



Trustees' Report and Financial Statements

For the year ended 30 September 2021

Contents

CHARITY INFORMATION	2
TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021	3
INTRODUCTION	3
PLANS FOR FUTURE PERIODS	3
PURPOSE	4
FURTHER IMPACT OF AND RESPONSE TO THE COVID-19 PANDEMIC	4
CHARITABLE ACTIVITIES AND ACHIEVEMENTS	5
VOLUNTEERS AND DONATED SERVICES	9
FINANCIAL REVIEW	9
GOING CONCERN	10
PRICING POLICY	10
INVESTMENT POWERS AND POLICY	10
RI PENSION AND LIFE ASSURANCE SCHEME	10
RESERVES POLICY	11
STRUCTURE, GOVERNANCE AND MANAGEMENT	11
GOVERNING DOCUMENTS	11
ORGANISATION	11
APPOINTMENT OF TRUSTEES	12
TRUSTEE INDUCTION AND TRAINING	12
RELATED PARTIES	12
FUNDRAISING APPROACH AND STANDARDS	12
RISK MANAGEMENT	13
MAJOR RISKS	13
TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS	14
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL INSTITUTION OF GREAT BRITAIN ..	15
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2021 ..	17
BALANCE SHEETS AS AT 30 SEPTEMBER 2021	18
CONSOLIDATED AND CHARITY CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 ..	19
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021	20

Charity Information

Charity registration number:
227938

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

Websites:
<http://www.rigb.org/>
<http://venue.rigb.org/>

Patron:
HRH The Prince of Wales KG KT GCB AK QSO ADC

President:
HRH The Duke of Kent

Honorary Vice President:
Sir John Ritblat

Current Trustees who served for the entire financial year:

Sir Richard Sykes – Chair *
Professor Alison Woollard – Vice Chair
Dr Sophie Forgan
Mr Simon Godwin
Sir Roland Jackson *
Dr Suze Kundu
Mr John Krumins *
Mr Renato Lulia-Jacob
Mr Christopher Potter
Professor Angela Seddon

* Trustees who have advised their intention to retire at the May 2022 AGM

Trustees who served for part of the financial year were:

Lord Julian Hunt – resigned March 2021
Sir Richard Catlow – appointed April 2021
Ms Kate Hamilton – appointed April 2021

Finance Committee:

Mr John Krumins – Chair and Trustee
Mr Simon Godwin – Trustee
Mr Stuart Bridges – resigned November 2021
Mr Jonathan Coyle – appointed December 2021
Ms Sarah Fiore – appointed December 2021
Mr Robert Farago
Mr Chris Lowe
Ms Clare Robinson

Audit & Risk Committee:

Mr Christopher Potter – Chair and Trustee
Mr Renato Lulia-Jacob – Trustee
Mr Nicholas Hills – resigned September 2021
Ms Lianne Frost
Ms Eileen Pembridge
Ms Ling Stephens
Ms Elizabeth Walker

Nominations Committee:

Sir Richard Sykes – Trustee and Chair – resigned May 2021
Professor Angela Seddon – Trustee and appointed Chair May 2021
Dr Suze Kundu – Trustee – appointed May 2021
Ms Janet Larsen
Mr Christopher Adams – resigned March 2021
Mr David Phillips – resigned March 2021
Mr Tom Goodman – appointed April 2021
Mr Anand Sambasivan – appointed April 2021
Ms Shwetal Shah – appointed April 2021

Director:

Ms Lucinda Hunt BSc ARCS PGCE – appointed 2020, resigned 31 January 2022
Ms Katherine Mathieson – appointed December 2021 – commences 11 April 2022

Auditor:

RSM UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB

Bankers:

HSBC Bank plc, 79 Piccadilly, London, W1J 8EU

Investment advisors:

HSBC Global Asset Management (UK) Limited, 8 Cork Street, London W1S 3LJ
CCLA Investment Management Ltd, Senator House
85 Queen Victoria Street, London, EC4V 4ET

Solicitors:

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH
Field Fisher Waterhouse LLP, 5 Vine Street, London, EC3N 2PX
CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF
Ms Julie Bentley, Meadow Garth, High Street, Duddington, Northamptonshire, PE9 3QE

Trustees' Report for the year ended 30 September 2021

The Ri has experienced another dramatic year of ups and downs as changing COVID-19 restrictions impacted our services and we significantly reduced our team.

However, we have appointed new Directors, stabilised the organisation, relaunched programmes, engaged new audiences, optimised hybrid working, secured Arts Council England financial support and incurred a deficit much lower than budgeted to strengthen our finances and progress through recovery to more normal activities.

We began the 2020/21 financial year began with expectations of a gradual re-opening of charitable and commercial activity but plans were thwarted by continued social distancing rules and other restrictions over much of the year. From mid-2021, as normalcy started to return, we relaunched programmes, adapted for COVID restrictions and expanded digital delivery and saw encouraging signs of growth. We have seen strong demand from schools for our Science in Schools shows and encouraging nascent growth in LYSC and public adult and family programmes. Expected recovery in Venue Hire did not occur due to the 2020/21 winter lockdowns and only tentative resumption of events by our commercial clients. With no digital or socially distanced options, this income source continues to be volatile and below expectations.

The winter 2020/21 lockdowns allowed a period of consolidation and we reduced the Ri team by around 1/3 with focus on retaining key capabilities to enable resumed programmes and commercial activities as regulations allowed. This is reflected in much lower use of the Government's Furlough programme as the staff retained were running the organisation and planning programme resumption. Face to face events recommenced on a limited but growing scale from July 2021 and we ran a limited August holidays Family programmes. Venue Hire demand and enquiries restarted in September 2021 with encouraging bookings up to December when the Omicron variant hit.

Following sections of this report discuss in more detail how we adapted and relaunched activities in these challenging times, but leadership was also focussed on the future and securing finances. Further detail of accomplishments in 2021 and our plans for 2022 can be found in our 2021 Annual Review, a copy of which is available at www.rigb.org/annual-review.

After much preparatory work, in March 2021, the Ri launched the Centre for Climate Change Innovation with Imperial College London. This collaboration will actively work to solve the climate crisis and bring greater public attention and understanding to the role of science to resolve this human challenge. Further developments will ensue in the 2021/22 year as this initiative gains pace and attracts more financial support. Discussions with other organisations focussed on science engagement continue with the objective of greater collaboration and impact.

The financial result for the year is a deficit of £32k, calculated under the Charity SORP, which has benefitted from £742k of gains from investments and the Ri pension scheme valuation. The actual Operating result was a deficit of £247k, £1m better than budget and £850k better than the prior year due principally to a £530k Cultural Recovery fund grant from Arts Council England, lower premises costs and higher tenant income. The

costs of the staff reduction programme were accrued in the previous year's result due to the decision timing.

Most significant for the longer term recovery of the Ri, and as announced at the May 2021 Annual General Meeting (AGM), the Arts Council England has lent the Ri £1.5m on 17 year repayment terms. This loan as well as additional facilities provided by HSBC bank are forecast to enable the Ri to recover to more normal and sustainable activity and income levels.

Plans for future periods

The Ri's strategic priorities are demanding and ambitious, albeit impacted as we recover from the impacts of the pandemic. They build upon the Ri's strengths, expertise and over 222 year history of public engagement with science. Business plans and forecasts are driven by key initiatives reflecting the strategy.

Using knowledge gained from extensive audience analysis previously commissioned, attention is focussed on the needs of our key audiences, which we will understand more fully with embedded impact evaluation.

Development of the CCCI in the coming years presents a significant opportunity for the Ri to raise its visibility and impact and support the UK and global movement to solve the climate crisis. Collaborating with the Grantham Institute for Climate Change at Imperial College has accelerated the pace at which we are gearing up activity and planning a comprehensive programme to support innovation and public engagement with the science that is essential to address this crisis.

The Ri will continue to forge new and interesting collaborations and draw on its loyal and growing community of engaged Members, Patrons and supporters, to strengthen reach and impact. However, the Trustees recognise that the strategy cannot be achieved without a parallel emphasis on creating financial resilience as we recover from the pandemic, raising the profile of the Ri, and caring for staff and volunteers.

Implementation of our strategy has continued with focus on:

- The planned expansion of existing activities – building on the success, and increasing the reach, of activities and projects the Ri already undertakes.
- New project scoping – setting out compelling proposals for philanthropic support, and for delivery when funding allows.
- Financial modelling – detailing the investment necessary to deliver new projects and fund the Ri's growth.
- Developing supporting strategies – for fundraising, marketing and Venue Hire growth.
- Organisational design – realigning the Ri structure to ensure it enables delivery of plans and the strategy.
- Implementing new hybrid ways of working to enable effective and secure flexible working including providing Ri staff in October 2021 with securely managed laptops computed for remote work.
- Impact measurement – bringing greater rigour and consistency to the way the Ri measures its impact across all activities.

When the pandemic threat, fears and restrictions are eased and we return to more normal levels of activity, growth will also reemerge across current and new activities in subsequent years.

With the appointment of a new Director, Katherine Mathieson, and the current strategy period coming to an end, we envisage developing a new strategy in the coming two years.

Introduction

The Trustees are pleased to present their report and the consolidated financial statements of the Royal Institution of

Great Britain (also referred to as the “Ri” or the “Institution” or “the Charity”) and its subsidiary, RIGB Limited, for the year ended 30 September 2021.

The Financial Statements comply with the Charities Act 2011 and the Statement of Recommended Practice – Accounting and Reporting by Charities – (SORP 2019). The Financial Statements have been prepared to give a ‘true and fair’ view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide such a ‘true and fair’ view. This departure has involved following the Statement of Recommended Practice for Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, which this charity is now required to comply with, rather than the Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Purpose

Page 2 of the founding Prospectus of the Ri states ‘To point out the causes which impede this (scientific) progress, and to invite the public to join in effectively removing them.’ Ri staff and Trustees have remained aligned with this original purpose with focus on delivering our current vision and mission that are relevant for today’s audiences and circumstances. The Ri vision is for: ‘A world where everyone is inspired to think more deeply about science and its place in our lives’. It encapsulates the need for everyone to think critically, question, challenge and bring a diversity of viewpoints on science and its integral position in culture and society. The Ri believes that such rich and open discussion will enhance the valuable contribution that science is able to make to our lives.

Over the coming years the Ri’s mission will, therefore, be to create opportunities for everyone to discover, discuss and critically examine science and how the most significant developments shape the world around us. We will do this by building on our heritage and success in creative and innovative ways.

Whilst our methods of engaging with audiences have evolved as a result of the COVID induced shutdown, the key objectives of our strategy build on our strengths and expertise while establishing ambitions to engage in different ways, expand reach, particularly through digital channels, collaborate with other organisations and reinforce our digital and physical presence.

Our audience-focused objectives focus on engaging the public in science to:

- Inspire everyone to develop a lifelong journey with science.
- Increase the public’s awareness of, and participation in, the work of the Ri.
- Engage business and policymakers in discussions about the place of science in society.
- Support scientists in their efforts to engage with the public.

And the Ri-focused objectives that represent an essential foundation for delivery are to:

- Grow our financial capacity to support our mission, now under even greater focus.
- Develop and care for our staff and volunteers whose expertise and passion provide the cornerstone of our success.

Success is assessed using impact measures and Trustees receive regular reporting against objectives.

Further impact of and our response to the continuing Covid-19 pandemic

The early months of this financial year saw the loss of many valued staff as we reduced headcount but also retained expertise critical to enable relaunch programmes as recovery to post-COVID allowed.

Our 2020 CHRISTMAS LECTURES were delivered with a live, but remote / online, audience and when broadcast by BBC attracted an audience matching earlier lectures. We secured record levels of financial support for these lectures reflecting their topic, our Planet Earth and Climate Change.

Much of the first quarter of 2021 was spent preparing for programme relaunch, whose timing was delayed as restrictions lasted longer than we had expected. In addition to the loan previously referred, we secured a £589k Cultural Recovery Fund grant from the Arts Council England that supported our costs through the first calendar quarter of 2021 when income generation severely constrained.

Managing financial resources

COVID has had a significant impact on not only ways of working, programme delivery and finances but also on the way we engage with our current and develop new audiences. COVID has led us to re-examine what we do, how we work and engage with audiences and to explore collaborations with other organisations committed to science engagement. Further impacts are inevitable as we recommence suspended activities and work to re-establish more normal levels of activity in established and new programmes.

Operational impact summary

The financial year began with a ban on indoor gatherings above 6 people in response to the COVID pandemic. Just over a month later the UK entered its second national lockdown, followed by a third announced on 06 January 2021. With a range of COVID related restrictions remaining until June 2021, the Ri’s events, venue hire, museum visits and other in-person commercial activities all but ceased for the majority of the year. “In person” activities, the foundation of our Public and Family Programmes, were suspended and the L’Oréal Young Scientist Centre, which had closed in 2020, only reopened just as the financial year came to an end.

The Ri adjusted by engaging our audiences through online activities wherever possible. Tenants staff also worked remotely or did not return to the building following the previous year’s pandemic restrictions in line with national guidance. The Public Programme and production of the Digital Team were heavily impacted. The Ri released 40% fewer videos on YouTube than the year before resulting in views dropping by 15%. School closures impacted the Science in Schools programme and restrictions in place during British Science Week had a clear impact on bookings. In line with comparable organisations, the impact on Ri Membership was profound. The Masterclass Team were furloughed part time and focused on adapting to an online audience. Staffing of the Heritage and Collections team reduced from two to one in November 2020. Work focussed on essential management, ensuring appropriate environmental conditions and care of the collections of scientific apparatus, archives, books, images and artwork held by the Ri – all in a COVID safe and managed way, and supported by the facilities team. The museum was closed to the public for the entire year. As referred, the December 2020 CHRISTMAS LECTURES were unable to host a live audience and adapted to hosting a virtual audience.

RIGB Limited, the Ri's trading subsidiary that provides venue hire had a uniquely challenging year. Pandemic restrictions, uncertainty, changing guidance and corporate reluctance to plan or commit to bookings all but ended venue hire business. Our Venue Hire team focussed on retaining key client relationships, replanning, marketing collateral, raising profile, new website and social media content.

Fundraising became a much greater challenge as many funders focused on front line pandemic support projects and supporter events did not resume until the year ended.

With the exception of the premises team, the majority of Ri staff worked remotely for most of the year. A planned staged return began over the 2021 summer particularly for venue hire and events staff. Most Ri tenants' staff also returned to the building. The facilities team remained in the building and continued to manage vital in-house services including post, safety and essential maintenance during the year. Energy and utility costs remained low due to the limited use of the building and began to return to normal levels from July 2021. During the year the team reviewed, and the Trustees approved updated Health and Safety policy and procedures, as well as the Business Continuity plan and procedures. The team worked closely with returning staff, tenants, and visitors to manage the risks posed by COVID and are pleased to note that there were no reported outbreaks of COVID in the building during the year.

The IT team focused on supporting Ri staff to adopt effective ways of remote working and on managing the elevated risks this presented to cyber security and data protection. All staff were surveyed in May 2021 to assess their current IT residence and security and to inform hybrid working plans. Staff responded positively to hybrid working proposals. While staff have delivered well against a background of enforced remote working on personal devices, this solution was deemed insecure and inappropriate as an ongoing arrangement. The network was adapted to incorporate Endpoint Security (via Intune) and plans including provision of an Ri laptop for all staff were implemented in October 2021 – a significant change to IT delivery, security and resilience.

A Salesforce community was implemented in December 2020, replacing an older unsupported system, to allow Members to purchase and renew their Memberships online. This included changing direct debit provider and processing direct debits. During the year the Computer Acceptable Use and Bring Your Own Device policies were updated in line with changing work practices and need for greater security and resilience and approved by the Trustees.

