance Sheet incorporates the balance sheets of the above subsidiary companies after elimination of the intercompany debtor and creditor balances due to and from the RSC.

The primary purpose of all subsidiaries with the exception of Chemistry Limited is to promote the RSC and its charitable objectives in different territories of the world.

The activities of RSC Worldwide Limited span across publishing, scientific conferences and events.

The principal activity of Chemistry Limited is to promote Burlington House as a unique venue for both chemistry and non-chemistry related events and to facilitate the non-primary purpose trading of the RSC.

Commonwealth Chemistry Limited was incorporated, as a company limited by guarantee, on the 6th December 2019 to provide a future platform for International Societies within the Commonwealth to come together. As at the 31st December 2019 , the RSC was the only guarantor (a limit of £1), and the RSC CEO Robert Parker was the sole director. As a result Commonwealth Chemistry Limited temporarily formed part of the RSC Group in the 2019 financial year. In 2020, other member societies of the Commonwealth joined as guarantors alongside the RSC and therefore this company ceased to be a subsidiary of the RSC during the course of 2020.

2020 profit and loss and balance sheet for the charity's controlled subsidiaries

	RSC Worldwide Limited Registered no. 6702733		Chemistry Limited Registered no. 3801760	
	2020	2019	2020	2019
	£000	£000	£000	£000
Profit and loss account				
Gross income	5,101	5,561	124	593
Total expenditure	(4,506)	(4,905)	(221)	(326)
Profit for the financial year	**595**	655	**(97)**	267
Gift aid distributed	(690)	(533)	(267)	(199)
Balance sheet				
Aggregate assets	1,438	1,752	323	626
Aggregate liabilities	(878)	(1,098)	(300)	(238)
Total funds	**560**	654	**23**	388

The directors of RSC Worldwide Limited and Chemistry Limited have passed a resolution to pay any taxable profits made to the RSC under Gift Aid within 9 months of the year end. In 2020 a total of £957k (2019: £732k) was paid over to the RSC under Gift Aid.

17. Debtors

	Group 2020	Group 2019	Charity 2020	Charity 2019
	£000	£000	£000	£000
Trade debtors				
Journal subscriptions	8,280	6,632	8,280	6,632
Journal covers	387	303	387	303
Open access	169	201	169	201
Advertising	146	182	129	136
Book distribution	218	314	218	314
Venue hire	17	56	-	-
Other trade debtors	377	212	340	203
Total trade debtors	**9,594**	7,900	**9,523**	7,789
Other debtors	1,568	1,577	1,149	1,286
Amounts due from group undertakings	-	-	739	707
Prepayments and accrued income	1,992	1,972	1,902	1,802
Total	**13,154**	11,449	**13,313**	11,584

Trade debtors are shown net of doubtful debt provision which totals £1,444k (2019: £669k) for the Group and £1,466k (2019: £572k) for the Charity. Of the Group doubtful debt provision, £775k was charged to the SOFA in 2020 (2019: £213k release) with the remainder recognised in prior years.

Total bad debt write-offs of £847k (2019: £313k) were charged to expenditure during 2020. The largest individual write off amounting to £259k related to a debt held with a corporate agent who went bankrupt during 2020. The RSC recovered 54% of the balance due from the agent with the remainder requiring write off.

The bulk of trade debtors relates to journal subscriptions, which total £8,280k (2019: £6,632k). The main reason for the increase in journal subscription debtors is due to the timing of billing where invoices were issued to customers earlier in 2020 compared to 2019.

18. Creditors: Amounts falling due within one year

	Group 2020	Group 2019 Restated	Charity 2020	Charity 2019 Restated
	£000	£000	£000	£000
Trade creditors	(832)	(718)	(785)	(703)
Other creditors	(810)	(799)	(734)	(721)
Taxation and social security	(730)	(562)	(727)	(533)
Amounts due to group undertakings	-	-	(27)	(789)
Accruals	(3,499)	(3,736)	(3,212)	(3,416)
Total creditors	**(5,871)**	(5,815)	**(5,485)**	(6,162)
Deferred revenue	(23,885)	(21,335)	(23,823)	(21,310)
Total	**(29,756)**	(27,150)	**(29,308)**	(27,472)

Deferred revenue in short term creditors represent income from subscriptions relating to the 2021 financial year. Revenue held in short term deferred revenue will be recognised in the 2021 financial year. The bulk of deferred revenue falling due within one year relates to journal subscriptions which total £22,475k (2019: £20,048k) for the Group and £22,451k (2019: £20,022k) for the Charity. Substantially all of the deferred revenue as at 31 December 2019 was released to the Statement of Financial Activities in the year ended 31 December 2020.

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

	Group 2020	Group 2019 Restated	Charity 2020	Charity 2019 Restated
	£000	£000	£000	£000
Deferred revenue	(252)	(46)	(252)	(46)
Total	**(252)**	(46)	**(252)**	(46)

Deferred revenue in long term creditors represent income from subscriptions relating to the 2022 financial year and beyond and the associated revenue will be recognised in the financial years to which they relate.

20. Analysis of net assets between funds

Group

	Unrestricted funds			Restricted funds		
	General funds	Designated funds	Pension reserve	Restricted income funds	Endowment funds	**Restated Total**
	£000	£000	£000	£000	£000	**£000**
Fund balances at 31 December 2019 are represented by:						
Tangible fixed assets	6,197	-	-	-	-	**6,197**
Intangible fixed assets	233	-	-	-	-	**233**
Investments	63,895	20,781	-	2,289	21,261	**108,226**
Net current (liabilities)/assets	(21,318)	28,599	-	(344)	863	**7,800**
Long term creditors	(46)	-	-	-	-	**(46)**
Pension liability	-	-	(29,827)	-	-	**(29,827)**
Total net assets	48,961	49,380	(29,827)	1,945	22,124	**92,583**
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	-	5,631	-	-	-	**5,631**
Intangible fixed assets	-	129	-	-	-	**129**
Investments	69,177	22,442	-	2,576	22,765	**116,960**
Net current (liabilities)/assets	(29,171)	37,012	-	(968)	781	**7,654**
Long term creditors	(252)	-	-	-	-	**(252)**
Pension liability	-	-	(39,988)	-	-	**(39,988)**
Total net assets	39,754	65,214	(39,988)	1,608	23,546	**90,134**

