

# THE NEEDHAM RESEARCH INSTITUTE

England & Wales · Charity number 311459

## Details

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Other names	THE EAST ASIAN HISTORY OF SCIENCE TRUST, THE NEEDHAM RESEARCH INSTITUTE
Status	Registered
Legal form	Trust
Registered	1968-12-11
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Needham Research Institute 8 Sylvester Road Cambridge CB3 9AF
Phone	01223311545
Email	<a href="mailto:sjb58@cam.ac.uk">sjb58@cam.ac.uk</a>
Website	<a href="http://www.nri.cam.ac.uk">www.nri.cam.ac.uk</a>

## Activities

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**Objects:** THE PROMOTION OF THE STUDY AND GENERAL KNOWLEDGE OF THE HISTORY OF SCIENCE AND TECHNOLOGY OF THE COUNTRIES OF EASTERN ASIA. TO MAINTAIN THE NEEDHAM LIBRARY.

**Activities:** Building on the late Dr Joseph Needham's foundation, the Institute facilitates, promotes and develops academic research, publication and teaching in the fields of the history of science, medicine and technology in East Asia.

## Classification

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- **How:** Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

## Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£583,435	£723,083	£18,097,779	9
2024-09-30	£633,273	£729,715	£17,652,156	9
2023-09-30	£666,002	£712,476	£16,089,812	9
2022-09-30	£550,851	£627,863	£15,711,649	10
2021-09-30	£800,921	£515,366	£17,494,725	11

## Trustees

Name	Role	Appointed
<b>PROFESSOR MARTIN KENNETH JONES PHD</b>	Chair	
Dr CHRISTOPHER HUGHES		
Dr Charles Harpum QC Hon LLD		2019-10-25
Dr Imre Galambos		2019-10-25
Dr Yan HE		2026-06-05
ELIZABETH ANN WRIGHT		
Katie Lee		2019-10-25
Professor Mary Augusta Brazelton		2019-10-25
Professor Roel Sterckx		2025-06-06
Professor Ying Jin		2024-11-08

**THE NEEDHAM RESEARCH INSTITUTE**

England & Wales - Charity number 311459

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# Accounts

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THE NEEDHAM RESEARCH INSTITUTE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2025

NEEDHAM RESEARCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

CHARITY INFORMATION

Charity Registration Number	311459
Trustees:	Professor Martin Jones (Chairman) Dr Christopher Hughes Mr Stephen Perry (resigned 8 November 2024) Mr Michael Womack Ms Elizabeth Wright Dr Mary Augusta Brazelton Dr Imre Galambos Dr Charles Harpum Ms Katie Lee Professor Ying Jin (appointed 8 November 2024) Professor Roel Sterckx (re-elected 6 June 2025)
Members of the Finance Committee:	Professor Martin Jones (Chairman) Dr Christopher Hughes Mr Michael Womack Ms Elizabeth Wright
Members of the Management Committee:	Professor Jianjun Mei (Chairman) Ms Susan Bennett Mr John Moffett Dr Christopher Jagger
Members of the Publications Board:	Professor Jianjun Mei (Chairman) Ms Susan Bennett Mr John Moffett Dr Christopher Jagger
Principal Officers:	
Director:	Professor Jianjun Mei
Bursar:	Dr Christopher Jagger
Librarian:	Mr John Moffett
Administrative Manager	Ms Susan Bennett
Principal Office Address:	8 Sylvester Road Cambridge CB3 9AF
Auditors:	Prentis & Co LLP Chartered Accountants & Statutory Auditors 115C Milton Road Cambridge CB4 1XE
Bankers and Deposit Holders:	National Westminster Bank plc 23 Market Street Cambridge CB2 3PA  Quilter Cheviot Limited (until 31 May 2025) Senator House 85 Queen Victoria Street London EC4V 4AB  Cazenove Capital (from 1 June 2025) 1 London Wall Place London, EC2Y 5AU
Solicitors:	King & Co 238 High Street Cottenham Cambridge CB24 8RZ

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## TRUSTEES REPORT

The Trustees present their report and financial statements for the year ended 30 September 2025.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## REFERENCE AND ADMINISTRATIVE DETAILS

The Needham Research Institute, formerly titled "The East Asian History of Science Trust" is situated at 8, Sylvester Road, Cambridge CB3 9AF. Charity Registration No. 311459.

The names of the Trustees serving during the financial year 1 October 2024 to 30 September 2025 and serving on the date which this report was approved are given on the contents page.

Professor Jianjun Mei is the Director of the Institute and responsible for its day-to-day management. The names of the Institute's staff are given on the contents page.

## OBJECTIVES AND ACTIVITIES

*PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT*

Building on the foundation laid by the work of the late Dr Joseph Needham, the Institute seeks to facilitate, promote and develop academic research, publication and teaching of the highest possible standard in the fields of the history of science, technology and medicine in East Asia.

Beyond the purely academic sphere, it also seeks to raise public awareness of those aspects of its work that are of wider significance for human progress. Through the pursuit of those goals it aims to exploit and further develop its role as the world's leading international centre for research in its field. It seeks closer and mutually beneficial cooperation with Cambridge University whilst maintaining its present autonomy as an independent charitable Foundation.

*MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES*

The Institute aims to ensure the successful completion of the "Science and Civilisation in China" project. Twenty-five volumes have been published and work is proceeding on a further three volumes in the series; in addition, eighteen volumes have been published in the Monograph Series and work is continuing on a number of others. The Institute also publishes a less formal 'Working Papers' Series.

The Institute has an active programme of Research Fellowships and Studentships which is largely funded by grants from several outside Foundations and which enables scholars from East Asia and elsewhere to study at the Institute. It also organises workshops and conferences with major academic organisations in and outside the UK. It runs regular academic seminars during the University term.

The Institute also hosts scholars and academics during the year, allowing them access to its diverse library, archives and catalogue of works and publications in the fields of the history of science, technology and medicine in East Asia.

*TRUSTEES REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT*

The Institute and its Library offers scholars facilities for research and writing unrivalled by any other academic institution in its field. In addition to its collection of monographs, the Library subscribes to a wide selection of journals, many of which are Chinese publications rarely available elsewhere in Europe. The Library also houses the archives of the late Dr Needham relating to his research in the field he established. A 2-year project (2023 – 2024) funded partly by the Joseph Needham Foundation for Science and Civilisation (Hong Kong) was carried out on these archives to make them more accessible to researchers. Digitised research materials are freely available on the Cambridge University Digital Library.

All this material is described and catalogued electronically, and may be searched online for no fee. Any person with a serious interest in the subjects covered by the Institute is welcome to use its facilities without charge. In cases where scholars are sufficiently well funded, the Institute will accept a contribution to its overheads, but this is not an absolute condition for use of its facilities.

In addition to maintaining the Institute's facilities and facilitating access to them, the Trustees encourage the Director to play an active role in making a wider public aware of the area with which it deals. The Director has delivered public lectures in Cambridge and overseas. The Director has been appointed 'Director of Research' by The McDonald Institute for Archaeological Research in University of Cambridge.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## TRUSTEES REPORT

## ACHIEVEMENTS AND PERFORMANCE

*SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST*

During the period of October 2024-September 2025, the fellowship programmes, such as Independent School Foundation (ISF) Fellowship, Lloyd-Dan David (LDD) Fellowship, Li Foundation Fellowship, Ho Peng Yoke (HPY) Fellowships, Jing Brand Fellowships, Soon-Young Kim (SYK) awards, and the Sino-British Fellowship Trust (SBFT) award were all in operation.

The current ISF Fellowship holder is Dr. Jenny Jingyi Zhao, who took this fellowship position as a Research Fellow on a three-year contract in February 2021. She was promoted to a Senior Research Fellow position in October 2022 and her contract was extended on 22<sup>nd</sup> January 2024 for a further three years until 31<sup>st</sup> January 2027. She also holds a Joseph Needham Visiting Fellowship at Clare Hall College.

Dr. Arthur Harris took his LDD fellowship position on a three-year contract in October 2021, and has been working as a Postdoctoral Fellow at the Institute since then. His fellowship tenure was extended in August 2024 for a further year until September 2025.

There were three Li Foundation Fellows for the year 2024-2025 from East Asia. Dr. Lu Jingjing of Peking University, completed her research visit to the Institute during December 2024- August 2025. Dr. Li Yuqi of Nankai University came to Cambridge in January 2025 and concluded his six-month visit to the Institute in June 2025. Prof. Wang Guangchao of the University of Chinese Academy of Sciences completed his fellowship tenure during March-September 2025. Three Li Foundation Fellows were from the USA in 2024-2025. Ni Haoran, a PhD candidate at the University of Kansas and a 3-month Li Foundation fellow (USA) completed her research visit in Cambridge during January-March 2025. Dr. Zhang Xue of Reed College completed her three-month visit to the Needham Research Institute in June 2025. Niall Chithelen, a PhD candidate at University of California, San Diego and a 6-month Li Foundation fellow (USA) for 2023-24, took his fellowship tenure in October 2024 and completed his visit to the Institute in March 2025.

Dr. Ji Chen of University of Science and Technology of China, the HPY Fellow (2024-2025), took up her 12-month HPY fellowship in November 2024 and completed her fellowship tenure in November 2025.

The Institute hosted two Jing Brand scholars during 2024-2025: Dr. Jiang Pei of the University of Cambridge, took up her 12-month Jing Brand (Tianyoude) scholarship in October 2024 and completed her visit to the Institute in August 2025. Dr. Pan Weilin of Shanghai Academy of Social Sciences arrived in Cambridge in January 2025 and completed her six-month study visit in July 2025.

Dr. Lewis Bremner was awarded a 12-month SYK fellowship for 2024-25 and completed his fellowship tenure during October 2024-September 2025.

Professor Li Wenxue of Southwest University, the SBFT fellow (2024-2025), completed his six-month fellowship tenure during March-September 2025.

The Institute also hosted visits for several months or a year from the following scholars:

- Dr. Liu Jie, visiting scholar, Shanxi University, October 2024-September 2025;
- Professor Oh Chaekun, Daejon University, January 2024-January 2025;
- Dr. Xu Bin, CSC Scholar, The Palace Museum, September 2024-September 2025;
- Dr. Zhang Lu, CSC Scholar, Sichuan University, September 2024-September 2025;
- Ms. Wu Shan, PhD candidate at Harvard University, December 2024-February 2025;
- Professor Yin Yafang, CSC Fellow, Chinese Academy of Forestry, January to July 2025;
- Dr. Gao Shanshan, visiting scholar, City University HK, March to September 2025;
- Professor Dan Mao, SCC Scholar, Shanghai Jiaotong University, July to December 2025.

On 12<sup>th</sup> -13<sup>th</sup> October 2024, the Director attended the Second International Symposium on Theory and Practice of Chinese Archaeology, which was organized by the School of Archaeology and Museology, Peking University. He presented a paper on 'New Progress in the Studies of Early Copper and Bronze Objects in China' to the symposium.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## TRUSTEES REPORT

During 15th -22nd October 2024, the Director made the long journey to northern Shaanxi and the Guanzhong region to visit some important archaeological sites excavated in recent years, including: 1) A visit to the Shimao site near Shenmu city on 15th October and one-day conference on the value of the Shimao site on 16th October; 2) A visit to the Zhaigou site in Qingjian county on 17th October and a half-day workshop on the significance of the Zhaigou site on 18th October; 3) A visit to the Zhouyuan site and Zhouyuan Museum on 19th -20th October; 4) Two lectures delivered in Xi'an city on 21st October, one on Needham's intellectual heritage for Northwest University in the morning, the other on Seima-Turbino bronze spearheads for the Shaanxi Normal University; 5) A visit to the ongoing excavation site of the tomb of First Emperor of Qin's grandmother.

On 8th November 2024, the 7th Needham Memorial Lecture, sponsored by the Jing Brand Co. Ltd., China, took place at the Riley Auditorium, Clare College. Professor Paul U. Unschuld, Director of the Institute for the Theory, History and Ethics of Chinese Life Sciences, Charité-Universitätsmedizin Berlin, delivered the lecture entitled '*Wind-Fire-Eye or Acute Conjunctivitis: Some Personal Recollections of Accessing the History of Chinese Medicine through Translations of Ancient Texts*'.

On 9th -10th November 2024, the Director presented a keynote speech on '*Needham Question and Mutual Learning among Civilisations*' to the symposium on Scientific Heritage of Ancient China and Chinese Civilisation, which was held in Tengzhou, Shandong Province, China.

On 23rd -24th November 2024, the Director visited the College of Humanities and Social Development, Nanjing Agricultural University and delivered a lecture on '*The Technological Characteristics of the Sanxingdui Bronzes and the Problem concerning Their Material Sources*' to the audience of teachers and students.

On 25th -26th November 2024, the Director presented a paper entitled '*Several issues on the study of early copper and bronze objects and the origin of metallurgy in China*' to the symposium on 'Panlongcheng and Yangtze River Civilization', which was organized by the Hubei Museum and held in Wuhan city, Hubei Province.

On 1st -2nd December 2024, the Director made a visit to the Sichuan Institute of Cultural Relics and Archaeology (SICRA) and gave a lecture entitled '*The Development of Metallurgy as Seen from the Archaeological Discoveries of Shimao and Zhaigou Sites*' to an audience of researchers from the SICRA and students from Sichuan University.

On 7th December 2024, the Director participated in the activities to celebrate the 50th Anniversary of the Founding of the Institute for Cultural Heritage and History of Science and Technology, University of Science and Technology Beijing.

On 8th -10th December 2024, the Director attended the Needham Conference 2024 which took place at the Sun Yat-sen University (SYSU) in Guangzhou. This conference was jointly organized by the Joseph Needham Foundation for Science & Civilization (Hong Kong), the NRI, and the Institute for Advanced Studies in Humanities, SYSU. The Director joined the roundtable discussion on such topics as *Science and Civilization in China: The Needham Legacy* and *Science as a Multi-Civilisational Process*.

On 9th January 2025, the workshop 'New Direction in the History of East Asia Science', sponsored by the D. Kim Foundation for the History of Science & Technology in East Asia, and hosted by the NRI, took place at the K. P. Tin Hall. Eight young scholars were invited to present their recent research, and four senior scholars were invited to chair the 4 sessions and to offer comments on the presented papers. The members of the D. Kim Foundation Board as well as scholars from the NRI and the University of Cambridge also attended.

In consultation with Professor Sir Geoffrey Lloyd and Darwin College, the Institute advertised the Lloyd Dan-David (LDD) fellowship in January 2025. By the end of March 30 applications were received and reviewed. After interviewing 5 candidates on 7th May, the Selection Committee decided to award a three-year LDD fellowship to Dr. Yumi Suzuki, affiliated researcher of the University of Bern. Her proposed research topic is 'Nomenclature and classification in Ancient Chinese and Greek biology'.

On 14th March 2025, a ceremony was held at our Institute to mark the generous donation of a complete set of "Song Dynasty Painting Collection" by Zhejiang University to the Needham Research Institute.

On 8th April 2025, the Institute received the visit from Professor Chen Chun-I, President of the Chiang Ching-kuo Foundation for International Scholarly Exchange (CCKF) and Ms. Amber Yu, Program Officer, Program Division, CCKF. Professor Geoffrey Lloyd, Dr. Mary Brazelton, the Librarian, Dr. Rosalind Grooms, and the Director joined the meeting.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## TRUSTEES REPORT

On 14<sup>th</sup> -17<sup>th</sup> May 2025, at the invitation of Professor Maria Khayutina of the University of Munich, the Director attended the workshop on '*Movement and Infrastructure in Ancient Eastern Eurasia*', which was held in Munich. Before the workshop, the Director was also invited to attend the roundtable on interactions between Early China and the Steppe at the University of Munich on 13<sup>th</sup> May, 2025.

During the period 1st –18th July 2025, the Institute welcomed a visit from ten students from the ISF Academy, Hong Kong, who were accompanied by Dr. Malcolm Pritchard (outgoing Head of School), Dr. Oliver Kramer (New Head of School), Ms Diana Ibarra (Director of Shuyuan), and other members of staff. Under the supervision of Dr. Jenny Zhao (for the first two weeks because of maternity leave) and Dr. Flavia Xi Fang (for the whole three weeks, former HPY fellow), the students conducted research on their chosen topics on Chinese history and civilization, making full use of the NRI library facilities. They also assisted our Archivist Dr. Rosalind Grooms with documenting objects found among the Joseph Needham archives.

On 24th -28th September 2025, the Librarian and the Director attended the 11th Conference on the Beginning of the Uses of Metals and Alloys (BUMA XI), which was held in Quanzhou city, Fujian province. On 25th September, the Director was invited to give a keynote presentation entitled '*The Development of Archaeometallurgical Research in Mainland China over the Past Fifty Years*'. The Librarian and the Director also visited the Quanzhou Maritime Museum and an iron smelting site of the Song-Yuan period at the Xiacaopu village near Quanzhou city.

The Institute organised twenty-six in-person seminars during the University Michaelmas, Lent and Easter terms from October 2024 to June 2025.

*REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR*

Funds are invested to provide income to meet the day-to-day running of the Institute. They are split between the Endowment Funds, Restricted Funds (related to grants to expend for the purpose specified, these are shown in note 17 on page 21) and Unrestricted Funds. As at 30 September 2025 funds invested amounted to £16,910,554, (2024: £16,352,304).

The Principal funding sources of the Institute are its income from the Investment Portfolio, donations and grants from outside Foundations, royalties, interest on deposit accounts and rent of No. 2 Sylvester Road. No. 2 Sylvester Road has been leased to Robinson College for fifteen years from 3<sup>rd</sup> May 2018.

A review of investment performance and the Institute's investment policy are detailed on page 5.

The Institute has a potential liability relating to the employees who are in the 'Universities Superannuation Scheme'. Note 16 and 22 to the accounts set out the basis of a provision that has been made of £24,309 (2024: £28,101).

*RESERVES POLICY*

The Trustees have considered that the most appropriate policy is to maintain all surplus funds split between investments held with Cazenove Capital and also a level of balances held as cash at bank sufficient to maintain the day to day costs of running and servicing the Institute.

This policy is kept under review, having regard to the level of funds available.

The Trustees' investment powers are governed by the Trust Deed which permits The Needham Research Institute to invest the monies of the Institute not immediately required for its purposes in such ways as the Institute shall in its absolute discretion think fit.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

TRUSTEES REPORT  
STRUCTURE, GOVERNANCE AND MANAGEMENT.*NATURE OF THE GOVERNING DOCUMENT*

The Institute is an educational charity registered in England and subject to the provisions of the 1968 Trust Deed, as amended by Schemes of the Charity Commissioners dated 29 March 1988, 17 March 1992 and 27 November 2000.

*THE BOARD OF TRUSTEES*

The Trustees provide an appropriate mix of skills, diversity and experience; each is appointed for a term of three years by a resolution of the Trustees passed at a meeting and may be re-appointed for further terms in the same way.

The Trustees meet three times a year to receive reports from the Director, the Bursar through the Finance Committee and the Librarian. The Chairman and the Director are in close touch. All major decisions are referred to the Trustees.

The Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage those risks.

The Institute has been moving towards a turnover of Trustees more consistent with Charity Commission guidelines.

*RECRUITMENT OF NEW TRUSTEES*

New Trustees are given an induction by the Chairman and a tour of the Institute. Following formal election to the Board, they are sent an information pack containing the Charity Commission Investment Guide for Trustees, the Institute's newsletter, and two forms for completion: a Declaration of Interest and a Declaration of Eligibility. Communications from the Charity Commission regarding training etc. are circulated by email.

*MANAGEMENT PERSONNEL REMUNERATION*

The ultimate responsibility for the management of the Institute rests with the Trustees of the Needham Research Institute, and the day-to-day running of the Institute is overseen by a full-time salaried Director. He is supported by a full-time Librarian, a full-time Administrative Manager and a part-time Bursar, who together with the Director comprise the Management Committee of the Institute.

All Trustees give their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in note 8 to the financial statements.

The key officers of the Institute detailed above receive remuneration in line with those in similar positions within the University of Cambridge, and are accordingly remunerated in line with the University of Cambridge's pay scale. Officers receive the small "cost of living" salary increases awarded by the University of Cambridge.

*PRINCIPAL RISKS AND UNCERTAINTIES*

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Institute currently produces an annual budget and reports at Trustees meetings against that budget. The Trustees have delegated authority from the Board to ensure that an active risk management process is in place and forms part of The Needham Research Institute's ongoing organisation activity.

*INVESTMENT POLICY AND PERFORMANCE*

The Investment Portfolio was managed by Quilter Cheviot Limited (now part of Old Mutual) until 31 May 2025. In March 2025 a review of investment advisors was conducted, with five advisors invited to tender, including the incumbent. The standard was very high, and resulted in Cazenove Capital (part of the Schroder's Group) being appointed from 1 June 2025. The Institute very much appreciates many years of excellent work and returns from Quilter Cheviot Limited.

In the year to 30 September 2025, a total return of 5.9% was achieved. [14.3% in 2024.]

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## TRUSTEES REPORT

## PLANS FOR FUTURE PERIODS

The Institute will seek to maximise its contribution to research, teaching and international relations, in its field, focusing principally on China but in the broader context of East Asia, and will take every opportunity to develop fruitful cooperation with the University of Cambridge in those areas, as well as with other institutions of research and higher learning world-wide.

Work will continue on the *Science and Civilisation in China* series and other publications including a planned *Science and Civilisation in Korea* series. Fundraising efforts will continue to increase the Institute's endowment, and to support fellowship programmes.

The annual "Needham Memorial Lecture", in collaboration with other institutions in Cambridge, has been established and will continue.

The NRI Friendship Association was established in Beijing on 9<sup>th</sup> June 2018. It has raised funds to be added to the Ho Peng Yoke Fellowship and will continue to do so.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

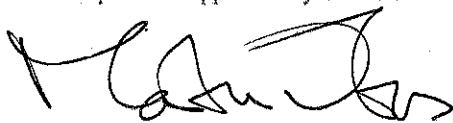
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## APPROVAL

This report was approved by the Board of Trustees and signed on its behalf, on

30<sup>th</sup> March 2026



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## OPINION

We have audited the financial statements of The Needham Research Institute for the year ended 30<sup>th</sup> September 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30<sup>th</sup> September 2025, and of its 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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.

In connection with our audit of the financial statements, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- the 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 Trustees' responsibilities statement set out on page 6, 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 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 charity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 OUR PROCEDURES ARE CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charity. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We have considered the nature of the industry and sector, control environment, laws and regulations and business performance of the charity. Laws and regulations considered included, but were not limited to the Charities Act 2011, FRS102, Charity SORP and UK taxation legislation.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.

Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore, there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery, collusion, omission or intentional misrepresentation.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

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

This report is made solely to the 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.



PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS  
115c Milton Road  
Cambridge  
CB4 1XE

2nd April 2026.

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2025			2024				
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
<b>INCOME FROM:</b>									
Donations and legacies	2	2,550	67,550	-	70,100	2,484	102,766	-	105,250
Charitable activities	3	15,473	92,241	-	107,714	12,500	59,141	-	71,641
Investments	4	106,634	42,345	233,018	381,997	106,738	63,342	277,500	447,580
Other income	5	23,624	-	-	23,624	8,802	-	-	8,802
<b>TOTAL INCOME</b>		<b>148,281</b>	<b>202,136</b>	<b>233,018</b>	<b>583,435</b>	<b>130,524</b>	<b>225,249</b>	<b>277,500</b>	<b>633,273</b>
<b>EXPENDITURE ON:</b>									
Costs of raising funds:									
Investment Management costs		45,653	8,268	-	53,921	59,582	10,953	-	70,535
Charitable activities	6	411,385	241,007	16,770	669,162	403,617	238,793	16,770	659,180
<b>TOTAL EXPENDITURE</b>		<b>457,038</b>	<b>249,275</b>	<b>16,770</b>	<b>723,083</b>	<b>463,199</b>	<b>249,746</b>	<b>16,770</b>	<b>729,715</b>
Net income/(expenditure) before gains on investments		(308,757)	(47,139)	216,248	(139,648)	(332,675)	(24,497)	260,730	(96,442)
Net (losses)/gains on investments	11	(133,185)	168,182	550,274	585,271	532,451	257,599	868,736	1,658,786
<b>NET INCOME/(EXPENDITURE)</b>		<b>(441,942)</b>	<b>121,043</b>	<b>766,522</b>	<b>445,623</b>	<b>199,776</b>	<b>233,102</b>	<b>1,129,466</b>	<b>1,562,344</b>
Transfers between funds		248,362	(15,344)	(233,018)	-	287,148	(9,648)	(277,500)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(193,580)</b>	<b>105,699</b>	<b>533,504</b>	<b>445,623</b>	<b>486,924</b>	<b>223,454</b>	<b>851,966</b>	<b>1,562,344</b>
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward		4,243,245	2,584,774	10,824,137	17,652,156	3,756,321	2,361,320	9,972,171	16,089,812
Total funds carried forward		4,049,665	2,690,473	11,357,641	18,097,779	4,243,245	2,584,774	10,824,137	17,652,156

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 26 form part of these financial statements.

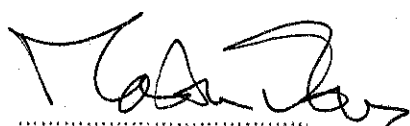
## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## BALANCE SHEET

	Notes	2025		2024	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,044,802		1,064,464
Investments	11		16,910,554		16,352,304
<b>TOTAL FIXED ASSETS</b>			<u>17,955,356</u>		<u>17,416,768</u>
<b>CURRENT ASSETS</b>					
Debtors	12		26,696		53,626
Cash at bank and in hand			180,305		245,693
<b>TOTAL CURRENT ASSETS</b>			<u>207,001</u>		<u>299,319</u>
<b>LIABILITIES:</b>					
Creditors: Amounts falling due within one year	13		(40,269)		(35,830)
<b>NET CURRENT ASSETS</b>			<u>166,732</u>		<u>263,489</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>18,122,088</u>		<u>17,680,257</u>
Provisions for liabilities and charges	14		(24,309)		(28,101)
<b>TOTAL NET ASSETS</b>	18		<u>18,097,779</u>		<u>17,652,156</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds	15		2,690,473		2,584,774
Endowment funds	16		11,357,641		10,824,137
Unrestricted funds:					
Designated funds	17		78,721		69,299
Other charitable funds	17		3,970,944		4,173,946
<b>TOTAL CHARITY FUNDS</b>	18		<u>18,097,779</u>		<u>17,652,156</u>

The financial statements were approved by the Trustees at its meeting on and signed on its behalf by

30th March 2026



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

The notes on pages 13 to 26 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## STATEMENT OF CASH FLOWS

	Notes	2025 Total Funds £	2024 Total Funds £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by/(used in) operating activities</i>	19	(474,406)	(488,151)
<b>Cash flows from investing activities:</b>			
Investment income	4	381,997	447,580
Purchase of tangible fixed assets	10	-	-
Purchase of investments	11	(16,175,403)	(2,073,138)
Proceeds from investments	11	16,138,384	2,176,869
<i>Net cash provided by (used in) investing activities</i>		344,978	551,311
<i>Change in cash and cash equivalents in the year</i>		(129,428)	63,160
<b>Cash and cash equivalents brought forward</b>		405,894	342,734
<b>Cash and cash equivalents carried forward</b>	19	276,466	405,894

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

**(a) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Needham Research Institute meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

**(b) ASSESSMENT OF GOING CONCERN**

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

**(c) INCOME RECOGNITION**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

*Donations and legacies:*

Donations, are recognised when the Institute has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

*Grant income:*

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

*Investment income:*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

**(d) EXPENDITURE AND IRRECOVERABLE VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

*Raising funds:*

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

*Charitable activities:*

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the institute and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

**(e) TANGIBLE FIXED ASSETS**

The charity has a policy of capitalising fixed assets with a cost in excess of £100. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

8 Sylvester Road (Long leasehold)	- over the period of the lease (97 years)
Fixtures and fittings	- 10 years straight line
Equipment	- 4 years straight line

**(f) HERITAGE ASSETS**

The Institute holds a collection of heritage assets comprising rare and historically significant items relating to Chinese culture, including books, manuscripts, artworks, decorative objects and cultural artefacts. These assets are held for their cultural, educational and research value.