At the start of the financial year the Ri had 56 employees and by the end had reduced headcount by 34%, with focus on retaining key capabilities necessary to recommence programmes. We avoided compulsory redundancies and through a carefully run programme including extensive employee. Overall, we had 19 leavers. The Human Resources team returned to full working strength as activity resumed and is now focussed on the demands of increasing activity and to support hybrid working, being piloted in September 2021.

The wider team has been restructured to meet future needs. The digital, marketing and development teams were merged and are headed by one of the three new Directors engaged during the year. New Directors of Fundraising, Marketing and Communications, Science Engagement and Strategy Planning and Commercial were in post at September 2021.

All governance meetings remained online, and the AGM was held virtually on 08 April 2021. Trustee elections and appointments, all managed virtually, were largely unaffected and successfully completed in February 2021.

Financial impact

Although the 2019/20 year included only 6 months of COVID impact, the 2020/21 year, despite COVID impacts almost throughout the year produced a lower Operating deficit of £247k (2019/20: £489k) and a very much lower SORP deficit of £32k (2019/20: £1,105k). This year:

- We reduced headcount by over 1/3 such that even though staff salaries were restored to normal levels from November 2020, staff costs were reduced from ~£3m in 2019/20 to ~£2.4m.
- Furlough grants received were £400k lower than in 2019/20, but we received £530k of support from the Arts Council Cultural Recovery Fund grants.
- CHRISTMAS LECTURES sponsorship raised £476k compared to £337k in the 2019/20 year.
- Net premises costs grew to a £233k surplus due to freeing up additional space for tenants and reducing energy and other building costs during lockdowns.

Non Operational results also contributed to the significantly lower SORP deficit:

- Investment gains of £595k reversed the 2019/20 losses of £343k due to stronger financial markets.
- The Ri Pension scheme Deficit, £147k, recognised in 2019/20 was reversed due to strong investment performance and higher interest rates reducing Scheme liabilities.

All programmes relaunched in mid-late 2021 and whilst not operating at pre-COVID levels, encouraging levels of demand have emerged. Our reduced teams have demonstrated that we retained sufficient skills and experience to restart programmes at our high pre-COVID standards.

The Ri commenced the year with reasonable cash reserves to sustain the Ri until March 2021 when the Arts Council England Cultural Recovery Loan (ACE CRL) of £1.5m was received. This loan was accepted in preference to a Coronavirus Business Interruption Loan Scheme (CBILS) offer from HSBC due to its more suitable terms. The ACE CRL includes 17-year repayment terms and a 2% fixed interest rate. On receipt, we settled the deferred payments to HMRC for VAT, PAYE & NI.

The ACE Culture Recovery Fund loan, £1.5m, and CRF grant of which £530k was received, and strong 2020 CHRISTMAS LECTURES sponsorship and many Venue Hire clients leaving event deposits with us for future bookings were the largest influences on the year-end cash position totalling £1,502k, of which £753k was unrestricted or "free" cash, £515k better than forecast due to better operating results than forecast. During the financial year, we did not need to use our HSBC overdraft facility.

As a result of all the above the Ri has incurred a deficit of £32k (2019/20: £1.105m deficit). By comparison to the 2019/20 result, performance of investments and elimination of the Ri Pension Scheme deficit have had a material impact. The underlying operating result was a deficit of £247k (2019/20: £500k deficit), £1m better than budgeted due to the ACE CRF grant, lower energy costs and operating results close to budget such that a £500k contingency was not required.

Since year end, cash preservation focus has continued and benefited from Operating results slightly better than budget and some deferral of capital expenditure.

Charitable activities and achievements

For the purposes of the 2021 Trustees' Report and Financial Statements we have selected programmatic highlights and impacts as activities transitioned from lockdown to early stages of recovery in this year. Further details of our accomplishments

in 2021 and our plans for 2022 can be found in our 2021 Annual Review, a copy of which is available at www.rigb.org/annual-review.

The Ri acknowledges that building a portfolio of funding sources, both commercial and philanthropic, is essential to support future charitable activities for the benefit of the general public and ensure sustainability. The Ri continues to adapt its operating model to provide better analysis of impact.

Our first in-person fundraising event to celebrate the 200th anniversary of the invention of the electric motor by Michael Faraday, was held on 29 September 2021. During the evening event, we also launched our '200 Seats for 200 Years' fundraising campaign to contribute, with other initiatives, to strengthening the Ri's finances through this recovery period.

Public Programme

Despite the suspension of live events in the first part of the year we continued our programme of livestreamed talks, expanding to two talks per week in November 2020. Following the easing of restrictions, we resumed in-person events from August 2021 which have seen tentative take up by Members and the public. We have adapted the programme to offer talks held solely in the theatre, from speakers' homes and hybrid events, livestreamed from live theatre presentations. This has enabled us to attract high calibre presenters giving fascinating talks to a growing local and international audience.

During the year, we delivered 81 livestreamed talks, four of which from August 2021, were also delivered to a live audience in the theatre. We also held two events just for theatre attendees in September 2021. We plan future talks to use both in-person and remote presentation to both in-theatre audiences and livestreamed to audiences internationally.

Some highlights included world-famous physicists Sean Carroll, Brian Greene, Sabine Hossenfelder, and Carlo Rovelli presenting their work via livestream along with popular science writers including Michael Pollan, Carl Zimmer, and Alice Bell. Working with the Ri supported pseudoscience group chaired by journalist Angela Saini, we hosted two events: the first looking at science communication during COVID and a second talk on the history of eugenics from historian Marius Turda. We also partnered with the Grantham Institute of Climate Change and the Environment at Imperial College on a series of discussions about the climate crisis, to celebrate the launch of a Centre for Climate Change Innovation at the Royal Institution (discussed further below). Our livestreams had a total viewership of over 48,000 people which gives an average attendance as over 600 per event and raised £100k in ticket sales and donations – crucial in funding this evolving programme.

Heritage and Collections

As well as continuing to ensure essential collection care and management during the year when the museum was largely closed, the collections continued to be shared with the public and academics through answering enquiries and participating in other Ri projects, including the September 2021 Faraday Dinner and highlighting the life and legacy of John Tyndall. John Tyndall's original scientific apparatus for his 1861 'radiant heat' experiments and his 'Greenhouse gases' theories were also demonstrated in the 2020 CHRISTMAS LECTURES. Our longer-term work to publish John Tyndall's correspondence resumed in July 2021.

Joint Ri/UCL History of Science Researcher, Dr Jenny Bulstrode, reshaped the programme funded by Phillip Freer Studentship Fund to focus on a greater number of later stage, 4th year, research projects which would otherwise generally be unfunded.

We launched the programme to fund three one-year Fellowships, in an open application promoted to current PhD students from around the world. The Freer Trust will fund three students during the 4th year writeup of their theses and support their continuing professional development with practical skills and opportunities to work with different Ri activities. Applications for this 4th year programme opened in September 2021 and the Fellowships were awarded in November 2021 to commence in January 2022. The Freer Trustees also confirmed extended support for the current Freer PhD students whose work has been interrupted by the pandemic.

The application for the AHRC funded Davy Notebooks project proposed by Lancaster University was successful. The initial stages including the setting up of the Zooniverse pages and tools began in February 2021. Scanning the 65 Davy notebooks held by the Ri will be completed over the next 2 years.

In September 2021 we completed a project initiated in 2019, when we loaned several items from the object and archive collections relating to previous Ri Directors, Sir William Henry Bragg and Kathleen Lonsdale, to the University of Leeds, for display from October 2021 to March 2022.

The year concluded with the Faraday Fundraiser, on 29 September 2021, that focused on the 200th anniversary of Michael Faraday's work on electromagnetic rotations (the first ever electric motor) and launched a year of anniversary events. A film was created alongside events delivered by the digital, educational and heritage teams that brought together the history with practical demonstrations of this invention. As this is only the start of the Faraday motor celebratory year, the film will be used alongside a dedicated temporary exhibition within the building and scheduled public lectures around Michael Faraday's work as we move into 2022.

Education

CHRISTMAS LECTURES

The December 2020 CHRISTMAS LECTURES, Planet Earth: A user's guide, addressed this critically important subject and were presented with a virtual audience of 745 young people who watched and engaged with the lecturers. We are delighted that despite Covid restrictions, we were able to bring these lectures to the public with a live, if remote, audience.

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

Planet Earth: A user's guide unravelled global systems and natural wonders that combine to support life on Earth and explored how human activity has become an overwhelming geological force – disrupting the finely tuned systems that have kept our planet running smoothly for billions of years. For the first time in 60 years, we had three experts delivering the three lectures: Dr Helen Czerski, Dr Tara Shine and Professor Chris Jackson; the first black presenter.

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

Co-produced by the Ri and Windfall Films Ltd the virtual audience of 745 young people was split between Young

Members, Schools, and funded disadvantaged Schools. The lectures were broadcast on BBC4 on December 28, 29 and 30 and viewing figures from the broadcasts were strong and comparable with previous years. A total of 2.02 million viewers watched the lectures on BBC4 or via BBC iPlayer and they are now available for viewing on the Ri website.

In January and February 2021, the climate change theme was reinforced with additional activities to engage young people. We provided Debate Kits for Schools and a CHRISTMAS LECTURES Zone' – an online forum in which young people ask specialists questions relating to the lectures.

Preparation for 2021 CHRISTMAS LECTURES "Going viral: How COVID changed science forever" started in earnest in August 2021 with the announcement that Jonathan Van-Tam will be joined by expert British scientists who all played vital roles in the COVID pandemic, to reveal how new discoveries are set to change the future of medicine. The lectures were successfully delivered to a live in-theatre audience and broadcast on BBC4 as in 2020.

Family Programme

Despite the devastating impacts of the pandemic on in-person events, we have continued to engage with our Family audience throughout this year, with both livestreamed activity and in-person events.

Following the development of the livestreaming model for Public Programmes, we delivered our first livestreamed Family events in April 2021, with regular events up to the end of the Summer term. Seven livestreamed events were delivered with an average attendance of over 500 and £5k received in donations for tickets. The most popular of these were shows delivered live by staff from the LYSC and talks from Cosmologist Amélie Saintonge and Christmas Lecturer Mark Miodownik also proving popular. Together with Membership and LYSC teams, we also developed regular 'try at home' activity guides to keep Ri Young Members remotely engaged during lockdown.

In August 2021, we returned to running in-theatre events with live audiences and a programme of 11 talks. Despite lower attendance we welcomed 693 attendees to these events.

Masterclasses

For most of the year the Masterclass team were part furloughed and, when not, were focused on reimagining Masterclasses for an online audience, delivering interactive digital workshops and ensuring that oversight was in place with safeguarding a key priority. Online Masterclasses were launched in January 2021 and over the remainder of the year, we delivered 44 online series with 152 workshops involving 1,828 school students. Additionally, we delivered three livestreamed celebration days involving an audience of over 800 students. After the first 10 livestreamed series were delivered, we evaluated the series and identified many positive outcomes, namely;

- online Masterclasses met our charitable aims,
- while the perception was that student engagement had reduced when compared to face-face Masterclasses, we received very positive feedback from all students attending and, on a level, comparable with pre-pandemic feedback and,
- the Masterclasses team have enjoyed the new challenge.

Many opportunities now exist to retain online Masterclasses as a channel to deliver the programme to reach an even greater and diverse audience that was previously not accessible. Funders have responded positively to our progress, especially Primary Masterclass supporter, Kantor, who agreed to extend the programme funding period. September 2021 was spent

supporting groups across the UK as they now prepare to deliver face-face Masterclasses in the autumn term.

The L'Oréal Young Scientist Centre (LYSC)

The LYSC's core aim is to provide high impact, in depth laboratory based, science experiences to young people between the ages of 7 and 18. This is the 11th year of our partnership with L'Oréal UK and Ireland to deliver that aim. Work this year focused on preparation for a return to in-person workshops in the lab and developing virtual activities.

In February/March 2021 we delivered six virtual workshops to 4,000 students from Girls Day School Trust schools across the UK. We also delivered a Science Spectacular event livestreamed from the theatre to over 1,000 year 3-6 students.

Virtual activities continued with three virtual workshops broadcast live from the LYSC to over 1,300 young Members and their families. In the August summer holidays we delivered eight in-person shows to 490 people in the theatre, using content repurposed from the virtual workshops. Workshops in the laboratory, suspended since March 2020, restarted from 14 September 2021 with four workshops delivered to 60 young people aged 7-15 years.

Science in Schools

When schools reopened in March 2021, a backlog of 12 events were delivered, and although lower than 2020, numbers indicated strong interest from schools and funders. June 2021 was the busiest month since the programme began over ten years ago, with 42 school events, 20% more than the previous busiest month and 162% more than June 2019.

With a COVID-secure offering enabling the delivery of socially distanced student shows for school year group 'bubbles', this programme can continue to engage students even if restrictions return.

This year, the programme visited 141 schools across the UK, engaged ~42,000 students (2019/20: ~28,000 students), provided ~4,000 teachers with science CPD and in September 2021 returned to the full pre-pandemic programme including community shows for families. Although the total number of schools visited is slightly lower than the past (155 in 2019/20) all visits took place in the second half of the year, representing the busiest six-month period since the programme began.

108 school visits were delivered free to schools in disadvantaged areas, with 104 funded by the Gillespie Endowment, and 4 nominated by Ri Patrons and Corporate Members. 81% of these schools are in the lowest 40% of deprivation according to The Income Deprivation Affecting Children Index (IDACI).

In November 2020, 75 schools accepted funding to host activities chosen from the STEM Directory, and 38 of those went on to claim funding – the balance being constrained by COVID restrictions. The STEM Grants scheme came to an end in July 2021 but has been replaced a new Science in Schools (SiS) grant scheme. This focusses grant giving on a single scheme to maximise the impact of science learning on disadvantaged schools.

The launch of the inaugural SiS grant scheme in January 2021 resulted in 225 applications from across the UK. 102 disadvantaged schools were offered fully funded school visits that took place between 1 April and 30 September 2021. A second applications round in June 2021 resulted in applications from 558 schools. 201 disadvantaged schools across the UK were offered fully funded SiS visits to be delivered in the 2021/22 financial year. 99.5% of the schools receiving these grants are in the lowest 40% of deprivation according to The Income Deprivation Affecting Children Index (IDACI), with 68%

in the lowest 20%.

The Centre for Climate Change Innovation

In addition to financial and operational sustainability the Directors and Trustees have focused on building effective future partnerships and particularly, as a founding partner with Imperial College London and its Grantham Institute for Climate Change, to create the Centre for Climate Change Innovation (CCCI) which was launched in March 2021.

Since its launch in March – with an online address to over 2000 people from our Royal Patron HRH The Prince of Wales – we have been working to identify funders, cleantech innovators and other supporting stakeholders to tackle the greatest challenge facing humanity today. The first cohort of 15 start-ups to benefit from its accelerator programme was established in May 2020.

Among the CCCI's aims are to create a London based innovation ecosystem and preeminent hub for innovations that will define humanity's response to the challenges of climate change at the Ri. The CCCI is focussed on accelerating the development of cleantech solutions to the climate crisis and support start-up companies by turning their innovations into viable solutions for deployment worldwide to solve the climate crisis. The Ri is focussed on facilitating CCCI engagement with the public, with global audiences and using events space and public exhibition space. The CCCI, its staff and participants are based at our historic home in Albemarle street and collaborate closely with Ri programme staff in achieving their goals.

Digital

Despite the pandemic, YouTube advertising income increased to £135k (2019/20: £106k) through optimising our YouTube advertising profile and working more closely with our Public Programme team to deliver livestreamed lectures.