Charity

	Unrestricted funds			Restricted funds		
	General funds	Designated funds	Pension reserve	Restricted income funds	Endowment funds	**Reinstated Total**
	£000	£000	£000	£000	£000	**£000**
Fund balances at 31 December 2019 are represented by:						
Tangible fixed assets	6,110	-	-	-	-	**6,110**
Intangible fixed assets	233	-	-	-	-	**233**
Investments	63,895	20,781	-	2,289	21,261	**108,226**
Net current (liabilities)/assets	(23,574)	28,599	-	(506)	863	**5,382**
Long term creditors	(46)	-	-	-	-	**(46)**
Pension liability	-	-	(29,827)	-	-	**(29,827)**
Total net assets	46,618	49,380	(29,827)	1,783	22,124	**90,078**
Fund balances at 31 December 2020 are represented by:						
Tangible fixed assets	-	5,555	-	-	-	**5,555**
Intangible fixed assets	-	129	-	-	-	**129**
Investments	69,177	22,442	-	2,576	22,765	**116,960**
Net current (liabilities)/assets	(31,358)	37,088	-	(1,075)	781	**5,436**
Long term creditors	(252)	-	-	-	-	**(252)**
Pension liability	-	-	(39,988)	-	-	**(39,988)**
Total net assets	37,567	65,214	(39,988)	1,501	23,546	**87,840**

Tangible and intangible assets are now represented within designated funds from 2020 onwards due to a Board of Trustees' resolution to move the balance held within tangible and intangible assets to a specific designated fund to aid transparency of usable general funds.

21. Financial derivatives

Forward exchange contracts and forward exchange options are used to manage exposure to currency exchange risk.

Forward contracts to the value of US$8,000k were entered into during the year ended 31 December 2020 (2019: US $10,095k). Forward contracts totalling US$9,250k (2019: US$10,345k) matured during 2020. As at 31 December 2020 there were forward contracts totalling US$4,250k which will mature in 2021 (2019: US$5,500k). The year end valuation on the open contracts resulted in a fair value gain of £81k (2019: gain of £356k).

Forward options were purchased during the year for a combined premium of £76k (2019: £121k) to provide protection for the sale of US$8,000k (2019: US$8,000k). During the year, options to sell US$3,000k were excercised whilst options to sell US$2,250k lapsed (2019: US$5,750k) without being exercised due to better spot rates being available at the time of maturity. As at 31 December 2020, the Society held options to sell US$5,750k in 2021 at protected rates.

22. Financial Assets and Liabilities

	Group 2020	Group 2019	**Charity 2020**	Charity 2019
	£000	£000	**£000**	£000
Financial assets measured at fair value through income and expenditure	**117,085**	108,807	**117,085**	108,807

Fixed Asset Investments are valued at quoted prices through the recognised stock exchange in the UK and outside the UK.

The RSC uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

23. Royal Society Of Chemistry

Included in the accounts is income of £74,067k (2019: £66,101k) from the RSC as a single entity and a surplus of £9,232k (2019: £8,560k surplus).

24. Restricted funds

Group – movement in funds

	Restricted income funds						Endowment funds			
	Chemists' Community Fund	Trust and lecture funds	Grant income	Friends of the RSC, Inc.	Royal Chemistry India Foundation	**Total restricted income funds**	Chemists' Community Fund	Trust and lecture funds	**Total endowment funds**	**Total restricted funds**
	£000	£000	£000	£000	£000	**£000**	£000	£000	**£000**	**£000**
Balance at 1 January 2019	533	1,363	305	33	7	**2,241**	15,118	5,477	**20,595**	**22,836**
Income	149	65	556	-	255	**1,025**	367	-	**367**	**1,392**
Expenditure	(340)	(191)	(591)	(3)	(130)	**(1,255)**	(116)	(43)	**(159)**	**(1,414)**
Gains on investment assets	-	94	-	-	-	**94**	1,134	408	**1,542**	**1,636**
Transfers	-	82	(242)	-	-	**(160)**	(190)	(31)	**(221)**	**(381)**
Balance at 31 December 2019	342	1,413	28	30	132	**1,945**	16,313	5,811	**22,124**	**24,069**
Income	136	57	184	-	79	**456**	56	-	**56**	**512**
Expenditure	(587)	(133)	(193)	-	(134)	**(1,047)**	(92)	(31)	**(123)**	**(1,170)**
Gains on investment assets	-	101	-	-	-	**101**	1,227	416	**1,643**	**1,744**
Transfers	109	44	-	-	-	**153**	(109)	(45)	**(154)**	**(1)**
Balance at 31 December 2020	-	1,482	19	30	77	**1,608**	17,395	6,151	**23,546**	**25,154**

Charity – movement in funds

	Restricted income funds				Endowment funds			
	Chemists' Community Fund	Trust and lecture funds	Grant income	**Total restricted income funds**	Chemists' Community Fund	Trust and lecture funds	**Total endowment funds**	**Total restricted funds**
	£000	£000	£000	**£000**	£000	£000	**£000**	**£000**
Balance at 1 January 2019	533	1,363	305	**2,201**	15,118	5,477	**20,595**	**22,796**
Income	149	65	556	**770**	367	-	**367**	**1,137**
Expenditure	(340)	(191)	(591)	**(1,122)**	(116)	(43)	**(159)**	**(1,281)**
Gains on investment assets	-	94	-	**94**	1,134	408	**1,542**	**1,636**
Transfers	-	82	(242)	**(160)**	(190)	(31)	**(221)**	**(381)**
Balance at 31 December 2019	342	1,413	28	**1,783**	16,313	5,811	**22,124**	**23,907**
Income	136	57	184	**377**	56	-	**56**	**433**
Expenditure	(587)	(133)	(193)	**(913)**	(92)	(31)	**(123)**	**(1,036)**
Gains on investment assets	-	101	-	**101**	1,227	416	**1,643**	**1,744**
Transfers	109	44	-	**153**	(109)	(45)	**(154)**	**(1)**
Balance at 31 December 2020	-	1,482	19	**1,501**	17,395	6,151	**23,546**	**25,047**

As required by the Statement of Recommended Practice, investment income attributable to endowments cannot be added to endowment capital and instead the income is allocated to restricted income funds. Endowment related expenses, with the exception of investment management fees, are charged to restricted income funds.