The heritage assets held by the Institute were largely acquired prior to 31st December 2020, predominantly by way of donation. Reliable information regarding their original cost or current valuation is not available, and the trustees consider that obtaining such information would not be practicable on a cost-benefit basis.

Heritage assets, including donated goods, acquired after 31st December 2020 above the value of £5,000 are recognised in the balance sheet only where reliable cost or fair value information is available at the date of acquisition and where the trustees consider that the benefit to users of the accounts of recognising the asset outweighs the cost of obtaining such a valuation. Assets acquired by donation after this date are recognised at fair value where this can be measured reliably.

**(g) INVESTMENTS FIXED ASSETS**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Institute does not acquire put options, derivatives or other complex financial instruments.

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

**(h) REALISED GAINS AND LOSSES**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(i) DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(j) CREDITORS**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(k) PENSIONS**

The Institute participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the Second State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

## (k) PENSIONS - continued

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The Institute also participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS). The scheme is a defined benefit scheme which is externally funded and is also contracted out of the State Second Pension (S2P). The fund is valued every three years by a professionally qualified independent actuary, with the actuary reviewing the progress of the scheme in the intervening years.

The Cambridge University Assistants' Contributory Pension Scheme, provides benefits based on final pensionable salary and contributions are made into a defined contribution scheme under the stakeholder rules. The Institute's contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

2.	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total £
	Donations	2,550	67,550	-	70,100
	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Donations	2,484	102,766	-	105,250
		<u>2,484</u>	<u>102,766</u>	<u>-</u>	<u>105,250</u>
3.	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total £
	Grants	15,473	92,241	-	107,714
	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Grants	12,500	59,141	-	71,641
4.	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total £
	Bank interest receivable	3,897	-	-	3,897
	Dividends and gilts receivable	61,642	42,345	233,018	337,005
	Rents receivable (No 2 Sylvester Road)	41,095	-	-	41,095
		<u>106,634</u>	<u>42,345</u>	<u>233,018</u>	<u>381,997</u>
	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Bank interest receivable	2,173	399	-	2,572
	Dividends and gilts receivable	64,874	62,943	277,500	405,317
	Rents receivable (No 2 Sylvester Road)	39,691	-	-	39,691
		<u>106,738</u>	<u>63,342</u>	<u>277,500</u>	<u>447,580</u>
5.	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total £
	Royalties	12,616	-	-	12,616
	Sundry	11,008	-	-	11,008
		<u>23,624</u>	<u>-</u>	<u>-</u>	<u>23,624</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

5.	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Royalties	1,625	-	-	1,625
	Sundry	7,177	-	-	7,177
		<u>8,802</u>	<u>-</u>	<u>-</u>	<u>8,802</u>
6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total £
	Academic and related costs	210,360	237,110	-	447,470
	Establishment costs	97,450	-	16,770	114,220
	Office and support costs	94,668	3,846	-	98,514
	Governance costs	8,907	51	-	8,958
		<u>411,385</u>	<u>241,007</u>	<u>16,770</u>	<u>669,162</u>
	ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total £
	<b>Academic and related costs</b>				
	Salaries (academic)	107,736	83,298	-	191,034
	Salaries (librarian)	66,187	15,914	-	82,101
	Research grants	-	122,900	-	122,900
	Books and publications	9,611	728	-	10,339
	Travel and accommodation	8,801	11,912	-	20,713
	Computer costs	11,882	2,211	-	14,093
	Telephone, postage and photocopying	3,239	147	-	3,386
	Other (incl. lecture and exhibition expenses)	2,904	-	-	2,904
		<u>210,360</u>	<u>237,110</u>	<u>-</u>	<u>447,470</u>
	<b>Establishment costs</b>				
	Rates	17,533	-	-	17,533
	Insurance	11,819	-	-	11,819
	Repairs and maintenance	33,302	-	-	33,302
	Water, light and heat	15,533	-	-	15,533
	Cleaning	9,605	-	-	9,605
	Gardening and grounds	9,658	-	-	9,658
	Depreciation	-	-	16,770	16,770
		<u>97,450</u>	<u>-</u>	<u>16,770</u>	<u>114,220</u>
	<b>Office and support costs</b>				
	Other salaries	78,205	-	-	78,205
	Depreciation	2,892	-	-	2,892
	Printing and stationery	6,177	66	-	6,243
	Events	7,394	3,780	-	11,174
		<u>94,668</u>	<u>3,846</u>	<u>-</u>	<u>98,514</u>
	<b>Governance costs</b>				
	Audit and accountancy	8,250	-	-	8,250
	Other legal and professional fees	657	51	-	708
		<u>8,907</u>	<u>51</u>	<u>-</u>	<u>8,958</u>
		<u>411,385</u>	<u>241,007</u>	<u>16,770</u>	<u>669,162</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Academic and related costs	214,560	234,237	-	448,797
	Establishment costs	91,353	-	16,770	108,123
	Office and support costs	89,363	4,549	-	93,912
	Governance costs	8,341	7	-	8,348
		403,617	238,793	16,770	659,180
	 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	<b>Academic and related costs</b>				
	Salaries (academic)	105,293	87,730	-	193,023
	Salaries (librarian)	77,573	7,095	-	84,668
	Research grants	-	120,415	-	120,415
	Books and publications	11,232	1,081	-	12,313
	Travel and accommodation	3,388	16,572	-	19,960
	Computer costs	11,528	449	-	11,977
	Telephone, postage and photocopying	3,277	-	-	3,277
	Other (incl. lecture and exhibition expenses)	2,269	895	-	3,164
		214,560	234,237	-	448,797
	<b>Establishment costs</b>				
	Rates	16,759	-	-	16,759
	Insurance	10,603	-	-	10,603
	Repairs and maintenance	25,643	-	-	25,643
	Water, light and heat	20,031	-	-	20,031
	Cleaning	9,863	-	-	9,863
	Gardening and grounds	8,454	-	-	8,454
	Depreciation	-	-	16,770	16,770
		91,353	-	16,770	108,123
	<b>Office and support costs</b>				
	Other salaries	74,919	-	-	74,919
	Depreciation	3,802	-	-	3,802
	Printing and stationery	4,618	-	-	4,618
	Events	6,024	4,549	-	10,573
		89,363	4,549	-	93,912
	<b>Governance costs</b>				
	Audit and accountancy	8,340	-	-	8,340
	Other legal and professional fees	1	7	-	8
		8,341	7	-	8,348
		403,617	238,793	16,770	659,180

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

7.	NET INCOME FOR THE YEAR	2025	2024
	This is stated after charging:	£	£
	Auditors remuneration - external audit	8,250	8,340
	Depreciation of tangible fixed assets	19,662	20,572
		<u>          </u>	<u>          </u>

## MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

8.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2025	2024
		£	£
	Salaries and wages	280,809	274,399
	Social security costs	23,777	29,131
	Pension contributions	54,187	57,037
		<u>358,773</u>	<u>360,567</u>

The pension contributions shown above include amounts relevant to the inclusion of the pension provision shown in note 14 to the financial statements as required following the introduction of FRS 102.

The total number of employees whose total salaries exceeded £60,000 is as follows:	2025	2024
£80,000 - £90,000	1	1

The average number of staff employed, analysed by function, employed during the year were:

	2025	2024
	Number	Number
Academic	5	5
Administration	3	3
Establishment	1	1
	<u>9</u>	<u>9</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties.

Related party transactions in the year were £Nil (2024: £Nil)

No expenses were reimbursed to the Trustees, and no payments were made to Trustees in the year (2024: £16 paid by the Institute in respect of Trustees' attendance at meetings).

## 9. TAXATION

As a charity, The Needham Research Institute is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

10.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2025	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2024	1,626,664	57,188	27,614	1,711,466
	Disposals	-	-	-	-
	Balance at 30th September 2025	<u>1,626,664</u>	<u>57,188</u>	<u>27,614</u>	<u>1,711,466</u>
	DEPRECIATION				
	Balance at 1st October 2024	570,098	52,340	24,564	647,002
	Charge for the year	16,770	1,157	1,735	19,662
	Eliminated	-	-	-	-
	Balance at 30th September 2025	<u>586,868</u>	<u>53,497</u>	<u>26,299</u>	<u>666,664</u>
	NET BOOK VALUE as at 30th September 2025	<u>1,039,796</u>	<u>3,691</u>	<u>1,315</u>	<u>1,044,802</u>
	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2024	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2023	1,626,664	70,813	28,691	1,726,168
	Disposals	-	(13,625)	(1,077)	(14,702)
	Balance at 30th September 2024	<u>1,626,664</u>	<u>57,188</u>	<u>27,614</u>	<u>1,711,466</u>
	DEPRECIATION				
	Balance at 1st October 2023	553,328	64,647	23,157	641,132
	Charge for the year	16,770	1,318	2,484	20,572
	Eliminated	-	(13,625)	(1,077)	(14,702)
	Balance at 30th September 2024	<u>570,098</u>	<u>52,340</u>	<u>24,564</u>	<u>647,002</u>
	NET BOOK VALUE as at 30th September 2024	<u>1,056,566</u>	<u>4,848</u>	<u>3,050</u>	<u>1,064,464</u>
11.	INVESTMENT FIXED ASSETS	2025		2024	
		Cost	Market Value	Cost	Market Value
		£	£	£	£
	Investment properties - long leasehold	111,548	715,000	111,548	1,200,000
	Listed investments	15,303,704	16,099,393	11,280,256	14,992,103
	Capital account	96,161	96,161	160,201	160,201
		<u>15,511,413</u>	<u>16,910,554</u>	<u>11,552,005</u>	<u>16,352,304</u>
	Market value at 1st October		16,192,103		14,637,048
	Listed investments acquired		16,175,403		2,073,138
	Listed investments disposed		(16,138,384)		(2,176,869)
	Realised gains		216,559		204,024
	Net gains on revaluations at 30th September		368,712		1,454,762
	Market value at 30th September		<u>16,814,393</u>		<u>16,192,103</u>

The long leasehold of 2 Sylvester Road was revalued in February 2026 by Watsons Property Group, an independent firm of chartered surveyors and valuers, on the basis of its open market value. The leasehold was valued at £715,000.

Listed investments have been valued at the prices as shown on recognised exchanges. At the 30th September 2025, investments are held by the Institute's fund managers Schroder & Co Ltd and Quilter Cheviot Limited.

Investments held within the portfolios that exceed 5% of the total valuation are:	2025
	%
Charity Multi-Asset Accumulation Fund	24.70
Charity Multi-Asset Distribution Fund	73.26

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

12.	DEBTORS	2025	2024
	Due within one year:	£	£
	Prepayments and accrued income	26,696	53,626
		<u>          </u>	<u>          </u>
13.	CREDITORS	2025	2024
	Due within one year:	£	£
	Accruals and deferred income	38,244	33,805
	Deposit held	2,025	2,025
		<u>          </u>	<u>          </u>
		40,269	35,830
14.	PROVISIONS FOR LIABILITIES		2025
			£
	Balance at 1st October 2024		28,101
	Provision identified in the year		-
	Movement in provision		(3,792)
	Balance at 30th September 2025		<u>24,309</u>
	PROVISIONS FOR LIABILITIES		2024
			£
	Balance at 1st October 2023		31,717
	Provision identified in the year		-
	Movement in provision		(3,616)
	Balance at 30th September 2024		<u>28,101</u>

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, allowing for discounting rates and changes in future contributions.

The provision relates to the USS pension deficit recovery plan as mentioned in note 1 (k) to the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

16.	ENDOWMENT FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2025	£	£	£	£	£	£
	Building Fund	673,307	-	(10,650)	-	-	662,657
	Building Fund (South Wing)	435,596	-	(6,120)	-	-	429,476
	Endowment Fund	9,207,495	233,018	-	550,274	(233,018)	9,757,769
	Endowment Fund Library	21,850	-	-	-	-	21,850
	Joseph Needham Estate	485,889	-	-	-	-	485,889
		<u>10,824,137</u>	<u>233,018</u>	<u>(16,770)</u>	<u>550,274</u>	<u>(233,018)</u>	<u>11,357,641</u>

The building funds were provided for and expended on the erection of permanent premises for the Needham Research Institute and to house the East Asian History of Science Library.

The Endowment Fund exists to provide capital for investment which in turn will produce income sufficient in time to secure the continuing operation of the Institute.

ENDOWMENT FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2024	£	£	£	£	£	£
Building Fund	683,957	-	(10,650)	-	-	673,307
Building Fund (South Wing)	441,716	-	(6,120)	-	-	435,596
Endowment Fund	8,338,759	277,500	-	868,736	(277,500)	9,207,495
Endowment Fund Library	21,850	-	-	-	-	21,850
Joseph Needham Estate	485,889	-	-	-	-	485,889
	<u>9,972,171</u>	<u>277,500</u>	<u>(16,770)</u>	<u>868,736</u>	<u>(277,500)</u>	<u>10,824,137</u>

17.	UNRESTRICTED FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2025	£	£	£	£	£	£
	<b>Designated funds:</b>						
	Building repairs fund	31,622	-	-	-	4,000	35,622
	Computer and equipment fund	16,485	-	-	-	-	16,485
	Library Special Fund	21,192	-	(6,578)	-	12,000	26,614
		<u>69,299</u>	<u>-</u>	<u>(6,578)</u>	<u>-</u>	<u>16,000</u>	<u>78,721</u>
	<b>Other charitable funds</b>	<u>4,173,946</u>	<u>148,281</u>	<u>(450,460)</u>	<u>(133,185)</u>	<u>232,362</u>	<u>3,970,944</u>
		<u>4,243,245</u>	<u>148,281</u>	<u>(457,038)</u>	<u>(133,185)</u>	<u>248,362</u>	<u>4,049,665</u>

Purpose of designated funds:

The building repairs fund arises from amounts set aside towards major building maintenance.

The computer and equipment fund arises from amounts set aside towards the updating and replacement of computers and equipment.

The Library Special Fund arises from amounts set aside towards the purchase of books and publications for the Library.

UNRESTRICTED FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2024	£	£	£	£	£	£
<b>Designated funds:</b>						
Building repairs fund	27,622	-	-	-	4,000	31,622
Computer and equipment fund	16,485	-	-	-	-	16,485
Library Special Fund	31,918	-	(5,499)	-	(5,227)	21,192
	<u>76,025</u>	<u>-</u>	<u>(5,499)</u>	<u>-</u>	<u>(1,227)</u>	<u>69,299</u>
<b>Other charitable funds</b>	<u>3,680,296</u>	<u>130,524</u>	<u>(457,700)</u>	<u>532,451</u>	<u>288,375</u>	<u>4,173,946</u>
	<u>3,756,321</u>	<u>130,524</u>	<u>(463,199)</u>	<u>532,451</u>	<u>287,148</u>	<u>4,243,245</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2025

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	(771)	-	-	13,266
b) Li Foundation Fund	80,929	-	(48,063)	-	(3,845)	29,021
c) Sino-British Fellowship Trust	21,408	16,000	(19,133)	-	-	18,275
d) SYK Fellowship Fund	718,260	13,117	(22,488)	50,612	(2,200)	757,301
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	5,130	-	-	-	-	5,130
g) Independent Schools Fund	-	53,330	(53,330)	-	-	-
h) Lloyd Dan David Fund	749,713	26,192	(36,753)	52,828	(3,416)	788,564
i) Jing Brand Fund (including Tianyoude grant)	207,011	53,779	(31,524)	14,588	(4,000)	239,854
j) Kan Wen Ma Fund (in memory of Prof Ma)	5,550	-	-	-	-	5,550
k) Ho Peng Yoke Fellowship	711,762	16,807	(21,302)	50,154	(1,883)	755,538
l) Suiyuan Grant	43,990	-	-	-	-	43,990
m) HK Trust	(899)	7,000	-	-	-	6,101
n) CCKF Lu-Gwei-Djen	-	15,911	(15,911)	-	-	-
	<u>2,584,774</u>	<u>202,136</u>	<u>(249,275)</u>	<u>168,182</u>	<u>(15,344)</u>	<u>2,690,473</u>

## Purpose of funds:

- Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- Fund is to support research fellows.
- Fund is to support research fellows.
- Fund is to fund PhD students and Scholars.
- Fund is to support research in the history of science in modern East Asia.
- Fund is to support the CNRS Sphere Project.
- Fund is to support Independent Schools in research.
- Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- Fund is established under a grant given by The Jing Brand for support for future fellowships.
- Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- Fund was established for supporting our archival project.
- The Chiang Ching-Kuo Foundation for Scholarly Exchange funded the Institute archivist on a 2-year Lu Gwei-Djen project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2024

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	134,838	-	(49,915)	-	(3,994)	80,929
c) Sino-British Fellowship Trust	12,703	16,000	(7,295)	-	-	21,408
d) SYK Fellowship Fund	641,271	19,310	(21,339)	78,530	488	718,260
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	5,415	-	(285)	-	-	5,130
g) Independent Schools Fund	-	56,542	(56,542)	-	-	-
h) Lloyd Dan David Fund	680,576	25,495	(38,839)	83,349	(868)	749,713
i) Jing Brand Fund (including Tianyoude grant)	155,214	76,674	(40,496)	19,009	(3,390)	207,011
j) Beijing Xingzhi	5,425	-	(5,425)	-	-	-
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	(1,168)	-	(689)	5,550
l) Ho Peng Yoke Fellowship	626,422	28,629	(20,669)	76,711	669	711,762
m) Suiyuan Grant	50,129	-	(678)	-	(5,461)	43,990
n) HK Trust	-	-	(4,496)	-	3,597	(899)
o) CCKF Lu-Gwei-Djen	-	2,599	(2,599)	-	-	-
	2,361,320	225,249	(249,746)	257,599	(9,648)	2,584,774

## Purpose of funds:

- Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- Fund is to support research fellows.
- Fund is to support research fellows.
- Fund is to fund PhD students and Scholars.
- Fund is to support research in the history of science in modern East Asia.
- Fund is to support the CNRS Sphere Project.
- Fund is to support Independent Schools in research.
- Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- Fund is established under a grant given by The Jing Brand for support for future fellowships.
- Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- Fund was established for supporting our archival project.
- The Chiang Ching-Kuo Foundation for Scholarly Exchange funded the Institute archivist on a 2-year Lu Gwei-Djen project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2025	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2025 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	5,006	-	1,039,796	1,044,802
Investment fixed assets	3,968,097	2,656,078	10,286,379	16,910,554
Debtors	17,108	9,588	-	26,696
Cash at bank and in hand	109,815	39,024	31,466	180,305
Current liabilities	(26,052)	(14,217)	-	(40,269)
Provisions for liabilities	(24,309)	-	-	(24,309)
Net assets	<u>4,049,665</u>	<u>2,690,473</u>	<u>11,357,641</u>	<u>18,097,779</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	7,898	-	1,056,566	1,064,464
Investment fixed assets	4,076,781	2,539,418	9,736,105	16,352,304
Debtors	33,597	20,029	-	53,626
Cash at bank and in hand	186,068	28,159	31,466	245,693
Current liabilities	(32,998)	(2,832)	-	(35,830)
Provisions for liabilities	(28,101)	-	-	(28,101)
Net assets	<u>4,243,245</u>	<u>2,584,774</u>	<u>10,824,137</u>	<u>17,652,156</u>

## 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net movement in funds	445,623	1,562,344
Add: Depreciation	19,662	20,572
Less: Investment income	(381,997)	(447,580)
Less: Gains on investments	(585,271)	(1,658,786)
Decrease in debtors	26,930	34,103
Increase in creditors	4,439	4,812
Decrease in provisions	(3,792)	(3,616)
Net cash provided by (used in) operating activities	<u>(474,406)</u>	<u>(488,151)</u>

## ANALYSIS OF CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash held under investments	96,161	160,201
Cash at bank	180,305	245,693
	<u>276,466</u>	<u>405,894</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

## 20. PENSIONS

**(a) Universities Superannuation Scheme**

The Institute participates in the Universities Superannuation Scheme (the scheme) with three active members. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to the individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The total cost charged to the Statement of Financial Activities for the Institute is £26,997 (2023/24: £30,555).

Since the Institute cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increase (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps  Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumption. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumption used in these figures are as follows:

Mortality base table	<b>2023 valuation</b> 101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5 an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2025

## NOTES TO THE FINANCIAL STATEMENTS

## PENSIONS .....(CONT.)

The current life expectancies on retirement at age of 65 are:	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.6
Males currently aged 45 (years)	25.7	25.4
Females currently aged 45 (years)	27.2	27.2

The matter of eligibility to participate in the scheme is subject to an ongoing review, and the outcome remains uncertain at the reporting date.

**(b) Cambridge University Assistants' Contributory Pension Scheme**

The Institute participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS) which is a defined benefit scheme. The Institute's contributions are affected by a surplus or deficiency in the CPS but the Institute is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Institute therefore accounts for its contributions to the CPS as if it were a defined contribution scheme. It had six active members participating in the Scheme.

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by the schemes ceased to be contracted out of the State Second Pension.

**Triennial valuation of the scheme**

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme as at 31 July 2021. The results of valuation showed the actuarial value of the scheme's assets as £814m. These were sufficient to cover the scheme's past service liabilities of £738m; the scheme had a surplus of £76m and was 110% funded.

Since 1 August 2013 employer contributions have been set at 11.5% of pensionable pay for existing members at 31 December 2021 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. On 1 August 2023, employer contributions will be adjusted to 14.1% of pensionable pay for existing members at 31 December 2012 and 7.6% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2013. In addition, fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2023. These payments are subject to review at the next triennial valuation due as at 31 July 2024.

**THE NEEDHAM RESEARCH INSTITUTE**

England & Wales - Charity number 311459

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# Accounts

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THE NEEDHAM RESEARCH INSTITUTE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2024

NEEDHAM RESEARCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

CHARITY INFORMATION

Charity Registration Number	311459
Trustees:	Professor Martin Jones (Chairman) Lord Broers ScD, FRS, FREng (resigned 1 March 2024) Dr Christopher Hughes Mr Stephen Perry (resigned 8 November 2024) Professor Roel Sterckx (resigned 5 June 2024) Mr Michael Womack Ms Elizabeth Wright Dr Mary Augusta Brazelton Dr Imre Galambos Dr Charles Harpum Ms Katie Lee Professor Ying Jin (appointed 8 November 2024)
Members of the Finance Committee:	Professor Martin Jones (Chairman) Dr Christopher Hughes Mr Michael Womack Ms Elizabeth Wright Professor Roel Sterckx (resigned 5 June 2024) Director and Bursar in attendance
Members of the Management Committee:	Professor Jianjun Mei (Chairman) Ms Susan Bennett Mr John Moffett Dr Christopher Jagger
Members of the Publications Board:	Professor Jianjun Mei (Chairman) Ms Susan Bennett Mr John Moffett Dr Christopher Jagger
Principal Officers:	
Director:	Professor Jianjun Mei
Bursar:	Dr Christopher Jagger
Librarian:	Mr John Moffett
Administrative Manager	Ms Susan Bennett
Principal Office Address:	8 Sylvester Road Cambridge CB3 9AF
Auditors:	Prentis & Co LLP Chartered Accountants & Statutory Auditors 115C Milton Road Cambridge CB4 1XE
Bankers and Deposit Holders:	National Westminster Bank plc 23 Market Street Cambridge CB2 3PA  Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Solicitors:	King & Co St. Andrews House St. Andrews Street Cambridge CB2 3DD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## TRUSTEES REPORT

The Trustees present their report and financial statements for the year ended 30 September 2024.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## REFERENCE AND ADMINISTRATIVE DETAILS

The Needham Research Institute, formerly titled "The East Asian History of Science Trust" is situated at 8, Sylvester Road, Cambridge CB3 9AF. Charity Registration No. 311459.

The names of the Trustees serving during the financial year 1 October 2023 to 30 September 2024 and serving on the date which this report was approved are given on the contents page.

Professor Jianjun Mei is the Director of the Institute and responsible for its day-to-day management. The names of the Institute's staff are given on the contents page.

## OBJECTIVES AND ACTIVITIES

*PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT*

Building on the foundation laid by the work of the late Dr Joseph Needham, the Institute seeks to facilitate, promote and develop academic research, publication and teaching of the highest possible standard in the fields of the history of science, technology and medicine in East Asia.

Beyond the purely academic sphere, it also seeks to raise public awareness of those aspects of its work that are of wider significance for human progress. Through the pursuit of those goals it aims to exploit and further develop its role as the world's leading international centre for research in its field. It seeks closer and mutually beneficial cooperation with Cambridge University whilst maintaining its present autonomy as an independent charitable Foundation.

*MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES*

The Institute aims to ensure the successful completion of the "Science and Civilisation in China" project. Twenty-five volumes have been published and work is proceeding on a further three volumes in the series; in addition, eighteen volumes have been published in the Monograph Series and work is continuing on a number of others. The Institute also publishes a less formal 'Working Papers' Series.

The Institute has an active programme of Research Fellowships and Studentships which is largely funded by grants from several outside Foundations and which enables scholars from East Asia and elsewhere to study at the Institute. It also organises workshops and conferences with major academic organisations in and outside the UK. It runs regular academic seminars during the University term.

The Institute also hosts scholars and academics during the year, allowing them access to its diverse library, archives and catalogue of works and publications in the fields of the history of science, technology and medicine in East Asia.

*TRUSTEES REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT*

The Institute and its Library offers scholars facilities for research and writing unrivalled by any other academic institution in its field. In addition to its collection of monographs, the Library subscribes to a wide selection of journals, many of which are Chinese publications rarely available elsewhere in Europe. The Library also houses the archives of the late Dr Needham relating to his research in the field he established. A 2-year project (2023 – 2024) funded partly by the Joseph Needham Foundation for Science and Civilisation (Hong Kong) is currently being carried out on these archives to make them more accessible to researchers. Digitised research materials are freely available on the Cambridge University Digital Library.

All this material is described and catalogued electronically, and may be searched online for no fee. Any person with a serious interest in the subjects covered by the Institute is welcome to use its facilities without charge. In cases where scholars are sufficiently well funded, the Institute will accept a contribution to its overheads, but this is not an absolute condition for use of its facilities.

In addition to maintaining the Institute's facilities and facilitating access to them, the Trustees encourage the Director to play an active role in making a wider public aware of the area with which it deals. The Director has delivered public lectures in Cambridge and overseas. The Director has been appointed 'Director of Research' by The McDonald Institute for Archaeological Research in University of Cambridge.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## TRUSTEES REPORT

## ACHIEVEMENTS AND PERFORMANCE

*SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST*

During the period of October 2023-September 2024, the fellowship programmes, such as Independent School Foundation (ISF) Fellowship, Lloyd-Dan David (LDD) Fellowship, Li Foundation Fellowship, Ho Peng Yoke (HPY) Fellowships, Jing Brand Fellowships, Soon-Young Kim (SYK) awards, and the Sino-British Fellowship Trust (SBFT) award were all in operation.

The ISF Fellowship programme established in October 2013 resumed its operation in Cambridge for three weeks in June-July 2024 under the supervision of Dr. Jenny Jingyi Zhao, who took this fellowship position on a three-year contract in February 2021, and has been working as a Research Fellow at the Institute since then. She was promoted to a Senior Research Fellow position in October 2022 and her contract was extended on 22<sup>nd</sup> January 2024 for a further three years until 31<sup>st</sup> January 2027. She also holds a Joseph Needham Visiting Fellowship at Clare Hall College.

Dr. Arthur Harris took his LDD fellowship position on a three-year contract in October 2021, and has been working as a Postdoctoral Fellow at the Institute since then. His fellowship tenure was extended in August 2024 for a further year until September 2025.

The Li Foundation Fellow (2023-2024, East Asia), Dr. John Alekna of Peking University completed his research visit to the Institute during October-December 2023. Dr. Dong Junqing, Associate Professor of the Shanghai Institute of Optics and Fine Mechanics, Chinese Academy of Science, completed his research visit in Cambridge during November 2023- April 2024. Guo Jianbo, a junior researcher at the Sichuan Provincial Institute for Cultural Relics and Archaeology, completed his research stay at our Institute during October 2023- March 2024. Dr. Liu Nian of the Institute of Archaeology, Chinese Academy of Social Sciences, completed her 6-month fellowship tenure and returned to China in October 2024.