In January 2021 we employed a Social Media Manager who has revitalised our social media platforms. Since then, activity on Facebook has grown by 17%, Twitter by 10%, and Instagram by 20%. We also launched content two new platforms that focus on short videos for a younger audience demographic: TikTok and YouTube Shorts. We also celebrated our 1 millionth YouTube subscriber in April 2021.

Podcasts and short films were returned to our programme. We released six podcasts that have been listened to over 30k times and restarted our short film programme in September 2021 with a new film about the structure of the universe.

Thanks to a generous Patron donation, we were able to fit out the Theatre with industry standard livestreaming equipment. This also allowed us to introduce 'hybrid' events livestreamed from the theatre, increasing the range of audiences who can participate in our programme of talks.

The digital team also supports the digital needs of other Ri activities: digitising the annual Youth Summit format, content creation for commercial ventures such as Kellett School, and support for fundraising and Membership events such as the AGM and the Faraday Fundraiser.

We restarted development of the new website in May 2021, a project made possible through two generous charitable donations. Research was completed in the summer, and the structure and design were delivered by the agency in August 2021. The project is on track to be launched on time and to budget in February 2022.

Fundraising

Fundraising this financial year has been severely impacted by COVID restrictions. However, we were especially grateful to

receive £530k support from the DCMS Culture Recovery Fund, via Arts Council England, to help us through this financial year and be in a stronger position to relaunch our programmes. As in-person events resume we are confident that we will rebuild our income over the next 12 months.

We are pleased to report that we maintained the support of and are grateful for the support from our key supporters. We secured a Culture Recovery Fund Repayable Finance loan of £1.5m to support the Ri through this pandemic and recovery to restore sustainable finances.

The recruitment of Rich Storton as Director of Fundraising, Marketing and Communications in September 2021 has enabled restructuring to bring together the work of the referenced departments. Fundraising is delivered by a five-person in-house team, working to raise funds from individuals, trusts and foundations and corporate sponsorship. A number of corporate "partners" support our work through financial and non-financial donations. These "partnerships" are subject to due diligence and review by the Scrutiny and the Audit & Risk Committees. We do not employ external fundraising agents.

Corporate support

- 2020 CHRISTMAS LECTURES corporate supporters included IBM & UKRI, totalling £150k.
- L'Oréal continued their long-standing support of the L'Oréal Young Scientist Centre for £100k and has confirmed their continued commitment to the LYSC in 2022.
- The Faraday Institution, Bayer, Environment Agency, and AWE renewed their support of our work for the 2020/21 financial year, totalling £65k.

Trusts and Foundations

- The Kantor Charitable Foundation continued to support the Kantor Primary Maths Masterclass programme with £250k funding over two years.
- Lloyd's Register Foundation continued their longstanding support for the 2020 CHRISTMAS LECTURES with a grant of £137k – this being their fifth year of continued support.
- Masterclass support was provided by AG Manly Charitable Trust.
- The DS Smith Charitable Foundation and the National Centre for Nuclear Robotics supported Engineering Masterclasses.
- The Company of Actuaries Charitable Trust supported Mathematics Masterclasses.
- The Causeway Foundation endowment continued to support our Computer Science Masterclasses.
- The Clothworkers' Foundation endowments support our Secondary Maths Masterclasses, Demonstration team and Science in Schools programmes.
- LG Harris Trust also supported our STEM grants to deliver science workshops to schools around the country.
- Other supporters included The Rose Foundation, who have committed to support improvements to our archive facility, and an unrestricted donation from the AM McGreevy Charitable Settlement.

Patrons

Support from Patrons totalled £117k, down by £27k / 20% and not inconsistent with other cultural institutions as a result of lockdowns and lack of in-person engagement. The Director's Circle (£10k), Magnetic Circle (£1k) and Electric (£350) Patron levels have suffered the most, but we have also seen encouraging increases in the Diffusion Circle (2.5k) level and have welcomed a number of new patrons.

Individual Donations

We received £45k in individual gifts, significantly higher than 2019/20 and driven by asks for donations as part of our livestream programmes. We aim to build on this income stream by moving to a ticketed model across 2021/22

Legacies

We are very grateful for legacies and in memory gifts we received this financial year totalling £102k. £65k of the total was received from the legacy of Dr Ann Marguerite Cartel Burgess, who was a long-standing Member of the Ri, and £32k from Dr Robert Monro Black.

Major Donors

We received the second tranche, £125,000, of the Kantor Charitable Trust donation towards the Kantor Primary Maths Masterclasses despite being unable to deliver Masterclasses in person and moving to an online provision. We received £70,000 from Bain Capital to support our Science in Schools shows as a result of our relationship with a Director's Circle patron who is the MD, Private Equity at Bain Capital.

The Ri Trustees wish to thank every generous individual and organisation that has given their valuable time, expertise, and vital financial support to the Ri, over the past twelve months. It is thanks, in part, to such generous commitments that the Ri is able to recover and move forward with plans for a sustainable future.

Membership

With the programmes closed to in-person events for much of the year, reducing Member benefits, our Membership has suffered a significant loss. Membership is down 18% from 3,395 at 30 September 2021 to 2,792 Members. Member income for the year was £160k (2019/20: £229k), 30% lower due to higher Membership losses at the adult level. We would like to thank our loyal Members who have renewed and supported us through this very difficult period and welcome new Members who continue to be attracted to the Ri as we restart our programmes.

Commercial Operations

Venue Hire

During this year with no event activity allowed under government regulations until July 2021, the Team of four was redeployed from delivering events to focus on maintaining client relationships, bookings, and marketing. Two members of the team focused on developing and future proofing the business. The other two team members were redeployed to support other Ri activities during the year.

A new Venue Hire website was launched with an SEO strategy to increase our audience reach. This included new imagery and videos along with case studies and blog posts to better showcase the Ri venue to current and prospective clients. New event brochures also were designed and created in-house that built on the Ri's heritage and physical presence.

Raising our venue profile through social media was a point of focus, with the aim being to grow our presence on these platforms and extend overall audience reach – one of the few ways to converse with clients during the pandemic. A LinkedIn profile was also created to build our professional online network. We also continued with key marketing partnerships to help increase the Ri profile within the industry.

With Government restrictions lifted in July 2021, venue hire activity recommenced, albeit slowly. Client confidence to hold events has been slow to re-emerge and we delivered Venue Hire

income for the year of only £93k (2019/20: £710k and 2018/19: £1,495k). We expect, subject to no major business interruptions from COVID, for income to recover to around 2019/20 levels in the coming year and full recovery to normal levels 2022 onward.

Tenants and lease income

As we reduced headcount in late 2020 and adapted working arrangements, we increased space available for tenants which was all let on normal commercial terms. We earned £906k (2019/20: £817k) in rent and charges from tenants who occupy space in our buildings not required for Ri activities. We are grateful to all our tenants who continued to meet lease obligations throughout the pandemic and thereby indirectly support Ri programmes.

Some of the space freed up has been let to Imperial College London with whom the Ri is collaborating to create the Centre for Climate Change Innovation that was launched in March 2021, as referred to above. We also welcomed the London Institute for Mathematical Sciences who are undertaking exciting research in the application of mathematics and with whom we have agreed a collaborative public lecture programme.

We have also formed an Environmental Sustainability Group to focus on practical and realistic actions that the Ri can take to improve our overall environmental performance including reducing energy consumption.

Volunteers and donated services

Trustees are very grateful for the valuable contribution made by volunteers who support our work including Masterclasses and other programmes which have relaunched towards the end of the year.

Significant support is also provided by the many people who serve on various Ri committees, all of whom have given their time and expertise so generously during another difficult year.

Financial review

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

In the year ended 30 September 2021, the Ri had a total income of £3.2m (2019/20: £4.213m) and a deficit on Total Funds of £32k (2019/20: £1.105m deficit).

The Ri trading subsidiary, RiGB Ltd generated total income of £248k (2019/20: £875k) and a loss of £288k (2019/20: £225k loss) due to COVID related restrictions limited income and income not covering costs.

As noted above, the Ri has continued to enjoy the support of numerous companies, philanthropic trusts and foundations, and individuals for its charitable activities, attracting restricted income of £485k (2019/20: £893k), although not to levels of prior years, reflecting other charities' experience.

The Ri had cash in bank and short-term investments of £1.502m at 30 September 2021 (2019/20: £1.339m). The increase follows receipt of the £1.5m ACE Loan in March 2021 and actions to preserve funds as referred to earlier in this report. The HSBC overdraft facility was renewed in February 2021 with a £500k facility. The overdraft was not used in this financial year following actions described above to preserve funds.

Covid impacts

During the 2019/20 year, this year, and subsequent to year end, Coronavirus (COVID-19) and lockdowns have had a significant

adverse impact across all business sectors including charities. The March 2020 lockdown of schools and the hospitality industry and the winter 2020/21 lockdown have significantly impacted every aspect of the Ri. We have reacted with agility and some success in evolving our programmes to a digital or remote platform as relevant, suspending other activities after communication with their audiences and focused on maintaining strong relationships to enable rapid recommencement as the regulations have allowed and audiences demand. In the period from mid-2021 we have seen progressive signs of slow recovery generating low but encouraging levels of income. We do not believe that recovery to pre-pandemic levels will occur in a short time frame and overall may take another two years.

The Trustees have undertaken detailed analysis and forecasting of the impact of COVID for the foreseeable future and have concluded that, with financial support provided by the Arts Council England, and our bank, HSBC, the Ri and the group remains a going concern. This analysis has been progressively updated as the outlook has changed and most recently based on assessing sensitivities to recovery in our most significant income stream, venue hire, in forecasting a return to "normal" activities. However, the Trustees recognise that, in common with many other organisations, the impact of COVID and lockdowns have created significant uncertainty regarding the short-term future. In particular, the Trustees acknowledge that there is a lack of visibility of the potential impact of possible future outbreaks of the virus on the Ri's operations and financial position and the extent to which behaviours may not return to pre-pandemic norms.

The impact of COVID has produced a level of uncertainty over the Ri's future income and expenditure that did not exist previously. In the 2020/21 financial year management have focused on preserving cash, accessing support programmes and realigning programmatic and support activities to meet needs.

Financial forecasts provided some clarity about the level of financial resources required to enable the Ri to survive this crisis. In March 2021, we received a £1.5m loan from the Arts Council England (repayable over 17 years with repayments commencing in March 2023 and at a fixed 2% interest rate) after previously securing a £500k overdraft facility from HSBC, our bank. Having secured this support, we have focused on all actions to preserve funds and maintain engagement with audiences, where possible, using new methods.

Support received from the Arts Council England has been instrumental in supporting the Ri in the year just completed and providing financial support to recover to more normal financially sustainable levels.

Our focus on operational management and cash has proven effective and resulted in £753k of free cash at year end compared to a forecast of £238k. This favourable performance was due to receipt of a £530k Cultural Recovery Fund grant from the Arts Council England, lower building running costs, conservative budgeting (containing substantial financial contingencies), and good operational performance resulting in contingencies provided not being required.

Going concern

To assess the level of financial support required to return to more normal activities, the Ri has detailed month by month budgets for the next three years and then at an annual level projecting results and cash to 2030. We have modelled the sensitivity to slower rates of recovery in venue hire income which indicate that the Ri may need to rely fully on these facilities if recovery falls below the "base case" modelled.

In addition to this forecasting, as disclosed in Note 29, Post

Balance Sheet Events, we have been notified that the Ri is the residual beneficiary of an estate left by a Japanese Member which we expect to receive during 2022. HSBC have also indicated, but not committed, a willingness to consider providing additional support if it was required. These will provide additional financial options to support the Ri if required.

Based on cash flow projections, the Trustees consider that with these facilities the Ri will be able to continue to operate and emerge from this crisis and continue to deliver our Mission.

Based on the above information the Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate. Further information is provided in the financial statements at pages 20 to 21.

Pricing policy

Ticket prices for the Programmes and Public events are established to strike a balance between appropriate cost recovery and ensuring accessibility for those of modest means. Live streamed lectures are offered at a variety of ticket prices where attendees can elect how much they contribute, and donations are also encouraged.

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

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

The pricing policy remains under review to ensure it is appropriate in these times when the pandemic has undermined the value of our activities and to ensure economic returns to support the work of the Ri and promote both its public benefit and future sustainability.

Investment powers and policy

The Trustees are empowered to invest the Charity's funds at their discretion, except where a donor has given specific instructions. The funds held by the Ri have been invested in the past with HSBC Global Asset Management. However, following a review by the Finance Committee in 2019, assessment of options, receipt of proposals and presentations by a shortlist of potential new Investment Managers, the Ri decided and has now simplified investment arrangements and in December 2020 transferred these funds to CCLA Fund Managers Limited.

The Ri investment policy is to achieve an optimal total return over the long term whilst balancing risk. As a result, and as disclosed in the 2019 Financial Statements, Trustees have exercised the power granted under section 104A(2) of the Charities act 2011 to account for the Gillespie and British Aerospace permanent endowment funds on a Total Return Approach (TRA) basis using the CPI index.

The investment strategy and risk profile of the Ri's main investment portfolio is embodied in the return's strategy categorised as 'long term growth & income'. This year's total return was plus 19% (2019/20: minus 6.7%) due to the overall strength in stock markets and investment selection by our investment managers. The result was marginally above the benchmark for growth and income / medium risk portfolios of plus 18.2% (2019/20: minus 2.2%).

Ri Pension and Life Assurance Scheme

The Ri Pension and Life Assurance scheme, with 9 current and deferred members) has been closed to new members for many years. A £147k credit has arisen in the current year as a result of the FRS102 valuation calculating liabilities being £356k less than the underlying investments (see note 25 for details). The Ri is not entitled to recovery of any surplus from the Scheme so the £356k surplus is not available to the Ri – as a result, the prior year £147k deficit reversal is all that can be accounted for.

The Trustees of this Scheme have demonstrated support and understanding toward the Ri in this difficult period. Deficit Reduction Payments recommenced from 1 October 2020 at the rate of £41k per annum with the goal to extinguish the liability (calculated on a basis as required by the Pensions Regulator and different to FRS102) over the next nine years.

Reserves policy

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

The Trustees are committed to replenish Endowment and Restricted investment funds as described in Note 22 to the Financial Statements. However, the loss of income due to COVID and lockdowns from March 2020 and the need to preserve free cash led Trustees to suspend replenishing endowments from the 30 September 2020 year. In light of the debt taken on to get through this crisis, Trustees have prioritised preserving free cash and repayment of debt over endowment replenishment in the short to medium term. The Charity Commission has authorised this replenishment suspension with the expectation that replenishment will recommence in the 30 September 2024 year, by which time it is expected that financial recovery will be sustainability will be largely achieved.

The Trustees aim to ensure that unrestricted funds raised are reinvested in supporting our charitable programmes. Operating Reserves are established to support the charity in times of financial stress. As a policy, we have had an aim to establish an Operating Reserve of around £3.5m, equating to one year's total operating expenditure, although we plan to reassess in detail the appropriate level of reserve required when the funds are available to re-create this Reserve.

The Ri has a deficit on unrestricted funds of £1.961m and £1.961m for the Group (2019/20: £2.017m for the charity and Group) as a consequence of historic overspending on the building refurbishment, the additional cost of running the refurbished building and a shortfall in capital and operational funding. This deficit will be eliminated as surplus are generated allowing Endowments and Restricted funds to be replenished as referred in Note 22 to the financial statements. The deficit has declined slightly as a result of the year's deficit.

Total funds are £46.876m (2019/20: £46.908m) and of that, £24.512m (2019/20: £24.459m) were Endowment and Restricted funds (after accounting for the Holmes Hines Memorial Fund as described in the Financial Statements Note 1, Basis of Accounting). Total funds include Tangible Fixed Assets and Heritage Assets funds which will only be realised if the assets are disposed, for which there are no plans.

