



The Royal Institution
Science Lives Here

Trustees' Report and Financial Statements

For the year ended 30 September 2018

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Charity Information

Charity registration number:
227938

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

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

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

President:
HRH The Duke of Kent

Honorary Vice President:
Sir John Ritblat

Current Trustees who served during the entire financial year:

Sir Richard Sykes – Chair
Ms Louise Terry – Deputy Chair
Dr Fergus Boyd
Mr Simon Godwin
Lord Julian Hunt
Mr John Krumins
Mrs Sarika Patel
Mr Geoff Potter

Trustees who served during part of the financial year were:

Mr Hugh Harper – retired April 2018
Lord Robert Winston – retired April 2018
Prof Chris Toumazou – retired May 2018
Dr Sophie Forgan – elected April 2018
Prof Alison Woollard – elected April 2018
Dr Yike Guo – Co-opted June 2018

Finance Committee:

Mr John Krumins – Chair and Trustee
Mr Simon Godwin – Trustee
Mr Stuart Bridges
Mr Robert Farago
Mr Chris Lowe

Audit Committee:

Mrs Sarika Patel – Chair and Trustee
Mr Geoff Potter – Trustee and appointed April 2018
Mr Andrew Gregson – appointed Nov 2017
Mr Nick Hills
Ms Siobhan Peters
Mr Simon Robinson – retired November 2018

Nominations Committee:

Ms Louise Terry – Chair – appointed May 2018
Sir Richard Sykes – Trustee
Mr Christopher Adam
Ms Lucinda Hunt
Ms Janet Larsen
Prof David Phillips

Director:

Dr Shaun Fitzgerald FREng – appointed 1 February 2018

Auditor:

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

Bankers:

HSBC Bank plc
79 Piccadilly, London, W1J 8EU

Investment advisors:

HSBC Global Asset Management (UK) Limited
8 Cork Street, London W1S 3LJ

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields, London, WC2A 3LH

Field Fisher Waterhouse LLP

5 Vine Street, London, EC3N 2PX

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place, 78 Cannon Street, London, EC4N 6AF

Trustees' Report for the year ended 30 September 2018

The Ri is pleased to report a surplus on unrestricted funds. The Board and Executive Team have agreed and are implementing the new five-year strategy to inspire everyone to think more deeply about science and its place in our lives.

During this financial year, the Ri has both made significant progress on its charitable objectives as well as consolidating the previous two year's strengthened financial performance and its long term financial sustainability.

The Ri has produced a financial surplus for the year of £100k on unrestricted funds (compared to a £279k surplus in 2016/17). This represents the third year of surpluses on unrestricted funds. This is the result of sustaining our operating performance with a £100k core operating surplus (the £279k surplus in 2016/17 comprised £58k operating surplus, less one off costs to appoint a new Director, investments in developing the new five-year strategy, net gains on investments, costs totalling £291k and a £512k gain relating to the elimination of the Pension Scheme deficit).

Total Funds have declined £135k for the year (increased £397k in 2016/17) as funds were used to deliver programmes and the prior year benefited from actuarial gains of £428k on the Ri Pension Scheme.

Since repaying all of our debt in 2015, the Ri has remained debt free and has sufficient cash resources to fund its current core operations. Implementation of the new five-year strategy has commenced but depends on securing additional funds for significant progress.

The Trustees appointed Dr Shaun Fitzgerald as Director and he commenced on 1 February 2018. Shaun is a Royal Academy of Engineering Visiting Professor at the Department of Engineering at Cambridge University. He was the CEO of Breathing Buildings Ltd, a leading technology company pioneering hybrid ventilation systems – he resigned from Breathing Buildings effective 30 June 2018. Shaun is a respected leader in his field and brings to the Ri a track record of success within the scientific community and the commercial sector, combined with a strong belief in the importance of public engagement with science. He has joined our team at an important time, to lead the delivery of our exciting new five-year strategy. Under Shaun's leadership, the Ri will expand collaboration with the science community across all sectors and strengthen our impact on a national and international scale.

With its ability to connect science, culture and society at all levels, from primary education to advanced study and research, the Ri has a global role to play in supporting the public to participate in evidence-based discussions and solving many of the significant challenges the world now faces.

Throughout 2018 the Ri Leadership Team has worked with staff and Trustees to plan and commence implementation of our new five-year strategy approved by Trustees in December 2017. This strategy, outlining a new vision and mission in keeping with the Ri founding prospectus, based on six key objectives that will be the prime areas of focus over the next five years. Please refer to Objectives, below, for more details.

Introduction

The Trustees are pleased to present their report and the consolidated financial statements of the Royal Institution of Great Britain (also referred to as the 'Ri' or the 'Institution' or 'the Charity') and its subsidiary, RIGB Limited, for the year ended 30 September 2018.

The Financial Statements comply with the Charities Act 2011 and the Statement of Recommended Practice – Accounting and Reporting by Charities – (SORP 2015). The Financial Statements have been prepared to give a 'true and fair' view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide such a 'true and fair' view. This departure has involved following the Statement of Recommended Practice for Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, which this charity is now required to comply with, rather than the Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Purpose

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

Over the coming years, the Ri's mission will therefore be to create opportunities for everyone to discover, discuss and critically examine science and how it shapes the world around us. The Ri will do so by building on its heritage and success in creative and innovative ways.

Objectives

The six key objectives set out in the new strategy build on the strengths and expertise of the Ri while providing an ambitious plan to expand reach, collaborate with other organisations and reinforce both digital and physical presence. They encapsulate the high level conclusions from staff and stakeholder workshops, the results of an extensive audience development study commissioned in early 2017 (the Barker Langham Report) and published research on public attitudes to science.

The audience-focused objectives set out in the Ri's new strategy are to:

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

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

- Grow our financial capacity to support our mission
- Develop and care for our staff and volunteers whose expertise and passion provide the cornerstone of our success

Success will be assessed using measures of impact and Trustees will receive regular reporting against objectives.

Charitable activities and achievements

For the purposes of the 2018 Trustees' Report and Financial Statements we have selected highlights and impacts from our main areas of achievement. Further details of our accomplishments in 2018 and our plans for 2019 can be found in our 2018 Annual Review, a copy of which is available at www.rigb.org/annual-review.