Four scholars were awarded Li Foundation fellowships (USA) for the year 2023-2024. He Yahui, a PhD candidate of Stanford University and a 6-month fellowship holder, completed her tenure in Cambridge in January-June 2024. Liang Yue, a PhD candidate of Binghamton University and a 3-month fellowship holder, carried out her study visit in Cambridge in January-March 2024. Dr. Liu Xinyi, Associate Professor of Archaeology, Washington University in St. Louis and a 3-month fellowship holder, completed his fellowship tenure in May-August 2024. Niall Chithelen, a PhD student at University of California, San Diego and a 6-month fellowship holder, has been permitted to postpone his fellowship tenure for a year and so will begin his research visit in October 2024.

Two six-month HPY fellows, Dr. Yang Shujia (a postdoctoral researcher at the Palace Museum in Beijing) and Dr. Wang Shengyu (a visiting fellow at Heidelberg University) completed their research visits in Cambridge in January-July 2024.

Dr. Huang Yijie, a 12-month Jing Brand scholarship holder for 2022-23, stayed at the Institute for 6 months during May-November 2023 before taking up a new position in Germany. Dr. Li Xinsheng of Southeast University, our Jing Brand Fellow for 2022-23, completed his research visit in Cambridge in July-December 2023. Professor Liu Dun of Tsinghua University, a 6-month Jing Brand scholarship holder for the year of 2023-24, completed his visit and returned to China by the end of August 2024. Dr. Jiang Xiaochengyang of Peking University, who was awarded a 6-month Jing Brand scholarship for 2020-21, arrived in Cambridge in May 2024 and left in late August 2024. Professor Zhao Feng of Zhejiang University, a Jing Brand Fellow for 2020-21, completed his scholarship tenure in May- October 2024.

Dr. Yu Jia was awarded a 12-month SYK fellowship for 2023-24 and completed her fellowship tenure during September 2023-August 2024.

After unavoidable postponement for three years, Dr. Shi Zhilin, Associate Professor at Lanzhou University and a six-month Silk Road fellowship holder for 2020-2021, arrived in Cambridge in February 2024 and completed his research visit in August 2024.

Dr. Liu Peifeng, Assistant Professor of the School of Archaeology and Museology, Jingdezhen Ceramic University, a SBFT fellow for 2023-2024, completed his six-month fellowship tenure during March-September 2024.

The Institute also hosted visits for a few months or a year from the following scholars:

Dr. Zhou Chang, visiting scholar, Xi'an University of Post and Telecommunications, 2023.09-2024.08;

Dr. Liu Jie, visiting scholar, Shanxi University, 2023.10-2024.09;

Dr. Hu Haohua, visiting scholar, China Academy of Art, 2023.10-2024.05;

Professor Oh Chaekun, Daejon University, 2024.01-2025.01.

On 3<sup>rd</sup> November 2023, the 6<sup>th</sup> Needham Memorial Lecture, sponsored by the Jing Brand Co. Ltd., China, took place at the Riley Auditorium, Clare College. Professor Jessica Rawson of Oxford University delivered the lecture entitled '*Finding China's Present in Its Past*'.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## TRUSTEES REPORT

The Director delivered a lecture entitled '*Sanxingdui Bronzes and Metallurgical Network in the Shang Dynasty*' at the two different venues: (1) The Institute of Archaeology, UCL, on 17<sup>th</sup> January 2024; (2) The Institute of Archaeology, University of Oxford, 2<sup>nd</sup> February 2024. He also offered a lecture on '*Joseph Needham and Science and Civilisation in China*' to a group of students and teachers from the Xinya College, Tsinghua University on 23<sup>rd</sup> January 2024. He delivered a lecture on '*The Development of Archaeology in China: Early Bronze Technology*' to undergraduate students at the Department of Archaeology, University of Cambridge on 20<sup>th</sup> February 2024.

To celebrate Professor Sir Geoffrey Lloyd's 91<sup>st</sup> birthday, the Institute organised a tea reception with a specially commissioned cake on 25<sup>th</sup> January 2024. The Chairman thanked Sir Geoffrey for his immense contribution to the intellectual life of the Institute.

On 18<sup>th</sup> March 2024, the workshop on '*Material Culture in the History of Sciences and Arts: Mobility, Exchange, and Innovation*', organized by Dr. Yu Jia (SYK Fellow) and Dr. Hu Haohua (NRI visiting scholar), took place at the Whipple Museum Learning Gallery, University of Cambridge.

From 25<sup>th</sup> March to 17<sup>th</sup> May 2024, the Director travelled to China and accomplished a number of institutional and academic tasks as follows: 1) visiting the Southwest University to arrange the 2024-2025 SBFT fellowship program (1-3 April); 2) delivering a lecture to the public at the Palace Museum in Beijing (9 April); 3) visiting the Sanxingdui Museum in Guanghan, Chengdu (14 April); 4) attending a book launch event in Beijing (19 April); 5) visiting the Zhejiang University and Liangzhu Museum to strengthen cooperation links (25-26 April); 6) meeting Professors Zhang Daqing and Chen Qi at the School of Health Humanities, Peking University (8 May); 7) delivering a lecture at the University of Science and Technology Beijing (9 May); 8) visiting the Inner Mongolia Normal University and meeting Professors Guo Shirong (1997 Li Foundation Fellow) and Jiang Hongjun (2020 SBFT Fellow) (13-14 May); 9) attending the celebration event for the 7th Anniversary of the Founding of the Department of History of Science, Tsinghua University (16 May).

On 20<sup>th</sup> May 2024, the Director offered a lecture entitled '*Sanxingdui Bronzes and Metallurgical Network in the Shang Dynasty*' to a group of students and researchers of the University of Cambridge at the Department of Archaeology.

During 6<sup>th</sup>-8<sup>th</sup> June 2024, the 4<sup>th</sup> conference on "*Science in the Forest, Science in the Past*" organised by Professor Sir Geoffrey Lloyd was held at the Institute, co-ordinated by the Administrative Manager, and with the financial supports from the Needham Research Institute and other institutions in the UK.

On 23<sup>rd</sup> July 2024, Dr. Shi Zhilin (Needham-Silk Road Fellow) organized the workshop entitled "*Cultural Exchange along the Silk Road*" in the K. P. Tin Hall at the NRI. About 20 scholars from China and the UK participated in the workshop.

On 23<sup>rd</sup> July 2024, the Director participated in a workshop on the Sanxingdui culture and delivered an online paper entitled '*The cultural and technological features of the Sanxingdui bronzes as seen from the Hanzhong bronzes*'.

On 11<sup>th</sup> August 2024, at the invitation of Director Pang Yali of the Shaanxi Historical Museum, the Director delivered an online public lecture entitled '*The development of early metallurgical technology in China and its links with neighbouring regions*'.

On 17<sup>th</sup> August 2024, the Director presented an online paper entitled '*New progress in the studies of early copper and bronze artefacts found in China*' to the workshop "*Fire—Art and Civilisation*" held at the Tsinghua Art Museum.

The Institute organised twenty-five in-person seminars during the University Michaelmas, Lent and Easter terms from October 2023 to June 2024.

#### REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

Funds are invested to provide income to meet the day-to-day running of the Institute. They are split between the Endowment Funds, Restricted Funds (related to grants to expend for the purpose specified, these are shown in note 15 on page 20) and Unrestricted Funds. As at 30 September 2024 funds invested amounted to £16,352,304 (2023: £14,758,859).

The Principal funding sources of the Institute are its income from the Investment Portfolio, donations and grants from outside Foundations, royalties, interest on deposit accounts and rent of No. 2 Sylvester Road. No. 2 Sylvester Road has been leased to Robinson College for fifteen years from 3<sup>rd</sup> May 2018.

A review of investment performance and the Institute's investment policy are detailed on page 4.

The Institute has a potential liability relating to the employees who are in the 'Universities Superannuation Scheme'. Note 14 and 20 to the accounts set out the basis of a provision that has been made of £28,101 (2023: £31,717).

#### RESERVES POLICY

The Trustees have considered that the most appropriate policy is to maintain all surplus funds split between investments held with Quilter Cheviot and also a level of balances held as cash at bank sufficient to maintain the day to day costs of running and servicing the Institute.

This policy is kept under review, having regard to the level of funds available.

The Trustees' investment powers are governed by the Trust Deed which permits The Needham Research Institute to invest the monies of the Institute not immediately required for its purposes in such ways as the Institute shall in its absolute discretion think fit.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## TRUSTEES REPORT

## STRUCTURE, GOVERNANCE AND MANAGEMENT

*NATURE OF THE GOVERNING DOCUMENT*

The Institute is an educational charity registered in England and subject to the provisions of the 1968 Trust Deed, as amended by Schemes of the Charity Commissioners dated 29 March 1988, 17 March 1992 and 27 November 2000.

*THE BOARD OF TRUSTEES*

The Trustees provide an appropriate mix of skills, diversity and experience; each is appointed for a term of five years by a resolution of the Trustees passed at a meeting and may be re-appointed for further terms in the same way.

The Trustees meet three times a year to receive reports from the Director, the Bursar through the Finance Committee and the Librarian. The Chairman and the Director are in close touch. All major decisions are referred to the Trustees.

The Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage those risks.

The Institute has been moving towards a turnover of Trustees more consistent with Charity Commission guidelines.

*RECRUITMENT OF NEW TRUSTEES*

New Trustees are given an induction by the Chairman and a tour of the Institute. Following formal election to the Board, they are sent an information pack containing the Charity Commission Investment Guide for Trustees, the Institute's newsletter, and two forms for completion: a Declaration of Interest and a Declaration of Eligibility. Communications from the Charity Commission regarding training etc. are circulated by email.

*MANAGEMENT PERSONNEL REMUNERATION*

The ultimate responsibility for the management of the Institute rests with the Trustees of the Needham Research Institute, and the day-to-day running of the Institute is overseen by a full-time salaried Director. He is supported by a full-time Librarian, a full-time Administrative Manager and a part-time Bursar, who together with the Director comprise the Management Committee of the Institute.

All Trustees give their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in note 8 to the financial statements.

The key officers of the Institute detailed above receive remuneration in line with those in similar positions within the University of Cambridge, and are accordingly remunerated in line with the University of Cambridge's pay scale. Officers receive the small "cost of living" salary increases awarded by the University of Cambridge.

*PRINCIPAL RISKS AND UNCERTAINTIES*

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Institute currently produces an annual budget and reports at Trustees meetings against that budget. The Trustees have delegated authority from the Board to ensure that an active risk management process is in place and forms part of The Needham Research Institute's ongoing organisation activity.

*INVESTMENT POLICY AND PERFORMANCE*

The Investment Portfolio continues to be managed by Quilter Cheviot Limited (now part of Old Mutual).

In the year to 30 September 2024, a total return of 14.3% was achieved. [-5.8% in 2023]

## PLANS FOR FUTURE PERIODS

The Institute will seek to maximise its contribution to research, teaching and international relations, in its field, focusing principally on China but in the broader context of East Asia, and will take every opportunity to develop fruitful cooperation with the University of Cambridge in those areas, as well as with other institutions of research and higher learning world-wide.

Work will continue on the *Science and Civilisation in China* series and other publications including a planned *Science and Civilisation in Korea* series. Fundraising efforts will continue to increase the Institute's endowment, and to support fellowship programmes.

The annual "Needham Memorial Lecture", in collaboration with other institutions in Cambridge, has been established and will continue.

The NRI Friendship Association was established in Beijing on 9<sup>th</sup> June 2018. It has raised funds to be added to the Ho Peng Yoke Fellowship and will continue to do so.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## TRUSTEES REPORT

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## APPROVAL

This report was approved by the Board of Trustees and signed on its behalf, on



MS ELIZABETH WRIGHT  
TRUSTEE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## OPINION

We have audited the financial statements of The Needham Research Institute for the year ended 30<sup>th</sup> September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30<sup>th</sup> September 2024, and of its 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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.

In connection with our audit of the financial statements, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- the 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 Trustees' responsibilities statement set out on page 5, 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 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 charity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 OUR PROCEDURES ARE CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charity. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We have considered the nature of the industry and sector, control environment, laws and regulations and business performance of the charity. Laws and regulations considered included, but were not limited to the Charities Act 2011, FRS102, Charity SORP and UK taxation legislation.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.

Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

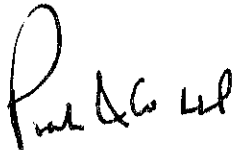
There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore, there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery, collusion, omission or intentional misrepresentation.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

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

This report is made solely to the 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.



PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS  
115c Milton Road  
Cambridge  
CB4 1XE

13th March 2025

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2024				2023			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
<b>INCOME FROM:</b>									
Donations and legacies	2	2,484	102,766	-	105,250	365	61,520	-	61,885
Charitable activities	3	12,500	59,141	-	71,641	5,500	170,386	-	175,886
Investments	4	106,738	63,342	277,500	447,580	87,040	266,118	266,118	409,413
Other income	5	8,802	-	-	8,802	18,818	-	-	18,818
<b>TOTAL INCOME</b>		<b>130,524</b>	<b>225,249</b>	<b>277,500</b>	<b>633,273</b>	<b>111,723</b>	<b>288,161</b>	<b>266,118</b>	<b>666,002</b>
<b>EXPENDITURE ON:</b>									
Costs of raising funds:									
Investment Management costs		59,582	10,953	-	70,535	55,600	9,892	-	65,492
Charitable activities	6	403,617	238,793	16,770	659,180	371,083	259,131	16,770	646,984
<b>TOTAL EXPENDITURE</b>		<b>463,199</b>	<b>249,746</b>	<b>16,770</b>	<b>729,715</b>	<b>426,683</b>	<b>269,023</b>	<b>16,770</b>	<b>712,476</b>
Net income/(expenditure) before gains on investments		(332,675)	(24,497)	260,730	(96,442)	(314,960)	19,138	249,348	(46,474)
Net gains/(losses) on investments	11	532,451	257,599	868,736	1,658,786	126,174	64,140	234,323	424,637
<b>NET INCOME/(EXPENDITURE)</b>		<b>199,776</b>	<b>233,102</b>	<b>1,129,466</b>	<b>1,562,344</b>	<b>(188,786)</b>	<b>83,278</b>	<b>483,671</b>	<b>378,163</b>
Transfers between funds		287,148	(9,648)	(277,500)	-	277,363	(11,245)	(266,118)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>486,924</b>	<b>223,454</b>	<b>851,966</b>	<b>1,562,344</b>	<b>88,577</b>	<b>72,033</b>	<b>217,553</b>	<b>378,163</b>
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward		3,756,321	2,361,320	9,972,171	16,089,812	3,667,744	2,289,287	9,754,618	15,711,649
Total funds carried forward		4,243,245	2,584,774	10,824,137	17,652,156	3,756,321	2,361,320	9,972,171	16,089,812

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

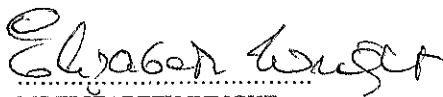
The notes on pages 12 to 25 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## BALANCE SHEET

	Notes	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,064,464		1,085,036
Investments	11		16,352,304		14,758,859
<b>TOTAL FIXED ASSETS</b>			<u>17,416,768</u>		<u>15,843,895</u>
<b>CURRENT ASSETS</b>					
Debtors	12	53,626		87,729	
Cash at bank and in hand		245,693		220,923	
<b>TOTAL CURRENT ASSETS</b>		<u>299,319</u>		<u>308,652</u>	
<b>LIABILITIES:</b>					
Creditors: Amounts falling due within one year	13		(35,830)		(31,018)
<b>NET CURRENT ASSETS</b>			263,489		277,634
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>17,680,257</u>		<u>16,121,529</u>
Provisions for liabilities and charges	14		(28,101)		(31,717)
<b>TOTAL NET ASSETS</b>	18		<u>17,652,156</u>		<u>16,089,812</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds	15		2,584,774		2,361,320
Endowment funds	16		10,824,137		9,972,171
Unrestricted funds:					
Designated funds	17	69,299		76,025	
Other charitable funds	17	4,173,946	4,243,245	3,680,296	3,756,321
<b>TOTAL CHARITY FUNDS</b>	18		<u>17,652,156</u>		<u>16,089,812</u>

The financial statements were approved by the Trustees at its meeting on and signed on its behalf by

  
 MS ELIZABETH WRIGHT  
 TRUSTEE

The notes on pages 12 to 25 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## STATEMENT OF CASH FLOWS

	Notes	2024 Total Funds £	2023 Total Funds £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by/(used in) operating activities</i>	19	(488,151)	(473,343)
<b>Cash flows from investing activities:</b>			
Investment income	4	447,580	409,413
Purchase of tangible fixed assets	10	-	(5,266)
Purchase of investments	11	(2,073,138)	(2,607,087)
Proceeds from investments	11	2,176,869	2,145,987
<i>Net cash provided by (used in) investing activities</i>		551,311	(56,953)
<i>Change in cash and cash equivalents in the year</i>		63,160	(530,296)
<b>Cash and cash equivalents brought forward</b>		342,734	873,030
<b>Cash and cash equivalents carried forward</b>	19	405,894	342,734

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## (a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Needham Research Institute meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

## (b) ASSESSMENT OF GOING CONCERN

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

## (c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

*Donations and legacies:*

Donations, are recognised when the Institute has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

*Grant income:*

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

*Investment income:*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

## (d) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

*Raising funds:*

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

*Charitable activities:*

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the institute and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

**(e) TANGIBLE FIXED ASSETS**

The charity has a policy of capitalising fixed assets with a cost in excess of £100. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

8 Sylvester Road (Long leasehold)	- over the period of the lease (97 years)
Fixtures and fittings	- 10 years straight line
Equipment	- 4 years straight line

**(f) INVESTMENTS FIXED ASSETS**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Institute does not acquire put options, derivatives or other complex financial instruments.

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

**(g) REALISED GAINS AND LOSSES**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(h) DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(i) CREDITORS**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(j) PENSIONS**

The Institute participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the Second State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The Institute also participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS). The scheme is a defined benefit scheme which is externally funded and is also contracted out of the State Second Pension (S2P). The fund is valued every three years by a professionally qualified independent actuary, with the actuary reviewing the progress of the scheme in the intervening years.

The Cambridge University Assistants' Contributory Pension Scheme, provides benefits based on final pensionable salary and contributions are made into a defined contribution scheme under the stakeholder rules.

The Institute's contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

2.	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Donations	2,484	102,766	-	105,250
	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Donations	365	60,270	-	60,635
	Gift Aid	-	1,250	-	1,250
		365	61,520	-	61,885
3.	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Grants	12,500	59,141	-	71,641
	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Grants	5,500	170,386	-	175,886
4.	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Bank interest receivable	2,173	399	-	2,572
	Dividends and gilts receivable	64,874	62,943	277,500	405,317
	Rents receivable (No 2 Sylvester Road)	39,691	-	-	39,691
		106,738	63,342	277,500	447,580
	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Bank interest receivable	485	86	-	571
	Dividends and gilts receivable	49,581	56,169	266,118	371,868
	Rents receivable (No 2 Sylvester Road)	36,974	-	-	36,974
		87,040	56,255	266,118	409,413
5.	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Royalties	1,625	-	-	1,625
	Sundry	7,177	-	-	7,177
		8,802	-	-	8,802
	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Royalties	16,257	-	-	16,257
	Sundry	2,561	-	-	2,561
		18,818	-	-	18,818

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £
	Academic and related costs	214,560	234,237	-	448,797
	Establishment costs	91,353	-	16,770	108,123
	Office and support costs	89,363	4,549	-	93,912
	Governance costs	8,341	7	-	8,348
		<u>403,617</u>	<u>238,793</u>	<u>16,770</u>	<u>659,180</u>
	 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2024	 Unrestricted Funds £	 Restricted Funds £	 Endowment Funds £	 2024 Total £
	<b>Academic and related costs</b>	£	£	£	£
	Salaries (academic)	105,293	87,730	-	193,023
	Salaries (librarian)	77,573	7,095	-	84,668
	Research grants	-	120,415	-	120,415
	Books and publications	11,232	1,081	-	12,313
	Travel and accommodation	3,388	16,572	-	19,960
	Computer costs	11,528	449	-	11,977
	Telephone, postage and photocopying	3,277	-	-	3,277
	Other (incl. lecture and exhibition expenses)	2,269	895	-	3,164
		<u>214,560</u>	<u>234,237</u>	<u>-</u>	<u>448,797</u>
	<b>Establishment costs</b>				
	Rates	16,759	-	-	16,759
	Insurance	10,603	-	-	10,603
	Repairs and maintenance	25,643	-	-	25,643
	Water, light and heat	20,031	-	-	20,031
	Cleaning	9,863	-	-	9,863
	Gardening and grounds	8,454	-	-	8,454
	Depreciation	-	-	16,770	16,770
		<u>91,353</u>	<u>-</u>	<u>16,770</u>	<u>108,123</u>
	<b>Office and support costs</b>				
	Other salaries	74,919	-	-	74,919
	Depreciation	3,802	-	-	3,802
	Printing and stationery	4,618	-	-	4,618
	Events	6,024	4,549	-	10,573
		<u>89,363</u>	<u>4,549</u>	<u>-</u>	<u>93,912</u>
	<b>Governance costs</b>				
	Audit and accountancy	8,340	-	-	8,340
	Other legal and professional fees	1	7	-	8
		<u>8,341</u>	<u>7</u>	<u>-</u>	<u>8,348</u>
		<u>403,617</u>	<u>238,793</u>	<u>16,770</u>	<u>659,180</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Academic and related costs	208,700	251,437	-	460,137
	Establishment costs	70,572	-	16,770	87,342
	Office and support costs	83,940	7,690	-	91,630
	Governance costs	7,871	4	-	7,875
		<u>371,083</u>	<u>259,131</u>	<u>16,770</u>	<u>646,984</u>
	<b>ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2023 Total £</b>
	<b>Academic and related costs</b>				
	Salaries (academic)	105,451	90,025	-	195,476
	Salaries (librarian)	70,561	23,020	-	93,581
	Research grants	-	121,800	-	121,800
	Books and publications	13,761	4,317	-	18,078
	Travel and accommodation	4,626	10,790	-	15,416
	Computer costs	5,113	885	-	5,998
	Telephone, postage and photocopying	3,472	-	-	3,472
	Other (incl. lecture and exhibition expenses)	5,716	600	-	6,316
		<u>208,700</u>	<u>251,437</u>	<u>-</u>	<u>460,137</u>
	<b>Establishment costs</b>				
	Rates	14,388	-	-	14,388
	Insurance	9,532	-	-	9,532
	Repairs and maintenance	14,303	-	-	14,303
	Water, light and heat	13,689	-	-	13,689
	Cleaning	10,113	-	-	10,113
	Gardening and grounds	8,547	-	-	8,547
	Depreciation	-	-	16,770	16,770
		<u>70,572</u>	<u>-</u>	<u>16,770</u>	<u>87,342</u>
	<b>Office and support costs</b>				
	Other salaries	74,111	-	-	74,111
	Depreciation	4,400	-	-	4,400
	Printing and stationery	5,256	1,534	-	6,790
	Events	173	6,156	-	6,329
		<u>83,940</u>	<u>7,690</u>	<u>-</u>	<u>91,630</u>
	<b>Governance costs</b>				
	Audit and accountancy	7,833	-	-	7,833
	Other legal and professional fees	38	4	-	42
		<u>7,871</u>	<u>4</u>	<u>-</u>	<u>7,875</u>
		<u>371,083</u>	<u>259,131</u>	<u>16,770</u>	<u>646,984</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

7.	NET INCOME FOR THE YEAR	2024	2023
	This is stated after charging:	£	£
	Auditors remuneration - external audit	8,340	7,833
	Depreciation of tangible fixed assets	20,572	21,170
		<u>28,912</u>	<u>28,993</u>

## MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

8.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2024	2023
		£	£
	Salaries and wages	274,399	266,305
	Social security costs	29,131	28,581
	Pension contributions	57,037	75,744
		<u>360,567</u>	<u>370,630</u>

The pension contributions shown above include amounts relevant to the inclusion of the pension provision shown in note 14 to the financial statements as required following the introduction of FRS 102.

The total number of employees whose total salaries exceeded £60,000 is as follows:	2024	2023
£70,000 - £80,000	0	1
£80,000 - £90,000	1	0

The average number of staff employed, analysed by function, employed during the year were:

	2024	2023
	Number	Number
Academic	5	5
Administration	3	3
Establishment	1	1
	<u>9</u>	<u>9</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties.

Related party transactions in the year were £Nil (2023: £Nil)

No expenses were reimbursed to the Trustees, but a total of £16 was paid by the Institute for Trustees to attend meetings (2023: £35).

## 9. TAXATION

As a charity, The Needham Research Institute is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

10.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2024	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2023	1,626,664	70,813	28,691	1,726,168
	Disposals	-	(13,625)	(1,077)	(14,702)
	Balance at 30th September 2024	<u>1,626,664</u>	<u>57,188</u>	<u>27,614</u>	<u>1,711,466</u>
	DEPRECIATION				
	Balance at 1st October 2023	553,328	64,647	23,157	641,132
	Charge for the year	16,770	1,318	2,484	20,572
	Eliminated	-	(13,625)	(1,077)	(14,702)
	Balance at 30th September 2024	<u>570,098</u>	<u>52,340</u>	<u>24,564</u>	<u>647,002</u>
	NET BOOK VALUE as at 30th September 2024	<u>1,056,566</u>	<u>4,848</u>	<u>3,050</u>	<u>1,064,464</u>

	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2023	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2022	1,626,664	70,813	23,425	1,720,902
	Additions	-	-	5,266	5,266
	Balance at 30th September 2023	<u>1,626,664</u>	<u>70,813</u>	<u>28,691</u>	<u>1,726,168</u>
	DEPRECIATION				
	Balance at 1st October 2022	536,558	63,110	20,294	619,962
	Charge for the year	16,770	1,537	2,863	21,170
	Balance at 30th September 2023	<u>553,328</u>	<u>64,647</u>	<u>23,157</u>	<u>641,132</u>
	NET BOOK VALUE as at 30th September 2023	<u>1,073,336</u>	<u>6,166</u>	<u>5,534</u>	<u>1,085,036</u>

11.	INVESTMENT FIXED ASSETS	2024		2023	
		Cost	Market Value	Cost	Market Value
		£	£	£	£
	Investment properties - long leasehold	111,548	1,200,000	111,548	1,200,000
	Listed investments	11,280,256	14,992,103	10,755,379	13,437,048
	Capital account	160,201	160,201	121,811	121,811
		<u>11,552,005</u>	<u>16,352,304</u>	<u>10,988,738</u>	<u>14,758,859</u>
	Market value at 1st October		14,637,048		13,751,311
	Listed investments acquired		2,073,138		2,607,087
	Listed investments disposed		(2,176,869)		(2,145,987)
	Realised (losses)/gains		204,024		(28,894)
	Gains/(losses) on revaluations at 30th September		1,454,762		453,531
	Market value at 30th September		<u>16,192,103</u>		<u>14,637,048</u>

The long leasehold of 2 Sylvester Road was valued by the Westley & Huff on the basis of its market value being £1,200,000. Westley & Huff are an established firm of Chartered Surveyors and Valuers.

Listed investments have been valued at the prices as shown on recognised exchanges.

No listed investment, excluding cash balances, made up more than 5% of the portfolio.

12.	DEBTORS	2024	2023
	Due within one year:	£	£
	Prepayments and accrued income	2,916	1,790
	Other debtors	50,710	85,939
		<u>53,626</u>	<u>87,729</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

13.	CREDITORS	2024	2023
	Due within one year:	£	£
	Accruals and deferred income	33,805	28,993
	Deposit held	2,025	2,025
		<u>35,830</u>	<u>31,018</u>
14.	PROVISIONS FOR LIABILITIES		2024
			£
	Balance at 1st October 2023		31,717
	Provision identified in the year		-
	Movement in provision		(3,616)
	Balance at 30th September 2024		<u>28,101</u>
	PROVISIONS FOR LIABILITIES		2023
			£
	Balance at 1st October 2022		35,162
	Provision identified in the year		-
	Movement in provision		(3,445)
	Balance at 30th September 2023		<u>31,717</u>

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, allowing for discounting rates and changes in future contributions.