Chemists' Community Fund (CCF)

Note 26 to these financial statements provides a memorandum account disclosing the CCF income and expenditure for the year ended 31 December 2020.

Trust and lecture funds

Note 27 to these financial statements provides a breakdown of Trust and lecture funds.

Transfers

Transfers from expendable endowment funds to restricted income funds take place to match the expenditure funded from expendable endowments. The transfer of £109k out of the CCF endowment funds to the CCF restricted income fund was required to meet expenditure incurred within restricted income. A £10k transfer out of expendable endowment trust funds to restricted income trust funds was also required to meet expenditure incurred within restricted income.

Following Trustee resolution, the BOC Gases expendable endowment trust fund ceased to exist and as a result its remaining assets of £35k were released from expendable endowment trust funds to the general fund.

The balance of £34k transferred into restricted income trust funds was transferred from general funds to meet expenditure incurred in excess of the income generated by the respective funds themselves. Refer to note 25 and note 27 for more detail.

25. Unrestricted funds

Group and Charity

Movement in unrestricted funds

	General funds (free reserves) £000	Funds held within non-charitable activities £000	Designated funds £000	Pension reserve £000	**Total £000**
Balance at 1 January 2019	51,861	1,860	37,801	(29,909)	**61,613**
Income	54,353	10,409	1,097	-	**65,859**
Expenditure	(50,033)	(9,926)	(3,497)	(811)	**(64,267)**
Gains on investment assets	4,328	-	1,631	-	**5,959**
Transfers	(13,891)	-	12,348	1,924	**381**
Actuarial loss	-	-	-	(1,031)	**(1,031)**
Balance at 31 December 2019	46,618	2,343	49,380	(29,827)	**68,514**
Income	58,580	5,233	474	-	**64,287**
Expenditure	(54,563)	(5,388)	(2,551)	(615)	**(63,117)**
Gains on investment assets	5,138	-	1,628	-	**6,766**
Transfers	(18,206)	-	16,283	1,924	**1**
Actuarial loss	-	-	-	(11,470)	**(11,470)**
Balance at 31 December 2020	37,567	2,188	65,214	(39,988)	**64,981**

Pension reserve

The RSC operates a defined benefit scheme in the UK.
Refer to note 11 of these financial statements for more detail.

Group and Charity

Designated funds – movement in funds

	Balance at 1 January 2019 £000	Income £000	Expenditure £000	Gains on investment assets £000	Transfers from general funds £000	**Balance at 31 December 2019 £000**	Income £000	Expenditure £000	Gains on investment assets £000	Transfers from/(to) general funds £000	**Balance at 31 December 2020 £000**
Fixed assets reserve	**-**	-	-	-	-	**-**	-	-	-	5,760	**5,760**
Pension scheme recovery fund	**-**	-	-	-	-	**-**	-	-	-	9,000	**9,000**
Strategic alignment reserve	**-**	-	-	-	-	**-**	-	-	-	3,000	**3,000**
Strategic initiatives fund	**8,900**	-	(1,543)	-	8,700	**16,057**	-	(1,004)	-	(3,035)	**12,018**
New ventures fund	**5,000**	-	-	-	-	**5,000**	-	(16)	-	(2,500)	**2,484**
Technology roadmap fund	**-**	-	-	-	3,286	**3,286**	-	(735)	-	4,300	**6,851**
Pension long term strategy fund	**15,000**	138	(113)	1,155	-	**16,180**	133	(104)	1,282	-	**17,491**
TGH repairs fund	**1,100**	-	-	-	-	**1,100**	-	-	-	-	**1,100**
Earmarked funds	**922**	-	(293)	-	-	**629**	4	(68)	-	(565)	**-**
Member networks	**2,050**	888	(1,247)	-	330	**2,021**	295	(522)	-	285	**2,079**
Trust and lecture funds	**4,829**	71	(301)	476	32	**5,107**	42	(102)	346	38	**5,431**
Total	**37,801**	1,097	(3,497)	1,631	12,348	**49,380**	474	(2,551)	1,628	16,283	**65,214**

Fixed assets reserve

The Fixed assets reserve mirrors the current balance held in fixed assets. Fixed assets represent a portion of the free reserves which are locked and not readily available and historically have been deducted from general funds when calculating the free reserves number. Transferring the tangible assets and intangible assets net book value to this separate designated fund improves transparency of the amount of spendable funds on the face of the balance sheet.

Pension scheme recovery fund

The Pension scheme recovery fund ensures we can meet our remaining contractual commitments in the Recovery Plan.

Strategic alignment reserve

The Strategic alignment reserve will enable strategy implementation, realignment of our priorities and implement our cost efficiencies programme.

Strategic initiatives fund

The fund will be used to deliver impactful charitable activities up to 2023 and to enable the delivery of the RSC's Strategy by funding the non-recurring costs of major projects without having to afford this from day-to-day operating budgets.

New ventures fund

Previously referred to as the commercial strategy fund, this fund will enable investment into new revenue generating activities, including commercial acquisitions, over the duration of the Commercial Strategy (until 2025).

Technology Roadmap Fund

The fund comprises four strategic programmes which have been developed to support the RSC strategic objectives over the next 5 years (up to 2025).