The Ri acknowledges the essential role that building a wide portfolio of funding initiatives, both commercial and philanthropic, is essential to support future charitable activities for the benefit of the general public. The Ri continues to develop its operating model to provide better reporting and analysis of its achievements to ensure measurable impact against a sustainable budget.

Public Programme

Our celebrated public programme continues to inspire, inform and entertain new and existing audiences through a richly diverse range of topics and a variety of formats. This year we hosted 94 events in total, with 22,381 tickets booked. This does not include our extensive programme for Families and Young People, which is discussed on page 6 of this report.

From our post-event surveys 91% of people learnt something new, 84% wanted to continue their learning about the subject afterwards and 79% of people felt more confident discussing the subject with others. This shows that Ri events are not just stimulating at the time, but act as a catalyst to inspire further engagement with science.

The programme included:

- 57 public talks
- Nine Discourses
- Two short courses
- Five events in our new 'Patrons present' series, introduced in April

Highlights of the programme included:

- 30 April 'The order of time' - World-renowned physicist and author Carlo Rovelli launched his new book on the physics and philosophy of time to a sold-out theatre.

- 24 May 'The physics of hot air (Discourse)' - Ri Director Shaun Fitzgerald revealed the surprising physics of hot air, and how using his research led him to revolutionise building ventilation with dramatic reductions in energy usage.
- 2 July 'The art of logic: how to think like a mathematician' - Mathematician and former Ri Masterclass student Eugenia Cheng gave a brilliant presentation about applying the rules of logic to everyday life, introduced by maths teacher and University Challenge star Bobby Seagull.
- 17 July 'Moon, Mars and beyond' - Apollo Astronaut Al Worden and other space experts argued their case for settling on the Moon, Mars or travelling beyond.

Heritage and Collections

The Ri possesses an internationally significant collection of scientific apparatus, archives, books, artefacts and images, associated with the eminent scientists who originally researched, lectured and lived in the Ri building. This fantastic cultural resource is used to share both fascinating artefacts of history and insights into the relationship between science and the public. This is accomplished through the Faraday Museum, a nationally accredited museum spread throughout the three publicly accessible floors of the Ri building, which received over 70,000 visitors during 2018. There were also 73 archive visits by national and international scholars, students and members of the public. The Ri also provided over 870 people with detailed tours highlighting our history and heritage.

The Heritage and Collections team provided expert advice to a number of film, radio and scientific organisations, including a BBC Four Documentary on Magnets and Magnetism with Hannah Fry and a programme on electrical innovation that was released in a number of theatres around the country. An Australian production company filmed a number of items from the Bragg collections for a programme on their X-ray crystallography research. Professor Frank James was interviewed by CNBC for a programme on batteries and the future of fuel cells, taking the opportunity to highlight items from Faraday's collection. Various items from the collections were lent to St Catherine's College, Cambridge, the Royal Astronomical Society, the Dickens Museum and the Science Museum. A MOOC on the life and work of Humphry Davy, made jointly with the University of Lancaster, was released and was viewed by nearly 3,000 people.

The assessment of the conditions of the archival collections, funded by the Charles Hayward Trust, has continued throughout the year. Our conservator, Zofia Wyszomirska-Noga, highlighted the work being undertaken at the International Conservator's Conference held in Warsaw Rising Museum.

The Ri receives funding through the Philip Freer Trust to support PhD Students. In 2018 two students successfully completed their theses on various aspects of the Royal Institution's history. Two new students were awarded funding taking the number of supported students to four.

Education

The L'Oréal Young Scientist Centre (LYSC)

The LYSC's core aim is to provide high impact, in depth laboratory based science experiences to young people between the ages of 7 and 18.

Over the 2017/18 period, the LYSC organised 192 events with over 5,000 students taking part. 152 of these were core workshops (including five for International groups) and 38 were holiday workshops. The LYSC also ran special activities for The Girl's Day School Trust (GDST) and The London International Youth Science Forum (LIYSF).

For the third year in a row there has been an increase in the uptake of Home educators using the Centre. This year 24% of our workshops were for home education groups, up from 14% last year and 7% the year before. Of the remainder, 60% were state schools and 16% were independent schools.

Our collaboration with Butlin's continued into its third year. Butlin's continued to run a modified version of our cosmetic chemistry workshop facilitated by the Redcoats across their three sites, including at a new 'Discovery Studio' in Skegness. Feedback from both staff and guests is extremely positive, and engagement numbers are very high – 18,390 people participated in an LYSC workshop across their three sites between February and July 2018.

Considering all channels, the total number of people reached by LYSC activities during the 2017/18 period exceeds 25,000.

The Ri has continued to support Bayer and its Baylab in Reading. Bayer licences five YSC workshops for delivery alongside its own. The BayLab demonstrates the popularity of hands-on experience with science, receiving three or four school visits a week during term time and going out into the community when opportunities present themselves.

The LYSC also maintains links with the University of Central Lancashire to support the Ri/UCLan YSC with the teams meeting annually and working across many projects.

The standard of the LYSC workshops and the feedback we receive remains consistently high with 96% of respondents saying they would recommend their visit to other students and over 60% reporting that their visit made them more interested in studying science. A further 32% reported that they already wanted to study science before they attended the Centre and still wanted to study science to a higher level.

Some comments from students and teachers:

- 'It was a good combination of demos & hands on activities. It was well run with good timings, instructors and lots of things to try out entertaining & informative.'* Student, 14
- 'Amazing. Perfect. Flawless. But most importantly... IT WAS MEGA FUN.'* Alexander, 11
- 'It was very good because I can encourage my sister to like science.'* Anonymous
- 'The children loved experimenting with the colours. I might have to plan some colour mixing activities back at school*

now! Definitely the best trip we do each year.' Teacher, Bancroft's Prep

'Brilliant session! Pupils thoroughly enjoyed being scientists and learnt SO much! Will be booking a repeat visit!' Teacher, St. Richard's Church of England

Masterclasses

Our national Masterclass programme opens young people's eyes to the diversity of mathematics, engineering and computer science. All over the UK, young people meet regularly on Saturday mornings to solve problems with talented and enthusiastic volunteers from academia, industry and education. Feedback from parents and teachers tells us that this programme increases the confidence of young people and encourages them to take on more learning opportunities in these important subject areas.