The provision relates to the USS pension deficit recovery plan as mentioned in note 1 (j) to the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2024

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	134,838	-	(49,915)	-	(3,994)	80,929
c) Sino-British Fellowship Trust	12,703	16,000	(7,295)	-	-	21,408
d) SYK Fellowship Fund	641,271	19,310	(21,339)	78,530	488	718,260
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	5,415	-	(285)	-	-	5,130
g) Independent Schools Fund	-	56,542	(56,542)	-	-	-
h) Lloyd Dan David Fund	680,576	25,495	(38,839)	83,349	(868)	749,713
i) Jing Brand Fund (including Tianyoude grant)	155,214	76,674	(40,496)	19,009	(3,390)	207,011
j) Beijing Xingzhi	5,425	-	(5,425)	-	-	-
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	(1,168)	-	(689)	5,550
l) Ho Peng Yoke Fellowship	626,422	28,629	(20,669)	76,711	669	711,762
m) Suiyuan Grant	50,129	-	(678)	-	(5,461)	43,990
n) HK Trust	-	-	(4,496)	-	3,597	(899)
o) CCKF Lu-Gwei-Djen	-	2,599	(2,599)	-	-	-
	<u>2,361,320</u>	<u>225,249</u>	<u>(249,746)</u>	<u>257,599</u>	<u>(9,648)</u>	<u>2,584,774</u>

## Purpose of funds:

- Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- Fund is to support research fellows.
- Fund is to support research fellows.
- Fund is to fund PhD students and Scholars.
- Fund is to support research in the history of science in modern East Asia.
- Fund is to support the CNRS Sphere Project.
- Fund is to support Independent Schools in research.
- Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- Fund is established under a grant given by The Jing Brand for support for future fellowships.
- Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- Fund was established for supporting our archival project.
- The Chiang Ching-Kuo Foundation for Scholarly Exchange funded the Institute archivist on a 2-year Lu Gwei-Djen project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2023

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	69,537	96,891	(29,250)	-	(2,340)	134,838
c) Sino-British Fellowship Trust	24,788	1,349	(13,434)	-	-	12,703
d) SYK Fellowship Fund	628,784	17,025	(21,872)	19,411	(2,077)	641,271
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	5,415	-	-	-	-	5,415
g) Independent Schools Fund	-	56,910	(56,910)	-	-	-
h) Lloyd Dan David Fund	679,041	24,636	(40,352)	20,963	(3,712)	680,576
i) Jing Brand Fund (including Tianyoude grant)	155,832	54,219	(55,648)	4,811	(4,000)	155,214
j) Beijing Xingzhi	5,425	-	-	-	-	5,425
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
l) Ho Peng Yoke Fellowship	614,009	21,895	(26,118)	18,955	(2,319)	626,422
m) Wellcome Grant	-	15,236	(15,236)	-	-	-
n) Suiyuan Grant	50,129	-	-	-	-	50,129
o) HK Trust	7,000	-	(10,203)	-	3,203	-
	<u>2,289,287</u>	<u>288,161</u>	<u>(269,023)</u>	<u>64,140</u>	<u>(11,245)</u>	<u>2,361,320</u>

## Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is to support the CNRS Sphere Project.
- g) Fund is to support Independent Schools in research.
- h) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- i) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- j) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- k) Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- l) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- m) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- n) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- o) Fund was established for supporting our archival project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

16.	ENDOWMENT FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2024	£	£	£	£	£	£
	Building Fund	683,957	-	(10,650)	-	-	673,307
	Building Fund (South Wing)	441,716	-	(6,120)	-	-	435,596
	Endowment Fund	8,338,759	277,500	-	868,736	(277,500)	9,207,495
	Endowment Fund Library	21,850	-	-	-	-	21,850
	Joseph Needham Estate	485,889	-	-	-	-	485,889
		<u>9,972,171</u>	<u>277,500</u>	<u>(16,770)</u>	<u>868,736</u>	<u>(277,500)</u>	<u>10,824,137</u>

The building funds were provided for and expended on the erection of permanent premises for the Needham Research Institute and to house the East Asian History of Science Library.

The Endowment Fund exists to provide capital for investment which in turn will produce income sufficient in time to secure the continuing operation of the Institute.

ENDOWMENT FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2023	£	£	£	£	£	£
Building Fund	694,607	-	(10,650)	-	-	683,957
Building Fund (South Wing)	447,836	-	(6,120)	-	-	441,716
Endowment Fund	8,104,436	266,118	-	234,323	(266,118)	8,338,759
Endowment Fund Library	21,850	-	-	-	-	21,850
Joseph Needham Estate	485,889	-	-	-	-	485,889
	<u>9,754,618</u>	<u>266,118</u>	<u>(16,770)</u>	<u>234,323</u>	<u>(266,118)</u>	<u>9,972,171</u>

17.	UNRESTRICTED FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2024	£	£	£	£	£	£
<b>Designated funds:</b>							
	Building repairs fund	27,622	-	-	-	4,000	31,622
	Computer and equipment fund	16,485	-	-	-	-	16,485
	Library Special Fund	31,918	-	(5,499)	-	(5,227)	21,192
		<u>76,025</u>	<u>-</u>	<u>(5,499)</u>	<u>-</u>	<u>(1,227)</u>	<u>69,299</u>
	<b>Other charitable funds</b>	<u>3,680,296</u>	<u>130,524</u>	<u>(457,700)</u>	<u>532,451</u>	<u>288,375</u>	<u>4,173,946</u>
		<u>3,756,321</u>	<u>130,524</u>	<u>(463,199)</u>	<u>532,451</u>	<u>287,148</u>	<u>4,243,245</u>

Purpose of designated funds:

The building repairs fund arises from amounts set aside towards major building maintenance.

The computer and equipment fund arises from amounts set aside towards the updating and replacement of computers and equipment.

The Library Special Fund arises from amounts set aside towards the purchase of books and publications for the Library.

UNRESTRICTED FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2023	£	£	£	£	£	£
<b>Designated funds:</b>						
	Building repairs fund	23,622	-	-	-	4,000
	Computer and equipment fund	16,485	-	-	-	-
	Library Special Fund	35,025	-	(3,107)	-	-
		<u>75,132</u>	<u>-</u>	<u>(3,107)</u>	<u>-</u>	<u>4,000</u>
	<b>Other charitable funds</b>	<u>3,592,612</u>	<u>111,723</u>	<u>(423,576)</u>	<u>126,174</u>	<u>273,363</u>
		<u>3,667,744</u>	<u>111,723</u>	<u>(426,683)</u>	<u>126,174</u>	<u>277,363</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	7,898	-	1,056,566	1,064,464
Investment fixed assets	4,076,781	2,539,418	9,736,105	16,352,304
Debtors	33,597	20,029	-	53,626
Cash at bank and in hand	186,068	28,159	31,466	245,693
Current liabilities	(32,998)	(2,832)	-	(35,830)
Provisions for liabilities	(28,101)	-	-	(28,101)
Net assets	<u>4,243,245</u>	<u>2,584,774</u>	<u>10,824,137</u>	<u>17,652,156</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	11,700	-	1,073,336	1,085,036
Investment fixed assets	3,662,230	2,229,260	8,867,369	14,758,859
Debtors	42,264	45,465	-	87,729
Cash at bank and in hand	100,389	89,068	31,466	220,923
Current liabilities	(28,545)	(2,473)	-	(31,018)
Provisions for liabilities	(31,717)	-	-	(31,717)
Net assets	<u>3,756,321</u>	<u>2,361,320</u>	<u>9,972,171</u>	<u>16,089,812</u>

## 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net movement in funds	1,562,344	378,163
Add: Depreciation	20,572	21,170
Less: Investment income	(447,580)	(409,413)
Less: Gains on investments	(1,658,786)	(424,637)
Decrease/(increase) in debtors	34,103	(34,129)
Increase/(decrease) in creditors	4,812	(1,052)
Decrease in provisions	(3,616)	(3,445)
Net cash provided by (used in) operating activities	<u>(488,151)</u>	<u>(473,343)</u>

## ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash held under investments	160,201	121,811
Cash at bank	245,693	220,923
	<u>405,894</u>	<u>342,734</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

## 20. PENSIONS

**(a) Universities Superannuation Scheme**

The Institute participates in the Universities Superannuation Scheme (the scheme) with three active members. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to the individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The total cost charged to the Statement of Financial Activities for the Institute is £30,555 (2022/23: £38,481).

Since the Institute cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increase (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps  Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumption. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumption used in these figures are as follows:

	<b>2023 valuation</b>
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5 an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2024

## NOTES TO THE FINANCIAL STATEMENTS

## PENSIONS .....(CONT.)

The current life expectancies on retirement at age of 65 are:	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

**(b) Cambridge University Assistants' Contributory Pension Scheme**

The Institute participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS) which is a defined benefit scheme. The Institute's contributions are affected by a surplus or deficiency in the CPS but the Institute is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Institute therefore accounts for its contributions to the CPS as if it were a defined contribution scheme. It had six active members participating in the Scheme.

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by the schemes ceased to be contracted out of the State Second Pension.

**Triennial valuation of the scheme**

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme as at 31 July 2021. The results of valuation showed the actuarial value of the scheme's assets as £814m. These were sufficient to cover the scheme's past service liabilities of £738m; the scheme had a surplus of £76m and was 110% funded.

Since 1 August 2013 employer contributions have been set at 11.5% of pensionable pay for existing members at 31 December 2021 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. On 1 August 2023, employer contributions will be adjusted to 14.1% of pensionable pay for existing members at 31 December 2022 and 7.6% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2023. In addition, fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2023. These payments are subject to review at the next triennial valuation due as at 31 July 2024.

**THE NEEDHAM RESEARCH INSTITUTE**

England & Wales - Charity number 311459

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# Accounts

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THE NEEDHAM RESEARCH INSTITUTE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2023

NEEDHAM RESEARCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

CHARITY INFORMATION

Charity Registration Number

311459

Trustees:

Professor Martin Jones (Chairman)  
Lord Broers ScD, FRS, FREng  
Dr Christopher Hughes  
Professor Liu Dun (resigned 11.5.23)  
Mr Stephen Perry  
Professor Roel Sterckx  
Mr Michael Womack  
Ms Elizabeth Wright  
Dr Mary Augusta Brazelton  
Dr Imre Galambos  
Dr Charles Harpum  
Ms Katie Lee

Members of the Finance Committee:

Professor Martin Jones (Chairman)  
Dr Christopher Hughes  
Mr Michael Womack  
Ms Elizabeth Wright  
Professor Roel Sterckx  
Director and Bursar in attendance

Members of the Management Committee:

Professor Jianjun Mei (Chairman)  
Ms Susan Bennett  
Mr John Moffett  
Dr Christopher Jagger

Members of the Publications Board:

Professor Jianjun Mei (Chairman)  
Ms Susan Bennett  
Mr John Moffett  
Dr Christopher Jagger

Principal Officers:

Director:

Bursar:

Librarian:

Administrative Manager:

Professor Jianjun Mei  
Dr Christopher Jagger  
Mr John Moffett  
Ms Susan Bennett

Principal Office Address:

8 Sylvester Road  
Cambridge  
CB3 9AF

Auditors:

Prentis & Co LLP  
Chartered Accountants & Statutory Auditors  
115C Milton Road  
Cambridge  
CB4 1XE

Bankers and Deposit Holders:

National Westminster Bank plc  
23 Market Street  
Cambridge  
CB2 3PA

Quilter Cheviot Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB

Solicitors:

King & Co  
St. Andrews House  
St. Andrews Street  
Cambridge  
CB2 3DD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## TRUSTEES REPORT

The Trustees present their report and financial statements for the year ended 30<sup>th</sup> September 2023.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2019).

## REFERENCE AND ADMINISTRATIVE DETAILS

The Needham Research Institute, formerly titled “The East Asian History of Science Trust” is situated at 8, Sylvester Road, Cambridge CB3 9AF. Charity Registration No. 311459.

The names of the Trustees serving during the financial year 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2023 and serving on the date which this report was approved are given on the contents page.

Professor Jianjun Mei is the Director of the Institute and responsible for its day-to-day management. The names of the Institute’s staff are given on the contents page.

## OBJECTIVES AND ACTIVITIES

*PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT*

Building on the foundation laid by the work of the late Dr Joseph Needham, the Institute seeks to facilitate, promote and develop academic research, publication and teaching of the highest possible standard in the fields of the history of science, technology and medicine in East Asia.

Beyond the purely academic sphere, it also seeks to raise public awareness of those aspects of its work that are of wider significance for human progress. Through the pursuit of those goals it aims to exploit and further develop its role as the world’s leading international centre for research in its field. It seeks closer and mutually beneficial cooperation with Cambridge University whilst maintaining its present autonomy as an independent charitable Foundation.

*MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES*

The restrictions imposed as a result of the Corona Virus Pandemic have finally come to an end. The Institute aims to ensure the successful completion of the ‘Science and Civilisation in China’ project. Twenty-five volumes have been published and work is proceeding on a further three volumes in the series; in addition, seventeen volumes have been published in the Monograph Series and work is continuing on a number of others. The Institute also publishes a less formal ‘Working Papers’ Series.

The Institute has an active programme of Research Fellowships and Studentships which is largely funded by grants from several outside Foundations and which enables scholars from East Asia and elsewhere to study at the Institute. It also organises workshops and conferences with major academic organisations in and outside the UK. It runs regular academic seminars during the University term.

The Institute also hosts scholars and academics during the year, allowing them access to its diverse library and catalogue of works and publications in the fields of the history of science, technology and medicine in East Asia.

*TRUSTEES REGARD TO THE CHARITY COMMISSION’S GUIDANCE ON PUBLIC BENEFIT*

The Institute and its Library offers scholars facilities for research and writing unrivalled by any other academic institution in its field. In addition to its collection of monographs, the Library subscribes to a wide selection of journals, many of which are Chinese publications rarely available elsewhere in Europe. The Library also houses the archives of the late Dr Needham relating to his research in the field he established. A 3-year project (2019–2022) funded by the Wellcome Trust is currently being carried out on these archives to make them more accessible to researchers. Digitised research materials are freely available on the Cambridge University Digital Library.

All this material is described and catalogued electronically, and may be searched online for no fee. Any person with a serious interest in the subjects covered by the Institute is welcome to use its facilities without charge. In cases where scholars are sufficiently well funded, the Institute will accept a contribution to its overheads, but this is not an absolute condition for use of its facilities.

In addition to maintaining the Institute’s facilities and facilitating access to them, the Trustees encourage the Director to play an active role in making a wider public aware of the area with which it deals. The Director has delivered public lectures Overseas. The Director has been appointed ‘Director of Research’ by The McDonald Institute for Archaeological Research in University of Cambridge.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## TRUSTEES REPORT

## ACHIEVEMENTS AND PERFORMANCE

*SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST*

During the period of October 2022-September 2023, the fellowship programmes, such as Independent School Foundation (ISF) Fellowship, Lloyd-Dan David (LDD) Fellowship, Li Foundation Fellowship, Ho Peng Yoke (HPY) Fellowships, Jing Brand Fellowships, Soon-Young Kim (SYK) awards, and the Sino-British Fellowship Trust (SBFT) award were in operation.

The Independent Schools Foundation (ISF) Fellowship programme established in October 2013 resumed its physical operation in Cambridge for three weeks in June-July 2023 under the supervision of Dr. Jenny Jingyi Zhao, who took this fellowship position on a three-year contract in February 2021, and has been working as a Research Fellow at the Institute since then. She was promoted to a Senior Research Fellow position in October 2022. She also holds a Joseph Needham Visiting Fellowship at Clare Hall.

Dr. Arthur Harris took his LDD fellowship position on a three-year contract in October 2021, and has been working as a Postdoctoral Fellow at the Institute since then. His fellowship tenure will end in September 2024.

The Li Foundation Fellow (2022-2023), Dr. Huang Huang, Lecturer at Anhui University, completed her research visit to the Institute during October 2022-June 2023. Dr. Derek Kramer, Li Foundation Fellow (USA) for the year 2022-23, completed his research visit in Cambridge during January-July 2023. Dr. Brian Lander, Assistant Professor at Brown University, completed his research stay at our Institute during October-December 2022.

Dr. Jose Canton-Alvarez, the HPY Fellow (2022-2023), completed his 6-month fellowship tenure in June 2023. Dr. Flavia Xi Fang, another HPY Fellow (2022-2023), completed her 12-month fellowship tenure in September 2023.

Professor Zhao Guozhuang of Southwest University, a Jing Brand Fellow (the first Tianyoude Fellow) for the year of 2020-21, completed his visit to the Institute during October 2022-July 2023. Professor Zhang Changping of Wuhan University, a Jing Brand fellow for 2020-21, conducted his research visit to the Institute during May-October 2023. Dr. Huang Yijie, who was awarded a 12-month Jing Brand scholarship for 2022-23, completed her research stay at the Institute during May-November 2023. Dr. Li Minghui of the Central China Normal University, a Jing Brand Fellow for 2022-23, completed her research work in Cambridge in January-July 2023. Professor Li Xinsheng of Southeast University, a Jing Brand Fellow for 2022-23, carried out his fellowship tenure during July-December 2023.

Dr. Erling Agoey of the University of Oslo was initially awarded a 6-month SYK fellowship for 2022-23 and this award was then extended to 12 months. He completed his 12-month fellowship tenure in September 2023.

Dr. Zou Guisen of the Guangxi University for Nationalities, a SBFT Fellow for 2020-21, completed his six-month fellowship tenure during January-July 2023.

The Institute also hosted visits for a few months from the following scholars:

Professor Li Haijing, CSC scholar, Zhejiang University of Water Resources and Electric Power, 2022.08-2023.08;

Dr. Li Na, CSC scholar, Nanjing Forestry University, 2022.09-2023.09;

Dr. Stephen Whiteman, visiting scholar, Courtauld Institute of Art, 2022.09-2022.12;

Ms. Yu Jia, PhD student of the HPS, University of Cambridge, 2022.09-2023.09;

Dr. Li Wanwan, Visiting scholar, Xiamen University, 2023.03-06;

Dr. Mao Dan, visiting scholar, Shanghai Jiaotong University, 2023.06-09;

Professor Gao Yan, visiting scholar, University of Heidelberg, 2023.08-09;

Wang Yao, visiting student, Tianjin University, 2023.08-09;

To celebrate Professor Lloyd's 90<sup>th</sup> birthday, the Institute organised a one-day workshop as well as an evening reception on 25<sup>th</sup> January 2023. Over 30 participants from the NRI, the University and beyond contributed to the stimulating discussions and exchanges.

On 22<sup>nd</sup> -23<sup>rd</sup> June 2023, Dr. Flavia Xi Fang (HPY Fellow) and Dr. Avital Rom (FAMES, former HPY Fellow) jointly organized the workshop entitled "*Body, Space and Spirit: The Sensorium in Chinese History*" in the K. P. Tin Hall at the NRI. Dozens of scholars from the UK, Canada, the US, Hong Kong, Israel, France, and Netherland participated in the workshop.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## TRUSTEES REPORT

During the period 27<sup>th</sup> June – 14<sup>th</sup> July 2023, 10 students from the ISF Academy, Hong Kong completed their study visit to the Institute. Dr. Malcolm Pritchard (Head of the ISF), Diana Ibarra (Director of the Shuyuan) and 4 other members of staff joined the visit, which marks the resumption of the annual ISF visit to Cambridge under a long-term program of cooperation between NRI and ISF after the Covid-19 pandemic.

On 21<sup>st</sup> July 2023, a farewell party was organized by Dr. Flavia Fang and Daniel Sheridan in the K.P. Tin Hall at NRI to honour Professor Imre Galambos, who was moving to Zhejiang University for three years.

The Institute organised twenty-four in-person seminars during the University Michaelmas, Lent and Easter terms from October 2022 to June 2023.

In the period of November 2022 - July 2023, the Director presented 9 lectures at the invitation of several universities or institutions. A lecture list is given here: 1) 12<sup>th</sup> October 2022, a lecture on '*Some Challenges in the Studies of Metallurgy in Bronze Age China*', McDonald Institute for Archaeological Research, University of Cambridge; 2) 23<sup>rd</sup> November 2022, a lecture on '*Archaeometallurgy in China: Three Challenging Issues*' to a virtual audience, Sichuan University; 3) 8<sup>th</sup> November 2022, a lecture for the postgraduate students (archaeological science), '*The First Qin Emperor's Water Birds: Manufacturing Techniques and Cultural Implications*', University of Cambridge; 4) 2<sup>nd</sup> February 2023, a lecture for the undergraduate students (world archaeology), '*The Development of Archaeology in China: Early Bronze Technology*', University of Cambridge; 5) 21<sup>st</sup> March 2023, a lecture on '*Three Mysteries of Bronze Age Metallurgy in China*', Independent School Foundation, Hong Kong; 6) 22<sup>nd</sup> March 2023, a lecture on '*Needham's Intellectual Heritage and Its Value in the Contemporary World*', Baptist University, Hong Kong; 7) On 12<sup>th</sup> September 2023, a lecture on '*Three unsolved problems in the study of early Chinese metallurgical history*', Shanghai Jiaotong University; 8) On 13<sup>th</sup> September 2023, a lecture on '*Joseph Needham and the Science and Civilisation in China*', Jiangsu University of Science and Technology; 9) 29<sup>th</sup> September 2023, a lecture on '*The Early Development of Metallurgy in China and its Connections with the Eurasian Steppe*', Jao Tsung-I Academy of Sinology, Baptist University.

On 23<sup>rd</sup>-24<sup>th</sup> March 2023, the Director and the Librarian attended the Needham Symposium entitled '*Needham's Dialogical Vision: Understanding Science as a Multi-Civilizational Outcome*', which was held at the Hong Kong University of Science and Technology.

On 8<sup>th</sup> -10<sup>th</sup> September 2023, the Director visited Shanghai to attend the Pujiang Innovation Forum and to deliver a lecture on '*Needham's Question and the Significance of Mutual Learning among Civilizations*' to its sub-forum entitled 'Innovation Culture Forum'.

On 15<sup>th</sup> -17<sup>th</sup> September 2023, the Director participated in the international symposium on bronze civilization in the Yellow River region, which was organized by the Shanxi Museum in Taiyuan city, Shanxi Province.

On 20<sup>th</sup> September 2023, the Director attended a workshop on the early history of the Institute of Wood Industry, which was held at the Chinese Academy of Forestry Sciences in northwestern Beijing.

On 26<sup>th</sup> -28<sup>th</sup> September 2023, the Director participated in the international symposium on '*Sanxingdui and Bronze Age China*' in association with the exhibition entitled '*Gazing at Sanxingdui: New Archaeological Discoveries in Sichuan*', which was held at the Hong Kong Palace Museum.

#### REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

Funds are invested to provide income to meet the day-to-day running of the Institute. They are split between the Endowment Funds, Restricted Funds (related to grants to expend for the purpose specified, these are shown in note 15 on page 20) and Unrestricted Funds. As at 30<sup>th</sup> September 2023 funds invested amounted to £14,758.859, (2022: £14,399,017).

The Principal funding sources of the Institute are its income from the investment portfolio, donations and grants from outside foundations, royalties, interest on deposit accounts and rent of No. 2 Sylvester Road. No. 2 Sylvester Road has been leased to Robinson College for fifteen years from 3<sup>rd</sup> May 2018.

A review of investment performance and the Institute's investment policy are detailed on page 4.

The Institute has a potential liability relating to the employees who are in the 'Universities Superannuation Scheme'. Note 14 and 20 to the accounts set out the basis of a provision that has been made of £31,717 (2022: £35,162).

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## TRUSTEES REPORT

## STRUCTURE, GOVERNANCE AND MANAGEMENT

*RESERVES POLICY*

The Trustees have considered that the most appropriate policy is to maintain all surplus funds split between investments held with Quilter Cheviot and also a level of balances held as cash at bank sufficient to maintain the day to day costs of running and servicing the Institute.

This policy is kept under review, having regard to the level of funds available.

The Trustees' investment powers are governed by the Trust Deed which permits The Needham Research Institute to invest the monies of the Institute not immediately required for its purposes in such ways as the Institute shall in its absolute discretion think fit.

*NATURE OF THE GOVERNING DOCUMENT*

The Institute is an educational charity registered in England and subject to the provisions of the 1968 Trust Deed, as amended by Schemes of the Charity Commissioners dated 29<sup>th</sup> March 1988, 17<sup>th</sup> March 1992 and 27<sup>th</sup> November 2000.

*THE BOARD OF TRUSTEES*

The Trustees provide an appropriate mix of skills, diversity and experience; each is appointed for a term of five years by a resolution of the Trustees passed at a meeting and may be re-appointed for further terms in the same way.

The Trustees meet three times a year to receive reports from the Director, the Bursar through the Finance Committee and the Librarian. The Chairman and the Director are in close touch. All major decisions are referred to the Trustees.

The Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage those risks.

The Institute has been moving towards a turnover of Trustees more consistent with Charity Commission guidelines.

*RECRUITMENT OF NEW TRUSTEES*

Newly appointed Trustees are given a full briefing and tour of the Institute soon after their appointment. All Trustees have been provided with the Charity Commission Investment Guidelines. The Chair of Trustees is elected annually at a formal meeting of the Trustees.

*MANAGEMENT PERSONNEL REMUNERATION*

The ultimate responsibility for the management of the Institute rests with the Trustees of the Needham Research Institute, and the day-to-day running of the Institute is overseen by a full-time salaried Director. He is supported by a full-time Librarian, a full-time Administrative Manager and a part-time Bursar, who together with the Director comprise the Management Committee of the Institute.

All Trustees give their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in note 8 to the financial statements.

The key officers of the Institute detailed above receive remuneration in line with those in similar positions within the University of Cambridge, and are accordingly remunerated in line with the University of Cambridge's pay scale. Officers receive the small "cost of living" salary increases awarded by the University of Cambridge.

*PRINCIPAL RISKS AND UNCERTAINTIES*

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Institute currently produces an annual budget and reports at Trustees meetings against that budget. The Trustees have delegated authority from the Board to ensure that an active risk management process is in place and forms part of The Needham Research Institute's ongoing organisation activity.

*INVESTMENT POLICY AND PERFORMANCE*

The Investment Portfolio continues to be managed by Quilter Cheviot Limited (now part of Old Mutual).

In the year to 30 September 2023, a total return of +5.8% was incurred. [-8.1% in 2022]

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## TRUSTEES REPORT

## PLANS FOR FUTURE PERIODS

The Institute will seek to maximise its contribution to research, teaching and international relations, in its field, focusing principally on China but in the broader context of East Asia, and will take every opportunity to develop fruitful cooperation with the University of Cambridge in those areas, as well as with other institutions of research and higher learning world-wide.

Work will continue on the *Science and Civilisation in China* series and other publications including a planned *Science and Civilisation in Korea* series. Fundraising efforts will continue to increase the Institute's endowment, and to support fellowship programmes.

The annual "Needham Memorial Lecture", in collaboration with other institutions in Cambridge, has been established and will continue.

The NRI Friendship Association was established in Beijing on 9<sup>th</sup> June 2018. It has raised funds to be added to the Ho Peng Yoke Fellowship and will continue to do so.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## APPROVAL

This report was approved by the Board of Trustees and signed on its behalf, on

1-3-24



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## OPINION

We have audited the financial statements of The Needham Research Institute for the year ended 30<sup>th</sup> September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30<sup>th</sup> September 2023, and of its 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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.

In connection with our audit of the financial statements, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- the 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 Trustees' responsibilities statement set out on page 5, 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 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 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 OUR PROCEDURES ARE CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charity. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We have considered the nature of the industry and sector, control environment, laws and regulations and business performance of the charity. Laws and regulations considered included, but were not limited to the Charities Act 2011, FRS102, Charity SORP and UK taxation legislation.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.

Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore, there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery, collusion, omission or intentional misrepresentation.

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

This report is made solely to the 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.



PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS  
115c Milton Road  
Cambridge  
CB4 1XE

14<sup>th</sup> March 2024.

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2023				2022			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
<b>INCOME FROM:</b>									
Donations and legacies	2	365	61,520	-	61,885	150	33,347	-	33,497
Charitable activities	3	5,500	170,386	-	175,886	11,160	94,850	-	106,010
Investments	4	87,040	56,255	266,118	409,413	47,109	291,326	291,326	399,077
Other income	5	18,818	-	-	18,818	12,267	-	-	12,267
<b>TOTAL INCOME</b>		<b>111,723</b>	<b>288,161</b>	<b>266,118</b>	<b>666,002</b>	<b>70,686</b>	<b>188,839</b>	<b>291,326</b>	<b>550,851</b>
<b>EXPENDITURE ON:</b>									
Charitable activities	6	426,683	269,023	16,770	712,476	411,036	200,057	16,770	627,863
<b>TOTAL EXPENDITURE</b>		<b>426,683</b>	<b>269,023</b>	<b>16,770</b>	<b>712,476</b>	<b>411,036</b>	<b>200,057</b>	<b>16,770</b>	<b>627,863</b>
Net income/(expenditure) before gains on investments	7	(314,960)	19,138	249,348	(46,474)	(340,350)	(11,218)	274,556	(77,012)
Net (losses)/gains on investments	11	126,174	64,140	234,323	424,637	(370,801)	(273,185)	(1,062,078)	(1,706,064)
<b>NET INCOME/(EXPENDITURE)</b>		<b>(188,786)</b>	<b>83,278</b>	<b>483,671</b>	<b>378,163</b>	<b>(711,151)</b>	<b>(284,403)</b>	<b>(787,522)</b>	<b>(1,783,076)</b>
Transfers between funds		277,363	(11,245)	(266,118)	-	310,889	(19,563)	(291,326)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>88,577</b>	<b>72,033</b>	<b>217,553</b>	<b>378,163</b>	<b>(400,262)</b>	<b>(303,966)</b>	<b>(1,078,848)</b>	<b>(1,783,076)</b>
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward		3,667,744	2,289,287	9,754,618	15,711,649	4,068,006	2,593,253	10,833,466	17,494,725
Total funds carried forward		3,756,321	2,361,320	9,972,171	16,089,812	3,667,744	2,289,287	9,754,618	15,711,649

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

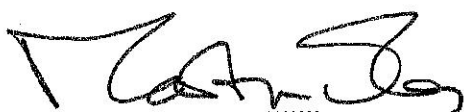
## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## BALANCE SHEET

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,085,036		1,100,940
Investments	11		14,758,859		14,399,017
<b>TOTAL FIXED ASSETS</b>			<u>15,843,895</u>		<u>15,499,957</u>
<b>CURRENT ASSETS</b>					
Debtors	12	87,729		53,600	
Cash at bank and in hand		220,923		225,324	
<b>TOTAL CURRENT ASSETS</b>		<u>308,652</u>		<u>278,924</u>	
<b>LIABILITIES:</b>					
Creditors: Amounts falling due within one year	13		<u>(31,018)</u>		<u>(32,070)</u>
<b>NET CURRENT ASSETS</b>			<u>277,634</u>		<u>246,854</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Provisions for liabilities and charges	14		(31,717)		(35,162)
<b>TOTAL NET ASSETS</b>	18		<u>16,089,812</u>		<u>15,711,649</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds	15		2,361,320		2,289,287
Endowment funds	16		9,972,171		9,754,618
Unrestricted funds:					
Designated funds	17	76,025		75,132	
Other charitable funds	17	3,680,296	3,756,321	3,592,612	3,667,744
<b>TOTAL CHARITY FUNDS</b>	18		<u>16,089,812</u>		<u>15,711,649</u>

The financial statements were approved by the Trustees at its meeting on  
and signed on its behalf by

1-3-24



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

The notes on pages 12 to 25 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## STATEMENT OF CASH FLOWS

	Notes	2023 Total Funds £	2022 Total Funds £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by (used in) operating activities</i>	19	(473,343)	(484,005)
<b>Cash flows from investing activities:</b>			
Investment income		409,413	399,077
Purchase of tangible fixed assets		(5,266)	(1,669)
Purchase of investments		(2,607,087)	(2,364,907)
Proceeds from investments		2,145,987	2,942,870
<i>Net cash provided by (used in) investing activities</i>		(56,953)	975,371
<i>Change in cash and cash equivalents in the year</i>		(530,296)	491,366
<b>Cash and cash equivalents brought forward</b>		873,030	381,664
<b>Cash and cash equivalents carried forward</b>	19	342,734	873,030

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## (a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Needham Research Institute meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

## (b) ASSESSMENT OF GOING CONCERN

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

## (c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

*Donations and legacies:*

Donations, are recognised when the Institute has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

*Grant income:*

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

*Investment income:*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

## (d) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

*Raising funds:*

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

*Charitable activities:*

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the institute and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

**(e) TANGIBLE FIXED ASSETS**

The charity has a policy of capitalising fixed assets with a cost in excess of £100. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

8 Sylvester Road (Long leasehold)	- over the period of the lease (97 years)
Fixtures and fittings	- 10 years straight line
Equipment	- 4 years straight line

**(f) INVESTMENTS FIXED ASSETS**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Institute does not acquire put options, derivatives or other complex financial instruments.

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

**(g) REALISED GAINS AND LOSSES**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(h) DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(i) CREDITORS**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(j) PENSIONS**

The Institute participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the Second State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The Institute also participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS). The scheme is a defined benefit scheme which is externally funded and is also contracted out of the State Second Pension (S2P). The fund is valued every three years by a professionally qualified independent actuary, with the actuary reviewing the progress of the scheme in the intervening years.

The Cambridge University Assistants' Contributory Pension Scheme, provides benefits based on final pensionable salary and contributions are made into a defined contribution scheme under the stakeholder rules. The Institute's contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

2.	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Donations	365	60,270	-	60,635
	Gift Aid	-	1,250	-	1,250
		<u>365</u>	<u>61,520</u>	<u>-</u>	<u>61,885</u>
	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Donations	150	32,097	-	32,247
	Gift Aid	-	1,250	-	1,250
		<u>150</u>	<u>33,347</u>	<u>-</u>	<u>33,497</u>
3.	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Grants	5,500	170,386	-	175,886
	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Grants	11,160	94,850	-	106,010
4.	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Interest receivable	13,032	2,319	-	15,351
	Dividends receivable	37,034	53,936	266,118	357,088
	Rents receivable (No 2 Sylvester Road)	36,974	-	-	36,974
		<u>87,040</u>	<u>56,255</u>	<u>266,118</u>	<u>409,413</u>
	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Interest receivable	-	-	-	-
	Dividends receivable	12,955	60,642	291,326	364,923
	Rents receivable (No 2 Sylvester Road)	34,154	-	-	34,154
		<u>47,109</u>	<u>60,642</u>	<u>291,326</u>	<u>399,077</u>
5.	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Royalties	16,257	-	-	16,257
	Sundry	2,561	-	-	2,561
		<u>18,818</u>	<u>-</u>	<u>-</u>	<u>18,818</u>
	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Royalties	3,506	-	-	3,506
	Sundry	8,761	-	-	8,761
		<u>12,267</u>	<u>-</u>	<u>-</u>	<u>12,267</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Academic and related costs	208,700	251,437	-	460,137
	Establishment costs	70,572	-	16,770	87,342
	Office and support costs	139,540	17,582	-	157,122
	Governance costs	7,871	4	-	7,875
		<u>426,683</u>	<u>269,023</u>	<u>16,770</u>	<u>712,476</u>
	<b>ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2023 Total £</b>
	<b>Academic and related costs</b>				
	Salaries (academic)	105,451	90,025	-	195,476
	Salaries (librarian)	70,561	23,020	-	93,581
	Research grants	-	121,800	-	121,800
	Books and publications	13,761	4,317	-	18,078
	Travel and accommodation	4,626	10,790	-	15,416
	Computer costs	5,113	885	-	5,998
	Telephone, postage and photocopying	3,472	-	-	3,472
	Other (incl. lecture and exhibition expenses)	5,716	600	-	6,316
		<u>208,700</u>	<u>251,437</u>	<u>-</u>	<u>460,137</u>
	<b>Establishment costs</b>				
	Rates	14,388	-	-	14,388
	Insurance	9,532	-	-	9,532
	Repairs and maintenance	14,303	-	-	14,303
	Water, light and heat	13,689	-	-	13,689
	Cleaning	10,113	-	-	10,113
	Gardening and grounds	8,547	-	-	8,547
	Depreciation	-	-	16,770	16,770
		<u>70,572</u>	<u>-</u>	<u>16,770</u>	<u>87,342</u>
	<b>Office and support costs</b>				
	Other salaries	74,111	-	-	74,111
	Depreciation	4,400	-	-	4,400
	Printing and stationery	5,256	1,534	-	6,790
	Events	173	6,156	-	6,329
	Investment broker charges	55,600	9,892	-	65,492
		<u>139,540</u>	<u>17,582</u>	<u>-</u>	<u>157,122</u>
	<b>Governance costs</b>				
	Audit and accountancy	7,833	-	-	7,833
	Other legal and professional fees	38	4	-	42
		<u>7,871</u>	<u>4</u>	<u>-</u>	<u>7,875</u>
		<u>426,683</u>	<u>269,023</u>	<u>16,770</u>	<u>712,476</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Academic and related costs	190,333	183,725	-	374,058
	Establishment costs	67,725	-	16,770	84,495
	Office and support costs	146,201	16,332	-	162,533
	Governance costs	6,777	-	-	6,777
		<u>411,036</u>	<u>200,057</u>	<u>16,770</u>	<u>627,863</u>
	<b>ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	<b>Academic and related costs</b>				
	Salaries (academic)	98,302	83,376	-	181,678
	Salaries (librarian)	68,119	34,998	-	103,117
	Research grants	-	41,500	-	41,500
	Books and publications	5,299	1,088	-	6,387
	Travel and accommodation	5,157	1,269	-	6,426
	Computer costs	8,791	5,213	-	14,004
	Telephone, postage and photocopying	2,996	-	-	2,996
	Other (incl. lecture and exhibition expenses)	1,669	16,281	-	17,950
		<u>190,333</u>	<u>183,725</u>	<u>-</u>	<u>374,058</u>
	<b>Establishment costs</b>				
	Rates	12,185	-	-	12,185
	Insurance	9,609	-	-	9,609
	Repairs and maintenance	19,255	-	-	19,255
	Water, light and heat	9,727	-	-	9,727
	Cleaning	8,522	-	-	8,522
	Gardening and grounds	8,427	-	-	8,427
	Depreciation	-	-	16,770	16,770
		<u>67,725</u>	<u>-</u>	<u>16,770</u>	<u>84,495</u>
	<b>Office and support costs</b>				
	Other salaries	72,059	-	-	72,059
	Depreciation	10,120	-	-	10,120
	Printing and stationery	1,795	430	-	2,225
	Events	6,849	1,707	-	8,556
	Investment broker charges	55,381	14,195	-	69,576
	Foreign exchange gain	(3)	-	-	(3)
		<u>146,201</u>	<u>16,332</u>	<u>-</u>	<u>162,533</u>
	<b>Governance costs</b>				
	Audit and accountancy	6,533	-	-	6,533
	Other legal and professional fees	244	-	-	244
		<u>6,777</u>	<u>-</u>	<u>-</u>	<u>6,777</u>
		<u>411,036</u>	<u>200,057</u>	<u>16,770</u>	<u>627,863</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

7.	NET INCOME FOR THE YEAR	2023	2022
	This is stated after charging:	£	£
	Auditors remuneration	7,833	6,533
	- external audit		
	- non audit services	-	-
	Depreciation of tangible fixed assets	21,170	26,890

## MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

8.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2023	2022
		£	£
	Salaries and wages	266,305	258,151
	Social security costs	28,581	28,912
	Pension contributions	75,744	76,864
		<u>370,630</u>	<u>363,927</u>

The pension contributions shown above include amounts relevant to the inclusion of the pension provision shown in note 14 to the financial statements as required following the introduction of FRS 102.

The total number of employees whose total salaries exceeded £60,000 is as follows:	2023	2022
£60,000 - £70,000	0	1
£70,000 - £80,000	1	0

The average number of staff employed, analysed by function, employed during the year were:

	2023	2022
	Number	Number
Academic	5	6
Administration	3	3
Establishment	1	1
	<u>9</u>	<u>10</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties.

Related party transactions in the year were £Nil (2022: £Nil)

No expenses were reimbursed to the Trustees, but a total of £35 was paid by the Institute for Trustees to attend meetings (2022: £Nil).

## 9. TAXATION

As a charity, The Needham Research Institute is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

10.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2023	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2022	1,626,664	70,813	23,425	1,720,902
	Additions	-	-	5,266	5,266
	Balance at 30th September 2023	<u>1,626,664</u>	<u>70,813</u>	<u>28,691</u>	<u>1,726,168</u>
	DEPRECIATION				
	Balance at 1st October 2022	536,558	63,110	20,294	619,962
	Charge for the year	16,770	1,537	2,863	21,170
	Balance at 30th September 2023	<u>553,328</u>	<u>64,647</u>	<u>23,157</u>	<u>641,132</u>
	NET BOOK VALUE as at 30th September 2023	<u>1,073,336</u>	<u>6,166</u>	<u>5,534</u>	<u>1,085,036</u>
10.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2022	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2021	1,626,664	70,813	28,422	1,725,899
	Additions	-	-	1,669	1,669
	Disposals	-	-	(6,666)	(6,666)
	Balance at 30th September 2022	<u>1,626,664</u>	<u>70,813</u>	<u>23,425</u>	<u>1,720,902</u>
	DEPRECIATION				
	Balance at 1st October 2021	519,788	57,395	22,555	599,738
	Charge for the year	16,770	5,715	4,405	26,890
	Eliminated in disposal	-	-	(6,666)	(6,666)
	Balance at 30th September 2022	<u>536,558</u>	<u>63,110</u>	<u>20,294</u>	<u>619,962</u>
	NET BOOK VALUE as at 30th September 2022	<u>1,090,106</u>	<u>7,703</u>	<u>3,131</u>	<u>1,100,940</u>
11.	INVESTMENT FIXED ASSETS	2023		2022	
		Cost	Market Value	Cost	Market Value
		£	£	£	£
	Investment properties - long leasehold	111,548	1,200,000	111,548	1,200,000
	Listed investments	10,755,379	13,437,048	9,631,066	12,551,311
	Capital account	121,811	121,811	647,706	647,706
		<u>10,988,738</u>	<u>14,758,859</u>	<u>10,390,320</u>	<u>14,399,017</u>
	Market value at 1st October		13,751,311		16,035,338
	Listed investments acquired		2,607,087		2,364,907
	Listed investments disposed		(2,145,987)		(2,942,870)
	Realised (losses)/gains		(28,894)		(564,714)
	Gains/(losses) on revaluations at 30th September		453,531		(1,141,350)
	Market value at 30th September		<u>14,637,048</u>		<u>13,751,311</u>
	The long leasehold of 2 Sylvester Road was valued by the Westley & Huff on the basis of its market value being £1,200,000.				
	Listed investments have been valued at the prices as shown on recognised exchanges.				
	No listed investment, excluding cash balances, made up more than 5% of the portfolio.				
12.	DEBTORS			2023	2022
	Due within one year:			£	£
	Prepayments and accrued income			1,790	5,234
	Other debtors			85,939	48,366
				<u>87,729</u>	<u>53,600</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

13.	CREDITORS	2023	2022
	Due within one year:	£	£
	Trade creditors	-	55
	Accruals and deferred income	28,269	29,990
	Deposit held	2,749	2,025
		<u>31,018</u>	<u>32,070</u>
14.	PROVISIONS FOR LIABILITIES		2023
			£
	Balance at 1st October 2022		35,162
	Provision identified in the year		-
	Movement in provision		(3,445)
	Balance at 30th September 2023		<u>31,717</u>
	PROVISIONS FOR LIABILITIES		2022
			£
	Balance at 1st October 2021		38,442
	Provision identified in the year		-
	Movement in provision		(3,280)
	Balance at 30th September 2022		<u>35,162</u>

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, allowing for discounting rates and changes in future contributions.

The provision relates to the USS pension deficit recovery plan as mentioned in note 1 (j) to the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2023

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	69,537	96,891	(29,250)	-	(2,340)	134,838
c) Sino-British Fellowship Trust	24,788	1,349	(13,434)	-	-	12,703
d) SYK Fellowship Fund	628,784	17,025	(21,872)	19,411	(2,077)	641,271
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	5,415	-	-	-	-	5,415
g) Independent Schools Fund	-	56,910	(56,910)	-	-	-
h) Lloyd Dan David Fund	679,041	24,636	(40,352)	20,963	(3,712)	680,576
i) Jing Brand Fund (including Tianyoude grant)	155,832	54,219	(55,648)	4,811	(4,000)	155,214
j) Beijing Xingzhi	5,425	-	-	-	-	5,425
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
l) Ho Peng Yoke Fellowship	614,009	21,895	(26,118)	18,955	(2,319)	626,422
m) Wellcome Grant	-	15,236	(15,236)	-	-	-
n) Suyuan Grant	50,129	-	-	-	-	50,129
o) HK Trust	7,000	-	(10,203)	-	3,203	-
	<u>2,289,287</u>	<u>288,161</u>	<u>(269,023)</u>	<u>64,140</u>	<u>(11,245)</u>	<u>2,361,320</u>

## Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is to support the CNRS Sphere Project.
- g) Fund is to support Independent Schools in research.
- h) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- i) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- j) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- k) Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- l) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- m) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- n) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- o) Fund was established for supporting our archival project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2022

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	36,729	44,201	(10,549)	-	(844)	69,537
c) Sino-British Fellowship Trust	24,788	-	-	-	-	24,788
d) SYK Fellowship Fund	704,129	19,090	(19,120)	(73,665)	(1,650)	628,784
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	9,805	-	(3,991)	-	(399)	5,415
g) Independent Schools Fund	-	50,649	(50,649)	-	-	-
h) Lloyd Dan David Fund	773,430	26,113	(39,934)	(77,036)	(3,532)	679,041
i) Jing Brand Fund (including Tianyoude grant)	168,368	23,975	(7,399)	(25,112)	(4,000)	155,832
j) Beijing Xingzhi	5,425	-	-	-	-	5,425
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
l) Ho Peng Yoke Fellowship	709,879	17,811	(15,232)	(97,372)	(1,077)	614,009
m) Wellcome Grant	61,180	-	(53,124)	-	(8,056)	-
n) Suiyuan Grant	50,193	-	(59)	-	(5)	50,129
o) HK Trust	-	7,000	-	-	-	7,000
	<u>2,593,253</u>	<u>188,839</u>	<u>(200,057)</u>	<u>(273,185)</u>	<u>(19,563)</u>	<u>2,289,287</u>

## Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is to support the CNRS Sphere Project.
- g) Fund is to support Independent Schools in research.
- h) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- i) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- j) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- k) Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- l) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- m) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- n) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- o) Fund was established for supporting our archival project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

16.	ENDOWMENT FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2023	£	£	£	£	£	£
	Building Fund	694,607	-	(10,650)	-	-	683,957
	Building Fund (South Wing)	447,836	-	(6,120)	-	-	441,716
	Endowment Fund	8,104,436	266,118	-	234,323	(266,118)	8,338,759
	Endowment Fund Library	21,850	-	-	-	-	21,850
	Joseph Needham Estate	485,889	-	-	-	-	485,889
		<u>9,754,618</u>	<u>266,118</u>	<u>(16,770)</u>	<u>234,323</u>	<u>(266,118)</u>	<u>9,972,171</u>

The building funds were provided for and expended on the erection of permanent premises for the Needham Research Institute and to house the East Asian History of Science Library.

The Endowment Fund exists to provide capital for investment which in turn will produce income sufficient in time to secure the continuing operation of the Institute.

ENDOWMENT FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2022	£	£	£	£	£	£
Building Fund	705,257	-	(10,650)	-	-	694,607
Building Fund (South Wing)	453,956	-	(6,120)	-	-	447,836
Endowment Fund	9,166,514	291,326	-	(1,062,078)	(291,326)	8,104,436
Endowment Fund Library	21,850	-	-	-	-	21,850
Joseph Needham Estate	485,889	-	-	-	-	485,889
	<u>10,833,466</u>	<u>291,326</u>	<u>(16,770)</u>	<u>(1,062,078)</u>	<u>(291,326)</u>	<u>9,754,618</u>

17.	UNRESTRICTED FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2023	£	£	£	£	£	£
<b>Designated funds:</b>							
	Building repairs fund	23,622	-	-	-	4,000	27,622
	Computer and equipment fund	16,485	-	-	-	-	16,485
	Library Special Fund	35,025	-	(3,107)	-	-	31,918
		<u>75,132</u>	<u>-</u>	<u>(3,107)</u>	<u>-</u>	<u>4,000</u>	<u>76,025</u>
	<b>Other charitable funds</b>	<u>3,592,612</u>	<u>111,723</u>	<u>(423,576)</u>	<u>126,174</u>	<u>273,363</u>	<u>3,680,296</u>
		<u>3,667,744</u>	<u>111,723</u>	<u>(426,683)</u>	<u>126,174</u>	<u>277,363</u>	<u>3,756,321</u>

Purpose of designated funds:

The building repairs fund arises from amounts set aside towards major building maintenance.

The computer and equipment fund arises from amounts set aside towards the updating and replacement of computers and equipment.

The Library Special Fund arises from amounts set aside towards the purchase of books and publications for the Library.

UNRESTRICTED FUNDS	Balance			Revaluation		Balance	
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.	
SEPTEMBER 2022	£	£	£	£	£	£	
<b>Designated funds:</b>							
	Building repairs fund	32,000	-	(12,378)	-	4,000	23,622
	Computer and equipment fund	21,429	-	(4,944)	-	-	16,485
	Library Special Fund	38,090	-	(3,065)	-	-	35,025
		<u>91,519</u>	<u>-</u>	<u>(20,387)</u>	<u>-</u>	<u>4,000</u>	<u>75,132</u>
	<b>Other charitable funds</b>	<u>3,976,487</u>	<u>70,686</u>	<u>(390,649)</u>	<u>(370,801)</u>	<u>306,889</u>	<u>3,592,612</u>
		<u>4,068,006</u>	<u>70,686</u>	<u>(411,036)</u>	<u>(370,801)</u>	<u>310,889</u>	<u>3,667,744</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

18.	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
	Fund balances at 30th September are represented by:.				
	Tangible fixed assets	11,700	-	1,073,336	1,085,036
	Investment fixed assets	3,662,230	2,229,260	8,867,369	14,758,859
	Debtors	42,264	45,465	-	87,729
	Cash at bank and in hand	100,389	89,068	31,466	220,923
	Current liabilities	(28,545)	(2,473)	-	(31,018)
	Provisions for liabilities	(31,717)	-	-	(31,717)
	Net assets	<u>3,756,321</u>	<u>2,361,320</u>	<u>9,972,171</u>	<u>16,089,812</u>

	ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
	Fund balances at 30th September are represented by:.				
	Tangible fixed assets	10,834	-	1,090,106	1,100,940
	Investment fixed assets	3,505,024	2,260,946	8,633,047	14,399,017
	Debtors	37,895	15,705	-	53,600
	Cash at bank and in hand	178,624	15,235	31,465	225,324
	Current liabilities	(29,471)	(2,599)	-	(32,070)
	Provisions for liabilities	(35,162)	-	-	(35,162)
	Net assets	<u>3,667,744</u>	<u>2,289,287</u>	<u>9,754,618</u>	<u>15,711,649</u>

## 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net movement in funds	378,163	(1,783,076)
Add: Depreciation	21,170	26,890
Less: Investment income	(409,413)	(399,077)
Less: (Losses)/Gains on investments	(424,637)	1,706,064
Decrease/(increase) in debtors	(34,129)	(31,531)
Increase/(decrease) in creditors	(1,052)	5
Decrease in provisions	(3,445)	(3,280)
Net cash provided by (used in) operating activities	<u>(473,343)</u>	<u>(484,005)</u>

## ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash held under investments	121,811	647,706
Cash at bank	220,923	225,324
	<u>342,734</u>	<u>873,030</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 20. PENSIONS

**(a) Universities Superannuation Scheme**

The Institute participates in the Universities Superannuation Scheme (the scheme) with three active members. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to the individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The total cost charged to the Statement of Financial Activities for the Institute is £22,831 (2021/22: £21,785).

Since the Institute cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The latest available full actuarial valuation of the scheme was at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion.

The assets therefore were sufficient to cover 83% of the benefits which has accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2022/23	2021/22
Discount rate	5.49%	3.33%
Pensionable salary growth	5.00%	5.00%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 Valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at 65 are:

	2022/23	2021/22
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	23.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

## NOTES TO THE FINANCIAL STATEMENTS

## PENSIONS .....(CONT.)

**(b) Cambridge University Assistants' Contributory Pension Scheme**

The Institute participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS) which is a defined benefit scheme. The Institute's contributions are affected by a surplus or deficiency in the CPS but the Institute is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Institute therefore accounts for its contributions to the CPS as if it were a defined contribution scheme. It had six active members participating in the Scheme.

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by the schemes ceased to be contracted out of the State Second Pension.

**Triennial valuation of the scheme**

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme as at 31 July 2021. The results of valuation showed the actuarial value of the scheme's assets as £814m. These were sufficient to cover the scheme's past service liabilities of £738m; the scheme had a surplus of £76m and was 110% funded.

Since 1 August 2013 employer contributions have been set at 11.5% of pensionable pay for existing members at 31 December 2021 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. On 1 August 2023, employer contributions will be adjusted to 14.1% of pensionable pay for existing members at 31 December 2022 and 7.6% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2013. In addition, fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2023. These payments are subject to review at the next triennial valuation due as at 31 July 2024

**THE NEEDHAM RESEARCH INSTITUTE**

England & Wales - Charity number 311459

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# Accounts

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THE NEEDHAM RESEARCH INSTITUTE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2022

NEEDHAM RESEARCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

CHARITY INFORMATION

Charity Registration Number	311459
Trustees:	Professor Martin Jones (Chairman) Lord Broers ScD, FRS, FEng Dr Christopher Hughes Professor Liu Dun Mr Stephen Perry Professor Roel Sterckx Mr Michael Womack Ms Elizabeth Wright Dr Mary Augusta Brazelton Dr Imre Galambos Dr Charles Harpum Ms Katie Lee
Members of the Finance Committee:	Professor Martin Jones (Chairman) Dr Christopher Hughes Mr Michael Womack Ms Elizabeth Wright Professor Roel Sterckx Director and Bursar in attendance
Members of the Management Committee:	Professor Jianjun Mei (Chairman) Ms Susan Bennett Mr John Moffett Dr Christopher Jagger
Members of the Publications Board:	Professor Jianjun Mei (Chairman) Ms Susan Bennett Mr John Moffett Dr Christopher Jagger
Principal Officers:	
Director:	Professor Jianjun Mei
Bursar:	Dr Christopher Jagger
Librarian:	Mr John Moffett
Administrative Manager:	Ms Susan Bennett
Principal Office Address:	8 Sylvester Road Cambridge CB3 9AF
Auditors:	Prentis & Co LLP Chartered Accountants & Statutory Auditors 115C Milton Road Cambridge CB4 1XE
Bankers and Deposit Holders:	National Westminster Bank plc 23 Market Street Cambridge CB2 3PA  Quilter Cheviot Limited Senator House 85 Queen Victoria Street London EC4V 4AB
Solicitors:	King & Co St. Andrews House St. Andrews Street Cambridge CB2 3DD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## TRUSTEES REPORT

The Trustees present their report and financial statements for the year ended 30<sup>th</sup> September 2022.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2019).

## REFERENCE AND ADMINISTRATIVE DETAILS

The Needham Research Institute, formerly titled “The East Asian History of Science Trust” is situated at 8, Sylvester Road, Cambridge CB3 9AF. Charity Registration No. 311459.

The names of the Trustees serving during the financial year 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022 and serving on the date which this report was approved are given on the contents page.