Structure, governance and management

Governing documents

The Governing documents of the Royal Institution of Great Britain are the Royal Charter dated 13 January 1800; the Act of Parliament dated 18 April 1810; an Amending Act dated 14 May 1958; a Supplementary Charter dated 14 November 1958; an Amendment to the Charter of 1800 granted on 22 February 1967; Schemes of the Charity Commission dated 17 April 1959, 26 May 1959, 30 March 1965, 26 January 1967, 26 April 1971, 10 April 1984 and 30 March 2011, and Orders in Council dated 22 February 1967, 11 April 1984 and 7 April 2011. The Ri is governed by these documents and by the Byelaws, which are made under the Governing Documents. The Byelaws were amended by Trustees to amend election timetables to support the work of the Nominations Committee. The Nominations Committee Terms of reference were also amended by Trustees to progress their aim to widen diversity in succession planning across all Ri governance structures. The Trustees also amended the General Meeting Regulations and Ballot Regulations in line with changes to the Byelaws. Members approved all of the changes at the 8 April 2021 AGM. The Ri's registered number and address are shown on page 2 of this report.

Organisation

The Ri is governed by a Board of Trustees (nine elected, and up to four appointed) and three Standing Committees (Audit & Risk Committee, Finance Committee, and a Nominations Committee). The Board of Trustees, Audit & Risk Committee, Finance Committee, and Nominations Committee meet at least quarterly. A Remuneration Committee meets annually.

Additional Sub-Committees are developed as and when the requirement arises and are governed by Terms of Reference approved by the Board of Trustees.

A Director of the Ri is appointed by the Trustees to lead the organisation to ensure delivery of the business plan and budget. The Ri Director has been supported by a Director of Finance & COO, Director of Fundraising, Marketing & Communications, Director of Organisational Development & HR, Director of Science Engagement and Director of Strategy, Planning & Commercial. The Director of the Ri during this financial year, Lucinda Hunt, left the Ri on 31 January 2022. She is being replaced by Katherine Mathieson who commences in April 2022. The Director of Organisational Development & HR, Neil King, left the Ri in January 2022 and this role has been reset at Head of HR level. The Director of Finance & COO, Michael de Crespigny, leaves the Ri on 18 March 2022 and is succeeded by Ian Smith as Director of Finance and Resources who commences in early April 2022. Although not apparent from end and start dates, considerable effort has been expended to ensure successors for these Director positions have been thoroughly briefed by their predecessors.

Lucinda Hunt served as the Interim Ri Director from March 2020 following a distinguished career in education. A former Trustee, Lucinda has a long-standing relationship with the Ri and has also served on the Nominations and former Science & Education Committees. Following a longer than planned and, courtesy of COVID, very demanding two years leading the Ri, Lucinda is stepping down on 31 January 2022. The Board of Trustees would like to express their huge gratitude for the efforts and sacrifices Lucinda has made to perform this role and lead the Ri through the COVID crisis.

As referred previously, Katherine Matheson will join the Ri in early 2022 taking over leadership of the Ri team in April 2022.

During the year the Ri launched a new business planning process to ensure activity and outputs are tied to strategic objectives. Greater staff involvement supported a shift from an output to outcome focused identification of key performance indicators. The Board of Trustees have supported the Directorate focus on eleven overarching initiatives aiming to drive future viability, growing diversity and sustainability.

Ri staff salaries are determined by independent benchmarking. Following staff accepting reductions in salary soon after the March 2020 lockdowns which were reinstated in November 2020, there was no salary review in the previous year to 30 September 2020. A more normal salary and market review was undertaken and increases awarded effective 1 October 2021. Senior staff salaries are evaluated by the Remuneration Committee and considered in accordance with the terms of the Arts Council England loan.

During 2020/21 departments and teams were restructured and three strands, fundraising, marketing and communication brought together under a new Director.

The Board of Trustees have adopted the [Charity Governance Code](#). Trustees have carried out a full assessment at the end of 2021. The Trustees have a strong commitment to safeguarding. An internal Safeguarding Committee meets monthly, reports to the Audit & Risk Committee and the Trustees appoint a Lead Trustee for Safeguarding with Professor Alison Woollard holding the position from April 2021, following Chris Potter's tenure as Lead from September 2020.

The Board of Trustees have supported expanding diversity and inclusivity across all aspects of the Ri's governance. The Nominations Committee was refreshed in 2021 widening the diversity of its membership. At the 8 April 2021 AGM Trustees proposed and Members approved amendments to the Nominations committee Terms of Reference to include a responsibility for promoting Equality, Diversity, Inclusion and Accessibility (EDIA) in regard to Board and Committee membership. The Board appointed Suze Kundu, who was also appointed to the Nominations Committee in 2021, as Trustee responsible for Equality, Diversity, Inclusion and Accessibility. The Trustees also approved de-gendering all policy and procedures in 2021. At the 8 April 2021 AGM the Trustees proposed, and Members approved de-gendering the Byelaws, Ballot and General Meeting Regulations.

Appointment of Trustees

The Byelaws of the Ri require nine elected Trustees and up to four appointed Trustees to make up the Board of Trustees. Appropriate provision to ensure both continuity and refreshing the Board is made within the Byelaws that require one third of the elected Trustees to retire each year and set limits for the time they may serve as a Trustee. A subsequent annual election by the Ri Membership via a ballot (in the event of the number of nominations exceeding the number of vacancies) is held and independently scrutinised.

In the 2021 Election, the Nominations Committee received eight nominations and an election took place in line with the Byelaws. Following the election and subsequent AGM on 8 April 2021, three Trustees, Sophie Forgan, Alison Woollard and Chris Potter were elected with heritage, science education & engagement, and audit & cyber-security expertise. Additionally, Sir Richard Catlow and Kate Hamilton were newly appointed with interdisciplinary science, education and research and digital marketing expertise and skills. The Trustees also appointed Sir Richard Sykes as Chair of the Ri. At the AGM the Trustees recorded their gratitude for the long-term commitment and support of Sir Julian Hunt, who retired as a Trustee in March 2021.

Trustee induction and training

New Trustees are inducted to the Board using an approved induction plan. They are briefed and receive a copy of the Ri Byelaws, as well as key policies and procedures, and the Charity Commission's "The essential Trustee: what you need to know". Trustees are kept up to date throughout the year with changes to legislation by the Directorate; are invited to attend Ri staff Team Breakfasts and briefings; and training. Trustees are required to successfully complete DBS checks and NSPCC safeguarding training.

Related parties

None of the Trustees receive remuneration or other benefit for their work with the Ri.

The Ri is the sole shareholder of the trading subsidiary RiGB Limited, company registration number 04065626. RiGB Limited hires out Ri space to other organisations and to the public for events in the Ri building at 21 Albemarle Street, to maximise the return on its charitable assets and provide income to support charitable programmes. The Ri's event space is established as an attractive destination for many clients and the diversity of these clients had progressively grown until lockdown in March 2020.

The Directors of RiGB Limited are the Ri Director of Finance & COO and a former Honorary Treasurer and member of the former Council of the Ri. The Director of Finance & COO is also Company Secretary of RiGB Limited. RiGB Limited pays a management fee and, normally, gift aids its profits to the Ri. RiGB generated revenues of £248k (2019/20: £875k) but made a loss of £288k (2019/20: £225k loss) due to the impact of the COVID lockdowns and restrictions during the financial year. The Ri has provided a letter of support to the Directors of RiGB Limited to enable them to sign this year's financial statements.

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

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

Fundraising approach and standards

During this difficult year the team focused on stewardship of current donors: Patrons, Corporate supporters, Trusts and Foundations and individuals. We also focused on clear communication on how the Ri was adapting to the pandemic and about our plans for the short and long term. Overall, feedback was very supportive, and we are grateful to all of our supporters for their patience, advice and good wishes during a difficult time.

Monitoring fundraising activity

The Ri does not use third party organisations to fundraise on its behalf. We have a Development advisory group, a small group of Trustees and non-Trustees, who aim to support the growth of major donations from individuals. This group was established in early 2019 with agreed Terms of Reference including conduct and behaviour best practice in line with the Code of Fundraising Practice. Supporter relationship development is managed by the Development team using a well-established CRM system. The Development advisory group meets quarterly and the Chair reports to the Board at quarterly Trustees' meetings.

Complaints received by the charity

The Ri operates a Fundraising complaints procedure. For the

financial year ending 30 September 2021, we received no complaints from members of the public. We have nothing to report in respect of failures and/or breaches, which we have taken to include complaints or breaches referred to, and upheld by, either the ICA or the Fundraising Regulator.

Protection of people in vulnerable circumstances

The Ri Privacy Policy is published on our website and clearly explains how we will and will not use individual's personal data under the legitimate interests' provisions and in compliance with GDPR. <https://www.rigb.org/home/privacy-policy>.

Our Privacy policy outlines our approach to managing people's privacy under a clearly headlined 'Fundraising and Development' section. Individuals are made aware of updates and changes through email communication.

The Ri offers a clear process for any individual who does not want their data to be managed in a way that is referred to in the policy. The Development team plans and manages communications to ensure no one individual is overloaded or receives duplicated messages from the Ri.

Our in-house fundraisers, the Development and Membership teams, are responsible for managing relationships and communications with individuals. Individual relationship management is supported by a clear structure, processes and data stored on our well-established CRM system. This system clearly describes an individual's relationship with the Ri and, depending on the relationship and their preferences, the level and type of communication. All communications and engagement are recorded, tracked and monitored on our CRM system.

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

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

Risk management

The Trustees are responsible for ensuring that proper arrangements are in place for adequate and effective risk management and control and risk is reviewed and managed by senior staff, the Ri Directorate, and the Audit & Risk Committee. During 2021 the model and structure of risk management was reviewed and refreshed, drawing on the expertise of the Audit & Risk Committee and building on existing processes. The major risks to which the Ri is exposed have been reviewed and systems embedded to manage and mitigate those risks. An updated model of risk management including a Risk Register and key risk indicators to inform decision making and support realistic and achievable controls is in place. A process of assurance is being developed to support a dynamic review and management of risk

Regular reviews of business performance throughout the year highlight strategic and operational risks, particularly the need to attract sufficient funding, manage cash flow, and invest in the core infrastructure. An enhanced business planning and

budgeting process linked to Key Performance Indicators has ensured a rigorous future approach to monitoring and review. The Trustees remain vigilant over the Ri's ability to raise sufficient funds to support its charitable activities and deliver its mission to ever more diverse audiences and participants.

The Trustees receive quarterly updates on Ri risks via the Audit & Risk and Finance Committees, allowing them to effectively evaluate risk management and financial results. The Committee scrutinises, monitors and recommends the levels of risk tolerance to Trustees, who then approve the Ri's overall tolerance for risk. The Committee also monitors the controls put in place to mitigate and manage the identified risks. The Committee monitors proposed and actual actions to matters raised through incident reporting, external statutory audit and internal audits undertaken, ensuring any required onward reporting, action planning and remedial action takes place. Additionally, the Audit & Risk Committee tracks the continuous improvement of the Ri's policy, is actively involved in the development of risk focused procedure and policy and monitors management responses to incidents and adverse events. The Committee also monitors key relationships and partnerships, conflicts of interests, exceptions to delegated authorities and incident reporting.

Major risks

The Ri continuously monitors operational and financial risks, which are core to ensuring a sustainable and valued charitable offering.

A key strategic risk facing any cultural organisation such as the Ri is remaining relevant to an ever-evolving audience. The prestige of the Ri heritage and the quality of its programmes help mitigate the risk. The Ri's ability to reshape itself and implement a sustainable strategy for the future remains the key focus of the Directors. In 2020/21 this risk remained high as a result of the continuing COVID pandemic, lockdowns and restrictions resulting in most physical events not being possible, although many were recommenced in mid-2021 and have grown slowly. Significant aspects of COVID related risks include:

- Beneficiaries and supporters: COVID restrictions reduced beneficiaries' access to events which could not be held in their traditional form. Remaining relevant to an ever-evolving audience at a time when events could not be held, the building was closed was a key strategic risk. Supporters have been less willing to support programmes financially where delivery is principally online. Member retention has reduced as tangible benefits from events were reduced. Mitigation taken includes creating alternative digital services, virtual live streamed lectures and new digital content and outreach unconnected to the confines of the building. In more recent times we have livestreamed lectures delivered in the theatre to an audience to make it easier for audiences anywhere to participate in our events.
- Trading income and Venue Hire clients: Due to COVID, clients have been largely unable to hold face to face meetings and events. This may cause habits to change, and alternatives may be preferred in a post COVID future. However, recent indications are of a growing interest to hold events at the Ri, albeit subject to change as the pandemic outlook and threat of restrictions change. Suppliers such as caterers Searcy's may be unable to comply with their contract with the Ri and undermine the appeal of the venue. RIGB staff have invested considerably in client relationships, developing new offerings, promoting offerings to new prospects, and working with existing clients to discuss how and when events can be held safely.
- Staff: In times of such uncertainty, it becomes more difficult to retain staff, especially while they fear redundancy. Remote

working may undermine teamwork and cross-departmental innovation may be undermined. Following reorganisation, the Executive is working with the wider team to support innovation and focus efforts on generating income.

- Financial: Income, in particular unrestricted income, has fallen to levels insufficient to cover the cost of running the organisation resulting in operating losses. The Ri has, and continues to reduce costs whilst COVID impacts continue. In addition to this, the Ri has taken advantage of all COVID related grants and support programmes such as the Coronavirus Job Retention Scheme and the Arts Council England Culture Recovery Fund grant. Detailed cashflow forecasting has been developed and updated to assess financial needs and actions to survive this crisis. We have accepted and received an Arts Council England £1.5m loan with repayments over 17 years at 2% fixed interest rate. The likelihood of a substantial legacy, as described in the Post Balance Date events to the Financial Statements, will also provide Trustees options if financial conditions deteriorate significantly. The Ri has also issued a letter of support to the Directors of RIGB Ltd, which is technically insolvent following the loss of Venue Hire income since March 2020 lockdown.

The Ri faces a significant but manageable risk in regard to membership of the USS pension scheme as described in Note 28 to the Financial statements. If the Ri has no staff who are members and contributing to the USS Scheme, a Section 75 Debt will arise after a period of grace. This risk is estimated at 30 September 2021 to be £9.3-11.2m based on the USS 30 March 2020 valuation (2019/20: £4.7m based on the 31 March 2017 valuation). This risk is manageable by ensuring the Ri does not have fewer than on members of USS. Please see Note 28 for more details.

The Ri's work to establishing a stable financial foundation over the recent past continues, together with the very close management and monitoring by the Finance Committee of cash flows, monthly financial reviews including forecasting and management reporting.

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

The Trustees are confident that the Ri will survive this crisis and emerge more focused and effective than in the past. The Board and Sub-Committees have supported management in responding to this crisis. With financial facilities secured to enable to Ri to emerge from this crisis, the Ri remains in a secure and stable financial position. This will enable the Ri to attract supporters and funders to underpin the future growth and development of its charitable programmes.

Trustees' responsibilities in relation to the financial Statements

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

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities'

Statement of Recommended Practice.

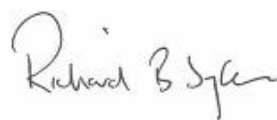
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

The Trustees consider Public Benefit in both the activities of the Ri and the decisions taken on behalf of the Ri.