Pension long term strategy fund

A capital sum of £15m was earmarked in 2018 to facilitate a buyout transaction of £30m in 2033, which will provide a permanent resolution to the deficit and fully discharge the RSC's employer obligations to the defined benefit pension fund.

TGH repairs fund

Future capital repairs planned on the Thomas Graham House (TGH) building over the next 5 years (up to 2023) will be funded from this designated fund.

Earmarked funds

Earmarked funds are unrestricted funds that were internally 'ring fenced' to primarily meet demand for the RSC's grant programmes ending in 2019 and to fund customer insights research. Earmarked funds are established by appropriating amounts out of the general funds and are subject to Council approval. The remainder held within this fund was released back into the general fund in 2020.

Member networks

Each Member Network has, as its objectives, those that are embodied in the RSC's Charter. There is no time frame for usage of the funds. The groups can use the funds as needed for their ongoing activities.

Trust and lecture funds

Note 27 to these financial statements provides a breakdown of Trust and lecture funds. There is no time frame for usage of the funds.

Transfers

Transfers between funds arise when there is a charge from unrestricted general funds to other funds or releases from designated funds back to general funds.

The £1,924k transfer from general funds to the pensions reserve (2019: £1,924k) reflects the employer defined benefit recovery plan contributions paid in the year. The £285k transfer from general funds to designated funds (2019: £330k) reflects the grants made by the RSC to Member networks to support activities at that level. A £38k transfer from general funds to designated trust funds was required to meet expenditure incurred in excess of the income generated on the RSC's designated trust funds and an equivalent transfer of £34k from general funds to restricted income trust funds was required in 2020.

The remaining net £15,925k (2019: £11,986k) transfer between general funds and designated funds with respect to the fixed assets reserve, pension scheme recovery fund, strategic alignment reserve, strategic initiatives fund, new ventures fund, technology roadmap fund and earmarked fund, was agreed by the Board of Trustees in 2020. The remaining funds are committed and will remain designated and available for the intended purposes when the expenditure is incurred.

26. Chemists' Community Fund Memorandum Account

The RSC Chemists' Community Fund was established to provide financial relief of its beneficiaries, and insofar as the income is not required for such relief, to carry out such other legally charitable purpose as the RSC shall in its absolute discretion think fit. The Chemists' Community Fund operates within a well defined strategy to provide a flexible range of financial and non-financial help to members and their dependants to relieve poverty.

We have a network of volunteers, predominantly in the UK. Some are actively involved in visiting existing or potential beneficiaries to help them with the application process. Others provide peer support, and are a local point of contact for isolated members of our community.

This memorandum account discloses the Chemists' Community Fund income and expenditure for the year ended 31 December 2020.

	2020			2019		
	Restricted income funds £000	**Expendable endowment funds £000**	**Total £000**	Restricted income funds £000	Expendable endowment funds £000	**Total £000**
Income						
Casual donations	-	18	18	-	22	**22**
Legacies and bequests revenue	-	38	38	-	345	**345**
Investment income	136	-	136	149	-	**149**
Total income	136	56	**192**	149	367	**516**
Expenditure						
Grants awarded	(324)	-	(324)	(100)	-	**(100)**
Investment & banking fees	-	(92)	(92)	-	(116)	**(116)**
Staff costs	(235)	-	(235)	(185)	-	**(185)**
Volunteer and member expenses	(11)	-	(11)	(9)	-	**(9)**
Other	(17)	-	(17)	(46)	-	**(46)**
Total expenditure	(587)	(92)	**(679)**	(340)	(116)	**(456)**
Net (expenditure)/income before investment gains	(451)	(36)	**(487)**	(191)	251	**60**
Gains on investment assets	-	1,227	1,227	-	1,134	**1,134**
Net (expenditure)/income	(451)	1,191	**740**	(191)	1,385	**1,194**
Transfer between funds	109	(109)	-	-	(190)	**(190)**
Net movement in funds (decrease)/increase	(342)	1,082	**740**	(191)	1,195	**1,004**
Reconciliation of funds						
Fund balances brought forward	342	16,313	16,655	533	15,118	**15,651**
Fund balances carried forward	-	17,395	**17,395**	342	16,313	**16,655**

27. Trust and lecture funds

Trust and lecture funds with either an opening or closing cumulative balance over £100k are disclosed in the table below together with the movements that have taken place during 2020. All other trust and lecture funds that fall below the £100k threshold have been grouped together for each fund type.

Fund Balances as at 31 December 2020

		2020						
	2020 Opening balance £000	Donations £000	Income £000	Expenditure £000	Accumulated investment movement £000	Transfers £000	**2020 Closing balance £000**	2019 Closing balance £000
Designated funds								
Research Fund	1,363	-	9	(8)	92	-	1,456	1,363
Saville Fund	142	-	1	(1)	10	-	152	142
Ludwig Mond Trust	102	-	1	(4)	7	-	106	102
Industrial Division Endowment Lecture Fund	148	-	1	(1)	10	-	158	148
A Spinks Symposia Fund	138	-	1	(1)	9	-	147	138
Marriot Legacy	228	-	1	(4)	15	-	240	228
W A Waters	247	-	2	(1)	17	-	265	247
Colman-Porter Fund	383	-	3	(1)	26	-	411	383
Memorial Fund	126	-	1	-	9	-	136	126
Sir Derek Barton Fund	1,720	-	12	(17)	117	-	1,832	1,720
E Frankland Fellowship	95	-	1	(1)	6	-	101	95
C Sulzbacher	99	-	1	-	7	-	107	99
Other designated trust funds	316	-	8	(63)	21	38	320	316
Total	5,107	-	42	(102)	346	38	**5,431**	5,107
Restricted income								
Tilden Lecture Fund	129	-	1	(19)	9	-	120	129
A Robertson Bequest	236	-	2	(1)	17	-	254	236
A Albert	687	-	5	(20)	49	-	721	687
P Meares Legacy	99	-	1	(3)	7	-	104	99
Other restricted income trust funds	262	-	48	(90)	19	44	283	262
Total	1,413	-	57	(133)	101	44	**1,482**	1,413
Expendable endowment								
William Briggs Fund	220	-	-	(1)	16	(2)	233	220
R A Robinson Memorial Fund	207	-	-	(1)	15	(1)	220	207
J O Cutter	781	-	-	(4)	56	-	833	781
Charles Rees Award	120	-	-	(1)	9	(2)	126	120
Other expendable endowment trust funds	411	-	-	(2)	29	(40)	398	411
Total	1,739	-	-	(9)	125	(45)	**1,810**	1,739
Permanent endowment								
Centenary Fund	561	-	-	(3)	40	-	598	561
Corday Morgan Medal and Prize Fund	224	-	-	(1)	16	-	239	224
Corday Morgan Memorial Fund	880	-	-	(5)	63	-	938	880
Robert Robinson Lecture Fund	137	-	-	(1)	10	-	146	137
W J Hickinbottom Bequest	1,852	-	-	(8)	132	-	1,976	1,852
Sir Derek Barton Award Fund	260	-	-	(3)	19	-	276	260
Other permanent endowment trust funds	158	-	-	(1)	11	-	168	158
Total	4,072	-	-	(22)	291	-	**4,341**	4,072
Total trust funds	12,331	-	99	(266)	863	37	**13,064**	12,331