Professor Jianjun Mei is the Director of the Institute and responsible for its day-to-day management. The names of the Institute’s staff are given on the contents page.

## OBJECTIVES AND ACTIVITIES

*PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT*

Building on the foundation laid by the work of the late Dr Joseph Needham, the Institute seeks to facilitate, promote and develop academic research, publication and teaching of the highest possible standard in the fields of the history of science, technology and medicine in East Asia.

Beyond the purely academic sphere, it also seeks to raise public awareness of those aspects of its work that are of wider significance for human progress. Through the pursuit of those goals it aims to exploit and further develop its role as the world’s leading international centre for research in its field. It seeks closer and mutually beneficial cooperation with Cambridge University whilst maintaining its present autonomy as an independent charitable Foundation.

*MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES*

The restrictions imposed as a result of the Corona Virus Pandemic have continued to affect much of the Institute’s activities since the start of the first “lockdown” in March 2020. The Institute aims to ensure the successful completion of the “Science and Civilisation in China” project. Twenty-five volumes have been published and work is proceeding on a further three volumes in the series; in addition, seventeen volumes have been published in the Monograph Series and work is continuing on a number of others. The Institute also publishes a less formal ‘Working Papers’ Series.

The Institute has an active programme of Research Fellowships and Studentships which is largely funded by grants from several outside Foundations and which enables scholars from East Asia and elsewhere to study at the Institute. It also organises workshops and conferences with major academic organisations in and outside the UK. It runs regular academic seminars during the University term.

The Institute also hosts scholars and academics during the year, allowing them access to its diverse library and catalogue of works and publications in the fields of the history of science, technology and medicine in East Asia.

*TRUSTEES REGARD TO THE CHARITY COMMISSION’S GUIDANCE ON PUBLIC BENEFIT*

The Institute and its Library offers scholars facilities for research and writing unrivalled by any other academic institution in its field. In addition to its collection of monographs, the Library subscribes to a wide selection of journals, many of which are Chinese publications rarely available elsewhere in Europe. The Library also houses the archives of the late Dr Needham relating to his research in the field he established. A 3-year project (2019–2022) funded by the Wellcome Trust is currently being carried out on these archives to make them more accessible to researchers. Digitised research materials are freely available on the Cambridge University Digital Library.

All this material is described and catalogued electronically, and may be searched online for no fee. Any person with a serious interest in the subjects covered by the Institute is welcome to use its facilities without charge. In cases where scholars are sufficiently well funded, the Institute will accept a contribution to its overheads, but this is not an absolute condition for use of its facilities.

In addition to maintaining the Institute’s facilities and facilitating access to them, the Trustees encourage the Director to play an active role in making a wider public aware of the area with which it deals. The Director has delivered public lectures Overseas. The Director has been appointed ‘Director of Research’ by The McDonald Institute for Archaeological Research in University of Cambridge.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## TRUSTEES REPORT

## ACHIEVEMENTS AND PERFORMANCE

*SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST*

Due to the COVID-19 pandemic, two fellowship programmes, namely Xingzhi Discovering China and Sino-British Fellowship Trust, were suspended during the period of October 2021-September 2022. Other programmes, such as Independent School Foundation (ISF) Fellowship, Lloyd-Dan David (LDD) Fellowship, Li Foundation Fellowship, Ho Peng Yoke (HPY) Fellowships, Jing Brand Fellowships, and Soon-Young Kim (SYK) awards, were still in operation.

The Independent Schools Foundation (ISF) Fellowship was established in October 2013, for an initial period of three years, which was renewed in 2016 for a period of three years and again in 2019 for a further period of five years. Dr Huiyi Wu, the ISF Fellow, formally resigned from her ISF fellowship position with the Institute at the end of January 2021. In February 2021, Dr Jenny Jingyi Zhao took this fellowship position on a three-year contract and has been working as a Research Fellow at the Institute since then. She also holds a Joseph Needham Visiting Fellowship at Clare Hall.

In March 2021, the Institute decided to award the LDD fellowship to Mr. Arthur Harris, a PhD student at the Department of History and Philosophy of Science (HPS), University of Cambridge. In October 2021, Mr. Harris received his PhD degree and took his LDD fellowship. The tenure of this fellowship is for three years, until September 2024.

The Li Foundation Fellow (2020-2021), Dr. Xu Dingyi, Lecturer at Nanjing Agricultural University, completed her research visit to the Institute during May-October 2022.

The HPY Fellow (2021-2022), Dr. Avital Rom, of the FAMES, University of Cambridge, completed her visit to the Institute during June-September 2022.

Dr. WANG Yijun of New York University, a Jing Brand Fellow for the year of 2020-21, completed her visit to the Institute during May-August 2022.

The two SYK Fellows (2021-2022), Professor Hyungsub Choi of Seoul National University of Science and Technology and Mr. Bernhard Leitner, PhD candidate at the University of Vienna, completed their research visits to the Institute in August and September 2022.

The Institute also hosted visits for a few months from the following scholars:

- Dr. Yumi Suzuki, University of Bern, October 2021-March 2022;
- Ms. Anna Strob, University of Tübingen, October-December 2021;
- Dr. YUE Liyuan, University of Science and Technology Beijing, November 2021-April 2022;
- Professor BU Fengxian, Shaanxi Normal University, December 2021-May 2022;
- Dr. Bill Mak, The Independent School Foundation, Hong Kong, August-September 2022.

On 8–9 October 2021, the Needham Research Institute, the Ancient India and Iran Trust, and the Faculty of Asian and Middle Eastern Studies, University of Cambridge, jointly organised a workshop on ‘China, India, and Iran: Scientific exchange and cultural contact through the first millennium CE’.

On 10th November 2021, the Institute organized a seminar and a lunch reception to celebrate the publication of Professor Sir Geoffrey Lloyd’s book, *Expanding Horizons in the History of Science* (Cambridge University Press, 2021).

The third workshop on “Science in the Forest, Science in the past” organized by Professor Geoffrey Lloyd and his colleagues was held at the Institute 9-11 June 2022. About thirty scholars from all over the world attended this workshop.

On 16th September 2022, a hybrid workshop entitled ‘Reflections on the Life and Career of Dr. Dorothy Moyle Needham’ was held at the Institute, attracting an audience of more than 70 from Cambridge and beyond.

On 17th September 2022, two lecture sessions (morning and afternoon) on Dr. Dorothy Moyle Needham were organized at the Institute as part of Open Cambridge, attracting an audience of about 50.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## TRUSTEES REPORT

In recognition of Dr. H.T. Huang's long association with the Institute and his remarkable contribution to the SCC project, the Institute decided to name H. T. Huang's former office "The H. T. Huang Room". On 10th November 2021, the Institute organized a small ceremony to mark the event.

The Institute organised fourteen in-person and one virtual seminars during the University Michaelmas, Lent and Easter terms from October 2021 to June 2022.

In the period of November 2021 - July 2022, the Director presented 7 virtual lectures at the invitation of several universities or institutions. A lecture list is given here: 1) 20th November 2021, 'Three Views on Metal Objects Unearthed in Shanxi Province', Tsinghua University; 2) 3rd December 2021, 'The origins of Chinese metallurgy and connections with the Eurasian steppes', Northwestern Polytechnical University; 3) 16th February 2022, 'First Emperor's bronze birds: evidence of connections with distant cultures?', The Royal Asiatic Society Beijing; 4) 31st March 2022, 'Second Look at Joseph Needham—The Significance of Needham's Intellectual Heritage', Peking University; 5) 20th April 2022, 'The First Qin Emperor's Water Birds: Manufacturing Techniques and Cultural Implications', Stanford University; 6) 27th April 2022, 'Re-examining Needham's Intellectual Heritage', Zhejiang University; 7) 9th June 2022, 'The First Qin Emperor's Water Birds: Manufacturing Techniques and Cultural Connections', Central China Normal University.

On 16th April 2022, at the invitation of Professor Qian Wei of the University of Science and Technology Beijing, the Director participated in the forum on 'The History of Science and Technology for Cultural Communication' and also presented a paper on 'The Purpose and Significance of Mutual Learning among Civilizations'.

On 28th June 2022, the Director attended the Third Forum on Ancient Chinese Bronze and presented virtually a paper entitled 'The Discovery of Arsenic-Bearing Bronze Bells of the Western Zhou Dynasty and Related Problems'. The forum was organized by the National Museum of China.

The Director participated in the conference on the History and Practice of Archaeology in the Chinese Cultural Sphere in 22nd -24th August 2022, which was organised by the School of Archaeology, University of Oxford.

The Director presented an in-person talk entitled 'Some Challenges in the Studies of Metallurgy in Bronze Age China' to the workshop on Issues in Archaeological Science and Archaeology during 8th -9th September 2022, which was organised by School of Archaeology, University of Oxford.

*REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR*

Funds are invested to provide income to meet the day-to-day running of the Institute. They are split between the Endowment Funds, Restricted Funds (related to grants to expend for the purpose specified, these are shown in note 15 on page 20) and Unrestricted Funds. As at 30<sup>th</sup> September 2022 funds invested amounted to £14,399,017, (2021: £16,158,541).

The Principal funding sources of the Institute are its income from the investment portfolio, donations and grants from outside foundations, royalties, interest on deposit accounts and rent of No. 2 Sylvester Road. No. 2 Sylvester Road has been leased to Robinson College for fifteen years from 3<sup>rd</sup> May 2018.

A review of investment performance and the Institute's investment policy are detailed on page 4.

The Institute has a potential liability relating to the employees who are in the 'Universities Superannuation Scheme'. Note 14 and 20 to the accounts set out the basis of a provision that has been made of £35,162 (2021: £38,442).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

*RESERVES POLICY*

The Trustees have considered that the most appropriate policy is to maintain all surplus funds split between investments held with Quilter Cheviot and also a level of balances held as cash at bank sufficient to maintain the day to day costs of running and servicing the Institute.

This policy is kept under review, having regard to the level of funds available.

The Trustees' investment powers are governed by the Trust Deed which permits The Needham Research Institute to invest the monies of the Institute not immediately required for its purposes in such ways as the Institute shall in its absolute discretion think fit.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## TRUSTEES REPORT

*NATURE OF THE GOVERNING DOCUMENT*

The Institute is an educational charity registered in England and subject to the provisions of the 1968 Trust Deed, as amended by Schemes of the Charity Commissioners dated 29<sup>th</sup> March 1988, 17<sup>th</sup> March 1992 and 27<sup>th</sup> November 2000.

*THE BOARD OF TRUSTEES*

The Trustees provide an appropriate mix of skills, diversity and experience; each is appointed for a term of five years by a resolution of the Trustees passed at a meeting and may be re-appointed for further terms in the same way.

The Trustees meet three times a year to receive reports from the Director, the Bursar through the Finance Committee and the Librarian. The Chairman and the Director are in close touch. All major decisions are referred to the Trustees.

The Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage those risks.

The Institute has been moving towards a turnover of Trustees more consistent with Charity Commission guidelines.

*RECRUITMENT OF NEW TRUSTEES*

Newly appointed Trustees are given a full briefing and tour of the Institute soon after their appointment. All Trustees have been provided with the Charity Commission Investment Guidelines. The Chair of Trustees is elected annually at a formal meeting of the Trustees.

*MANAGEMENT PERSONNEL REMUNERATION*

The ultimate responsibility for the management of the Institute rests with the Trustees of the Needham Research Institute, and the day-to-day running of the Institute is overseen by a full-time salaried Director. He is supported by a full-time Librarian, a full-time Administrative Manager and a part-time Bursar, who together with the Director comprise the Management Committee of the Institute.

All Trustees give their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in note 8 to the financial statements.

The key officers of the Institute detailed above receive remuneration in line with those in similar positions within the University of Cambridge, and are accordingly remunerated in line with the University of Cambridge's pay scale. Officers receive the small "cost of living" salary increases awarded by the University of Cambridge.

*PRINCIPAL RISKS AND UNCERTAINTIES*

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Institute currently produces an annual budget and reports at Trustees meetings against that budget. The Trustees have delegated authority from the Board to ensure that an active risk management process is in place and forms part of The Needham Research Institute's ongoing organisation activity.

*INVESTMENT POLICY AND PERFORMANCE*

The Investment Portfolio continues to be managed by Quilter Cheviot Limited (now part of Old Mutual).

In the year to 30 September 2022, a total return of -8.1% was incurred. [18.3% in 2021]

## PLANS FOR FUTURE PERIODS

The Institute will seek to maximise its contribution to research, teaching and international relations, in its field, focusing principally on China but in the broader context of East Asia, and will take every opportunity to develop fruitful cooperation with the University of Cambridge in those areas, as well as with other institutions of research and higher learning world-wide.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## TRUSTEES REPORT

Work will continue on the *Science and Civilisation in China* series and other publications including a planned *Science and Civilisation in Korea* series. Fundraising efforts will continue to increase the Institute's endowment, and to support fellowship programmes.

The annual "Needham Memorial Lecture", in collaboration with other institutions in Cambridge, has been established and will continue.

The NRI Friendship Association was established in Beijing on 9<sup>th</sup> June 2018. It has raised funds to be added to the Ho Peng Yoke Fellowship and will continue to do so.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

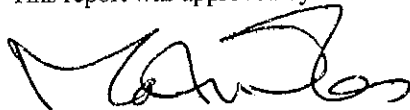
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## APPROVAL

This report was approved by the Board of Trustees and signed on its behalf, on 24 March 2023



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## OPINION

We have audited the financial statements of The Needham Research Institute for the year ended 30<sup>th</sup> September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30<sup>th</sup> September 2022, and of its 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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.

In connection with our audit of the financial statements, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- the 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 Trustees' responsibilities statement set out on page 5, 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 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 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 OUR PROCEDURES ARE CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks and to respond to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both the management and those charged with governance of the charity. Our procedures include the following:

- We have considered the nature of the industry and sector, control environment, laws and regulations and business performance, of the charity, including charity remuneration policies. We considered that the most significant laws and regulations are Charities Act 2011 and FRS102.
- We have enquired with management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We have obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.
- We considered the opportunities and incentives that may exist within the organisation for fraud.
- Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations listed above, including obtaining additional corroborative evidence as required.

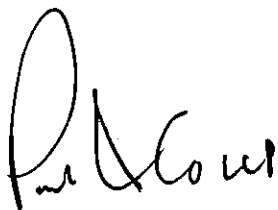
There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, collusion, omission or intentional misrepresentation.

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

This report is made solely to the 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.



PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS  
115c Milton Road  
Cambridge  
CB4 1XE

11<sup>th</sup> May 2023.

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## STATEMENT OF FINANCIAL ACTIVITIES

Notes	2022			2021				
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
<b>INCOME FROM:</b>								
2 Donations and legacies	150	33,347	-	33,497	229,893	7,953	-	237,846
3 Charitable activities	11,160	94,850	-	106,010	-	190,327	-	190,327
4 Investments	47,109	60,642	291,326	399,077	74,153	55,053	234,817	364,023
5 Other income	12,267	-	-	12,267	8,682	43	-	8,725
<b>TOTAL INCOME</b>	<b>70,686</b>	<b>188,839</b>	<b>291,326</b>	<b>550,851</b>	<b>312,728</b>	<b>253,376</b>	<b>234,817</b>	<b>800,921</b>
<b>EXPENDITURE ON:</b>								
6 Charitable activities	411,036	200,057	16,770	627,863	385,180	113,416	16,770	515,366
<b>TOTAL EXPENDITURE</b>	<b>411,036</b>	<b>200,057</b>	<b>16,770</b>	<b>627,863</b>	<b>385,180</b>	<b>113,416</b>	<b>16,770</b>	<b>515,366</b>
7 Net income/(expenditure) before gains on investments	(340,350)	(11,218)	274,556	(77,012)	(72,452)	139,960	218,047	285,555
11 Net (losses)/gains on investments	(370,801)	(273,185)	(1,062,078)	(1,706,064)	436,553	306,649	1,382,437	2,125,639
<b>NET INCOME/(EXPENDITURE)</b>	<b>(711,151)</b>	<b>(284,403)</b>	<b>(787,522)</b>	<b>(1,783,076)</b>	<b>364,101</b>	<b>446,609</b>	<b>1,600,484</b>	<b>2,411,194</b>
Transfers between funds	310,889	(19,563)	(291,326)	-	290,964	(56,147)	(234,817)	-
<b>NET MOVEMENT IN FUNDS</b>	<b>(400,262)</b>	<b>(303,966)</b>	<b>(1,078,848)</b>	<b>(1,783,076)</b>	<b>655,065</b>	<b>390,462</b>	<b>1,365,667</b>	<b>2,411,194</b>
<b>RECONCILIATION OF FUNDS</b>								
Total funds brought forward	4,068,006	2,593,253	10,833,466	17,494,725	3,412,941	2,202,791	9,467,799	15,083,531
Total funds carried forward	3,667,744	2,289,287	9,754,618	15,711,649	4,068,006	2,593,253	10,833,466	17,494,725

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

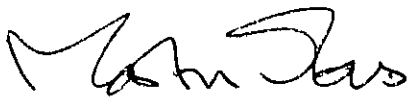
The notes on pages 12 to 25 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## BALANCE SHEET

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		1,100,940		1,126,161
Investments	11		14,399,017		16,158,541
<b>TOTAL FIXED ASSETS</b>			<u>15,499,957</u>		<u>17,284,702</u>
<b>CURRENT ASSETS</b>					
Debtors	12	53,600		22,069	
Cash at bank and in hand		225,324		258,461	
<b>TOTAL CURRENT ASSETS</b>		<u>278,924</u>		<u>280,530</u>	
<b>LIABILITIES:</b>					
Creditors: Amounts falling due within one year	13		<u>(32,070)</u>		<u>(32,065)</u>
<b>NET CURRENT ASSETS</b>			<u>246,854</u>		<u>248,465</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			15,746,811		17,533,167
Provisions for liabilities and charges	14		<u>(35,162)</u>		<u>(38,442)</u>
<b>TOTAL NET ASSETS</b>	18		<u>15,711,649</u>		<u>17,494,725</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds	15		2,289,287		2,593,253
Endowment funds	16		9,754,618		10,833,466
Unrestricted funds:					
Designated funds	17	75,132		91,519	
Other charitable funds	17	3,592,612	3,667,744	3,976,487	4,068,006
<b>TOTAL CHARITY FUNDS</b>	18		<u>15,711,649</u>		<u>17,494,725</u>

The financial statements were approved by the Trustees at its meeting on 24 March 2023 and signed on its behalf by



.....  
PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

The notes on pages 12 to 25 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## STATEMENT OF CASH FLOWS

	Notes	2022 Total Funds £	2021 Total Funds £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by (used in) operating activities</i>	19	<u>(484,005)</u>	<u>(119,607)</u>
<b>Cash flows from investing activities:</b>			
Investment income		399,077	364,023
Purchase of tangible fixed assets		(1,669)	(2,998)
Purchase of investments		(2,364,907)	(2,101,529)
Proceeds from investments		2,942,870	1,515,158
<i>Net cash provided by (used in) investing activities</i>		<u>975,371</u>	<u>(225,346)</u>
<i>Change in cash and cash equivalents in the year</i>		491,366	(344,953)
Cash and cash equivalents brought forward		381,664	726,617
Cash and cash equivalents carried forward	19	<u>873,030</u>	<u>381,664</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## (a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Needham Research Institute meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

## (b) ASSESSMENT OF GOING CONCERN

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

## (c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

*Donations and legacies:*

Donations, are recognised when the Institute has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

*Grant income:*

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

*Investment income:*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

## (d) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

*Raising funds:*

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

*Charitable activities:*

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the institute and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

**(e) TANGIBLE FIXED ASSETS**

The charity has a policy of capitalising fixed assets with a cost in excess of £100. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

8 Sylvester Road (Long leasehold)	- over the period of the lease (97 years)
Fixtures and fittings	- 10 years straight line
Equipment	- 4 years straight line

**(f) INVESTMENTS FIXED ASSETS**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Institute does not acquire put options, derivatives or other complex financial instruments.

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

**(g) REALISED GAINS AND LOSSES**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(h) DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(i) CREDITORS**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(j) PENSIONS**

The Institute participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the Second State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The Institute also participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS). The scheme is a defined benefit scheme which is externally funded and is also contracted out of the State Second Pension (S2P). The fund is valued every three years by a professionally qualified independent actuary, with the actuary reviewing the progress of the scheme in the intervening years.

The Cambridge University Assistants' Contributory Pension Scheme, provides benefits based on final pensionable salary and contributions are made into a defined contribution scheme under the stakeholder rules.

The Institute's contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

2.	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Donations	150	32,097	-	32,247
	Gift Aid	-	1,250	-	1,250
		<u>150</u>	<u>33,347</u>	<u>-</u>	<u>33,497</u>
	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Donations	229,893	6,703	-	236,596
	Gift Aid	-	1,250	-	1,250
		<u>229,893</u>	<u>7,953</u>	<u>-</u>	<u>237,846</u>
3.	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Grants	11,160	94,850	-	106,010
	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Grants	-	190,327	-	190,327
4.	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Interest receivable	-	-	-	-
	Dividends receivable	12,955	60,642	291,326	364,923
	Rents receivable (No 2 Sylvester Road)	34,154	-	-	34,154
		<u>47,109</u>	<u>60,642</u>	<u>291,326</u>	<u>399,077</u>
	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Interest receivable	28	-	-	28
	Dividends receivable	41,931	55,053	234,817	331,801
	Rents receivable (No 2 Sylvester Road)	32,194	-	-	32,194
		<u>74,153</u>	<u>55,053</u>	<u>234,817</u>	<u>364,023</u>
5.	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Royalties	3,506	-	-	3,506
	Sundry	8,761	-	-	8,761
		<u>12,267</u>	<u>-</u>	<u>-</u>	<u>12,267</u>
	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Royalties	7,820	-	-	7,820
	Sundry	862	43	-	905
		<u>8,682</u>	<u>43</u>	<u>-</u>	<u>8,725</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Academic and related costs	190,333	183,725	-	374,058
	Establishment costs	67,725	-	16,770	84,495
	Office and support costs	146,201	16,332	-	162,533
	Governance costs	6,777	-	-	6,777
		<u>411,036</u>	<u>200,057</u>	<u>16,770</u>	<u>627,863</u>
	<b>ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	<b>Academic and related costs</b>				
	Salaries (academic)	98,302	83,376	-	181,678
	Salaries (librarian)	68,119	34,998	-	103,117
	Research grants	-	41,500	-	41,500
	Books and publications	5,299	1,088	-	6,387
	Travel and accommodation	5,157	1,269	-	6,426
	Computer costs	8,791	5,213	-	14,004
	Telephone, postage and photocopying	2,996	-	-	2,996
	Other (incl. lecture and exhibition expenses)	1,669	16,281	-	17,950
		<u>190,333</u>	<u>183,725</u>	<u>-</u>	<u>374,058</u>
	<b>Establishment costs</b>				
	Rates	12,185	-	-	12,185
	Insurance	9,609	-	-	9,609
	Repairs and maintenance	19,255	-	-	19,255
	Water, light and heat	9,727	-	-	9,727
	Cleaning	8,522	-	-	8,522
	Gardening and grounds	8,427	-	-	8,427
	Depreciation	-	-	16,770	16,770
		<u>67,725</u>	<u>-</u>	<u>16,770</u>	<u>84,495</u>
	<b>Office and support costs</b>				
	Other salaries	72,059	-	-	72,059
	Depreciation	10,120	-	-	10,120
	Printing and stationery	1,795	430	-	2,225
	Events	6,849	1,707	-	8,556
	Investment broker charges	55,381	14,195	-	69,576
	Foreign exchange gain	(3)	-	-	(3)
		<u>146,201</u>	<u>16,332</u>	<u>-</u>	<u>162,533</u>
	<b>Governance costs</b>				
	Audit and accountancy	6,533	-	-	6,533
	Other legal and professional fees	244	-	-	244
		<u>6,777</u>	<u>-</u>	<u>-</u>	<u>6,777</u>
		<u>411,036</u>	<u>200,057</u>	<u>16,770</u>	<u>627,863</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

## 6. EXPENDITURE ON:

CHARITABLE ACTIVITIES continued  
YEAR ENDED 30TH SEPTEMBER 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Academic and related costs	169,610	101,874	-	271,484
Establishment costs	61,254	-	16,770	78,024
Office and support costs	146,926	11,387	-	158,313
Governance costs	7,390	155	-	7,545
	<u>385,180</u>	<u>113,416</u>	<u>16,770</u>	<u>515,366</u>

ANALYSIS OF EXPENDITURE ON CHARITABLE  
ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2021**Academic and related costs**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
Salaries (academic)	85,193	57,780	-	142,973
Salaries (librarian)	63,732	26,691	-	90,423
Research grants	-	14,500	-	14,500
Books and publications	4,936	1,680	-	6,616
Travel and accommodation	55	-	-	55
Computer costs	9,327	-	-	9,327
Telephone, postage and photocopying	3,373	-	-	3,373
Other (incl. lecture and exhibition expenses)	2,994	1,223	-	4,217
	<u>169,610</u>	<u>101,874</u>	<u>-</u>	<u>271,484</u>
<b>Establishment costs</b>				
Rates	12,186	-	-	12,186
Insurance	14,947	-	-	14,947
Repairs and maintenance	9,658	-	-	9,658
Water, light and heat	7,410	-	-	7,410
Cleaning	8,348	-	-	8,348
Gardening and grounds	8,670	-	-	8,670
Ground rent	35	-	-	35
Depreciation	-	-	16,770	16,770
	<u>61,254</u>	<u>-</u>	<u>16,770</u>	<u>78,024</u>
<b>Office and support costs</b>				
Other salaries	65,946	-	-	65,946
Depreciation	8,483	1,224	-	9,707
Printing and stationery	877	282	-	1,159
Events	199	-	-	199
Investment broker charges	71,445	9,881	-	81,326
Foreign exchange gain	(24)	-	-	(24)
	<u>146,926</u>	<u>11,387</u>	<u>-</u>	<u>158,313</u>
<b>Governance costs</b>				
Audit and accountancy	6,196	-	-	6,196
Other legal and professional fees	1,194	155	-	1,349
	<u>7,390</u>	<u>155</u>	<u>-</u>	<u>7,545</u>
	<u>385,180</u>	<u>113,416</u>	<u>16,770</u>	<u>515,366</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

7.	NET INCOME FOR THE YEAR	2022	2021
	This is stated after charging:	£	£
	Auditors remuneration	6,533	6,196
	- external audit		
	- non audit services	-	-
	Depreciation of tangible fixed assets	26,890	26,477

## MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

8.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2022	2021
		£	£
	Salaries and wages	258,151	214,197
	Social security costs	28,912	23,382
	Pension contributions	76,864	69,118
		<u>363,927</u>	<u>306,697</u>

The pension contributions shown above include amounts relevant to the inclusion of the pension provision shown in note 14 to the financial statements as required following the introduction of FRS 102.

The number of employees whose emoluments (salaries and pension contributions) exceeded £60,000 was 2 (2021: 1).

The average number of staff employed, analysed by function, employed during the year were:

	2022	2021
	Number	Number
Academic	6	7
Administration	3	3
Establishment	1	1
	<u>10</u>	<u>11</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties.

Related party transactions in the year were £Nil (2021: £Nil)

The aggregate amount of expenses reimbursed to the Trustees was £Nil (2021: £Nil).

The Institute considers its key management personnel comprise of the Trustees and the Institute's Director. The total employment benefits including employer pension contributions of the key management personnel were £101,538 (2021: £99,132).