The programme stretches from Truro to Aberdeen and draws on the support and enthusiasm of a vast and diverse network of volunteers and supporters encompassing parents, teachers, researchers, industry professionals, university students and funders.

2018 Highlights include:

- Delivery of 900 Masterclass sessions, over 164 series (up 26% on 2016/17) to over 6,200 school students across the UK. Our Primary Masterclasses have experienced significant growth during the year.
- Development of a new Primary to Sixth-form model. In this model, secondary schools join us to run a Masterclass series for their local primary schools. This acts as an exciting project for their sixth-form students who, with support from the Ri Masterclass team, develop and deliver their own Masterclasses to the primary groups. In 2018, 114 sixth form students from 13 different schools have taken part in Masterclass projects, delivering Masterclasses to around 140 primary school students (with plans to run the series for a further 150-200 students in early 2019).
- Eight 'Off the Shelf' Masterclass resource sets were published on our website – a fantastic tool for Masterclass groups or any teacher wanting to deliver high quality, ready-made maths enrichment workshops to primary school students. Subjects include Magic Squares, Mobius Bands, and Digital Computers. Many more are to come in 2019.

CHRISTMAS LECTURES

The 2017 CHRISTMAS LECTURES 'The Language of Life' were presented by Prof Sophie Scott from University College London. As well as the LECTURES at the Ri in December 2017, Sophie, supported by Ri staff, also delivered the LECTURES in Singapore, Hong Kong and Japan. In Singapore the LECTURES were filmed for local primetime TV broadcast. We returned to Japan for the 28th year running for LECTURES at the Tokyo Institute of Technology. This year we added Hong Kong to the calendar and shows were delivered at Kellett School, the British International School in Hong Kong. The Ri Education team also took a version of the LECTURES to the Big Bang Fair, the UK's national Science & Engineering Fair, where it was one of the two headline shows on the main stage.

For the first time we trialled a project to involve young people in some of the social and ethical issues raised by the topic of the LECTURES, in this case the extent to which computers are 'listening in' to our activities. This involved around 1,500 schools using our classroom debate kits, and culminated in a one day conference at the Ri for 16-18 year olds which made recommendations for the responsible use of technology by governments and corporations. This pilot project will be very useful in helping us shape and deliver this work in future years.

STEM Directories

The 2017/18 year included two rounds of our STEM grants programme in which we had approximately 400 applications for £65k funding (an increase on 2016/17 funding due to new support from LG Harris Trust). 144 schools received funding to host STEM activities chosen from the STEM Directory, now hosted by STEM Learning Limited. Events in schools took place between January and July 2018 and the most recent round of funding will support events in January – July 2019.

Science in Schools

The programme visited 135 schools (96 in 2016/17) during the year, reaching around 50,000 students (24,000 in 2016/17), providing teachers with science CPD and delivering community shows to parents of the school's students.

In 2017/18 we delivered even more funded shows in disadvantaged areas, including talks in every primary school in Arbroath, North East Scotland. We also increased our presence at festivals this year, with presenters travelling to Chichester Science Festival, Curious Arts Festival, EDF Energy Carnival and One North Science Festival in Singapore.

Family Programme

Just under 9,000 people took part in Ri family activities in the 2017/18 period, in line with last year, despite an increase in ticket pricing. Around half of these attended were in the Ri theatre, with the remainder split equally between three Family Fun Days, and the Ri Summer Schools programme in July and August. The Ri Summer Schools programme continues to grow in popularity, with 2018 continuing the trend of year-on year growth in attendance. We continue to attract high profile speakers as part of the Family Programme, including engineer and Great British Bake Off finalist Andrew Smyth, Australian science communicator Dr. Karl and American aerospace engineer Anita Sengupta to name a few.

Digital

At the end of September 2018 the Ri YouTube Channel had 445k global subscribers (313k at end of 2016/17 – an increase of 42%). During 2017/18 our videos were watched 15m times, by a global audience, including 39% from the US, and 11% from the UK. Our most successful video released this year was 'Beyond the Higgs: What next for the LHC?' by Harry Cliff which has been watched 794k times since its release in January. During 2017/18 we focused on growing our YouTube channel with a more frequent regular release schedule which saw us release 136 videos, 37 more than in 2016/17 and enabled our ever increasing growth. This growth has also resulted in a

significant increase in revenue from YouTube advertising which grew to £46k, over four times more than 2016/17.

To deepen engagement with our online audience, particularly those in the US, and generate further revenue through our digital output, in May 2018 we launched a Ri presence on Patreon.com. Patreon is an online crowdsourcing site designed for content creators to receive regular revenue from subscribers. In the four months since launch, we have 64 subscribers donating monthly, including two subscribers who each donate \$50 per month. Whilst small, this initiative is in its earliest stages.

Partnerships and licensing agreements provide our digital video content to a diverse range of new audiences whilst further growing our digital revenue. In 2017/18 we licensed Azoomee.com (an online platform for 7-9 year olds); the educational publisher Pearson; Edu Edu (a Czech-based educational charity); and Halyk Smart, who are localising our videos for audiences in Russian, Ukraine and Kazakhstan.

In April 2018 we started releasing old CHRISTMAS LECTURES recordings each week on our Rigb.org website with promotional clips simultaneously released on our YouTube channel. These have become a major source of traffic referred to our website. Our other social channels continued to grow with Twitter impressions growing by 27%, Facebook impressions growing 36%, and Instagram audience – which has been a particular focus for us in the second half of the year – is now 26 times larger than it was last year.

Development and fundraising

A sustainable financial model is vital if the Ri is to continue to deliver activities and meet its charitable objectives. We made fundraising progress in 2017/18, engaging with existing and new donors and sponsors to support our education and other community activities.

The Ri has an in-house Development team who engage in fundraising activities, and does not use third parties for our fundraising work. The Development team engages with a variety of funders and supporters, including trusts and foundations, commercial sponsors, and Ri Patrons.