Further details regarding trust funds with an accumulated balance in excess of £250k are disclosed below.

A Albert

The fund was founded in 1962 by a bequest from Adrien Albert. The fund gives financial support to lecturers and prizes likely to promote interest in the study of the laws connecting chemical structure with biological activity.

Sir Derek Barton Fund and Award Fund

The fund was founded in 2000 following a bequest by Sir Derek Barton and is held for the advancement of public education in the field of chemistry and to award a prize for organic chemistry together with an annual dinner.

Centenary Fund

In July 1947 the Chemical Society and subsequently the RSC celebrated the centenary of its foundation, which was commemorated by the creation of a capital fund. The fund is administered by the Council of the Society and the interest earned on the capital investment is employed to further the objectives of the RSC, such as the promotion of international interchange of new chemical knowledge.

Colman–Porter Fund

The fund was founded in 1999 following a bequest from Mrs I V Colman–Porter for the purpose of helping needy but able post-graduate chemistry students. The capital is invested and the interest used to provide bursaries to students to allow their attendance at courses peripheral to their research but essential to their understanding of the world of business and current practices in industry.

A Robertson Bequest

The fund was founded in 1975 for the promotion of teaching and study of chemistry at secondary school level.

J O Cutter

The fund was founded in 1987 following a bequest by John Cutter. The income from the bequest is to establish and maintain a scholarship at a university approved by the RSC.

Hickinbottom Fund

The fund was founded in 1979 and incorporates the William Briggs Scholarship. The income from the funds are used to endow a prize for notable contributions to the practices of organic chemistry.

Research Fund

The fund has been established to promote original research in the science of chemistry. The fund is administered by the RSC and is awarded by the Research Fund Committee, which is authorised to make a limited number of awards in any one year.

Corday Morgan Memorial Fund

The fund was founded in 1940 following a bequest by Sir Gilbert Morgan. The funds are to be applied for the unification of the chemical professions formerly within the British Empire by grants or other awards to the Chemical Council or to any other representative body of British chemists in such a manner as the Chemical Society, subsequently the RSC, may in their absolute and uncontrolled discretion determine.

W A Waters Bequest

The fund was founded in 1986 following a bequest of a 12.5% share of the residuary estate of the late William Alexander Waters to the RSC.

28. Post balance sheet events

The financial statements were authorised for issue on 28 April 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 December 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no adjusted post balance sheet events for the 2020 financial statements.

Where events taking place before this date did not relate to conditions at the balance sheet date but provided information that is relevant to an understanding of the Group's financial position, these events are disclosed as part of this note.

There were no non-adjusted post balance sheet events to disclose.

29. Connected charities

Sir George Beilby memorial fund	2020 £000	2019 £000
Accumulated fund	**58**	58
Represented by:		
Investments	**73**	73
RSC creditor	**(15)**	(15)
Total	**58**	58

This fund is jointly administered by the RSC, the Society of Chemical Industry, and the Institute of Materials, Minerals and Mining. The RSC's share of the above figures are not included in the Statement of Financial Activities, Charity's Balance Sheet or Consolidated Balance Sheet on the basis of materiality.

30. Transactions with Trustees and related parties

Trustees' Royalty Payments

The Trustees' royalty payments relate to contributions made to RSC publications and do not constitute remuneration for their role as a trustee. There were no royalty payments made to Trustees in 2020.

Trustees' remuneration

No Trustees received or waived remuneration for their role as a trustee during the 2020 year (2019: £nil).

Trustees' Expenses

The total amount of expenses reimbursed to 6 (2019: 11) Trustees or paid directly to third parties in respect of travel to meetings and related expenses in 2020 was £5,849 (2019: £9,517).

Donations from Trustees

Total donations received without conditions from trustees was £100 in 2020 (2019: £76).

Trustees' Indemnity Insurance

The amount paid in 2020 for Trustees' Indemnity Insurance was £13,475 (2019: £12,320).

Related Parties

The following transactions took place between the Charity and its subsidiaries:

	2020 £000	2019 £000
Service payments to RSC Worldwide Limited	**(4,827)**	(5,294)
Gift aid received from RSC Worldwide Limited	**690**	533
Gift aid received from Chemistry Limited	**267**	199
Debtor amounts due from subsidiaries		
Chemistry Limited	**218**	193
RSC Worldwide (US) Inc	**504**	501
Friends of the RSC, Inc.	**13**	13
RSC Worldwide Limited	**3**	-
RSC Worldwide Germany GmbH	**3**	-
Creditor amounts due to subsidiaries		
RSC Worldwide Limited	**(12)**	(783)
Royal Society of Chemistry Japan K.K.	**(9)**	(5)
Chemistry Limited	**(5)**	-

There have been no other related party transactions in 2020.