By order of the Trustees



Sir Richard Sykes, FRS
Chair of the Royal Institution of Great Britain

22 February 2022

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

Opinion

We have audited the financial statements of the Royal Institution of Great Britain (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements 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 groups and charity's affairs as at 30 September 2021 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for Opinion

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

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

Conclusions related to going concern

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 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 framework, that the group and parent charity operate in and how the group and parent charity is complying with the legal and regulatory framework;
- 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 charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. 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, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and inspecting correspondence tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations and health and safety. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

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 significant, unusual transactions and transactions entered into outside the normal course of business and 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

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

Dated 2 March 2022

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

Consolidated Statement of Financial Activities (SOFA) for the year ended 30 September 2021

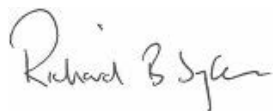
	Notes	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2021 Total Funds £000	Unrestrict- ed Funds £000	Restricted & Endow- ment Funds £000	2020 Total Funds £000
Income and endowments from:							
Donations and legacies	2	988	12	1,000	735	135	870
Other trading activities	3	1,203	-	1,203	1,785	-	7,785
Investments	4	28	151	179	29	115	144
Charitable activities	5	496	322	818	771	643	1,414
Total		2,715	485	3,200	3,320	893	4,213
Expenditure on:							
Raising funds	6	1,005	37	1,042	1432	56	1,488
Charitable activities	7	2,298	634	2,932	2,562	778	3,340
Total		3,303	671	3,974	3,994	834	4,828
Net gains / (losses) on investments	14	-	595	595	(21)	(322)	(343)
Net (expenditure) / income		(588)	409	(179)	(695)	(263)	(958)
Transfers between funds	10	356	(356)	-	143	(143)	-
Net (expenditure) / income		(232)	53	(179)	(552)	(406)	(958)
Other recognised losses							
Actuarial gains / (losses) on defined benefit pension scheme	25	147	-	147	(147)	-	(147)
Net Movement In Funds		(85)	53	(32)	(699)	(406)	(1,105)
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		22,449	24,459	46,908	23,148	24,865	48,013
Fund balances carried forward at 30 September		22,364	24,512	46,876	22,449	24,459	46,908

The notes on pages 20 to 43 form part of these financial statements.

Balance Sheets as at 30 September 2021

		Group	Charity	Group	Charity
		2021	2021	2020	2020
	Notes	£000	£000	£000	£000
Fixed Assets:					
Intangible Assets	11	222	207	183	172
Tangible Assets	12	34,411	34,375	34,457	34,407
Heritage Assets	13	4,719	4,719	4,719	4,719
Investments	14	9,555	9,555	8,620	8,620
Total Fixed Assets		48,907	48,856	47,979	47,918
Current Assets:					
Debtors	15	311	831	295	295
Cash at bank and in hand		1,502	1,207	1,339	1,309
Total Current Assets		1,813	2,038	1,634	1,604
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,312)	(986)	(1,280)	(1,155)
Net Current Assets		501	1,052	354	449
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	17	(2,532)	(2,519)	(1,278)	(1,087)
Net Assets Excluding Pension Liability		46,876	47,389	47,055	47,279
Defined Benefit Pension Scheme Liability	25	-	-	(147)	(147)
Total Net Assets		46,876	47,389	46,908	47,133
The Funds of The Group and Charity:					
Endowment funds	19	22,729	22,729	22,530	22,527
Restricted income funds	20	1,783	1,783	1,929	1,932
Unrestricted funds	21	22,364	22,877	22,596	22,821
Pension reserve	25	-	-	(147)	(147)
Total Charity Funds		46,876	47,389	46,908	47,133

Approved by the Board of Trustees on 22 February 2022 authorised for issue, and signed on its behalf by:



Sir Richard Sykes, FRS
Chair, The Royal Institution of Great Britain

Dated: 22 February 2022

The notes on pages 20 to 43 form part of these financial statements.

Consolidated and Charity Cash Flow Statements for the year ended 30 September 2021

	Notes	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Cash flows from operating activities:					
Net cash (used in) operating activities		410	138	(396)	(334)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	180	180	144	144
Purchase of property, plant and equipment	12	(25)	(25)	(63)	(36)
Purchase of intangible assets	11	(62)	(55)	(94)	(83)
Purchase of investments	14	(5,245)	(5,245)	(1,938)	(1,938)
Proceeds from sale of investments	14	4,905	4,905	2,609	2,609
Net cash provided by investing activities		(247)	(240)	658	696
Change in cash and cash equivalents in the reporting period		163	(102)	(255)	262
Cash and cash equivalents at 1 October		1,339	1,309	1,077	947
Cash and cash equivalents at 30 September		1,502	1,207	1,339	1,309
Reconciliation of cash flows from operating activities:					
Net income/(expenditure) for the reporting period		(179)	109	(958)	(733)
Adjustments for:					
Depreciation and Amortisation charges	11,12	94	77	105	78
(Gains)/Losses on investments	14	(595)	(595)	343	343
Dividends, interest and rents from investments	4	(180)	(180)	(144)	(144)
Loss on disposal of fixed assets	12	-	-	8	8
Decrease/(increase) in debtors	15	(16)	(536)	436	274
(Decrease) in creditors	16,17	1,286	1,263	(186)	(160)
Net cash (used in) operating activities		410	138	(499)	(396)

The notes on pages 20 to 43 form part of these financial statements

Notes to the financial statements for the year ended 30 September 2021

1. Accounting policies

Charity Information

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

Basis of Accounting

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

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

These financial statements consolidate the results of The Royal Institution of Great Britain and its wholly owned subsidiary RiGB Limited (Company number 4065626) on a line-by-line basis. They do not include a Charity only Statement of Financial Activities, because the charity has taken advantage of the exemptions conferred by the SORP. The financial statements of the subsidiary are detailed in note 14.

Merger accounting has been applied to the Holmes Hines Memorial fund, which was acquired during the year following the Scheme approved by Order of the Charity Commission's on 2 December 2020. The merger method of accounting has been applied to these financial statements as if the entities had always been combined. The accounting policies of both The Ri and the Holmes Hines Memorial fund were previously aligned and consequently there has been no need to modify any existing accounting policies in consolidating the Scheme.

The charity meets the definition of a public benefit entity under FRS102.

Functional and presentation currency

The functional currency of the Charity and its subsidiary company is considered to be pounds sterling as this is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling to the nearest round thousand.

Going concern

During the previous and this financial year, the COVID disease had created a global pandemic causing a significant impact across all business sectors and charities. The Ri responded with agility and with a considerable degree of success in evolving charitable programmes to, where possible, continue to deliver

to audiences despite the severe constraints whilst also protecting its financial resources.

The Directorate, with Trustee involvement, have undertaken a detailed analysis of programmes and activities to adapt where possible to social distancing rules and emerge from this crisis with stronger, more relevant and focused programmes than before. This has led to prioritising the public engagement of science, reassessment of our education programmes, reducing and restructuring the Ri team-

Up to the mid-March 2020 lockdown our programme impact grew, and we were on track to deliver a modest financial surplus for the year. Subsequent to lockdown, all programmes were significantly impacted and most income generation has ceased. This led to a significant deficit as reported for the previous year. In the current year, from mid-2021, programme activities and face-to-face engagement has generally restarted albeit with lower levels of initial demand than pre-pandemic although we do see signs of progressive recovery. Forecasting future financial needs has led to strengthening working capital management, reducing costs and securing loan funds to fund activities and survive this pandemic until the Ri becomes financially self-sustaining once again.

The key operational impacts of COVID are described in the Trustees Report attached to these financial statements. Impacts include suspension in 2020 of almost all programmatic activity and trading income generation with progressive resumption from mid-2021. The one positive exception has been premises leased to tenants which have continued to generate income as contracted and we have taken on more and new tenants whose work is "mission aligned" to the Ri. 2021 lease renewals demonstrated greater demand for Ri space than we were able to satisfy, although we have released additional space following headcount reductions and changes of ways of working which has generated additional income. Charitable programmes and trading activities are however not expected to recover to pre-COVID levels until late 2023.

The Directorate have continued to focus on best use of resources and funds including:

- Variable cost reductions and stopping discretionary spend;
- Applying for all grants when relevant to our activities. The continuation of the Furlough grant has assisted but to a lesser degree than in the 2020 year. Most significant was receipt of an ACE Cultural Recovery Fund grant in November 2020 - £530k of which was received in the last financial year.
- Discounting salaries up to 10% for those working and up to 20% for those furloughed for much of the second half of the previous year was brought to an end in November 2020 and no pay rises were awarded on 1 October 2020 which had been the norm. In recognition of inflationary pressures, market movements and the absence of 1 October 2020 rises, an October 2021 general 3.5% pay rise was awarded;
- Lower headcount levels, after the 2020 staff consultation, reducing numbers to January 2021, were held until recently when rebuilding teams has recommenced to enable the progressive restarting of programmes from mid/late-2021;
- Suspending almost all capital spending;
- Receipt of the £1.5m ACE loan in March 2021 enabled payment deferrals, including HMRC, to be settled and more orderly working capital management.

It is recognised that the impact of COVID is not unique to the Ri. Operational and financial risks have however increased as COVID has changed behaviours and affected demand for face-to-face programmes and commercial services. We see signs of recovery but there is uncertainty as to the period of recovery

and eventual demand. However, the ACE loan, other financial facilities and outlook provides greater assurance as to short-term and long-term financial resilience. The principal risks facing the Ri, including those resulting from the impacts of COVID, and how they are mitigated, are described in the Trustees report on page 13.

The financial impacts of COVID, particularly on unrestricted income, have continued to be severe and have been, to a degree, mitigated by developing other sources of income, reducing staff and non-staff costs and taking other actions as described above and in the Trustees report on pages 4 - 5. However, signs of recovery are evident in all our programmatic and commercial activities at levels generally consistent with prior financial modelling resulting in financial resources being generally stronger than previously forecast, after considering unexpected ACE CRF and Furlough grants in this financial year.

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

- The budget agreed for the year to 30 September 2022, adjusted for actual results for the first quarter to 31 December 2021, plus cash flows for the 2023 - 2029 years modelled on a series of conservative operational and financial assumptions.
- The above forecast has then been used to assess sensitivities to potential risks impacting the most important and variable income sources and longer recovery periods.

The forecast, the Base Case, indicates that the ACE loan, with occasional use of the HSBC overdraft facility, will be sufficient for the Ri to emerge from this crisis, return to financial sustainability and service the ACE debt. Sensitivity analyses of the Base Case, whilst resulting in net negative impacts and longer recovery may be accommodated with options for additional financial support and cost reduction.

The forecast and sensitivities modelled indicate that existing financial resources after receipt of the ACE loan, HSBC overdraft facility and other mitigation options will be sufficient for the Ri to recover to more normal levels of activity and financial sustainability. This represents a significant strengthening of the Ri's financial position from that when the previous financial statements were signed.

Continued uncertainty exists regarding COVID and its progression, future government action and guidelines and behavioural changes by our audiences, supporters and clients. Trustees are prepared to accept further reduction of activity and capability should this become necessary for the survival of the organisation.

The financial statements Post Balance Sheet Date Events note 29 refers to the potential for receipt of a Legacy from a person who was an Ri Member for many years. Whilst the Trustees have agreed to designate this legacy when received to strengthen financial reserves and provide funds to further develop the Ri, the additional financial reserves will be available to support the Ri in the event of a significant worsening of COVID impact.

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

Recognition of Income

Donations and the donation element of patron income and corporate Memberships are credited to the Statement of

Financial Activities on a receivable basis, including the related income tax recoverable under Gift Aid.

Legacies are credited to the Statement of Financial Activities in the year in which The Royal Institution of Great Britain is notified of the entitlement and is able to measure the amount with reasonable certainty. The legacy referred to in the Post Balance Date Events note has not been recognised in the current year as probate was not granted as at the year end.

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

Consolidated income is recognised in accordance with the delivery of contracted services. Due to COVID related social distancing, the Venue Hire team worked with their customers postponing previously scheduled events and now scheduling them as events recovery occurs. The judgement is now that most events will take place in the next financial year and so deposits received have been reflected as short-term liabilities.

Grants are included in incoming resources when the charity has met all conditions of receipt. In the case of government grants, including the ACE CRF grant, confirmation from the grant giver has to have been received regarding additional payments before the income not yet received is recognised. Coronavirus Job Retention Scheme (CJRS) grants are accounted for in the period the entitlement arises. CJRS has not been used since June 2021 and no claims are outstanding.

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

Recognition of Liabilities

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

Allocation of costs

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

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

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

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

Properties, fixed assets and depreciation

Long leasehold land and buildings are stated at deemed cost in the case of properties for charitable use. The freehold property of No. 20 Albemarle Street is stated at deemed cost (market value as of 30 September 2014).

Freehold and long leasehold land and buildings used for charitable purposes are listed buildings maintained to a high standard that retains their service potential and hence no provision for depreciation has been made. The cost for upkeep is part of maintenance costs. The original buildings have a long useful economic life with a high residual value so depreciation

would be immaterial. Improvements to the original buildings since adoption of FRS102 will be capitalised and depreciated as Plant & Machinery over their useful lives.

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

Assets with a purchase value of less than £500 are expensed when acquired.

Depreciation is provided on tangible fixed assets at rates calculated to reduce them to residual value over their estimated useful lives at rates calculated on a straight-line basis. The principal rates used are as follows (half a normal year's depreciation charged on assets acquired and capitalised during the year):

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

Investments

Fixed asset investments, which include Investment Property, are included in the financial statements at market value on the Balance Sheet date. The Investment Property is valued at the discounted value of future lease payments contracted under a 20-year lease contracted in 2016. Realised gains or losses on disposals and unrealised gains or losses resulting from fluctuations in market value are taken to the Statement of Financial Activities in the year in which they occur. The allocations of these gains or losses are based on number of units held by each fund under the different categories of unrestricted, designated and endowment.

Income from investments is included in the financial statements on an accrual's basis.

All Endowment funds' investments, and part of those of the restricted funds, hold units in the CCLA COIF Equity fund with discrete accounts for each endowment. The previous Royal Institution Investment Pool was dissolved in the current year.

A Total Return Approach (TRA) is taken to accounting for capital of the British Aerospace Educational and Gillespie Trust endowments using the CPI index from the date the funds were received.

Intangible Assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of the assets, less their estimated residual value over their expected useful lives at rates calculated on a straight-line basis.

Staff costs have been capitalised for larger developments where time and costs can be identified and are significant.

The principal amortisation rates used are as follows (half a normal year's amortisation is charged of assets acquired and brought in to use during the year):

Finance Software	10% pa
All other Software	33% pa

Amortisation is included in expenditure on raising funds on the SOFA. Useful lives have been selected to reflect the time in which the software becomes obsolete or require significant investment for its ongoing use.

Heritage Assets

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

The Trustees have considered Charities guidance from SORP (FRS102) relating to the valuation of the heritage assets. These assets are included in the Balance Sheet using a valuation by Christies in September 2016 at the lower range of an auction estimate (see analysis in note 13).

Cash and liquid resources

Cash includes cash in hand, deposits repayable on demand and, if any, overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Liquid resources comprise assets readily disposable, but not within 24 hours without penalty. They include short term deposits and other instruments held as part of the Group's treasury management activities.

Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Financial Instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The exceptions to this are Investments to be measured at fair value.

Pension costs

Contributions payable to The Royal Institution of Great Britain's defined benefit pension scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

The pension scheme liabilities are measured using a projected unit method and discounted at a high-quality corporate bond rate as advised by Actuaries. Pension scheme deficits are recognised on the balance sheet when relevant.

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

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

Fund accounting

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

- Unrestricted general funds – These are funds which can be used in accordance with The Royal Institution of Great Britain's objects at the discretion of the Trustees.
- Designated funds – These form part of the unrestricted funds, but these represent amounts which have been set aside for a specific purpose by the Trustees.
- Restricted funds – These are funds that can only be used for particular restricted purposes within the objects of The Royal Institution of Great Britain. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Endowment funds – Permanent endowment funds are funds normally arising as a result of a will where the income but not the capital sum can usually be spent. Expendable endowment funds are funds where provision is made for both the income and capital to be spent on defined activities.