## 9. TAXATION

As a charity, The Needham Research Institute is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

10.	TANGIBLE FIXED ASSETS	Long	Fixtures &	Equipment	
	YEAR ENDED 30TH SEPTEMBER 2022	Leasehold	Fittings	& Software	Total
		£	£	£	£
	COST				
	Balance at 1st October 2021	1,626,664	70,813	28,422	1,725,899
	Additions	-	-	1,669	1,669
	Disposals	-	-	(6,666)	(6,666)
	Balance at 30th September 2022	<u>1,626,664</u>	<u>70,813</u>	<u>23,425</u>	<u>1,720,902</u>
	DEPRECIATION				
	Balance at 1st October 2021	519,788	57,395	22,555	599,738
	Charge for the year	16,770	5,715	4,405	26,890
	Eliminated in disposal	-	-	(6,666)	(6,666)
	Balance at 30th September 2022	<u>536,558</u>	<u>63,110</u>	<u>20,294</u>	<u>619,962</u>
	NET BOOK VALUE as at 30th September 2022	<u>1,090,106</u>	<u>7,703</u>	<u>3,131</u>	<u>1,100,940</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

10.	TANGIBLE FIXED ASSETS continued YEAR ENDED 30TH SEPTEMBER 2021	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2020	1,626,664	70,813	25,424	1,722,901
	Additions	-	-	2,998	2,998
	Balance at 30th September 2021	<u>1,626,664</u>	<u>70,813</u>	<u>28,422</u>	<u>1,725,899</u>
	DEPRECIATION				
	Balance at 1st October 2020	503,018	51,675	18,568	573,261
	Charge for the year	16,770	5,720	3,987	26,477
	Balance at 30th September 2021	<u>519,788</u>	<u>57,395</u>	<u>22,555</u>	<u>599,738</u>
	NET BOOK VALUE as at 30th September 2021	<u>1,106,876</u>	<u>13,418</u>	<u>5,867</u>	<u>1,126,161</u>
11.	INVESTMENT FIXED ASSETS	2022		2021	
		Cost £	Market Value £	Cost £	Market Value £
	Investment properties - long leasehold	111,548	1,200,000	111,548	1,200,000
	Listed investments	9,631,066	12,551,311	9,704,711	14,835,338
	Capital account	647,706	647,706	123,203	123,203
		<u>10,390,320</u>	<u>14,399,017</u>	<u>9,939,462</u>	<u>16,158,541</u>
	Market value at 1st October		16,035,338		13,323,327
	Listed investments acquired		2,364,907		2,101,529
	Listed investments disposed		(2,942,870)		(1,515,157)
	Realised (losses)/gains		(564,714)		(75,758)
	Gains/(losses) on revaluations at 30th September		(1,141,350)		2,201,397
	Market value at 30th September		<u>13,751,311</u>		<u>16,035,338</u>
	The long leasehold of 2 Sylvester Road was valued by the Westley & Huff on the basis of its market value being £1,200,000.				
	Listed investments have been valued at the prices as shown on recognised exchanges.				
	No listed investment, excluding cash balances, made up more than 5% of the portfolio.				
12.	DEBTORS			2022	2021
	Due within one year:			£	£
	Prepayments and accrued income			5,234	1,709
	Other debtors			48,366	20,360
				<u>53,600</u>	<u>22,069</u>
13.	CREDITORS			2022	2021
	Due within one year:			£	£
	Trade creditors			55	54
	Accruals and deferred income			29,990	29,986
	Deposit held			2,025	2,025
				<u>32,070</u>	<u>32,065</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

14.	PROVISIONS FOR LIABILITIES	2022
		£
	Balance at 1st October 2021	38,442
	Provision identified in the year	-
	Movement in provision	(3,280)
	Balance at 30th September 2022	<u>35,162</u>
	PROVISIONS FOR LIABILITIES	2021
		£
	Balance at 1st October 2020	50,199
	Provision identified in the year	-
	Movement in provision	(11,757)
	Balance at 30th September 2021	<u>38,442</u>

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, allowing for discounting rates and changes in future contributions.

The provision relates to the USS pension deficit recovery plan as mentioned in note 1 (j) to the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2022

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	36,729	44,201	(10,549)	-	(844)	69,537
c) Sino-British Fellowship Trust	24,788	-	-	-	-	24,788
d) SYK Fellowship Fund	704,129	19,090	(19,120)	(73,665)	(1,650)	628,784
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	9,805	-	(3,991)	-	(399)	5,415
g) Independent Schools Fund	-	50,649	(50,649)	-	-	-
h) Lloyd Dan David Fund	773,430	26,113	(39,934)	(77,036)	(3,532)	679,041
i) Jing Brand Fund (including Tianyoude grant)	168,368	23,975	(7,399)	(25,112)	(4,000)	155,832
j) Beijing Xingzhi	5,425	-	-	-	-	5,425
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
l) Ho Peng Yoke Fellowship	709,879	17,811	(15,232)	(97,372)	(1,077)	614,009
m) Wellcome Grant	61,180	-	(53,124)	-	(8,056)	-
n) Suiyuan Grant	50,193	-	(59)	-	(5)	50,129
o) HK Trust	-	7,000	-	-	-	7,000
	<u>2,593,253</u>	<u>188,839</u>	<u>(200,057)</u>	<u>(273,185)</u>	<u>(19,563)</u>	<u>2,289,287</u>

## Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is to support the CNRS Sphere Project.
- g) Fund is to support Independent Schools in research.
- h) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- i) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- j) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- k) Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- l) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- m) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- n) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- o) Fund was established for supporting our archival project.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS continued  
YEAR ENDED 30TH SEPTEMBER 2021

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	14,570	22,159	-	-	-	36,729
c) Sino-British Fellowship Trust	24,788	-	-	-	-	24,788
d) SYK Fellowship Fund	627,259	18,217	(12,878)	87,712	(16,181)	704,129
e) Kim Foundation	27,883	-	-	-	-	27,883
f) Fundraising and promotion	9,905	-	-	-	(9,905)	-
g) CNRS Sphere Project	9,929	-	(113)	-	(11)	9,805
h) Independent Schools Fund	-	53,074	(49,074)	-	(4,000)	-
i) Lloyd Dan David Fund	676,983	25,709	(13,952)	89,328	(4,638)	773,430
j) Jing Brand Fund (including Tianyoude grant)	148,868	2,983	(698)	26,083	(8,868)	168,368
k) Beijing Xingzhi	5,425	-	-	-	-	5,425
l) Conservation of Needham Archives	2,000	-	-	-	(2,000)	-
m) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
n) Ho Peng Yoke Fellowship	604,359	16,097	(7,559)	103,526	(6,544)	709,879
o) Wellcome Grant	29,378	60,944	(29,142)	-	-	61,180
p) Suiyuan Grant	-	54,193	-	-	(4,000)	50,193
	<u>2,202,791</u>	<u>253,376</u>	<u>(113,416)</u>	<u>306,649</u>	<u>(56,147)</u>	<u>2,593,253</u>

## Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is an amalgamation of the Chinese Academy and Joseph Needham Lecture and Conference Fund to be used towards the fundraising and promotion of The Needham Research Institute.
- g) Fund is to support the CNRS Sphere Project.
- h) Fund is to support Independent Schools in research.
- i) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- j) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- k) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- l) Fund is for the conservation and preservation of the Joseph Needham archives.
- m) Fund is for the establishment of an annual lecture in memory of Prof K W Ma.
- n) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- o) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- p) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

16.	ENDOWMENT FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2022	£	£	£	£	£	£
	Building Fund	705,257	-	(10,650)	-	-	694,607
	Building Fund (South Wing)	453,956	-	(6,120)	-	-	447,836
	Endowment Fund	9,166,514	291,326	-	(1,062,078)	(291,326)	8,104,436
	Endowment Fund Library	21,850	-	-	-	-	21,850
	Joseph Needham Estate	485,889	-	-	-	-	485,889
		<u>10,833,466</u>	<u>291,326</u>	<u>(16,770)</u>	<u>(1,062,078)</u>	<u>(291,326)</u>	<u>9,754,618</u>

The building funds were provided for and expended on the erection of permanent premises for the Needham Research Institute and to house the East Asian History of Science Library.

The Endowment Fund exists to provide capital for investment which in turn will produce income sufficient in time to secure the continuing operation of the Institute.

	ENDOWMENT FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2021	£	£	£	£	£	£
	Building Fund	715,907	-	(10,650)	-	-	705,257
	Building Fund (South Wing)	460,076	-	(6,120)	-	-	453,956
	Endowment Fund	7,784,077	234,817	-	1,382,437	(234,817)	9,166,514
	Endowment Fund Library	21,850	-	-	-	-	21,850
	Joseph Needham Estate	485,889	-	-	-	-	485,889
		<u>9,467,799</u>	<u>234,817</u>	<u>(16,770)</u>	<u>1,382,437</u>	<u>(234,817)</u>	<u>10,833,466</u>

17.	UNRESTRICTED FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2022	£	£	£	£	£	£
	<b>Designated funds:</b>						
	Building repairs fund	32,000	-	(12,378)	-	4,000	23,622
	Computer and equipment fund	21,429	-	(4,944)	-	-	16,485
	Library Special Fund	38,090	-	(3,065)	-	-	35,025
		<u>91,519</u>	<u>-</u>	<u>(20,387)</u>	<u>-</u>	<u>4,000</u>	<u>75,132</u>
	<b>Other charitable funds</b>	<u>3,976,487</u>	<u>70,686</u>	<u>(390,649)</u>	<u>(370,801)</u>	<u>306,889</u>	<u>3,592,612</u>
		<u>4,068,006</u>	<u>70,686</u>	<u>(411,036)</u>	<u>(370,801)</u>	<u>310,889</u>	<u>3,667,744</u>

Purpose of designated funds:

The building repairs fund arises from amounts set aside towards major building maintenance.

The computer and equipment fund arises from amounts set aside towards the updating and replacement of computers and equipment.

The Library Special Fund arises from amounts set aside towards the purchase of books and publications for the Library.

	UNRESTRICTED FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2021	£	£	£	£	£	£
	<b>Designated funds:</b>						
	Building repairs fund	28,000	-	-	-	4,000	32,000
	Computer and equipment fund	27,143	-	(2,857)	-	(2,857)	21,429
	Library Special Fund	38,933	5	(2,848)	-	2,000	38,090
		<u>94,076</u>	<u>5</u>	<u>(5,705)</u>	<u>-</u>	<u>3,143</u>	<u>91,519</u>
	<b>Other charitable funds</b>	<u>3,318,865</u>	<u>312,723</u>	<u>(379,475)</u>	<u>436,553</u>	<u>287,821</u>	<u>3,976,487</u>
		<u>3,412,941</u>	<u>312,728</u>	<u>(385,180)</u>	<u>436,553</u>	<u>290,964</u>	<u>4,068,006</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	10,834	-	1,090,106	1,100,940
Investment fixed assets	3,505,024	2,260,946	8,633,047	14,399,017
Debtors	37,895	15,705	-	53,600
Cash at bank and in hand	178,624	15,235	31,465	225,324
Current liabilities	(29,471)	(2,599)	-	(32,070)
Provisions for liabilities	(35,162)	-	-	(35,162)
Net assets	<u>3,667,744</u>	<u>2,289,287</u>	<u>9,754,618</u>	<u>15,711,649</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	11,781	7,504	1,106,876	1,126,161
Investment fixed assets	4,107,610	2,355,806	9,695,125	16,158,541
Debtors	17,186	4,883	-	22,069
Cash at bank and in hand	1,936	225,060	31,465	258,461
Current liabilities	(32,065)	-	-	(32,065)
Provisions for liabilities	(38,442)	-	-	(38,442)
Net assets	<u>4,068,006</u>	<u>2,593,253</u>	<u>10,833,466</u>	<u>17,494,725</u>

## 19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net movement in funds	(1,783,076)	2,411,194
Add: Depreciation	26,890	26,477
Less: Investment income	(399,077)	(364,023)
Less: (Losses)/Gains on investments	1,706,064	(2,125,639)
Decrease/(increase) in debtors	(31,531)	(14,502)
Increase/(decrease) in creditors	5	(41,357)
(Decrease)/increase in provisions	(3,280)	(11,757)
Net cash provided by (used in) operating activities	<u>(484,005)</u>	<u>(119,607)</u>

ANALYSIS OF CASH AND CASH EQUIVALENTS	2022 £	2021 £
Cash held under investments	647,706	123,203
Cash at bank	225,324	258,461
	<u>873,030</u>	<u>381,664</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

## 20. PENSIONS

**(a) Universities Superannuation Scheme**

The Institute participates in the Universities Superannuation Scheme (the scheme) with three active members. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to the individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The total cost charged to the Statement of Financial Activities for the Institute is £21,785 (2020/21: £14,942).

Since the Institute cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The latest available full actuarial valuation of the scheme was at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion.

The assets therefore were sufficient to cover 83% of the benefits which has accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2021/22	2020/21
Discount rate	3.31%	0.87%
Pensionable salary growth	3.00%	2.70%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 Valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at 65 are:

	2021/22	2020/21
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	23.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

## PENSIONS .....(CONT.)

**(b) Cambridge University Assistants' Contributory Pension Scheme**

The Institute participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS) which is a defined benefit scheme. The Institute's contributions are affected by a surplus or deficiency in the CPS but the Institute is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Institute therefore accounts for its contributions to the CPS as if it were a defined contribution scheme. It had six active members participating in the Scheme.

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by the schemes ceased to be contracted out of the State Second Pension.

**Triennial valuation of the scheme**

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme as at 31 July 2021. The results of valuation showed the actuarial value of the scheme's assets as £814m. These were sufficient to cover the scheme's past service liabilities of £738m; the scheme had a surplus of £76m and was 110% funded.

Since 1 August 2013 employer contributions have been set at 11.5% of pensionable pay for existing members at 31 December 2021 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. On 1 August 2023, employer contributions will be adjusted to 14.1% of pensionable pay for existing members at 31 December 2022 and 7.6% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2013. In addition, fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2023. These payments are subject to review at the next triennial valuation due as at 31 July 2024

**THE NEEDHAM RESEARCH INSTITUTE**

England & Wales - Charity number 311459

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# Accounts

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THE NEEDHAM RESEARCH INSTITUTE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> SEPTEMBER 2021

NEEDHAM RESEARCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

CHARITY INFORMATION

Charity Registration Number 311459

Trustees:

Professor Martin Jones (Chairman)  
Lord Broers ScD, FRS, FREng  
Dr Christopher Hughes  
Professor Liu Dun  
Mr Stephen Perry  
Professor Roel Sterckx  
Mr Michael Womack  
Ms Elizabeth Wright  
Dr Mary Augusta Brazelton  
Dr Imre Galambos  
Dr Charles Harpum  
Ms Katie Lee

Members of the Finance Committee:

Professor Martin Jones (Chairman)  
Dr Christopher Hughes  
Mr Michael Womack  
Ms Elizabeth Wright  
Professor Roel Sterckx  
Director and Bursar in attendance

Members of the Management Committee:

Professor Jianjun Mei (Chairman)  
Ms Susan Bennett  
Mr John Moffett  
Brigadier Tim Thompson (until 30 June 2021)  
Dr Christopher Jagger (from 1 June 2021)

Members of the Publications Board:

Professor Jianjun Mei (Chairman)  
Ms Susan Bennett  
Mr John Moffett  
Brigadier Tim Thompson (until 30 June 2021)  
Dr Christopher Jagger (from 1 June 2021)

Principal Officers:

Director:

Bursar:

Librarian:

Administrative Manager:

Professor Jianjun Mei  
Brigadier Tim Thompson (until 30 June 2021)  
Dr Christopher Jagger (from 1 July 2021)  
Mr John Moffett  
Ms Susan Bennett

Principal Office Address:

8 Sylvester Road  
Cambridge  
CB3 9AF

Auditors:

Prentis & Co LLP  
Chartered Accountants & Statutory Auditors  
115C Milton Road  
Cambridge  
CB4 1XE

Bankers and Deposit Holders:

National Westminster Bank plc  
23 Market Street  
Cambridge  
CB2 3PA

COIF (until August 2021)  
Senator House  
85 Queen Victoria Street  
EC4V 4ET

Quilter Cheviot Limited  
Senator House  
85 Queen Victoria Street  
London EC4V 4AB

Solicitors:

King & Co  
St. Andrews House  
St. Andrews Street  
Cambridge  
CB2 3DD

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## TRUSTEES REPORT

The Trustees present their report and financial statements for the year ended 30<sup>th</sup> September 2021.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2019).

## REFERENCE AND ADMINISTRATIVE DETAILS

The Needham Research Institute, formerly titled "The East Asian History of Science Trust" is situated at 8, Sylvester Road, Cambridge CB3 9AF. Charity Registration No. 311459.

The names of the Trustees serving during the financial year 1 October 2020 to 30 September 2021 and serving on the date which this report was approved are given on the contents page.

Professor Jianjun Mei is the Director of the Institute and responsible for its day-to-day management. The names of the Institute's staff are given on the contents page.

## OBJECTIVES AND ACTIVITIES

*PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT*

Building on the foundation laid by the work of the late Dr Joseph Needham, the Institute seeks to facilitate, promote and develop academic research, publication and teaching of the highest possible standard in the fields of the history of science, technology and medicine in East Asia.

Beyond the purely academic sphere, it also seeks to raise public awareness of those aspects of its work that are of wider significance for human progress. Through the pursuit of those goals it aims to exploit and further develop its role as the world's leading international centre for research in its field. It seeks closer and mutually beneficial cooperation with Cambridge University whilst maintaining its present autonomy as an independent charitable Foundation.

*MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES*

The restrictions imposed as a result of the Corona Virus Pandemic have continued to affect much of the Institute's activities since the start of the first "lockdown" in March 2020. The Institute aims to ensure the successful completion of the "Science and Civilisation in China" project. Twenty-five volumes have been published and work is proceeding on a further three volumes in the series; in addition, fifteen volumes have been published in the Monograph Series and work is continuing on a number of others. The Institute also publishes a less formal 'Working Papers' Series.

The Institute has an active programme of Research Fellowships and Studentships which is largely funded by grants from several outside Foundations and which enables scholars from East Asia and elsewhere to study at the Institute. It also organises workshops and conferences with major academic organisations in and outside the UK. It runs regular academic seminars during the University term.

The Institute also hosts scholars and academics during the year, allowing them access to its diverse library and catalogue of works and publications in the fields of the history of science, technology and medicine in East Asia.

*TRUSTEES REGARD TO THE CHARITY COMMISSION'S GUIDANCE ON PUBLIC BENEFIT*

The Institute and its Library offers scholars facilities for research and writing unrivalled by any other academic institution in its field. In addition to its collection of monographs, the Library subscribes to a wide selection of journals, many of which are Chinese publications rarely available elsewhere in Europe. The Library also houses the archives of the late Dr Needham relating to his research in the field he established. A 3-year project (2019 – 2022) funded by the Wellcome Trust is currently being carried out on these archives to make them more accessible to researchers. Digitised research materials are freely available on the Cambridge University Digital Library.

All this material is described and catalogued electronically, and may be searched online for no fee. Any person with a serious interest in the subjects covered by the Institute is welcome to use its facilities without charge. In cases where scholars are sufficiently well funded, the Institute will accept a contribution to its overheads, but this is not an absolute condition for use of its facilities.

In addition to maintaining the Institute's facilities and facilitating access to them, the Trustees encourage the Director to play an active role in making a wider public aware of the area with which it deals. The Director has delivered public lectures Overseas. The Director has been appointed 'Director of Research' by The McDonald Institute for Archaeological Research in University of Cambridge.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021.

## TRUSTEES REPORT

## ACHIEVEMENTS AND PERFORMANCE

*SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST*

Due to the COVID-19 pandemic, several fellowship programmes (such as Xingzhi Discovering China, Jing Brand and Sino-British Fellowship Trust) were suspended during the period of October 2020-September 2021. For other programmes, such as Ho Peng Yoke (HPY) Fellowships, Lloyd-Dan David (LDD) Fellowship, Independent School Foundation (ISF) Fellowship and Soon-Young Kim (SYK), awards were still in operation.

The Independent Schools Foundation (ISF) Fellowship was established in October 2013, for an initial period of three years, which was renewed in 2016 for a period of three years and again in 2019 for a further period of five years. Dr Huiyi Wu, the ISF Fellow, formally resigned from her ISF fellowship position with the Institute at the end of January 2021, and took up her permanent position at the CNRS in Paris from the beginning of February 2021. A Joint Selection Committee consisting of members of the ISF, Clare Hall, and the NRI, completed their selection process (including online interviews) in December 2020 and decided to award the ISF fellowship to Dr Jenny Jingyi Zhao, who was our former Lloyd-Dan David fellow until the end of January. In accordance with the agreement with the ISF, Dr Zhao took up her fellowship position from the beginning of February 2021 and was offered a Joseph Needham Visiting Fellowship by Clare Hall too.

In March 2021, the Institute decided to award the LDD fellowship to Mr. Arthur Harris, a PhD student at the Department of History and Philosophy of Science (HPS), University of Cambridge.

In April 2021, Dr Hyungsub Choi of the School of Liberal Arts, Seoul National University of Science and Technology, and Mr Bernhard Leitner, PhD candidate at the University of Vienna, were each awarded a six month SYK fellowship.

Dr Avital Rom had her three-month Ho Peng Yoke fellowship from February-April 2021.

On 19<sup>th</sup> - 21<sup>st</sup> April, Dr Avital Rom ran an online international workshop under the title 'Other Bodies: Disability and Bodily Impairment in Early and Medieval China'. It included eight speakers and three moderators from ten academic institutions worldwide (including Cambridge, Harvard, McGill University and more). Over 200 people from over 100 academic institutions registered their interest in attending the workshop, and between 50-90 participants attended each of the five sessions.

Six virtual seminars were organised during the University Easter term March – June 2021. On 9<sup>th</sup> December 2020, the Director delivered an online lecture 'Needham's Intellectual Heritage and its Significance in Today's World' to a group of students and teachers of the University of Science and Technology Beijing to commemorate the 120th anniversary of the birth of Dr Joseph Needham.

On 9<sup>th</sup> May 2021, the Director delivered an online lecture 'Some Thoughts on Early Copper Objects and the Origins of Metallurgy in China' to a virtual audience of several hundred, which was organised by the Shandong University.

On 9<sup>th</sup> July 2021, the Director delivered an online lecture 'A Scientific Study of Bronze Bells of the Western Zhou Period Recovered in Yichang, Hubei' to a virtual audience, which was one of the 100 years of Chinese Archaeology Lecture Series 2021 organised by the University of Heidelberg.

*REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR*

Funds are invested to provide income to meet the day-to-day running of the Institute. They are split between the Endowment Funds, Restricted Funds (related to grants to expend for the purpose specified, these are shown in note 17 on page 19) and Unrestricted Funds. As at 30<sup>th</sup> September 2021 funds invested amounted to £16,158,541, (2020: £13,566,504).

The Principal funding sources of the Institute are its income from the investment portfolio, donations and grants from outside foundations, royalties, interest on deposit accounts and rent of No. 2 Sylvester Road. No. 2 Sylvester Road has been leased to Robinson College for fifteen years from 3<sup>rd</sup> May 2018.

A review of investment performance and the Institute's investment policy are detailed on page 3.

The Institute has a potential liability relating to the employees who are in the 'Universities Superannuation Scheme'. Note 16 and 22 to the accounts set out the basis of a provision that has been made of £38,442 (2020: £50,199).

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## TRUSTEES REPORT

## STRUCTURE, GOVERNANCE AND MANAGEMENT

*RESERVES POLICY*

The Trustees have considered that the most appropriate policy is to maintain all surplus funds split between investments held with Quilter Cheviot and also a level of balances held as cash at bank sufficient to maintain the day to day costs of running and servicing the Institute.

This policy is kept under review, having regard to the level of funds available.

The Trustees' investment powers are governed by the Trust Deed which permits The Needham Research Institute to invest the monies of the Institute not immediately required for its purposes in such ways as the Institute shall in its absolute discretion think fit.

*NATURE OF THE GOVERNING DOCUMENT*

The Institute is an educational charity registered in England and subject to the provisions of the 1968 Trust Deed, as amended by Schemes of the Charity Commissioners dated 29<sup>th</sup> March 1988, 17<sup>th</sup> March 1992 and 27<sup>th</sup> November 2000.

*THE BOARD OF TRUSTEES*

The Trustees provide an appropriate mix of skills, diversity and experience; each is appointed for a term of five years by a resolution of the Trustees passed at a meeting and may be re-appointed for further terms in the same way.

The Trustees meet three times a year to receive reports from the Director, the Bursar through the Finance Committee and the Librarian. The Chairman and the Director are in close touch. All major decisions are referred to the Trustees.

The Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage those risks.

The Institute has been moving towards a turnover of Trustees more consistent with Charity Commission guidelines.

*RECRUITMENT OF NEW TRUSTEES*

Newly appointed Trustees are given a full briefing and tour of the Institute soon after their appointment. All Trustees have been provided with the Charity Commission Investment Guidelines. The Chair of Trustees is elected annually at a formal meeting of the Trustees.

*MANAGEMENT PERSONNEL REMUNERATION*

The ultimate responsibility for the management of the Institute rests with the Trustees of the Needham Research Institute, and the day-to-day running of the Institute is overseen by a full-time salaried Director. He is supported by a full-time Librarian, a full-time Administrative Manager and a part-time Bursar, who together with the Director comprise the Management Committee of the Institute.

All Trustees give their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in note 10 to the financial statements.

The key officers of the Institute detailed above receive remuneration in line with those in similar positions within the University of Cambridge, and are accordingly remunerated in line with the University of Cambridge's pay scale. Officers receive the small "cost of living" salary increases awarded by the University of Cambridge.

*PRINCIPAL RISKS AND UNCERTAINTIES*

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Institute currently produces an annual budget and reports at Trustees meetings against that budget. The Trustees have delegated authority from the Board to ensure that an active risk management process is in place and forms part of The Needham Research Institute's ongoing organisation activity.

*INVESTMENT POLICY AND PERFORMANCE*

The Investment Portfolio continues to be managed by Quilter Cheviot Limited (now part of Old Mutual).

In the year to 30 September 2021, a total return of 18.3% was achieved. [5.7% in 2020]

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## TRUSTEES REPORT

## PLANS FOR FUTURE PERIODS

The Institute will seek to maximise its contribution to research, teaching and international relations, in its field, focusing principally on China but in the broader context of East Asia, and will take every opportunity to develop fruitful cooperation with the University of Cambridge in those areas, as well as with other institutions of research and higher learning world-wide.

Work will continue on the *Science and Civilisation in China* series and other publications including a planned *Science and Civilisation in Korea* series. Fundraising efforts will continue to increase the Institute's endowment, and to support fellowship programmes.

The annual "Needham Memorial Lecture", in collaboration with other institutions in Cambridge, has been established and will continue, although it could not be held in 2021 due to the pandemic.

The NRI Friendship Association was established in Beijing on 9<sup>th</sup> June 2018. It has raised funds to be added to the Ho Peng Yoke Fellowship and will continue to do so.

## TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

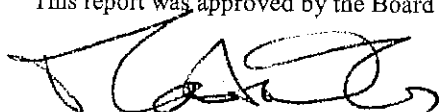
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the 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 to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## APPROVAL

This report was approved by the Board of Trustees and signed on its behalf, on 10 March 2021



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## OPINION

We have audited the financial statements of The Needham Research Institute for the year ended 30<sup>th</sup> September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30<sup>th</sup> September 2021, and of its 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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.

In connection with our audit of the financial statements, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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; or
- the 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 Trustees' responsibilities statement set out on page 4, 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 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 charity or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- We have considered the nature of the industry and sector, control environment and business performance, including the design of the charity's remuneration policies.
- We have enquired with management in regards to their own assessment of the risks of irregularities, including fraud.
- We have obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.
- Our audit work is limited to samples inherently used under International Auditing Standards, therefore not all transactions are reviewed so the detection of irregularities, including fraud, is limited to this.
- Any matter we identified, we have obtained and reviewed the charity's documented policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they are aware of any non-compliance.
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
  - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud is in relation to the overstatement of revenue. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory environment and frameworks in which the charity operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act and local tax legislation.

In addition, we have queried with management the need for any other provisions for other laws and regulations which do not have a direct effect on the financial statements, but compliance which may be fundamental for the charity to operate or to avoid a material penalty.

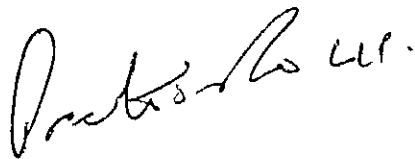
Relevant identified laws and regulations were communicated within the engagement team so they remained alert throughout the audit for indications of fraud or non-compliance.

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

This report is made solely to the 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.



PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& STATUTORY AUDITORS  
115c Milton Road  
Cambridge  
CB4 1XE

22 March 2022

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	2021			2020				
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£	£	£	£	£	£	£	£
<b>INCOME FROM:</b>									
Donations and legacies	2	229,893	7,953	-	237,846	6,453	15,350	-	21,803
Charitable activities	3	-	190,327	-	190,327	-	189,660	-	189,660
Investments	4	74,153	55,053	234,817	364,023	102,463	49,285	178,112	329,860
Other income	5	8,682	43	-	8,725	17,894	1,172	-	19,066
<b>TOTAL INCOME</b>		<b>312,728</b>	<b>253,376</b>	<b>234,817</b>	<b>800,921</b>	<b>126,810</b>	<b>255,467</b>	<b>178,112</b>	<b>560,389</b>
<b>EXPENDITURE ON:</b>									
Raising funds	6	-	-	-	-	-	691	-	691
Charitable activities	7 & 8	385,180	113,416	16,770	515,366	398,150	222,889	16,770	637,809
<b>TOTAL EXPENDITURE</b>		<b>385,180</b>	<b>113,416</b>	<b>16,770</b>	<b>515,366</b>	<b>398,150</b>	<b>223,580</b>	<b>16,770</b>	<b>638,500</b>
Net income/(expenditure) before gains on investments	9	(72,452)	139,960	218,047	285,555	(271,340)	31,887	161,342	(78,111)
Net gains on investments	13	436,553	306,649	1,382,437	2,125,639	119,416	44,011	290,538	453,965
<b>NET INCOME/(EXPENDITURE)</b>		<b>364,101</b>	<b>446,609</b>	<b>1,600,484</b>	<b>2,411,194</b>	<b>(151,924)</b>	<b>75,898</b>	<b>451,880</b>	<b>375,854</b>
Transfers between funds		290,964	(56,147)	(234,817)	-	197,902	(19,790)	(178,112)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>655,065</b>	<b>390,462</b>	<b>1,365,667</b>	<b>2,411,194</b>	<b>45,978</b>	<b>56,108</b>	<b>273,768</b>	<b>375,854</b>
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward		3,412,941	2,202,791	9,467,799	15,083,531	3,366,963	2,146,683	9,194,031	14,707,677
Total funds carried forward		4,068,006	2,593,253	10,833,466	17,494,725	3,412,941	2,202,791	9,467,799	15,083,531

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 1.1 to 2.4 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## BALANCE SHEET

	Notes	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	12		1,126,161		1,149,640
Investments	13		16,158,541		13,566,504
<b>TOTAL FIXED ASSETS</b>			<u>17,284,702</u>		<u>14,716,144</u>
<b>CURRENT ASSETS</b>					
Debtors	14	67,013		7,567	
Short term deposits		-		291,468	
Cash at bank and in hand		213,517		191,973	
<b>TOTAL CURRENT ASSETS</b>		<u>280,530</u>		<u>491,008</u>	
<b>LIABILITIES:</b>					
Creditors: Amounts falling due within one year	15	(32,065)		(73,422)	
<b>NET CURRENT ASSETS</b>			<u>248,465</u>		<u>417,586</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
Provisions for liabilities and charges	16		(38,442)		(50,199)
<b>TOTAL NET ASSETS</b>			<u>17,494,725</u>		<u>15,083,531</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Restricted funds	17		2,593,253		2,202,791
Endowment funds	18		10,833,466		9,467,799
Unrestricted funds:					
Designated funds	19	91,519		94,076	
Other charitable funds	19	3,976,487	4,068,006	3,318,865	3,412,941
<b>TOTAL CHARITY FUNDS</b>	20		<u>17,494,725</u>		<u>15,083,531</u>

The financial statements were approved by the Trustees at its meeting on 10 March 2022 and signed on its behalf by



PROFESSOR MARTIN JONES  
CHAIRMAN OF TRUSTEES

The notes on pages 11 to 24 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## STATEMENT OF CASH FLOWS

	Notes	2021 Total Funds £	2020 Total Funds £
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by (used in) operating activities</i>	21	(164,551)	(277,055)
<b>Cash flows from investing activities:</b>			
Investment income		364,023	329,860
Purchase of tangible fixed assets		(2,998)	(9,952)
Purchase of investment fixed assets		(2,101,529)	(1,198,637)
Disposal of investment fixed assets		1,635,131	1,318,777
<i>Net cash provided by (used in) investing activities</i>		(105,373)	440,048
<i>Change in cash and cash equivalents in the year</i>		(269,924)	162,993
Cash and cash equivalents brought forward		483,441	320,448
Cash and cash equivalents carried forward		213,517	483,441

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## (a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Needham Research Institute meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

## (b) ASSESSMENT OF GOING CONCERN

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

## (c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

*Donations and legacies:*

Donations are recognised when the Institute has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

*Grant income:*

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

*Investment income:*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

## (d) EXPENDITURE AND IRRECOVERABLE VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

*Raising funds:*

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

*Charitable activities:*

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the institute and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

**(e) TANGIBLE FIXED ASSETS**

The charity has a policy of capitalising fixed assets with a cost in excess of £100. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

8 Sylvester Road (Long leasehold)	- over the period of the lease (97 years)
Fixtures and fittings	- 10 years straight line
Equipment	- 4 years straight line

**(f) INVESTMENTS FIXED ASSETS**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Institute does not acquire put options, derivatives or other complex financial instruments.

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

**(g) REALISED GAINS AND LOSSES**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(h) DEBTORS**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(i) CREDITORS**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**(j) PENSIONS**

The Institute participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the Second State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The Institute also participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS). The scheme is a defined benefit scheme which is externally funded and is also contracted out of the State Second Pension (S2P). The fund is valued every three years by a professionally qualified independent actuary, with the actuary reviewing the progress of the scheme in the intervening years.

The Cambridge University Assistants' Contributory Pension Scheme, provides benefits based on final pensionable salary and contributions are made into a defined contribution scheme under the stakeholder rules. The Institute's contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

2.	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Donations	229,893	6,703	-	236,596
	Gift Aid	-	1,250	-	1,250
		<u>229,893</u>	<u>7,953</u>	<u>-</u>	<u>237,846</u>
	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	Donations	6,453	14,100	-	20,553
	Gift Aid	-	1,250	-	1,250
		<u>6,453</u>	<u>15,350</u>	<u>-</u>	<u>21,803</u>
3.	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Grants	-	190,327	-	190,327
	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	Grants	-	189,660	-	189,660
4.	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Interest receivable	28	-	-	28
	Dividends receivable	41,931	55,053	234,817	331,801
	Rents receivable (No 2 Sylvester Road)	32,194	-	-	32,194
		<u>74,153</u>	<u>55,053</u>	<u>234,817</u>	<u>364,023</u>
	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	Interest receivable	3,169	-	-	3,169
	Dividends receivable	67,183	49,285	178,112	294,580
	Rents receivable (No 2 Sylvester Road)	32,111	-	-	32,111
		<u>102,463</u>	<u>49,285</u>	<u>178,112</u>	<u>329,860</u>
5	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Royalties	7,820	-	-	7,820
	Sundry	862	43	-	905
		<u>8,682</u>	<u>43</u>	<u>-</u>	<u>8,725</u>
	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	Royalties	16,324	-	-	16,324
	Sundry	258	1,172	-	1,430
	Government Grants	1,312	-	-	1,312
		<u>17,894</u>	<u>1,172</u>	<u>-</u>	<u>19,066</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: RAISING FUNDS YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Fundraising costs	-	-	-	-
	EXPENDITURE ON: RAISING FUNDS YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	Fundraising costs	-	691	-	691
7.	CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	Academic and related costs	169,610	101,874	-	271,484
	Establishment costs	61,254	-	16,770	78,024
	Office and support costs	146,926	11,387	-	158,313
	Governance costs	7,390	155	-	7,545
		<u>385,180</u>	<u>113,416</u>	<u>16,770</u>	<u>515,366</u>
	ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2021	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £
	<b>Academic and related costs</b>				
	Salaries (academic)	85,193	57,780	-	142,973
	Salaries (librarian)	63,732	26,691	-	90,423
	Research grants	-	14,500	-	14,500
	Books and publications	4,936	1,680	-	6,616
	Travel and accommodation	55	-	-	55
	Computer costs	9,327	-	-	9,327
	Telephone, postage and photocopying	3,373	-	-	3,373
	Other (incl. lecture and exhibition expenses)	2,994	1,223	-	4,217
		<u>169,610</u>	<u>101,874</u>	<u>-</u>	<u>271,484</u>
	<b>Establishment costs</b>				
	Rates	12,186	-	-	12,186
	Insurance	14,947	-	-	14,947
	Repairs and maintenance	9,658	-	-	9,658
	Water, light and heat	7,410	-	-	7,410
	Cleaning	8,348	-	-	8,348
	Gardening and grounds	8,670	-	-	8,670
	Ground rent	35	-	-	35
	Depreciation	-	-	16,770	16,770
		<u>61,254</u>	<u>-</u>	<u>16,770</u>	<u>78,024</u>
	<b>Office and support costs</b>				
	Other salaries	65,946	-	-	65,946
	Depreciation	8,483	1,224	-	9,707
	Printing and stationery	877	282	-	1,159
	Entertaining	199	-	-	199
	Investment broker charges	71,445	9,881	-	81,326
	Foreign exchange gain	(24)	-	-	(24)
		<u>146,926</u>	<u>11,387</u>	<u>-</u>	<u>158,313</u>
	<b>Governance costs</b>				
	Audit and accountancy	6,196	-	-	6,196
	Other legal and professional fees	1,194	155	-	1,349
		<u>7,390</u>	<u>155</u>	<u>-</u>	<u>7,545</u>
		<u>385,180</u>	<u>113,416</u>	<u>16,770</u>	<u>515,366</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

8.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	Academic and related costs	182,062	202,120	-	384,182
	Establishment costs	59,544	1,288	16,770	77,602
	Office and support costs	150,482	19,181	-	169,663
	Governance costs	6,062	300	-	6,362
		<u>398,150</u>	<u>222,889</u>	<u>16,770</u>	<u>637,809</u>
	ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2020	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total £
	<b>Academic and related costs</b>				
	Salaries (academic)	98,054	68,445	-	166,499
	Salaries (librarian)	64,335	26,676	-	91,011
	Research grants	-	84,220	-	84,220
	Books and publications	6,095	2,036	-	8,131
	Travel and accommodation	938	7,765	-	8,703
	Computer costs	6,832	-	-	6,832
	Telephone, postage and photocopying	3,774	66	-	3,840
	Other (incl. lecture and exhibition expenses)	2,034	12,912	-	14,946
		<u>182,062</u>	<u>202,120</u>	<u>-</u>	<u>384,182</u>
	<b>Establishment costs</b>				
	Rates	12,110	-	-	12,110
	Insurance	14,404	-	-	14,404
	Repairs and maintenance	10,978	1,288	-	12,266
	Water, light and heat	6,964	-	-	6,964
	Cleaning	7,000	-	-	7,000
	Gardening and grounds	8,053	-	-	8,053
	Ground rent	35	-	-	35
	Depreciation	-	-	16,770	16,770
		<u>59,544</u>	<u>1,288</u>	<u>16,770</u>	<u>77,602</u>
	<b>Office and support costs</b>				
	Other salaries	70,262	-	-	70,262
	Depreciation	8,528	1,224	-	9,752
	Printing and stationery	981	3,097	-	4,078
	Entertaining	446	1,403	-	1,849
	Investment broker charges	70,282	13,457	-	83,739
	Foreign exchange gains	(17)	-	-	(17)
		<u>150,482</u>	<u>19,181</u>	<u>-</u>	<u>169,663</u>
	<b>Governance costs</b>				
	Audit and accountancy	5,896	-	-	5,896
	Other legal and professional fees	166	300	-	466
		<u>6,062</u>	<u>300</u>	<u>-</u>	<u>6,362</u>
		<u>398,150</u>	<u>222,889</u>	<u>16,770</u>	<u>637,809</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

9.	NET INCOME FOR THE YEAR	2021	2020
	This is stated after charging:	£	£
	Auditors remuneration	6,196	5,896
	- external audit		
	- non audit services	-	-
	Depreciation of tangible fixed assets	26,477	27,062

## MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

10.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2021	2020
		£	£
	Salaries and wages	214,197	230,305
	Social security costs	23,382	24,021
	Pension contributions	69,118	68,136
		<u>306,697</u>	<u>322,462</u>

The pension contributions shown above include amounts relevant to the inclusion of the pension provision shown in note 16 to the financial statements as required following the introduction of FRS 102.

The number of employees whose emoluments (salaries and pension contributions) exceeded £60,000 was 2 (2020: 1).

The average number of staff employed, analysed by function, employed during the year were:

	2021	2020
	Number	Number
Academic	7	7
Administration	3	2
Establishment	1	1
	<u>11</u>	<u>10</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties.

The aggregate amount of expenses reimbursed to the Trustees was £0 (2020: £0).

The Institute considers its key management personnel comprise of the Trustees and the Institute's Director. The total employment benefits including employer pension contributions of the key management personnel were £99,132 (2020: £96,733).

## 11. TAXATION

As a charity, The Needham Research Institute is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

12.	TANGIBLE FIXED ASSETS				
	YEAR ENDED 30TH SEPTEMBER 2021	Long Leasehold	Fixtures & Fittings	Equipment & Software	Total
		£	£	£	£
	COST				
	Balance at 1st October 2020	1,626,664	70,813	25,424	1,722,901
	Additions	-	-	2,998	2,998
	Balance at 30th September 2021	<u>1,626,664</u>	<u>70,813</u>	<u>28,422</u>	<u>1,725,899</u>
	DEPRECIATION				
	Balance at 1st October 2020	503,018	51,675	18,568	573,261
	Charge for the year	16,770	5,720	3,987	26,477
	Balance at 30th September 2021	<u>519,788</u>	<u>57,395</u>	<u>22,555</u>	<u>599,738</u>
	NET BOOK VALUE as at 30th September 2021	<u>1,106,876</u>	<u>13,418</u>	<u>5,867</u>	<u>1,126,161</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

12.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2020	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2019	1,626,664	62,383	23,902	1,712,949
	Additions	-	8,430	1,522	9,952
	Balance at 30th September 2020	<u>1,626,664</u>	<u>70,813</u>	<u>25,424</u>	<u>1,722,901</u>
	DEPRECIATION				
	Balance at 1st October 2019	486,248	45,731	14,220	546,199
	Charge for the year	16,770	5,944	4,348	27,062
	Balance at 30th September 2020	<u>503,018</u>	<u>51,675</u>	<u>18,568</u>	<u>573,261</u>
	NET BOOK VALUE as at 30th September 2020	<u>1,123,646</u>	<u>19,138</u>	<u>6,856</u>	<u>1,149,640</u>
13.	INVESTMENT FIXED ASSETS	2021		2020	
		Cost	Market Value	Cost	Market Value
		£	£	£	£
	Investment properties - long leasehold	111,548	1,200,000	111,548	1,200,000
	Listed investments	9,704,711	14,835,338	8,534,567	12,123,327
	Capital account	123,203	123,203	243,177	243,177
		<u>9,939,462</u>	<u>16,158,541</u>	<u>8,889,292</u>	<u>13,566,504</u>
	Market value at 1st October		13,323,327		13,187,275
	Listed investments acquired		2,101,529		1,198,637
	Listed investments disposed		(1,515,157)		(1,516,550)
	Realised (losses)/gains		(75,758)		(202,500)
	Gains/(losses) on revaluations at 30th September		2,201,397		656,465
	Market value at 30th September		<u>16,035,338</u>		<u>13,323,327</u>
	The long leasehold of 2 Sylvester Road was valued by the Westley & Huff on the basis of its market value being £1,200,000.				
	Listed investments have been valued at the prices as shown on recognised exchanges.				
	No listed investment, excluding cash balances, made up more than 5% of the portfolio.				
14.	DEBTORS			2021	2020
	Due within one year:			£	£
	Prepayments and accrued income			1,709	7,567
	Other debtors			65,304	-
				<u>67,013</u>	<u>7,567</u>
15.	CREDITORS			2021	2020
	Due within one year:			£	£
	Trade creditors			54	56
	Accruals and deferred income			29,986	71,341
	Deposit held			2,025	2,025
				<u>32,065</u>	<u>73,422</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

16	PROVISIONS FOR LIABILITIES	2021
	Balance at 1st October 2020	£
	Provision identified in the year	50,199
	Movement in provision	-
	Balance at 30th September 2021	(11,757)
		<u>38,442</u>
	PROVISIONS FOR LIABILITIES	2020
	Balance at 1st October 2019	£
	Provision identified in the year	53,131
	Movement in provision	1,594
	Balance at 30th September 2020	(4,526)
		<u>50,199</u>

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, allowing for discounting rates and changes in future contributions.

The provision relates to the USS pension deficit recovery plan as mentioned in note 1 (j) to the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

17. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2021

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	14,570	22,159	-	-	-	36,729
c) Sino-British Fellowship Trust	24,788	-	-	-	-	24,788
d) PhD Studentship Fund	627,259	18,217	(12,878)	87,712	(16,181)	704,129
e) Kim Foundation	27,883	-	-	-	-	27,883
f) Fundraising and promotion	9,905	-	-	-	(9,905)	-
g) CNRS Sphere Project	9,929	-	(113)	-	(11)	9,805
h) Independent Schools Fund	-	53,074	(49,074)	-	(4,000)	-
i) Lloyd Dan David Fund	676,983	25,709	(13,952)	89,328	(4,638)	773,430
j) Jing Brand Fund (including Tianyoude grant)	148,868	2,983	(698)	26,083	(8,868)	168,368
k) Beijing Xingzhi	5,425	-	-	-	-	5,425
l) Conservation of Needham Archives	2,000	-	-	-	(2,000)	-
m) Kan Wan Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
n) Ho Peng Yoke Fellowship	604,359	16,097	(7,559)	103,526	(6,544)	709,879
o) Wellcome Grant	29,378	60,944	(29,142)	-	-	61,180
p) Suiyuan Grant	-	54,193	-	-	(4,000)	50,193
	<u>2,202,791</u>	<u>253,376</u>	<u>(113,416)</u>	<u>306,649</u>	<u>(56,147)</u>	<u>2,593,253</u>

## Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is an amalgamation of the Chinese Academy and Joseph Needham Lecture and Conference Fund to be used towards the fundraising and promotion of The Needham Research Institute.
- g) Fund is to support the CNRS Sphere Project.
- h) Fund is to support Independent Schools in research.
- i) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- j) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- k) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- l) Fund is for the conservation and preservation of the Joseph Needham archives.
- m) Fund is for the establishment of an annual lecture in memory of Prof K. W. Ma.
- n) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- o) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- p) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.

17. RESTRICTED FUNDS  
YEAR ENDED 30TH SEPTEMBER 2020

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,467	-	(430)	-	-	14,037
b) Li Foundation Fund	14,570	-	-	-	-	14,570
c) Sino-British Fellowship Trust	21,610	14,000	(10,334)	-	(488)	24,788
d) PhD Studentship Fund	632,587	16,166	(24,108)	4,814	(2,200)	627,259
e) Kim Foundation	27,883	-	-	-	-	27,883
f) Fundraising and promotion	10,596	-	(691)	-	-	9,905
g) CNRS Sphere Project	9,929	-	-	-	-	9,929
h) Independent Schools Fund	-	-	-	-	-	-
i) Lloyd Dan David Fund	-	52,834	(52,069)	-	(765)	-
j) Jing Brand Fund (including Tianyoude grant)	663,945	24,567	(24,999)	15,512	(2,042)	676,983
k) Beijing Xingzhi	136,956	52,490	(39,070)	2,492	(4,000)	148,868
l) Conservation of Needham Archives	14,925	-	(6,320)	-	(3,180)	5,425
m) Kan Wen Ma Fund (in memory of Prof Ma)	-	7,000	-	-	(5,000)	2,000
n) HK Trust Grant - Conservation	7,407	-	-	-	-	7,407
o) Ho Peng Yoke Fellowship	-	(3,346)	-	-	3,346	-
p) Hooze Fellowship in the History of Chinese Science & Technology	591,493	15,576	(22,103)	21,193	(1,800)	604,359
q) Lloyds Workshop - Conference Science	(60)	-	-	-	60	-
r) Wellcome Grant	375	-	-	-	(375)	-
	-	76,180	(43,456)	-	(3,346)	29,378
	<u>2,146,683</u>	<u>255,467</u>	<u>(223,580)</u>	<u>44,011</u>	<u>(19,790)</u>	<u>2,202,791</u>

Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.  
b) Fund is to support research fellows.  
c) Fund is to support research fellows.  
d) Fund is to fund PhD students.  
e) Fund is to support research in the history of science in modern East Asia.  
f) Fund is an amalgamation of the Chinese Academy and Joseph Needham Lecture and Conference Fund to be used towards the fundraising and promotion of The Needham Research Institute.  
g) Fund is to support the CNRS Sphere Project.  
h) Fund is to support Independent Schools in research.  
i) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.  
j) Fund is established under a grant given by The Jing Brand for support for future fellowships.  
k) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.  
l) Fund is for the conservation and preservation of the Joseph Needham archives.  
m) Fund is for the establishment of an annual lecture in memory of Prof K W Ma.  
n) Fund is for the employment of a part time Archivist.  
o) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.  
p) Funds to be established for a visiting Fellowship.  
q) Fund to support a workshop held at the Institute.  
r) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

18. ENDOWMENT FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2021	£	£	£	£	£	£
Building Fund	715,907	-	(10,650)	-	-	705,257
Building Fund (South Wing)	460,076	-	(6,120)	-	-	453,956
Endowment Fund	7,784,077	234,817	-	1,382,437	(234,817)	9,166,514
Endowment Fund Library	21,850	-	-	-	-	21,850
Joseph Needham Estate	485,889	-	-	-	-	485,889
	<u>9,467,799</u>	<u>234,817</u>	<u>(16,770)</u>	<u>1,382,437</u>	<u>(234,817)</u>	<u>10,833,466</u>

The building funds were provided for and expended on the erection of permanent premises for the Needham Research Institute and to house the East Asian History of Science Library.

The Endowment Fund exists to provide capital for investment which in turn will produce income sufficient in time to secure the continuing operation of the Institute.

ENDOWMENT FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2020	£	£	£	£	£	£
Building Fund	726,557	-	(10,650)	-	-	715,907
Building Fund (South Wing)	466,196	-	(6,120)	-	-	460,076
Endowment Fund	7,493,539	178,112	-	290,538	(178,112)	7,784,077
Endowment Fund Library	21,850	-	-	-	-	21,850
Joseph Needham Estate	485,889	-	-	-	-	485,889
	<u>9,194,031</u>	<u>178,112</u>	<u>(16,770)</u>	<u>290,538</u>	<u>(178,112)</u>	<u>9,467,799</u>

19. UNRESTRICTED FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2021	£	£	£	£	£	£
<b>Designated funds:</b>						
Building repairs fund	28,000	-	-	-	4,000	32,000
Computer and equipment fund	27,143	-	(2,857)	-	(2,857)	21,429
Library Special Fund	38,933	5	(2,848)	-	2,000	38,090
	<u>94,076</u>	<u>5</u>	<u>(5,705)</u>	<u>-</u>	<u>3,143</u>	<u>91,519</u>
<b>Other charitable funds</b>	<b>3,318,865</b>	<b>312,723</b>	<b>(379,475)</b>	<b>436,553</b>	<b>287,821</b>	<b>3,976,487</b>
	<u>3,412,941</u>	<u>312,728</u>	<u>(385,180)</u>	<u>436,553</u>	<u>290,964</u>	<u>4,068,006</u>

Purpose of designated funds:

The building repairs fund arises from amounts set aside towards major building maintenance.

The computer and equipment fund arises from amounts set aside towards the updating and replacement of computers and equipment.

The Library Special Fund arises from amounts set aside towards the purchase of books and publications for the Library.

UNRESTRICTED FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2020	£	£	£	£	£	£
<b>Designated funds:</b>						
Building repairs fund	24,000	-	-	-	4,000	28,000
Computer and equipment fund	27,143	-	-	-	-	27,143
Library Special Fund	35,199	191	(2,992)	1,535	5,000	38,933
	<u>86,342</u>	<u>191</u>	<u>(2,992)</u>	<u>1,535</u>	<u>9,000</u>	<u>94,076</u>
<b>Other charitable funds</b>	<b>3,280,621</b>	<b>126,619</b>	<b>(395,158)</b>	<b>117,881</b>	<b>188,902</b>	<b>3,318,865</b>
	<u>3,366,963</u>	<u>126,810</u>	<u>(398,150)</u>	<u>119,416</u>	<u>197,902</u>	<u>3,412,941</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS  
YEAR ENDED 30TH SEPTEMBER 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Fund balances at 30th September are represented by:				
Tangible fixed assets	11,781	7,504	1,106,876	1,126,161
Investment fixed assets	4,107,610	2,355,806	9,695,125	16,158,541
Debtors	62,130	4,883	-	67,013
Cash at bank and in hand	(43,008)	225,060	31,465	213,517
Current liabilities	(32,065)	-	-	(32,065)
Provisions for liabilities	(38,442)	-	-	(38,442)
Net assets	<u>4,068,006</u>	<u>2,593,253</u>	<u>10,833,466</u>	<u>17,494,725</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS  
YEAR ENDED 30TH SEPTEMBER 2020

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £
Fund balances at 30th September are represented by:				
Tangible fixed assets	16,185	9,809	1,123,646	1,149,640
Investment fixed assets	3,558,565	1,868,037	8,139,902	13,566,504
Debtors	7,567	-	-	7,567
Cash at bank and in hand	(45,755)	324,945	204,251	483,441
Current liabilities	(73,422)	-	-	(73,422)
Provisions for liabilities	(50,199)	-	-	(50,199)
Net assets	<u>3,412,941</u>	<u>2,202,791</u>	<u>9,467,799</u>	<u>15,083,531</u>

## 21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds		
Add: Depreciation	2,411,194	375,854
Less: Investment income	26,477	27,062
Less: Gains on investments	(364,023)	(329,860)
Decrease/(increase) in debtors	(2,125,639)	(453,965)
Increase/(decrease) in creditors	(59,446)	74,625
((Decrease)/increase in provisions	(41,357)	32,161
	(11,757)	(2,932)
Net cash provided by (used in) operating activities	<u>(164,551)</u>	<u>(277,055)</u>

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

## 22. PENSIONS

**(a) Universities Superannuation Scheme**

The Institute participates in the Universities Superannuation Scheme (the scheme) with three active members. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to the individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The total cost charged to the Statement of Financial Activities for the Institute is £46,044 (2019/20: £40,616).

Since the Institute cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The latest available full actuarial valuation of the scheme was at 31 March 2019 ("the valuation date"), which was carried out using the projected unit method.

The 2019 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion.

The assets therefore were sufficient to cover 89% of the benefits which has accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	N/A	N/A
Pension increase (CPI)	2.11%	2%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) SINA tables as follows:

Male members' mortality	91.5% of SINA ("light") YoB tables - No age rating
Female members' mortality	101.3% of SINA ("light") YoB tables - rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2016 projections with a 1.8% pa long term rate were also adopted.

The current life expectancies on retirement at 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

## NOTES TO THE FINANCIAL STATEMENTS

## PENSIONS .....(CONT.)

**(b) Cambridge University Assistants' Contributory Pension Scheme**

The Institute participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS) which is a defined benefit scheme. The Institute's contributions are affected by a surplus or deficiency in the CPS but the Institute is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Institute therefore accounts for its contributions to the CPS as if it were a defined contribution scheme. It had six active members participating in the Scheme.

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by the schemes ceased to be contracted out of the State Second Pension.

**Triennial valuation of the scheme**

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme for funding purposes as at 31 July 2015. The results showed the actuarial value of the scheme's assets as £551m. These were insufficient to cover the scheme's past service liabilities of £612m; the scheme has a deficit of £61m and was 90% funded.

From 1 August 2013 employer contributions were set at 11.5% of pensionable pay for existing members at 31 December 2012 and 5.8% of pensionable pay (together with contributions at 3.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. In addition fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2013 to 31 January 2019.