The Ri is registered with the Fundraising Regulator, and has committed to its Code of Fundraising Practice. In operating under this Code, the Ri adheres to best practice in fundraising, including fair treatment of donors, responsiveness to the needs of vulnerable people, and fundraising approaches that are not unreasonably intrusive, persistent or place funders under undue pressure to donate. No fundraising complaints have been received during the financial year.

Patrons

The Patrons programme raised over £128k (incl. Gift Aid) an 18% increase on 2016/17, from around 95 patrons. In September 2018 we launched a Director's Circle Patron level with six new Patrons joining at this level, three in this financial year.

Corporate support

- CHRISTMAS LECTURES – corporate supporters included Schlumberger, BBSRC and Millennium Point
- L'Oréal continued their fantastic and long-established support of the L'Oréal Young Scientist Centre
- Three Corporate Partners supported our work: Bayer, EY and Quantumblack

Trusts and Foundations

- 12 Trusts and Foundations generously supported our work in 2017/18, totalling over £430k
- A major three year partnership was signed with the Lloyds Register Foundation to support the CHRISTMAS LECTURES.
- We continued to receive welcome and valued support from a number of funders, including the Clothworkers' Company, The Company of Actuaries Charitable Trust and Causeway Technologies, towards our Masterclass programme.

The Ri Trustees wish to say thank you to each and every one of the general individuals and organisations that have given their precious time, expertise and vital financial support to the Ri, over the past twelve months. It is thanks to such generous commitments that the Ri has been able to build on its extraordinary heritage, offering a lifelong experience to inspire even more people with the wonders of science.

Membership

Our membership community provides invaluable support and has been at the core of the Ri since 1810. Over 75% of our Membership community of 4,200 Ri Members chose to renew their membership in this financial year and our community of under 26 members has grown by 37%. Contribution from our members exceeded £215k.

This year we held our second hands-on member event 'ExpeRience – 2001: A space odyssey' which was well received by our members and their guests. We continued to provide even more benefits and our members could use their membership at partners such as the British Film Institute, Arcola Theatre, Science Museum and Bloomsbury Books, amongst many more. We look forward to providing even more opportunities for members to discuss, discover and critically examine science at the Ri and beyond.

Commercial operations

RiGB Ltd - venue hire and catering activities, delivered through RiGB Ltd, generate income to support the Ri's charitable science, education and heritage programmes. During 2017/18, the Ri Venue Hire team hosted 344 events and completed the financial year with total income of £1,470k (2016/17 £1,575k). This reflects reduced activity from the 2016/17 year due to high staff turnover but the new team is now well established and producing much improved results and an upward trend is clearly visible for 2018/19 – our goal and trends to date are for stronger results than in 2016/17.

Volunteers and donated services

The Ri is grateful for the valuable contribution made by volunteers who support its work. This contribution includes not only that made by its members and supporters but also by those

who serve on various committees, all of whom give their time and expertise so generously.

The Ri would like to express its thanks to the many volunteers for their significant contribution in helping to deliver its heritage, communication and education charitable activities. Volunteers assist the Collections and Heritage team in advancing the cataloguing of the Collection and Archive. The remarkable quality and reach of the Education Programme is enhanced by the work and support of volunteers most notably in areas such as the Masterclasses, Public Events, and Family Fun Days. A volunteer force of individuals has been developed, nurtured and deployed to assist the Membership team in converting non-member event attendees into members, up-selling at events and improving membership retention.

The Ri is also grateful to those who have been able to provide their services pro-bono and in particular would like to thank:

- Omar Ahmed, Jonathan Elvin, Bruce Doy, Vessie Naskinova, Susan Ainsley and Geoff Parr who helped us develop requirements for and test a new financial accounting system implemented on 1 October 2018
- Firas Al-Fakhri who assisted development of a new IT strategy
- Laurence Scales who assisted cataloguing the archives and enriching the collections through his research
- Derek Smith and John Nichols who have spent the last three years refurbishing and restoring our historic Victorian elevator which was recommissioned and celebrated in July 2018
- Non-Trustee members of Board Standing Committees as shown on page 2 of this report.

Financial review

The Ri is supported by income raised through donations, legacies and sponsorship, ticket sales, membership subscriptions, venue hire and hospitality, and rental of office space.

In the year ended 30 September 2018, the Ri had a total income of £4,248k (2016/17: £4,086k) and a deficit on Total Funds of £135k (2016/17: £397k surplus including £58k core operating surplus, a non-recurring £512k gain from elimination of the Pension Scheme deficit, £291k of non-recurring costs to develop a new five-year strategy and appoint a new Director).

The Ri trading subsidiary, RiGB Ltd has generated total income of £1,470k (2016/17: £1,575k) and profit declined to £144k (2016/17: £236k) due to the lower venue hire income.

As noted above, the Ri has continued to enjoy the support of numerous companies, philanthropic trusts and foundations, and individuals for its charitable activities, attracting restricted income of £748k (2016/17: £700k).

The Ri had cash in bank and short term investments of £1,138k at 30 September 2018 (2016/17: £1,016k).

The overdraft facility was renewed at £400k to October 2019 by HSBC (2016/17: £500k) but has not been used, which provides sufficient financial reserves to cover unexpected fluctuations in either income or expenditure during the year.

Given the positive cash balances, no debt, and budgeted operating surplus for the coming fiscal year, the Trustees consider that it is appropriate to prepare the financial statements on a going concern basis.

Pricing policy

Ticket prices for the Programmes and Public events are established to strike a balance between appropriate cost recovery and ensuring accessibility for those of modest means. Certain activities such as the Mathematics Masterclasses and L'Oréal Young Scientist Centre, are made available free of charge or for a nominal fee, made possible by the generous support of companies, trusts and foundations that help fund our educational and charitable activities.

The Faraday Museum is free of charge to maximise access and enhance the experience of visiting the Museum and its artefacts. The pricing policy remains under review to ensure appropriate economic returns to support the work of the Ri and promote both its public benefit and future sustainability.

Investment powers and policy

The Trustees are empowered to invest the Charity's funds at their discretion, except where a donor has given specific instructions. The funds held by the Ri are invested with HSBC Global Asset Management. The Ri investment policy is to achieve an optimal total return whilst balancing risk.