Estimates and judgements

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

Heritage assets are stated at valuation based on an independent valuation completed in 2017. Many of the items are irreplaceable and valuable in the context of the Ri heritage and their value is very difficult to determine. The Ri has agreed not to dispose of its heritage assets as part of its museum accreditation.

Investment assets include one floor of a freehold building subject to a long lease. The lease valued was determined on the basis of discounted cash flows including regular five yearly rent reviews. A rent review due in April 2021 was waived as a result of factors associated with Covid. The next rent review is due in April 2026 and is expected to be carried out as contracted. Although the valuation of the Investment has not been adjusted to reflect possible potential income foregone, the Trustees believe the value of the Investment Property, £4m, is not materially misstated.

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

Redundancy and Termination Payments

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

2. Donations and legacies

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2021 Total Funds £000	2020 Total Funds £000
Voluntary Income:				
Donations – Patrons	97	12	109	248
Donations – Other	110	-	110	69
Legacies	102	-	102	27
Total Voluntary Income	309	12	321	344
Other income:				
Government Grants	560	-	560	-
Government Grant CJRS	119	-	119	496
Donations – Education	-	-	-	30
Total donations and legacies	988	12	1,000	870

The group received a grant of £119k via the Coronavirus Job Retention Scheme (2020: £496k). The group received £530k (2020: £0) from ACE as part of the Cultural Recovery Fund (CRF) grant programme. The group received a £1.5m loan from ACE with repayment over 17 years and interest fixed at 2%. The CJRS, ACE CRF grant, and ACE Loan are all the forms of direct financial assistance received from the UK Government in this financial year (2020: £496k) and there are no unfulfilled conditions or other contingencies attached to these grants or loan.

3. Other trading activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2021 Total Funds £000	2020 Total Funds £000
Rents receivable	906	-	906	817
RiGB Limited room hire income	86	-	86	710
Sundry income	211	-	211	258
Total other trading activities	1,203	-	1,203	1,785

4. Investments

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2021 Total Funds £000	2020 Total Funds £000
Quoted investments	28	151	179	142
Deposit interest	-	-	-	2
Total investments	28	151	179	144

The split of investment income between funds for 2020 was £29k Unrestricted and £115k Restricted.

5. Income from charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2021 Total Funds £000	2020 Total Funds £000
Membership subscriptions	161	-	161	216
Patron subscriptions	29	-	29	21
Corporate subscriptions	27	-	27	25
Public and educational events	116	-	116	390
Sponsored events	155	-	155	115
Educational programme grants	5	322	327	643
Heritage	3	-	3	4
Total income from charitable activities	496	322	818	1,414

The split of income from charitable activities between funds for 2020 was £771k Unrestricted and £643k Restricted.

6. Raising funds

	Unrestricted Funds	Restricted and Endowment Funds	2021 Total Funds	2020 Total Funds
	£000	£000	£000	£000
Direct costs – Voluntary Income	73	-	73	72
Direct costs – Other Income	184	-	184	247
Support costs	352	-	352	263
RiGB Limited direct costs	174	-	174	408
RiGB Limited support costs	222	-	222	447
Investment Management and Audit Fees	-	37	37	51
Total costs of raising funds	1,005	37	1,042	1,488

The split of Raising Funds for 2020 was £1,432k Unrestricted and £56k Restricted.

7. Charitable activities

	Unrestricted Funds	Restricted and Endowment Funds	2021 Total Funds	2020 Total Funds
	£000	£000	£000	£000
Members' Costs:				
Direct costs	65	3	68	88
Support costs	79	-	79	72
Total Members' Costs	144	3	147	160
Education:				
Programme costs	269	330	599	899
Young Scientist Centre	69	-	69	194
Online	176	1	177	184
CHRISTMAS LECTURES	76	237	313	305
Support costs	1385	-	1385	1,323
Total Education costs	1,975	568	2,543	2,905
Heritage				
Collection costs	87	3	90	116
Philip Freer Fund	-	60	60	49
Support costs	92	-	92	110
Total Heritage costs	179	63	242	275
Total charitable activities	2,298	634	2,932	3,340

The split of charitable activities for 2020 was £2,562k Unrestricted and £778k Restricted.

Auditor's remuneration excluding VAT was £37k for audit services and £10k for other accountancy services (2020: £31k for audit services and £3k for other accountancy services).

8. Allocation of support costs

	Fundraising & Development	Members' Costs	Education	Heritage	RiGB Ltd	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000	£000
Premises costs	109	24	428	28	52	641	755
Operations, Finance & IT	115	27	447	30	80	699	592
Staff recruitment, training & welfare	23	5	92	6	16	142	97
Office costs	29	7	115	8	20	179	211
Legal and professional	8	2	32	2	6	50	50
Depreciation	10	2	40	3	7	62	76
Marketing	24	5	95	6	17	147	171
Digital costs	1	-	5	-	1	7	7
Governance	33	7	131	9	23	203	256
Total	352	79	1,385	92	222	2,130	2,215

9. Staff costs

	2021 £000	2020 £000
Wages and salaries	2,064	2,551
Social security costs	202	249
Pension costs – defined benefit	18	15
Pension costs – defined contribution	86	107
Total Staff Costs	2,370	2,922

No remuneration was paid to Trustees (2020: £nil). No expenses have been paid to Trustees during the year (2020: £386, to two Trustees for travel).

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

	2021 No.	2020 No.
£60,001-£70,000	1	1
£70,001-£80,000	1	2
£80,001-£90,000	-	2
£90,001-£100,000	2	-

Two of the above employees (2020: three) benefited from employer's contributions to their stakeholder schemes during the year totalling £7k (2020: £13k). Two employees earnings have moved up one band due to the impact of full vs partial year employment and reflecting salary sacrifices made in 2020 after Covid lockdowns commenced.

Average number of employees analysed by function

	2021 No.	2020 No.
Educational Programme	19	28
Heritage	1	2
Premises	8	12
Directorate	2	2
Fundraisers	5	5
Membership department	1	1
Operations, Finance and IT	12	15
Total Staff	48	65

Remuneration of Key Management Personnel

The key management personnel of the Charity comprise the Trustees (who are not paid), the Director of the Ri, Director of Finance & COO, the Director of Human Resources and Organisational Development, the Director of Strategy, Planning and Commercial, the Director of Development, replaced by the Director of Fundraising, Marketing and Communications, and the Director of Science & Education for part of the year. Total remuneration of the key management personnel, including employer's national insurance and employer's pension contributions, was £499k (2020: £442k).

Executive Liability Insurance has been purchased from Chubb European Group SE which covers staff and Trustees. A premium of £4k (2020: £4k) was paid for £1m (2020: £1m) of cover.

Redundancy Payments

A reorganisation following a staff consultation necessitated by COVID resulted in one redundancy totalling £24k in the year (2020: 11, £38k). This redundancy is payable after the balance date and has been accrued as at 30 September 2021.

Termination Payments

There were no termination payments in the year (2020: NIL) as compensation for terminating an employment contract in lieu of notice.

Ex-gratia payments

There were no Ex-gratia payments in the year (2020: NIL).

10. Gross transfers between funds

Below are regular transfers of funds, these are done for the following reasons:

- A) The Total Return Approach (TRA) valuation enabled a transfer from endowment into restricted funds (see note 19)
- B) This transfer represents the contribution to the Ri's overheads
- C) When the restricted income fund has been consumed, the expendable endowment of the same fund can be utilised

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
British Aerospace	A			9	(9)
Causeway	B	(13)			13
CHRISTMAS LECTURES	B	(152)		152	
Clothworker Masterclass	B, C	(22)		(35)	57
CW Stem grants	B	(15)		15	
DS Smith	B	-			-
Gillespie	A, B	(22)		(101)	123
Holmes Hines Memorial fund	B	(16)		16	
Kantor	B	(10)		10	
LRF	B	(50)		50	
OSF Pseudo science	B	(3)		3	
Philip Freer Studentships Income	B	(18)		18	
Total regular transfers		(321)		137	184

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

The transfers below correct past transfers and allocation that were incorrect:

- D) While the investment was pooled, the unit allocation was not followed consistently, not reflecting sales and purchases of individual funds. These adjustments bring the funds and assets to levels that reflect the actual fund performance as well as possible. This does not affect the amounts of replenishment due to certain funds.
- E) Restricted funds have been classed as endowment during 2017 - this movement reverses this.
- F) The replenishment of funds during 2018/19 was incorrectly treated as a fund transfer. This adjustment reverses the journals made.

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
British Aerospace	D, F	(12)			12
Mond	D, E	99		(37)	(62)
Building Preservation	D	8			(8)
Clothworkers Endowment	D, F	(95)			95
Clothworker Masterclass	D, F	(29)			29
RI research fund	D	(3)			3
Victoria Woodhull	D, F	(32)			32
Education fund	D	10		(10)	
Research funds	D	19		(19)	
Total correcting transfers		(35)		(66)	101

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

11. Intangible assets

Group and Charity	Computer Software £000	Charity Total £000	CRM Software RiGB Limited £000	Group Total £000
Cost or Valuation:				
At 1 October 2020	208	208	92	300
Additions	55	55	7	62
At 30 September 2021	263	263	99	362
Amortisation:				
At 1 October 2020	35	35	81	116
Charge for the year	21	21	3	24
At 30 September 2021	56	56	84	140
Net Book Value:				
At 30 September 2020	172	172	11	183
At 30 September 2021	207	207	15	222

12. Tangible assets

Group and Charity	Freehold Building £000	Long Leasehold Land & Buildings £000	Restaurant Fixtures & Fittings £000	Computer Equipment £000	Plant & Equipment £000	Fixtures and Fittings £000	Charity Total £000	RiGB Ltd £000	Group Total £000
Cost or Valuation:									
At 1 October 2020	11,880	22,332	37	546	26	499	35,320	128	35,448
Transfer	-	-	-	-	-	-	-	-	-
Additions	-	-	-	15	7	3	25	-	25
Disposals	-	-	-	(124)	-	-	(124)	(4)	(128)
At 30 September 2021	11,880	22,332	37	437	33	502	35,221	124	35,345
Depreciation:									
At 1 October 2020	-	-	37	430	7	439	913	78	991
Transfer	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	38	4	14	56	14	70
On Disposals	-	-	-	(123)	-	-	(123)	(4)	(127)
At 30 September 2021	-	-	37	345	11	453	846	88	934
Net Book Value:									
At 30 September 2020	11,880	22,332	-	116	19	60	34,407	50	34,457
At 30 September 2021	11,880	22,332	-	92	22	49	34,375	36	34,411

The freehold of 20 Albemarle Street was revalued at the effective date of 30 September 2014, by Gerald Eve LLP, an independent valuer. The methods used referred to observable market transactions, the UK economy, inflation, and global financial markets. The freehold land and buildings have been recognised at the carrying amount of £15.88m of which £11.88m is Property, Plant and Equipment and £4m is Investment Property. On adoption of FRS102 this Property, Plant and Equipment valuation is being taken as deemed historical cost going forward.

13. Heritage Assets

Group and Charity	Printed works £000	Archives £000	Images £000	Scientific apparatus & instruments £000	Furniture, silver, clocks & watches £000	Total £000
Valuation at 1 October 2020	665	2,626	410	919	99	4,719
Additions	-	-	-	-	-	-
Valuation at 30 September 2021	665	2,626	410	919	99	4,719

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

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

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

The collections are accessible to the public and scholars in a number of ways. Roughly a thousand objects are displayed around the building, whilst the archives and reserve collection may be viewed by appointment. The museum has been closed as a result of COVID regulations from mid-March 2020 and reopened in August 2021.

As an accredited museum the Ri has adopted a set of Heritage Asset policies which meet the standard required by the Museum & Library Archive (MLA). These cover acquisitions, preservation and management of Heritage Assets.

In conjunction with the Ri collections policy, the collection represents the work of the Ri – consequently there is no acquisition budget. Any additions to the collection are generated through donations of artefacts assessed as being culturally relevant to the Ri's history. Similarly, the Trustees consider the case for disposals in light the heritage assets policy and net economic benefit to the Ri. In the year the Trustees reviewed certain items in the collection in light of the current accessioning policy.

Five-year summary of transactions

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Group and Charity					
Purchases:					
Printed Works	-	-	-	2	-
Total Additions	-	-	-	2	-
Disposals:					
Printed Works	-	-	-	-	-
Total Disposals	-	-	-	-	-
Proceeds from Disposals:					
Printed Works	-	-	-	-	-
Total Proceeds from Disposals	-	-	-	-	-

14. Investments

Group and Charity	Cash £000	Other investments £000	Listed Investments £'000	Property £'000	Group Total 2021 £'000	Group Total 2020 £000
Fair value at 1 October 2020:	86	3,641	893	4,000	8,620	9,634
Disposals -investments	-	(3,880)	(939)		(4,819)	(2,339)
Net realised gains / (losses) on sale investments	-	239	46		285	(163)
Purchase of investments	-	11	5,234		5,245	1,938
Net unrealised investment gains / (losses) on investments	-	-	310		310	(180)
Cash movements	(86)	-			(86)	(270)
Fair value at 30 September 2021	-	11	5,544	4,000	9,555	8,620

All Endowment funds' investments, and part of those of the restricted funds, hold units in the CCLA COIF Equity fund with discrete accounts for each endowment. The previous Royal Institution Investment Pool was dissolved, investments liquidated, and units purchased in the CCLA COIF fund in the current year. These investments support charitable activities.