Guarantees

The RSC operates a group registration for Value Added Tax (VAT) purposes, including the Charity, Chemistry Limited and RSC Worldwide Limited. Each entity within the VAT group is jointly and severally liable for any UK VAT liabilities present within the Group. The VAT liabilities as at 31 December 2020 in respect of RSC Worldwide Limited and Chemistry Limited were £1.8k (2019: £3k) and £0.7k (2019: £52.7k) respectively.

31. Restatement of 2019 balance sheet

Deferred revenue falling due after more than one year previously presented within short term deferred revenue, has been seperately classified as long term deferred reveue in the 2020 financial statements. In order that the corresponding amounts are comparable, long term deferred revenue in the prior period of £46k has also been reclassified from short term deferred revenue.

	As previously reported	**Restatement**	**Restated**
	2019	**2019**	2019
	£000	£000	£000
Group			
Deferred revenue (Amount falling due within one year)	(21,381)	46	**(21,335)**
Deferred revenue (Amount falling due within one year)	-	(46)	**(46)**
Total	(21,381)	-	**(21,381)**
Charity			
Deferred revenue (Amount falling due within one year)	(21,356)	46	**(21,310)**
Deferred revenue (Amount falling due within one year)	-	(46)	**(46)**
Total	(21,356)	-	**(21,356)**

There was no impact on net income or funds in 2019.

32. Consolidated statement of financial activities for the year ended 31 December 2019

The prior year consolidated statement of financial activities is shown below:

	Unrestricted funds					Restricted funds			
	General funds	Designated funds	**Total general and designated funds**	Pension reserve	**Total unrestricted funds**	Restricted income funds	Endowment funds	**Total restricted funds**	**Total**
	2019	2019	**2019**	2019	**2019**	2019	2019	**2019**	**2019**
	£000	£000	**£000**	£000	**£000**	£000	£000	**£000**	**£000**
Income and endowments from:									
Donations and legacies	177	35	212	-	212	-	367	367	**579**
Other trading activities	593	-	593	-	593	-	-	-	**593**
Investment income	662	199	861	-	861	214	-	214	**1,075**
Charitable activities									
Membership	4,246	9	4,255	-	4,255	-	-	-	**4,255**
Chemistry World	701	-	701	-	701	-	-	-	**701**
Scientific conferences and events	733	854	1,587	-	1,587	130	-	130	**1,717**
Education and professional practice	139	-	139	-	139	681	-	681	**820**
Publishing	57,407	-	57,407	-	57,407	-	-	-	**57,407**
Advocacy and awareness	100	-	100	-	100	-	-	-	**100**
Other income	4	-	4	-	4	-	-	-	**4**
Total income and endowments	64,762	1,097	**65,859**	-	**65,859**	1,025	367	**1,392**	**67,251**
Expenditure on:									
Raising funds									
Donations and legacies	419	137	556	4	560	-	-	-	**560**
Other trading activities	326	-	326	-	326	-	-	-	**326**
Investment management costs	443	161	604	-	604	9	159	168	**772**
Charitable activities									
Membership	4,601	532	5,133	83	5,216	522	-	522	**5,738**
Chemistry World	2,629	40	2,669	38	2,707	-	-	-	**2,707**
Scientific conferences and events	2,264	1,002	3,266	25	3,291	116	-	116	**3,407**
Education and professional practice	7,263	752	8,015	96	8,111	558	-	558	**8,669**
Publishing	37,334	776	38,110	496	38,606	47	-	47	**38,653**
Advocacy and awareness	4,680	97	4,777	69	4,846	3	-	3	**4,849**
Total expenditure	59,959	3,497	**63,456**	811	**64,267**	1,255	159	**1,414**	**65,681**
Net income/(expenditure) before investment gains/(losses)	4,803	(2,400)	**2,403**	(811)	**1,592**	(230)	208	**(22)**	**1,570**
Gains/(losses) on investment assets	4,328	1,631	5,959	-	5,959	94	1,542	1,636	**7,595**
Net income/(expenditure)	9,131	(769)	**8,362**	(811)	**7,551**	(136)	1,750	**1,614**	**9,165**
Transfer between funds	(13,891)	12,348	(1,543)	1,924	381	(160)	(221)	(381)	**-**
Net group (expenditure)/income before other recognised gains and losses	(4,760)	11,579	**6,819**	1,113	**7,932**	(296)	1,529	**1,233**	**9,165**
Remeasurement on defined benefit pension scheme	-	-	-	(1,031)	(1,031)	-	-	-	**(1,031)**
Net movement in funds (decrease)/increase	(4,760)	11,579	**6,819**	82	**6,901**	(296)	1,529	**1,233**	**8,134**
Reconciliation of funds									
Fund balances brought forward	53,721	37,801	91,522	(29,909)	61,613	2,241	20,595	22,836	**84,449**
Fund balances carried forward	48,961	49,380	**98,341**	(29,827)	**68,514**	1,945	22,124	**24,069**	**92,583**

33. Accounting policies

Accounting convention

The Royal Society of Chemistry (RSC) is a company established by Royal Charter and limited by guarantee, and domiciled in England and Wales, registration number RC000524 . The principal office is Burlington House, Piccadilly, London, W1J 0BA.

The financial statements 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 UK and Republic of Ireland (FRS 102), Charities: Statement of Recommended Practice (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Second Edition rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Royal Society of Chemistry meets the definition of a public benefit entity under FRS 102.

Going concern

The going concern basis of accounting is considered to be appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the RSC to continue as a going concern. The outbreak of COVID-19 has caused severe disruption to the global economy, and will continue to do so. The RSC has performed financial modeling to consider the impact of the COVID-19 outbreak on the reported results and forecast position, and no issues were identified that would give rise to a going concern risk. Given the substantial reserves the RSC has in place, COVID-19 should not cast any doubt on the ability of the RSC to continue as a going concern.