The current investment strategy and risk profile on the Ri's main investment portfolio is embodied in the selected returns strategy categorised as 'long term growth & income'. The 12-month performance was 5.9% - lower than 2016/17 (10.1%) due to negative returns in the March 2018 quarter. This 12 month result compares favourably to the benchmark for the growth and income/medium risk portfolio of 5.6% (2016/17: 8.4%).

Reserves policy

The Trustees are committed to replenish reserves as described in Note 22 to the Financial Statements.

The Trustees seek to ensure that unrestricted funds raised by the Ri are reinvested in the services that it delivers. As a policy, it aims to establish an Operating Reserve of around £3.5m which would equate to one year's total operating expenditure.

The Ri has a deficit on free unrestricted funds of £1,834k (2016/17: £1,995k) as a consequence of historic overspending on the building refurbishment, the additional cost of running the refurbished building and a shortfall in capital and operational funding. Total funds are £46,935k (2016/17: £47,070k) and of that £23,647k (2016/17: £23,647k) were Endowment and Restricted funds.

Plans for future periods

The Ri's strategic priorities are demanding and ambitious. They build upon the Ri's strengths, expertise and 200-year history of diffusing knowledge to the public.

Using knowledge gained from an extensive audience analysis commissioned by the Ri, attention will focus on the needs of the Ri's key audiences, which will be understood more fully through embedded impact evaluation. The Ri will continue to forge interesting and new collaborations, and draw on its loyal and growing community of engaged Members, Patrons and supporters, to strengthen reach and impact.

However, the Trustees recognise that the new five-year strategy cannot be achieved without a parallel emphasis on further strengthening financial resilience, raising the profile of the Ri, and caring for staff and volunteers.

Delivery of the new five-year strategy began in January 2018, with an initial focus on:

- The planned expansion of existing activities – building on the success, and increasing the reach, of activities and projects the Ri already undertakes
- New project scoping – setting out compelling proposals for philanthropic support, and for delivery when funding allows
- Financial modelling – detailing the investment necessary to deliver new projects and fund the Ri's growth
- Developing supporting strategies – such as fundraising, marketing and Venue Hire growth
- Organisational design – reviewing the Ri structure to ensure it continues to match the planned delivery profile
- Impact measurement – bringing greater consistency to the way the Ri measures its impact across all of its activities

As funding and staff capacity allow, the Ri will increase its activities and introduce new projects in subsequent years.

Structure, governance and management

Governing documents

The Governing documents of the Royal Institution of Great Britain are the Royal Charter dated 13 January 1800; the Act of Parliament dated 18 April 1810; an Amending Act dated 14 May 1958; a Supplementary Charter dated 14 November 1958; an Amendment to the Charter of 1800 granted on 22 February 1967; Schemes of the Charity Commission dated 17 April 1959, 26 May 1959, 30 March 1965, 26 January 1967, 26 April 1971, 10 April 1984 and 30 March 2011, and Orders in Council dated 22 February 1967, 11 April 1984 and 7 April 2011. The Ri is governed by these documents and by the Byelaws, which are made under the Governing Documents. The Ri's registered number and address are recorded on page 2 of this report.

Organisation

The Ri is governed by a Board of Trustees (nine elected, and up to two appointed) and three Standing Committees (an Audit Committee, a Finance Committee and a Nominations Committee). The Board of Trustees, Finance Committee, Audit

Committee and Nominations Committee generally meet quarterly. We are currently assessing Ri Governance against the new Charity Governance code (endorsed by the Charity Commission).

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

A Director of the Ri is appointed by the Trustees to lead the organisation and, collectively with the Trustee-appointed Director of Development, Director of Finance & COO and Director of Science & Education, ensure delivery of the business plan and budget with the full engagement of committed and exceptionally talented staff. A Director of Development was recruited and commenced with the Ri on 3 December 2018. Ri staff salaries are determined by independent benchmarking.

Appointment of Trustees

The Byelaws of the Ri require nine elected Trustees and up to two appointed Trustees to make up the Board of Trustees. Appropriate provision to ensure both continuity and refreshment of Trustees is made within the Byelaws, through a process whereby one third of the elected Trustees are elected by the membership of the Ri each year via a ballot (in the event of the number of nominations exceeding the number of vacancies). Three Trustees retired in 2018 as per the Byelaws. As the number of nominations equalled the number of vacancies no election was required. Following a review of skills, the Board of Trustees resolved to appoint a Trustee with expertise in Audit in April 2018. Subsequent to the 2018 AGM an elected Trustee resigned and the Board co-opted a person as Trustee to fill this vacancy.

Trustee induction and training

New Trustees are inducted to the Board through a series of meetings, consisting of an overview of each operating department of the Ri, delivered by staff. They are briefed and receive a copy of the Byelaws and Governing Documents of the Ri and the Charity Commission's "The essential Trustee: what you need to know". Trustees are kept up-to-date throughout the year with regular briefings from Senior Management at quarterly meetings of the Board of Trustees; are invited to attend staff Team Breakfasts and briefings; and invited to attend Trustee training events run by various industry charity advisors. Trustees are required to successfully complete DBS checks and NSPCC safeguarding training.

Related parties

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

The Ri is the sole shareholder of the trading subsidiary RIGB Limited, company registration number 04065626. RIGB Limited hires out Ri space to other organisations and to the public for events in the Ri buildings at 20 and 21 Albemarle Street, to maximise the return on the Ri's charitable assets and provide income for the charitable programmes. The Ri's event space is established as an attractive destination for many clients and the diversity of these clients has grown. The directors of RIGB

Limited are the Ri Director of Finance & COO and a former Honorary Treasurer and member of the former Council of the Ri. The Director of Finance & COO is also Company Secretary of RIGB Limited. RIGB Limited pays a management fee and gift aids its profits to the Ri. RIGB generated revenues of £1,470k during 2017/18 (2017: £1,575k).

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

Risk management

The major risks to which the Ri is exposed have been systematically identified and systems developed and embedded to mitigate those risks. The Trustees are ultimately responsible for ensuring that proper arrangements are in place for adequate and effective risk management and control. The active management of risk is reviewed and managed by the Ri Leadership Team and supported by the Audit Committee using strategic and operational criteria to assess the adequacy of risk management.