Investment in Subsidiary

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

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

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

	2021 £000	2020 £000
Turnover	248	875
Cost of sales	(314)	(653)
Management fee paid to Ri	(222)	(447)
Operating (Loss) / Profit	(288)	(225)
(Loss) / Profit on ordinary activities before taxation	(288)	(225)
Taxation	-	-
(Loss) / Profit for the year after Taxation	(288)	(225)

The balance sheet of the subsidiary is as follows:

	2021 £000	2020 £000
Fixed assets		
Tangible fixed assets	36	50
Intangible fixed assets	15	11
Current assets		
Debtors	21	5
Cash at bank	295	30
Creditors: Amounts falling due within one year	(867)	(130)
Net current assets	(551)	(95)
Creditors: Amounts falling due after more than one year	(13)	(191)
Total assets less liabilities	(513)	(225)
Capital and reserves		
Called up share capital	-	-
Profit and loss account	(513)	(225)
Shareholders' Deficit	(513)	(225)

15. Debtors

	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Trade debtors	71	51	93	89
Amount owed by subsidiary	-	541	-	5
Other debtors	-	-	7	7
Tax recoverable	17	17	7	7
Prepayments and accrued Income	223	222	188	187
Total Debtors	311	831	295	295

16. Creditors: Amounts falling due within one year

	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Trade creditors	205	191	184	170
Other tax and social security	126	108	462	408
Holiday pay accrual	52	52	52	52
Other creditors	18	18	16	16
Income received in advance (see note 18)	661	377	407	363
Accruals	250	240	159	146
Total Creditors: Amounts falling due within one year	1,312	986	1,280	1,155

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

	2021 Group £000	2021 Charity £000	2020 Group £000	2020 Charity £000
Income received in advance (see note 18)	1,032	1,019	1,278	1,087
Arts Council England Loan	1,500	1,500	-	-
Total Creditors: Amounts falling due after more than one year	2,532	2,519	1,278	1,087

18. Income received in advance

	Balance as at 30 September 2020 £000	Income released in the year £000	Income received in advance during the year £000	Balance as at 30 September 2021 £000
Charity				
Grant income	50	(92)	86	44
Subscription income	90	(206)	189	73
Events income	18	(56)	50	12
Advanced Rental & Service Charge	130	(835)	885	180
Lease Premium	1,162	(75)		1,087
Total Charity	1,450	(1,264)	1,210	1,396
RiGB Limited	235	(208)	270	297
Group	1,685	(1,472)	1,480	1,693

19. Endowment funds

1 October 2020 to 30 September 2021:

Group and Charity	Balance as at 1 October 2020 £000	Incom ing	(Outgoing) £000	Investment Management Fee £000	Transfers Between Funds £000	Other Recognis ed Gains £000	Balance as at 30 Septemb er 2021 £000
Permanent Endowment Funds:							
British Aerospace Educational fund	96	-	-	-	(3)	4	97
Dr Ludwig Mond Trust	16,204	1	-	(1)	62	53	16,319
Gillespie Trust fund	573	3	-	(1)	(123)	131	583
Holmes Hines Memorial Fund	1073	-	-	-	-	40	1,113
Philip Freer Studentships Fund	1,113	-	-	(4)	(207)	211	1,113
Total Permanent Endowment Funds	19,059	4	-	(6)	(271)	439	19,225
Expendable Endowment Funds:							
Building Preservation fund	88	-	-	-	8	3	99
Causeway Endowment	64	-	(51)	-	(13)	-	-
Clothworkers' Endowment fund	327	-	(40)	-	(95)	8	200
Clothworkers' Masterclasses fund	1,411	-	-	-	(86)	63	1,391
Old Broad Street Charity Trust fund	597	-	-	-	-	27	624
Philip Freer Studentships Fund	21	-	-	-	207	-	228
The Royal Institution Research fund	355	-	-	-	(3)	15	367
Victoria Woodhull Endowment fund	608	-	-	-	(32)	19	595
Total Expendable Endowment Funds	3,471	3	(91)	-	(14)	135	3,504
Total Endowment Funds	22,530	7	(91)	(6)	(285)	574	22,729
Total Return Approach							
			Gillespie £'000	British Aerospace £'000	Total trust for investment £'000	Total unapplied total return £'000	Total endowment £'000
At the beginning of the reporting period			573	96	363	306	669
Other movements in the reporting period							
Replenishment transfers (allocations)				(10)	(10)		(10)
Investment return: realised and unrealised gains (losses)			131	4		135	135
Less: investment management costs			(1)			(1)	(1)
TOTAL			130	(6)	(10)	134	124
Unapplied total return allocated to income in the reporting period			(120)	7		(114)	(114)
Net movements in the reporting period							
TOTAL			10	1	(10)	21	11
At the end of the reporting period							
Gift component of the permanent endowment					353		353
Unapplied total return						327	327
TOTAL			583	97	353	327	680

Group and Charity	Balance as at 1 October 2019 £000	(Outgoing) £000	Investment Management Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2020 £000
Permanent Endowment Funds:						
British Aerospace Educational fund	119	-	(1)	(22)	-	96
Dr Ludwig Mond Trust	16,219	-	(1)	-	(14)	16,204
Gillespie Trust fund	666	-	(9)	(16)	(68)	573
Holmes Hines Memorial Fund	1,073	-	-	-	-	1,073
Philip Freer Studentships Fund	1,113	-	-	-	-	1,113
Total Permanent Endowment Funds	19,190	-	(11)	(38)	(82)	19,059
Expendable Endowment Funds:						
Building Preservation fund	97	-	-	-	(9)	88
Causeway Endowment	124	(43)	-	(17)	-	64
Clothworkers' Endowment fund	376	(33)	-	-	(16)	327
Clothworkers' Masterclasses fund	1,503	(19)	(7)	(8)	(58)	1,411
Old Broad Street Charity Trust fund	642	(26)	(1)	-	(18)	597
Philip Freer Studentships Fund	124	-	-	-	(103)	21
The Royal Institution Research fund	367	-	(1)	-	(11)	355
Victoria Woodhull Endowment fund	627	-	-	-	(19)	608
Total Expendable Endowment Funds	3,860	(121)	(9)	(25)	(234)	3,471
Total Endowment Funds	23,050	(121)	(20)	(63)	(316)	22,530

Permanent Funds

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

Dr Ludwig Mond Trust endowment includes funds for the maintenance and insurance of 20 Albemarle Street and Freehold Property and Investment Property recorded at valuation (as required by FRS102) of £15.9m.

The Gillespie Trust is set up to promote the education and research of physics.

The Holmes Hines Memorial Fund was set up to support the advancement of scientific knowledge. The Ri took over this endowment from UKRI in the 2021 year.

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

Expendable Funds

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

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

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

The Clothworkers' Masterclass Fund supports Secondary Mathematics Masterclasses.

The Old Broad Street Charity Trust fund provided funds to send young scientists to an International Science Festival. The Trustees of the Old Broad Street Charity Trust and the Charity Commission also agreed that this fund may be used to support any Ri educational.

The Philip Freer Studentships Fund provides funds to help students of science research or the history of science at The Royal Institution of Great Britain. As per trust deed, 10% of the original Endowment is shown as Expendable, providing a bursary to cover expenses incurred by selected students in the course of their studies.

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

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

20. Restricted Funds

1 October 2020 to 30 September 2021:

Group and Charity	Balance as at 1 October 2020 £000	Incomin g £000	Investm ent income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2021 £000
American Friends Fund	4	-	-	-	-	-	-	4
Bain & Company	-	70	-	-	-	-	-	70
Bragg Lecture fund	9	-	-	-	-	-	-	9
British Aerospace Fund	35	-	1	(27)	-	(9)	-	-
Building Preservation fund	9	-	1	-	-	-	-	10
CHRISTMAS LECTURES Fund	295	-	-	(143)	-	(152)	-	-
Clothworkers' Endowment Fund	1	-	1	(1)	-	-	-	1
Clothworkers' Masterclass Fund	-	-	15	(49)	(2)	36	-	-
Clothworkers' E&E Grant	8	25	-	12	-	(15)	-	30
Company of Actuaries	1	-	-	-	-	-	-	1
Dr Ludwig Mond's fund	7	-	12	-	(2)	37	-	54
DS Smith	8	-	-	(3)	-	-	-	5
E&Y Sponsored Event	2	-	-	(2)	-	-	-	-
Educational Funds	124	-	2	-	-	9	7	142
Faraday Foundation - Heritage Scanner	12	-	-	(4)	-	-	-	8
Genetic Society	-	-	-	-	-	-	-	-
Gillespie Trust Fund	469	-	30	(82)	(5)	101	-	513
Holmes Hines Memorial Fund	14	-	13	(7)	(4)	(16)	-	-
John Cohen Foundation	-	-	-	-	-	-	-	-
Kantor Fund	72	125	-	(63)	-	(10)	-	124
Live Streaming	-	12	-	(1)	-	-	-	11
LG Harris Trust E&E Grant	2	20	-	1	-	-	-	23
LRF	143	-	-	(93)	-	(50)	-	-
Manly Trust	8	-	-	-	-	-	-	8
Maths Set Up	23	-	-	-	-	-	-	23
NCNR Engineering	-	-	-	-	-	-	-	-
Old Broad Street Charity Trust Fund	-	-	5	-	(1)	-	-	4
OSF Pseudo Science	-	93	-	(14)	-	(3)	-	76
Philip Freer Studentships Fund	326	-	54	(59)	(15)	(18)	-	288
Reece Foundation	11	(11)	-	-	-	-	-	-
Research Funds	108	-	3	-	(1)	19	14	143
Ri Research Fund	40	-	3	-	(1)	-	-	42
Ternality Trust	60	-	-	(8)	-	-	-	52
Victoria Woodhull Endowment fund	13	-	4	-	-	-	-	17
Website Development fund	125	-	-	-	-	-	-	125
Total Restricted Income Funds	1,929	334	144	(543)	(31)	(71)	21	1,783

1 October 2019 to 30 September 2020:

Group and Charity	Balance as at 1 October 2019 £000	Incomin g £000	Pool income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2020 £000
American Friends Fund	9	-	-	(5)	-	-	-	4
Bragg Lecture fund	9	-	-	-	-	-	-	9
British Aerospace Fund	36	-	2	(24)	(1)	22	-	35
Building Preservation fund	8	-	1	-	-	-	-	9
CHRISTMAS LECTURES Fund	30	285	-	(20)	-	-	-	295
Clothworkers' Endowment Fund	5	-	5	(9)	-	-	-	1
Clothworkers' Masterclass Fund	16	-	19	(21)	(7)	(7)	-	-
Clothworkers' Enrichment & Enhancement Grant	8	25	-	(24)	-	(1)	-	8
Company of Actuaries	10	30	-	(34)	-	(5)	-	1
Dr Ludwig Mond's fund	4	-	4	-	(1)	-	-	7
DS Smith	10	-	-	(2)	-	-	-	8
E&Y Sponsored Event	2	-	-	-	-	-	-	2
Educational Funds	127	-	1	-	(1)	-	(3)	124
Faraday Foundation - Heritage Scanner	15	-	-	(3)	-	-	-	12
Genetic Society	-	78	-	(79)	-	1	-	-
Gillespie Trust Fund	458	-	29	(23)	(5)	10	-	469
Holmes Hines Memorial Fund	14	-	-	-	-	-	-	14
John Cohen Foundation	4	-	-	(4)	-	-	-	-
Kantor Fund	-	125	-	(46)	-	(7)	-	72
L G Harris Trust STEM Grant	3	20	-	(20)	-	(1)	-	2
LRF	221	140	-	(154)	-	(64)	-	143
Manly Trust	-	10	-	(2)	-	-	-	8
Maths Set Up	23	-	-	-	-	-	-	23
NCNR Engineering	-	20	-	(13)	-	(7)	-	-
Old Broad Street Charity Trust Fund	64	-	5	(69)	-	-	-	-
Philip Freer Studentships Fund	365	-	41	(46)	(17)	(17)	-	326
Reece Foundation	-	45	-	(30)	-	(4)	-	11
Research Funds	148	-	3	-	-	-	(3)	148
Ternality Trust	63	-	-	(3)	-	-	-	60
Victoria Woodhull Endowment fund	8	-	5	-	-	-	-	13
Website Development Fund	125	-	-	-	-	-	-	125
Young Scientist Centre fund	30	-	-	(30)	-	-	-	-
Total Restricted Income Funds	1,815	778	115	(661)	(32)	(80)	(6)	1,929

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

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

The Bain & Company supports Science in School shows.

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

THE CHRISTMAS LECTURES fund is used to support the production of the CHRISTMAS LECTURES and associated educational learning materials.

The (Clothworkers') Enrichment & Enhancement (E&E) grant is to support Science in Schools events in disadvantaged areas.

The Company of Actuaries supports London Masterclasses.

DS Smith Fund provides funding for Engineering Masterclasses.

The Educational Funds consist of the Davenhall Bequest, Acton and Neate funds transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees in 2012. The funds are inactive but subject to requests of the Charity Commission for repurposing.

Ernst & Young contributed funds towards certain events.

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

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

The Gillespie restricted fund support school's events about Physics in disadvantaged areas.

The Holmes Hines Memorial Fund was set up to support the advancement of scientific knowledge. The Ri took over this endowment from UKRI in the 2021 year.

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

The Livestreaming equipment grant supported acquisition of live streaming equipment for Ri events.

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

The Kantor funding supports Primary Masterclasses.

A grant from was given by the Lloyd's Register Foundation (LRF) to investigate setting up an international network of organisations to drive a meaningful improvement in the way that the public are engaged in matters of scientific and technological research. The LRF Fund also supported the running of the 2020 CHRISTMAS LECTURES.

The AG Manly Trust provides funding for Engineering Masterclasses.

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

The NCNR Engineering provides funding for Engineering Masterclasses.

The OSF Pseudo Science fund received a grant from the Open Society Foundation to support Ri work with independent scientists, journalists and other media professionals to counter pseudoscience.

The Reece Foundation provides funding for Engineering Masterclasses.

The Research Funds consists of the Fullerian Accumulated, Professorship of Chemistry and Professorship of Physiology transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees in 2012. The funds are inactive but subject to requests of the Charity Commission for repurposing.

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

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

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

21. Unrestricted Funds

Group – 1 October 2020 to 30 September 2021:

	Balance as at 1 October 2020 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recogn- ised Gains £000	Balance as at 30 September 2021 £000
General fund	(2,017)	2,440	28	(3,129)	-	361	356	-	(1,961)
Non charitable trading funds	(225)	247	-	(174)	-	(361)	-	-	(513)
Unrestricted Fund Total	(2,242)	2,687	28	(3,303)	-	-	356	-	(2,474)
Designated funds:									
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Total designated funds	24,838	-	-	-	-	-	-	-	24,838
Total Unrestricted Income Funds Excluding Pension Reserve	22,596	2,687	28	(3,303)	-	-	356	-	22,364
Pension reserve	(147)	-	-	147	-	-	-	-	-
Total Unrestricted Income Funds	22,449	2,687	28	(3,156)	-	-	356	-	22,364

Charity – 1 October 2020 to 30 September 2021:

	Balance as at 1 October 2020 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recogn- ised Gains £000	Balance as at 30 September 2021 £000
General fund	(2,017)	2,440	28	(3,129)	-	361	356	-	(1,961)
Designated funds:									
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Total designated funds	24,838	-	-	-	-	-	-	-	24,838
Total Unrestricted Income Funds (excluding Pension Reserve)	22,821	2,440	28	(3,129)	-	361	356	-	22,877
Pension Reserve	(147)	-	-	147	-	-	-	-	-
Total Unrestricted Income Funds (incl. Pension Reserve)	22,674	2,440	28	(2,982)	-	361	356	-	22,877

Group – 1 October 2019 to 30 September 2020:

	Balance as at 1 October 2019 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2020 £000
General fund	(2,130)	2,416	29	(3,581)	-	692	565	(8)	(2,017)
Non charitable trading funds	-	875	-	(408)	-	(692)	-	-	(225)
Total Unrestricted Funds	(2,130)	3,291	29	(3,989)	-	-	565	(8)	(2,242)
Designated funds:									
Christmas Bursary fund	20	-	-	(1)	-	-	(19)	-	-
Library Designated Fund	47	-	-	(3)	(1)	-	(36)	(7)	-
Life Membership fund	151	-	-	-	-	-	(145)	(6)	-
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve	222	-	-	-	-	-	(222)	-	-
Total designated funds	25,278	-	-	(4)	(1)	-	(422)	(13)	24,838
Total Unrestricted Income Funds	23,148	3,291	29	(3,993)	(1)	-	143	(21)	22,596
(excluding Pension Reserve)									
Pension Reserve	-	-	-	(147)	-	-	-	-	(147)
Total Unrestricted Income Funds (incl. Pension Reserve)	23,148	3,291	29	(4,140)	(1)	-	143	(21)	22,449

Charity – 1 October 2019 to 30 September 2020:

	Balance as at 1 October 2019 £000	Incom- ing £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recog- nised Gains £000	Balance as at 30 September 2020 £000
General fund	(2,130)	2,416	29	(3,581)	-	692	565	(8)	(2,017)
Designated funds:									
Christmas Bursary fund	20	-	-	(1)	-	-	(19)	-	-
Library Designated Fund	47	-	-	(3)	(1)	-	(36)	(7)	-
Life Membership fund	151	-	-	-	-	-	(145)	(6)	-
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,719	-	-	-	-	-	-	-	4,719
Operating Reserve	222	-	-	-	-	-	(222)	-	-
Total designated funds	25,278	-	-	(4)	(1)	-	(422)	(13)	24,838
Total Unrestricted Income Funds	23,148	2,416	29	(3,585)	(1)	692	143	(21)	22,821
(excluding Pension Reserve)									
Pension Reserve	-	-	-	(147)	-	-	-	-	(147)
Total Unrestricted Income Funds (incl. Pension Reserve)	23,148	2,416	29	(3,732)	(1)	692	143	(21)	22,674

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

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

The Christmas Bursary designated fund is to enable underprivileged children from outside London to attend the CHRISTMAS LECTURES.