Basis of consolidation

The consolidated statement of financial activities (SoFA) and the consolidated balance sheet include the financial statements of the charity and its subsidiaries consolidated on a line by line basis. Intra-group transactions and profits are eliminated fully on consolidation.

Accounting policies are consistent across the group.

Chemistry Limited and RSC Worldwide Limited are wholly owned subsidiaries of the RSC.

RSC Worldwide (US), RSC (Beijing) Chemical and Science Technology Consulting Co. Ltd., Royal Chemistry India Private Limited, Royal Society of Chemistry Japan K.K. and RSC Worldwide (Germany) GmbH are wholly owned subsidiaries of RSC Worldwide Limited.

Royal Chemistry India Foundation is a wholly owned subsidiary of Royal Chemistry India Private Limited. Both companies have a reporting date of 31 March.

Friends of the RSC, Inc. is registered in the US and receives donations to support the RSC's wider charitable objectives. As a Section 501(c)(3) corporation, it is not a wholly owned subsidiary but all of the members and controlling officers are employees of the RSC group operating under the direction of the RSC and therefore the company has been included in the consolidated financial statements. The company has a reporting date of 30 November.

The local sections, regions and interest groups and Chemists' Community Fund are separately constituted by Trust Deeds. Their results and net assets are accounted as branches in these Financial Statements.

General funds

The General funds mainly represent undesignated monies earned from publishing activities. They also comprise financial or other gifts bequeathed in a Will without any restriction upon their use, or stated as being for 'general use'. The funds are managed in accordance with the RSC's reserves policy.

Designated funds

Designated funds are unrestricted funds which have been internally 'ring fenced' for a specific use/purpose. The purpose of these funds can be varied by internal resolution.

The member network designated funds relate to the large number of member led groups which allow the wider community to connect with fellow chemists based on either geographical location or subject interest. The geographical network consists of 35 local sections in the UK and Ireland and 23 sections based outside the UK. Regions and interest groups are subject specific covering the breadth of the chemical sciences research, education, innovation and policy. The groups are run by members and organise annual programmes of events, award portfolios and bursaries. The income within the designated funds is taken and held directly by the groups and used solely for the purposes of that group. As such it is classified as designated fund income and not recognised as general fund income.

Restricted funds

Restricted income funds can comprise grants restricted to specific projects, or a financial or other gift bequeathed in a Will or Trust Deed with a specific direction as to use.

An expendable endowment fund allows both the capital and income of the fund to be applied in accordance with specific conditions. Income generated from expendable endowment is spent in accordance with any restriction within a reasonable time of receipt. Capital is held in perpetuity unless expended at the discretion of Trustees.

A permanent endowment fund requires the permanent investment of the capital of the fund, with only the income being applied in accordance with any conditions

The RSC's restricted funds are the Chemists' Community Fund, various trust funds, restricted grants, Royal Chemistry India Foundation and Friends of the RSC, Inc.

The Chemists' Community Fund provides financial and non-financial assistance to the RSC's members, past members, their partners and dependents. The Chemists' Community Fund holds contracts that allow it to nominate occupation of 15 units of sheltered housing. In accordance with FRS 102, the value is held as zero as these rights have no realisable value.

Various trust funds are restricted to specific aspects of the RSC's activities. The income of the various trust funds finances lectureships, awards, prizes, and research grants.

The restricted grants are restricted to specific projects by the donors that further the RSC's charitable activities. Income is recognised when the RSC is entitled to the grant, which is usually when the grant is received, except for performance related grants: income for these is recognised when a specified output is achieved.

Royal Chemistry India Foundation is a charitable foundation, registered in Delhi, India. Its primary purpose is to deliver educational programmes in chemistry within India, including teacher training and student outreach camps.

Friends of the RSC, Inc. is a US private foundation which was incorporated to offer a tax efficient way for US citizens to make donations to support scientific research and projects at educational institutions in the United Kingdom.

Income recognition

Income is measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates. Income is shown net of Value Added Tax.

Voluntary income, including donations and legacies

Voluntary income, including donations and legacies, is recognised in the SoFA when any conditions for receipt have been met and when the entitlement is probable and measurable.

Trading income

Trading income relates to income generated by non-charitable subsidaries. Profit from trading subsidiary undertakings is transferred to the Charity under the gift aid scheme and included as investment income in the RSC's own accounts.

Investment income

Investment income is recognised on an accruals basis and apportioned between funds on the basis of the level of funds invested. Investment income is reinvested into the investment portfolio and not withdrawn to defray operating expenditure.

Deferred Income

Income received in the year or invoiced in advance for journal and membership subscriptions relating to future years is shown as deferred income in the balance sheet. The income is treated as income in the year the subscription covers.

Conference income received in advance is deferred and treated as income in the year the respective conference is held.

Membership

Membership subscription income is treated as income in the year the subscription covers. Any receipts in respect of future years are shown as deferred income on the balance sheet. Life membership subscriptions are accounted for on a received basis. In 2020 these subscriptions amounted to £11.5k relating to 16 members (2019: £9k, 13 members).

Conference income

Income for conferences is recognised in the year of the event.

Publishing income

Income from publishing activities, including Chemistry World, is recognised in two separate ways, dependent on the specific product:

- Income for the sales of institutional subscriptions, package subscriptions and consortium deals, is recognised in equal monthly proportions during the subscription year.
- Income for the sales of journal archive and eBooks is recognised when access to the product is passed to the customer.

Government grants

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Intangible income

No value has been placed on the support given to the RSC by way of volunteer assistance. The RSC has not received any other intangible income or gifts in kind.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of resource. Governance costs include expenditure on compliance with constitutional and statutory requirements.

Costs of raising funds include investment management fees and corporate fundraising costs. Fundraising costs include the salaries and overheads of the staff who directly undertake fundraising activities plus allocated support costs.