Regular reviews of business performance throughout the year highlight the strategic and operational risks facing the Ri, particularly the need to attract sufficient funding, manage cash flow, and invest in the core infrastructure. The Trustees remain watchful over the Ri's ability to raise sufficient funds to support charitable activities.

The Trustees, through the quarterly meetings of the Board, Finance Committee, Audit Committee and regular updates from the Ri Director, monitor risk management and financial progress. Additionally, the Audit Committee assesses the Ri's risk management and systems by assessing management commitment and actions in response to matters raised through the external statutory audit and internal audits undertaken.

Major risks

The Ri regularly monitors its operational and financial risks, which are core to ensuring the sustainability, impact and value of its charitable offering. The current risks which attract the highest risk ratings relate to:

- Failure to significantly grow fundraising to enable the implementation of the new Ri strategy agreed by Trustees in December 2017. The Ri has an ambitious plan to raise its profile and impact – delivery of that plan depends on growing charitable support. A new Director of Development has been appointed to lead this activity and a Development Group, including some Trustees and other external experts, has been formed to support her in this role.
- Critical failure of IT infrastructure including from a cyberattack, and other process failures that impact the security of information and availability of systems. Rigorous process and controls are in place to protect systems and data and monitor their use to mitigate this risk.
- Our Masterclasses, other classes and public events involve significant participation by children and vulnerable adults. Similarly to other organisations working with such individuals, their Safeguarding is a major area of focus and we have rigorous processes in place to check the suitability of Ri staff, volunteers and Trustees and ensure that all

participants are kept up to date on policies and legal requirements. A Disclosures in the Public Interest (Whistleblowing) policy is in place and reinforced to provide a path for concerned staff and others to raise any concerns.

- A key strategic risk facing any cultural organisation such as the Ri is remaining relevant to an ever evolving audience and their needs. The Ri's focus on its heritage, credentials and the quality of its programmes help mitigate the risk. Additionally, the new Ri five-year strategy agreed by Trustees in December 2017 provides a clear future direction and ensures the Ri's legacy grows and delivers ever more public benefit.

The Ri manages income and costs to ensure sustainability of the operating result. For the last three years the Ri has produced a surplus on unrestricted funds creating a stable financial foundation that strengthens fundraising proposals. The Ri closely manages cash and undertakes monthly financial reviews and forecasts for management reporting.

The Trustees are confident that with no debt, the unrestricted funds surplus in 2017/18, cash resources to hand and the budget agreed for 2018/19, the Ri is in a stable financial position. This enables the Ri to attract supporters and funders to underpin the future growth and development of its charitable programmes.

Trustees' responsibilities in relation to the financial statements

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

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

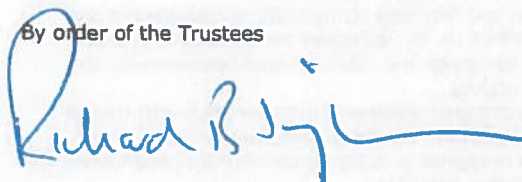
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities' Statement of Recommended Practice
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

The Trustees considered Public Benefit in everything the Ri does.

By order of the Trustees



Sir Richard Sykes FRS
27 February 2019

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

Opinion on financial statements

We have audited the financial statements of the Royal Institution of Great Britain (the 'charity') and its subsidiary (the 'group') for the year ended 30 September 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent charity Balance Sheets, the Consolidated and parent charity Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 30 September 2018 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Emphasis of matter – use of funds

We draw attention to Note 22 to the financial statements, which describes the need to replenish endowment and restricted funds and agreement for an updated replenishment programme to be reached with the Charity Commission. Our opinion is not modified in respect of this matter.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. 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 other information and, in doing so, consider whether the other information 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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

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

Dated *4 March 2019*

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

Consolidated Statement of Financial Activities for the year ended 30 September 2018

	Notes	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	Unrestricted Funds £000	Restricted and Endowment Funds £000	2017 Total Funds £000
Income and endowments from:							
Donations and legacies	2	162	-	162	178	1	179
Other trading activities	3	2,200	-	2,200	2,265	-	2,265
Investments	4	10	138	148	9	120	129
Charitable activities	5	1,128	610	1,738	934	579	1,513
Total		3,500	748	4,248	3,386	700	4,086
Expenditure on:							
Raising funds	6	1,344	53	1,397	1,411	51	1,462
Charitable activities	7	2,403	774	3,177	2,295	713	3,008
Total		3,747	827	4,574	3,706	764	4,470
Net gains on investments	14	13	178	191	33	314	347
Net (expenditure) / Income		(234)	99	(135)	(287)	250	(37)
Transfers between funds	10	334	(334)	-	132	(132)	-
Other recognised gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	25	-	-	-	428	-	428
Other foreign exchange gains		-	-	-	6	-	6
Net Movement In Funds		100	(235)	(135)	279	118	397
Reconciliation Of Funds:							
Fund balances brought forward at 1 October		23,187	23,883	47,070	22,908	23,765	46,673
Fund balances carried forward at 30 September		23,287	23,648	46,935	23,187	23,883	47,070

The notes on pages 15 to 36 form part of these financial statements.

Balance Sheet as at 30 September 2018

		Group	Charity	Group	Charity
		2018	2018	2017	2017
	Notes	£000	£000	£000	£000
Fixed Assets:					
Intangible Assets	11	153	112	72	4
Tangible Assets	12	34,324	34,315	34,396	34,382
Heritage Assets	13	4,719	4,719	4,717	4,717
Investments	14	8,987	8,987	9,142	9,142
Total Fixed Assets		48,183	48,133	48,327	48,245
Current Assets:					
Debtors	15	450	324	500	388
Cash at bank and in hand		1,138	971	1,016	953
Total Current Assets		1,588	1,295	1,516	1,341
Liabilities:					
Creditors: Amounts falling due within one year	16	(1,585)	(1,255)	(1,430)	(1,203)
Net Current Assets		3	40	86	138
Total assets less current liabilities		48,186	48,173	48,413	48,383
Creditors: Amounts falling due after more than one year	17	(1,251)	(1,238)	(1,343)	(1,313)
Net Assets Excluding Pension Liability		46,935	46,935	47,070	47,070
Defined Benefit Pension Scheme Liability		-	-	-	-
Total Net Assets		46,935	46,935	47,070	47,070
The Funds Of The Group and Charity:					
Endowment funds	19	21,293	21,293	21,979	21,979
Restricted Income funds	20	2,355	2,355	1,903	1,903
Unrestricted funds	21	23,287	23,287	23,188	23,188
Pension reserve		-	-	-	-
Total Charity Funds		46,935	46,935	47,070	47,070

Approved by the Board of Trustees on 27 February 2019 authorised for issue, and signed on its behalf by:

Sir Richard Sykes
Chairman
Date: 27 February 2019

The notes on pages 15 to 36 form part of these financial statements.