The Library fund is invested to provide annual contributions to conservation costs of the library collection.

The Life Membership fund is made up of Life Membership fees invested to annual Membership costs.

The Tangible fixed assets fund is a designated fund set aside to reflect the fact that these amounts are invested in assets used by the charity to undertake its charitable activities and which are therefore not available for use on other purposes.

The Heritage Assets fund represents the value of the extensive heritage collection, held by the Ri, relating to its history and to those scientific and other figures who have researched, lectured and lived in the building. These can be categorised as Printed works, Archives, Images, Scientific apparatus & instruments, Furniture, silver, clocks and watches.

To strengthen cash resources adversely impacted by COVID, the Trustees agreed to re-designate the Christmas Bursary, Life Membership Fund and Operating Reserve during 2019/20. The re-designation of the Life Membership Fund does not affect the benefits provided to Life Members.

22. Analysis of net assets between funds

Group – As at 30 September 2021:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Liability £'000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,345	-	-	-	19,225
Expendable endowment	-	-	-	3,504	-	-	-	3,504
Total Endowment Funds	11,880	-	-	10,849	-	-	-	22,729
Total Restricted Income Funds	-	-	-	1,088	695	-	-	1,783
Unrestricted Income Funds:								
General fund	2,376	207	-	(2,382)	357	(2,519)	-	(1,961)
Non charitable trading funds	36	15	-	-	(551)	(13)	-	(513)
Total Unrestricted Income Funds	2,412	222	-	(2,382)	(194)	(2,532)	-	(2,474)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	-	-
Total Funds	34,411	222	4,719	9,555	501	(2,532)	-	46,876

Charity – As at 30 September 2021:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Reserve £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,345	-	-	-	19,225
Expendable endowment	-	-	-	3,504	-	-	-	3,504
Total Endowment Funds	11,880	-	-	10,849	-	-	-	22,729
Total Restricted Income Funds	-	-	-	1,088	695	-	-	1,783
Unrestricted Income Funds:								
General fund	2,379	207	-	(2,382)	357	(2,519)	-	(1,961)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	-	-
Total Funds	34,378	207	4,719	9,555	1,052	(2,519)	-	47,389

Group – As at 30 September 2020:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Liability £'000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	6,999	180	-	-	19,059
Expendable endowment	-	-	-	3,471	-	-	-	3,471
Total Endowment Funds	11,880	-	-	10,470	180	-	-	22,530
Total Restricted Income Funds	-	-	-	997	932	-	-	1,929
Unrestricted Income Funds:								
General fund	2,408	172	-	(2,847)	(663)	(1,087)	-	(2,017)
Non charitable trading funds	50	11	-	-	(95)	(191)	-	(225)
Total Unrestricted Income Funds	2,458	183	-	(2,847)	(758)	(1,278)	-	(2,242)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	(147)	(147)
Total Funds	34,457	183	4,719	8,620	354	(1,278)	(147)	46,908

Charity – As at 30 September 2020:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Reserve £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	6,999	180	-	-	19,059
Expendable endowment	-	-	-	3,471	-	-	-	3,471
Total Endowment Funds	11,880	-	-	9,577	-	-	-	22,530
Total Restricted Income Funds	-	-	-	997	932	-	-	1,929
Unrestricted Income Funds:								
General fund	2,408	172	-	(2,847)	(663)	(1,087)	-	(2,017)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Total Designated Funds	20,119	-	4,719	-	-	-	-	24,838
Pension reserve	-	-	-	-	-	-	(147)	(147)
Total Funds	34,407	172	4,719	8,620	354	(1,278)	(147)	47,133

Use of funds

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

In June 2018 Trustees agreed a plan to replenish Endowment and Restricted funds over 15 years from 1 October 2018. The Charity Commission had agreed to this replenishment plan. The Charity Commission, after their visit in March 2019 and clarification of various matters, advised in October 2019 that they are "... -satisfied that the RI no longer requires any special oversight from the Commission and our current engagement can therefore now end." In 2018/19, consistent with this plan, Endowments and Restricted funds were replenished by £143k.

In the year to 30 September 2020, the impact of COVID on Ri finances led Trustees to conclude that Endowment and Restricted Funds could not be replenished as had been planned without significant adverse impact on Ri finances – funds were retained to provide financial stability. The Charity Commission has authorised deferring replenishment to the financial year commencing 1 October 2023, when Ri finances are expected to have recovered to a state where replenishment can recommence without undermining financial stability.

Replenishment of Endowment and Restricted funds since 2009 totals £1.333m (2020: £1.265m). The Ri remains committed to replenish these Endowment and Restricted Funds by a further £2.388m (2020:£2.466m) over 14 year term expected to be from October 2023 but to be agreed with the Charity Commission after taking into account the Ri's financial capacity and outlook at that time.

23. Analysis of net debt

	Balance at 1 October 2020 £000	Cash Flows £000	Balance at 30 September 2021 £000
Cash Movement:			
Cash at bank and in hand	1,339	158	1,497
Debt Due after more than one year	(1,500)	-	(1,500)
Increase in Cash and cash at bank and on hand	(161)	158	(3)

24. Financial Assets and Liabilities and Financial Instruments

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

	2021		2020	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Financial assets measured at fair value through the SOFA	5,555	5,555	3,641	3,641

25. Pension commitments

The charity operates three staff pension schemes.

The first scheme, The Royal Institution of Great Britain Pension and Life Assurance Scheme (1977), is a final salary defined benefits pension scheme which was closed and ceased to accrue benefits on 30 September 2007. The assets of the scheme are held separately from those of the charity and administered by an independent Board of Trustees, part being invested with an insurance company and with effect from 1 October 2007, a second and better yielding investment vehicle has been established to cover the balance of liabilities of the now closed scheme.

Being a final salary scheme, this is accounted for as a defined benefit pension scheme for the purposes of FRS102. The scheme's liabilities are assessed by a qualified actuary and the last full actuarial valuation was carried out at 1 October 2019. The scheme currently has eight pensioners and six deferred members.

The second scheme is a stakeholder pension scheme where the Ri makes contributions but has no liabilities from a financial performance point of view. The assets of the scheme are held separately from those of the charity, being invested with an insurance company. This scheme is accounted for as a defined contribution scheme under FRS102. The amount charged to the SOFA in respect of pension costs is the total contributions payable for the year. There are currently 42 members in this scheme.

The third scheme is a multi-employer defined benefit pension scheme known as the Universities Superannuation Scheme into which the Ri makes contributions for various staff. This is a centralised scheme with the assets held in a separate fund independently administered by the Trustee company, USS Limited. The charity is unable to identify its share of the underlying assets and liabilities of the scheme, and therefore, this scheme is accounted for as if it were a defined contribution scheme under FRS102. The amount charged to the SOFA in respect of pension costs is the total contributions payable for the year.

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

The employer's pension charge for the year was £64k (2020: £41k). During 2020, following a request of the pension fund trustees to defer the contributions in this year as a result of COVID on the financial position of the RI. The schemes Trustees agreed to defer these payments consistent with powers provided by The Pension Regulator.

The full scheme valuation undertaken was at 1 October 2019 by the scheme actuary Mr K O'Donnell of Cartwright Group Limited. The liabilities of the plan have been calculated for the purposes of FRS102 based on the calculations as at 30 September 2021.

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

	2021	2020
Discount Rate	2.00%	1.50%
RPI assumption	3.50%	3.00%
CPI assumption	2.70%	2.20%
Pension increases	4.10%	3.90%

The underlying mortality assumption for both years is that based upon the standard table known as S3PA on a year of birth usage with CMI_2018 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2020: S3PA, CMI_2018, 1.25% p.a.) This results in the following life expectancies:

- Male age 65 now has a life expectancy of 86.9 years (2020: 86.8 years)
- Female age 65 now has a life expectancy of 89.2 years (2020: 89.1 years)

	2021 £'000	2020 £'000
The amounts recognised in the balance sheet are as follows:		
Present value of plan liabilities	(2,399)	(2,492)
Market value of plan assets	2,755	2,345
Surplus / (Deficit) in the plan	356	(147)
Adjustment for non-recoverable surplus	(356)	-
Net defined benefit liability	-	(147)
The amounts to be recognised in Statement of Financial Activities (SOFA) for the year are as follows:		
Interest on net defined benefit liability	-	-
Total	-	-
Changes in the present value of the plan liabilities for the year are as follows:		
Present value of plan liabilities at 1 October	2,492	2,312
Benefits paid	(13)	(12)
Interest on plan liabilities	37	42
Actuarial (gains) / losses	(117)	150
Present value of scheme liabilities at 30 September	2,399	2,492
Changes in the market value of the plan assets for the year are as follows:		
Market value of plan assets at 1 October	2,345	2,311
Contributions paid by the Company	13	12
Benefits paid	(12)	(12)
Interest on plan assets	37	42
Return on assets, less interest included in the SOFA	373	(8)
Market value of plan assets at 30 September	2,755	2,345
Actual return on plan assets	410	34
The major categories of plan assets as a percentage of total plan assets at the balance sheet date are as follows:		
	2021	2020
Equities and property	77%	77%
Bonds	23%	22%
Cash	0%	1%
	100%	100%
Analysis of the remeasurement of the net defined benefit liability recognised in the SOFA for the year are as follows:		
Actual return on assets, less interest included in Profit and Loss	(8)	(8)
Experience gains and losses arising on plan liabilities	-	-
Changes in assumptions underlying the present value of plan liabilities	(150)	(150)
Change in non-recoverable surplus	-	-
Remeasurement of net defined benefit liability recognised in SOFA	(158)	(158)
Movement in deficit in the as follows:		
Deficit in plan at 1 October	(147)	(1)
Recognised in SOFA	-	-
Contributions paid by the Company	13	12
Actuarial loss recognised in SOFA	134	(158)
Deficit in plan at 30 September	-	(147)

The reassessment of net defined benefit liability, now NIL (2020: £147k liability), has been recognised in the SOFA, £147k gain (2020: £147k loss) and the Balance Sheet, £Nil liability (2020: £147k liability) to reflect the reduction in this assessment.

Funding Policy

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

The last such valuation was as at 1 October 2019. This showed that the Scheme's assets were insufficient to cover the liabilities on the Funding basis. A Recovery Plan has been agreed with the Scheme, which commits the Ri to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the Scheme's Schedule of Contributions dated 30 June 2020 and are as follows: £10,250 per quarter payable from 1 July 2020 to 30 September 2028.

Universities Superannuation Scheme

Employers' contributions are currently (from 1 October 2021) payable at a rate of 21.4% (2020: 21.1%) of pensionable earnings. Employees' contributions were equivalently 9.8% (2020: 9.6%).

The Universities Superannuation Scheme is valued formally every three years by the scheme actuary, who was Mr Aaron Punwani FIA of LPC. The 31 March 2020 triennial valuation has been finalised and audited. The 31 March 2020 valuation was carried out using normal actuarial principles, and the projected unit method in particular. Employer contributions increased to 21.4% (2020: 21.1%) from 1 October 2021. The key financial actuarial assumptions used are available on-line from the USS website, www.uss.co.uk. The financial assumptions are calculated using a 'yield curve approach', with different assumptions applying at different points in time, reflecting the term structure of financial instruments.

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual participating employers. As at 31 March 2020, the fair value of the scheme's assets was £66.5bn and the estimated present value of the scheme's technical provisions was £80.6bn resulting in a scheme shortfall of £14.1bn, based on the assumption that the Joint Negotiating Committees recommendation for benefit reform is implemented. Otherwise, the technical provisions are £84.9bn, resulting in a deficit of £18.4bn.

USS currently provides two forms of defined benefit pension: final salary and career revalued benefits (CRB). Both provide a pension which is linked to salary, albeit in different ways. USS provides defined benefit (DB) pensions on a CRB basis alongside a new defined contribution (DC) section.

From 1 April 2016 all members, who were contributing to the scheme will build up a DB pension on a CRB basis in a new part of the scheme known as the USS Retirement Income Builder.

From 1 October 2016 the new DC section of the scheme was introduced as the USS Investment Builder. Members will continue to build pension benefits, on a CRB basis, up to a certain salary threshold (initially of £55k a year), with contributions towards the USS investment Builder available on salary above the threshold.

26. Other financial commitments

The Charity as a lessee: The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:	2021 £000	2020 £000
Within 1 year	1	3
Between 1 and 5 years	-	1
Total	1	4

The value of lease payments recognised in expenditure in the year was £3k (2020: £3k).

The Charity as lessor: At the year end, the Charity had contracted with tenants, under non-cancellable operating leases for the following future minimum lease payments:	2021 £000	2020 £000
Within 1 year	242	242
Between 1 and 5 years	968	968
After 5 years	2,299	2,541
Total	3,509	3,751

27. Rents receivable and related party transactions

The following transaction with related parties took place during this period: Five Trustees and their related parties made donations to the Ri totalling £16k (2020: £117k).

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

Paid from RiGB Limited to Charity	2021 £000	2020 £000
Cost sharing agreement	222	447
Gift Aid distribution	-	-
Trademark License Fee	120	120
Premises License Fee	20	125

28. Contingent Liabilities

VAT

The Charity is part of a Group VAT registration and hence is jointly and severally liable for any group VAT liability. At 30 September 2021 the contingent liability of the Charity was £63k (2020: £109k).

Universities Superannuation Scheme

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

Under Section 75 of the Pensions Act, a participating employer becomes liable for what is known as a Section 75 employer "debt" if they withdraw from the Scheme. This "debt" is calculated on a 'buy-out' basis, which tests whether there would be sufficient assets in the Scheme to secure all the member benefits by buying annuity contracts from an insurance company. USS advised the Ri on 30 March 2020 that our Section 75 "debt" was estimated at £4.7m based on the 31 March 2017 valuation referred to in Note 25 above.

An updated valuation of the USS Scheme was published in the last year showing a very much higher deficit. Based on that higher deficit, we estimate the Section 75 "debt" to now stand at £9.3-11.2m (2019/20: £4.7m).

This "debt" will crystallise as a liability only if the Ri withdraws from the USS scheme, withdrawal being defined as having no further staff contributing to the scheme. Recent staff movements have reduced the number of Ri staff who are members of USS to two (2019/20: one). After a 12 month "period of grace" the Section 75 "debt" would crystallise as a liability unless USS Trustees agreed an extension. The Ri is committed to retain its current status as a USS employer with at least one staff being members of USS such that this "debt" does not crystallise as a liability. As a result, the Section 75 "debt" is not a liability at this time, nor is it expected to crystallise in the foreseeable future and is therefore not reflected in the financial accounts.

29. Post Balance Sheet Events and Other Matters

The Ri has been notified that it is the residual beneficiary of the estate of a longstanding Japanese Member who, sadly, died in 2020. Settling the estate is complex with assets and liabilities in the UK and Japan. Trustees estimate that the residual legacy will exceed £1m after settling Japanese and any UK taxes. Probate was granted to the UK Executor in November 2021. Upon receipt, expected in the 2022 financial year, Trustees have agreed to designate the legacy to re-establish a substantial financial Operating Reserve to enhance financial resilience, provide for continued replenishment of two endowments and establish a Designated Project fund to support the further development of the Ri in ways that would not otherwise be possible from internally generated resources.