Staff Costs

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to 10 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the RSC is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Apportionment of support costs

Support costs are those which provide indirect support to front-line activites. Support costs not attributable to a single activity have been apportioned on the basis of head count for each of the respective departments. Refer to note 8 for details.

Grants

Grants made by RSC in relation to the Chemists' Community Fund are treated as expenditure as soon as they are approved by the Benevolent Fund Grants Committee as there is an expectation of receipt by the Beneficiary.

Other grants made from Designated Funds represent grants made to local sections, divisions and interest groups, which are treated on a cash payment basis.

Leases

Rentals under operating leases are charged to the SoFA on a straight-line basis over the lease term allocated to the charitable activities to which they relate.

Taxation

The RSC is registered as a charity (Charity Commission reference 207890) and as such the income arising from and expended on its charitable activities is exempt from corporation tax. It is also registered for Value Added Tax with HM Revenue and Customs and is subject to partial exemption rules. Any irrecoverable VAT is either included in fixed asset costs or in support costs that are then allocated to the charitable activities as applicable.

Foreign currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate 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 transaction or at an exchange rate that approximates the actual rate. Exchange differences are taken into account in arriving at the operating result.

Forward exchange contracts are used to manage the exposure to foreign exchange rate risks related to US dollar income and cash balances.

The balance sheet values of subsidiaries have been translated at the closing rate on 31 December 2020. The profit and loss transactions have been translated at the rate of exchange ruling at the date of transaction or at an exchange rate that approximates the actual rate.

Intangible fixed assets

Intangible assets are capitalised at cost, including any directly attributable costs. These are currently amortised on a straight-line basis over a five year period, which is the useful economic life of the asset. A full impairment review is carried out in the year of acquisition with consideration given in subsequent years to whether any indicator of impairment exists.

Amortisation of the index and databases are charged to publishing activities.

Tangible fixed assets and depreciation

Items of a capital nature are capitialised at cost if their individual purchase price is valued at £10k or above. For groups of items that cumulatively exceed £10k the previous point still applies, as the categorisation will be based on the unit price.

The only exception to this is where individual components are integral to a main asset coming into use. Purchased software is capitialised at cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Leasehold land and buildings:

Thomas Graham House	2%
Burlington House	5%

Fixtures, fittings and equipment:

Computer software	20%–33%
Personal computers	25%
Other computer hardware	20%
Other fixtures and fittings	2%-25%

Fixed Assets are written down to their realisable value if it is considered that there has been a permanent diminution in their value. Assets are reviewed annually for impairment.

Investments

Quoted investments are stated at market value, using quoted bid price, at the balance sheet date. Account is therefore taken of both realised and unrealised gains in the SoFA. Investment income is stated on an accruals basis.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Heritage assets

The RSC does not capitalise its heritage assets as neither reliable cost information nor comprehensive valuations are readily available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the Charity. The RSC was founded in 1841 and the library collection has been built over time to contain a large number of unique and irreplaceable historical items. Therefore due to the number of books held and the lack of comparable market values these assets have not been recognised on the balance sheet as any value attributed to these assets would be purely subjective and of limited practical use.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefit as a result of past transactions or events.

Derivative instruments

The RSC uses forward foreign currency contracts and forward options to reduce exposure to foreign exchange rates. Forward options involve buying a contract which would give the RSC the right but, unlike forward foreign currency contracts, not the obligation to exchange foreign currency for GBP at a pre-agreed rate on a specified date. Forward option premiums are expensed to the SoFA. Derivative financial instruments are initially measured at fair value on the date the derivative contract is entered into and are subsequently re-measured to fair value at each reporting date. Fair value gains and losses are recognised in the SoFA.

Pensions

The RSC has two types of pension scheme:

Defined contribution plan

The RSC operates a defined contribution scheme. The RSC's contributions are charged to the SoFA's general funds and restricted income funds during the period in which the employee is an active member of the scheme. The cost of administering the scheme and providing for death in service are met by the RSC.

Defined benefit plan

The RSC operates a defined benefit pension scheme. The defined benefit plan closed to new entrants on 31 December 2002 and was closed to future accrual on 30 November 2011.

The pension liability recognised in the balance sheet is the obligation of the RSC, being the present value of its defined benefit obligation at the reporting date minus the fair value at the reporting date of plan assets out of which the obligations are to be settled.

The pension costs for the scheme are recognised as follows: (i) the change in the net defined benefit liability arising from employee service rendered during the reporting period in the SoFA; (ii) net interest on the net defined benefit liability during the reporting period in the SoFA; (iii) the cost of plan introductions benefit changes, curtailments and settlements in the SoFA; (iv) remeasurement of the net defined benefit liability in other recognised gains or losses on the SoFA. The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the SoFA as other revenue or apportioned in expenditure.

Remeasurement of the net defined benefit liability comprises: (i) actuarial gains and losses; and (ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability. Remeasurement of the net defined benefit liability recognised in other gains or losses on the SoFA shall not be reclassified to profit or loss in a subsequent period.

Financial assets and liabilities

The RSC has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the RSC becomes a party to the contractual provisions of the instrument, and are offset only when the RSC currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fixed asset investments and forward exchange contracts are measured at fair value through the SoFA. All other financial instruments are measured at amortised cost.

Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Key judgements and assumptions

The cost of the defined benefit pension plan has been determined by updating the results of the 31 December 2019 full actuarial valuation to 31 December 2020. This was carried out by a qualified actuary independent of the RSC. The actuarial valuation involves making assumptions about discount rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the scheme, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, the management considers the market yields of AA corporate bonds consistent with the currency and term of the defined benefit obligation. The mortality rate is based on publicly available mortality tables, which uses data for UK self-administered pension schemes and allowing for expected future improvements in longevity. Future salary increases and pension increases are based on expected future inflation rates as determined by the Bank of England spot rate with a consistent term of the defined benefit obligation at the valuation date.

Further details are given in Note 11.

Notes

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