Consolidated and Charity Cash Flow Statements for the year ended 30 September 2018

		2018 Group £000	2018 Charity £000	2017 Group £000	2017 Charity £000
	Notes				
Cash flows from operating activities:					
Net cash used in operating activities		(244)	(348)	(584)	(180)
Cash flows from investing activities:					
Dividends, interest and rents from investments	4	148	148	129	129
Purchase of property, plant and equipment	12	(12)	(12)	(92)	(82)
Purchase of intangible assets	11	(112)	(112)	-	-
Purchase of investments	14	(1,537)	(1,537)	(2,543)	(2,544)
Proceeds from sale of investments	14	1,879	1,879	2,773	2,773
Net cash provided by investing activities		366	366	267	276
Change in cash and cash equivalents in the reporting period		122	18	(317)	96
Cash and cash equivalents at 1 October		1,016	953	1,333	857
Cash and cash equivalents at 30 September		1,138	971	1,016	953
Reconciliation of cash flows from operating activities:					
Net income/(expenditure) for the reporting period		(135)	(135)	(37)	(37)
Adjustments for:					
Depreciation and Amortisation charges	11,12	117	86	108	92
(Gains)/Losses on investments	14	(191)	(191)	(347)	(347)
Dividends, interest and rents from investments	4	(148)	(148)	(129)	(129)
Decrease/(increase) in debtors	15	50	64	79	302
Increase/(decrease) in creditors	16,17	63	(24)	(174)	23
FRS 102 pension adjustment	25	-	-	428	428
Increase/(decrease) in pension scheme liability	25	-	-	(512)	(512)
Net cash (used in) operating activities		(244)	(348)	(584)	(180)

The notes on pages 15 to 36 form part of these financial statements

Notes to the financial statements for the year ended 30 September 2018

1. Accounting policies

Company Information

The Royal Institution of Great Britain meets the definition of a public entity under FRS102.

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

Basis of Accounting

These financial statements have been prepared under the historical costs convention modified to include certain financial instruments at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting effective 1 January 2016, Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

Functional and presentation currency

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

Going concern

Whilst the Trustees recognise there is further progress required to secure a sustainable future, the progress to date is positive with elimination of debt providing a surplus for the year, progress with the replenishment of endowment funds (note 22), elimination of the defined benefit pension scheme deficit and the solid cash position. This progress together with the renewal of the overdraft facility, and options being developed to further strengthen the

financial resources of the charity have resulted in the Trustees' confidence in their ability to deliver a sustainable future based in Albemarle Street. Accordingly, the Trustees have concluded that there are no significant uncertainties regarding the ability of the charity to continue as a going concern in the foreseeable future. The Trustees have also considered and satisfied themselves on the adequacy of the disclosures on "going concern" in these financial statements.

Recognition of Income

Donations and the donation element of patron income and corporate memberships are credited to the Statement of Financial Activities on a receivable basis, including the related income tax recoverable under Gift Aid.

Legacies are credited to the Statement of Financial Activities in the year in which The Royal Institution of Great Britain is notified of the entitlement and is able to measure the amount with reasonable certainty.

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

Consolidated income is recognised in accordance with the delivery of contracted services.

Grants are included in incoming resources when the charity has met all conditions of receipt.

In accounting for Gift Aid within the charitable group, income is accrued when the Gift Aid payment is payable to the parent charity under a legal obligation.

Recognition of Liabilities

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

Allocation of costs

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

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

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

A cost sharing agreement with the trading company was implemented in 2016 detailing the apportionment of support costs to RiGB Ltd.

Properties, fixed assets and depreciation

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

Freehold and long leasehold land and buildings used for charitable purposes are listed buildings maintained to a high standard that retains their service potential and hence no provision for depreciation has been made. The cost for upkeep is part of the maintenance costs. The original buildings have a long useful economic life with a high residual value so depreciation would be immaterial. Improvements to the original buildings since adoption of FRS102 will be capitalised and depreciated as Plant & Machinery over their useful lives.

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

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

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

Freehold and long leasehold land and buildings	Nil(see above)
Plant & Machinery	10% pa straight line
Computer equipment	33% pa straight line
Restaurant fixtures and fittings	20% pa straight line
Fixtures and fittings	20% pa straight line
Theatre equipment	33% pa straight line

Investments

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

Income from investments is included in the financial statements on an accruals basis.

The majority of the Endowment funds' investments, and part of those of the restricted funds, are held jointly in The Royal Institution Investment Pool.

Intangible Assets

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

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

CRM Software	33% straight line
Finance software	10% straight line

This amortisation is included in expenditure on raising funds on the SOFA. This useful life has been selected to reflect the time in which the software shall become obsolete.

Heritage Assets

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

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

Cash and liquid resources

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

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

Operating leases

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

Financial Instruments

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

Pension costs

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

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

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

gains/(losses) section of the Statement of Financial Activities when relevant.

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

Fund accounting

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

Unrestricted general funds – These are funds which can be used in accordance with The Royal Institution of Great Britain's objects at the discretion of the Trustees.

Designated funds – These form part of the unrestricted funds but these represent amounts which have been set aside for a specific purpose by the Trustees.

Restricted funds – These are funds that can only be used for particular restricted purposes within the objects of The Royal Institution of Great Britain. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds – Permanent endowment funds are funds normally arising as a result of a will where the income but not the capital sum can usually be spent. Expendable endowment funds are funds where provision is made for both the income and capital to be spent on defined activities.

Redundancy and Termination Payments

Redundancy and termination payments are recognised in the month they are incurred.

2. Donations and legacies

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
Donations – Education	3	-	3	4
Donations – Patrons	91	-	91	75
Donations – Corporates	47	-	47	73
Maths Set Up Fund	-	-	-	1
Donations – Other	20	-	20	15
Legacies	1	-	1	11
Total donations and legacies	162	-	162	179

3. Other trading activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
Rents receivable	791	-	791	743
RIGB Limited room hire income	1,288	-	1,288	1,363
Sundry income	121	-	121	159
Total other trading activities	2,200	-	2,200	2,265

4. Investments

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
Quoted investments	8	138	146	127
Deposit interest	2	-	2	2
Total investments	10	138	148	129

The split of investment income between funds for 2017 was £9k Unrestricted and £120k Restricted.

5. Income from charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
Membership subscriptions	217	-	217	193
Patron subscriptions	27	-	27	27
Corporate subscriptions	3	-	3	3
Public and educational events	776	-	776	651
Sponsored events	82	180	262	185
Educational programme grants	11	397	408	423
Heritage	12	33	45	31
Total income from charitable activities	1,128	610	1,738	1,513

The split of income from charitable activities between funds for 2017 was £934k Unrestricted and £579k Restricted.

6. Raising funds

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
Direct costs	205	-	205	230
Support costs	191	-	191	246
RIGB Limited direct costs	408	-	408	354
RIGB Limited support costs	537	-	537	577
Investment Management and Audit Fees	3	53	56	55
Total costs of raising funds	1,344	53	1,397	1,462

The split of Raising Funds for 2017 was £1,411k Unrestricted and £51k Restricted.

7. Charitable activities

	Unrestricted Funds £000	Restricted and Endowment Funds £000	2018 Total Funds £000	2017 Total Funds £000
Members' Costs:				
Direct costs	98	-	98	96
Support costs	123	-	123	101
Total Members' Costs	221	-	221	197
Education:				
Programme costs	482	470	952	758
Young Scientist Centre	20	132	152	147
Online	189	-	189	130
Christmas Lectures	25	103	128	124
Support costs	1,152	-	1,152	1,281
Total Education costs	1,868	705	2,573	2,440
Heritage				
Collection costs	127	43	170	149
Philip Freer Fund	-	26	26	17
Support costs	187	-	187	205
Total Heritage costs	314	69	383	371
Total charitable activities	2,403	774	3,177	3,008

The split of charitable activities for 2017 was £2,295k Unrestricted and £713k Restricted.

Auditor's remuneration excluding VAT was £23k for audit services and £3k for other accountancy services (2017: £23k for audit services and £4k for other accountancy services).

8. Allocation of support costs

	Fundraising & Development £000	Members' Costs £000	Education £000	Heritage £000	RIGB Ltd £000	Total 2018 £000	Total 2017 £000
Premises costs	55	33	376	66	368	898	854
Operations, Finance & IT	44	26	299	47	75	491	393
Staff recruitment, training and welfare	32	5	64	10	19	130	149
Office costs	10	6	71	10	19	116	123
Legal and professional	5	3	33	5	9	55	208
Depreciation	6	4	47	8	15	80	90
Marketing	16	33	110	17	-	176	138
Digital costs	2	1	13	2	4	22	106
Governance	15	9	101	16	18	159	392
Total Before Pension Movement	185	120	1,114	181	527	2,127	2,453
Net movement of pension fund	6	3	39	6	11	65	(43)
Total Support Costs	191	123	1,152	187	538	2,192	2,410

9. Staff costs

	2018 £000	2017 £000
Wages and salaries	1,978	2,160
Social security costs	205	223
Pension costs – defined benefit	66	72
Pension costs – defined contribution	33	39
Total Staff Costs	2,282	2,494

No remuneration or expenses have been paid to the Trustees during the year (2017: £nil).

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

	2018 No.	2017 No.
£60,001-£70,000	-	-
£70,001-£80,000	1	1
£80,001-£90,000	1	2
£110,001-£120,000	-	-
£180,001-£190,000	-	1

One of the above employees (2017: 3) benefited from employer's contributions to their pension scheme during the year totalling £16k (2017: £27k).

Average number of employees analysed by function

	2018 No.	2017 No.
Educational Programme	22	23
Heritage	4	3
Premises	10	11
Directorate	1	1
Fundraisers	3	5
Membership department	2	2
Operations, Finance and IT	9	11
Total Staff	51	56

Staff loans

At 30 September 2018, staff loans totalled £10k (2017: £3k). No interest is charged on these loans, which mainly relate to advances for travel season tickets.

Remuneration of Key Management Personnel

The key management personnel of the Charity comprise the Trustees (who are not paid), the Director of the RI for part of the year, Director of Finance & COO, Director of Science & Education and in 2017 included the Chief Executive Officer and Director of Operations for part of the year. Total remuneration of the key management personnel, including employer's national insurance and employer's pension contributions, was £251k (2017: £549k).

Executive Liability Insurance has been purchased from Chubb which covers staff and Trustees. A premium of £3k (2017: £4k) was paid for £1m (2017: £1m) of cover.

Redundancy Payments

There were no redundancy payments in the year (2017: £2k).

Termination Payments

There were no termination payment in the year (2017: £21k) as compensation for terminating an employment contract in lieu of notice.

Ex-gratia payments

There were no Ex-gratia payments in the year (2017: £50k) as a performance bonus.

10. Gross transfers between funds

	Note	Unrestricted General £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000
CHRISTMAS LECTURES fund	A	38		(38)	
Young Scientist Centre fund	B	(13)		13	
Maths Fund – Primary	C	9		(9)	
Conservation grants	D	(18)		18	
Maths Fund – Engineering	E	18		(18)	
Philip Freer Studentships Income	F	26		23	(49)
Sponsored events	G	12		(12)	
Causeway	H	22			(22)
American Friends	I	(6)		6	
Life Membership fund	J	16	(16)		
Clothworkers' Masterclass fund	K				
Ludwig Mond fund	L	200		244	(444)
British Aerospace fund	M	-		152	(152)
Schools Outreach	N	10		(10)	
Clothworkers' Masterclass fund	O	33		(33)	
RI online	P	3		(3)	
Total Transfers		350	(16)	333	(667)
Shown in the SOFA as			334		(334)

- A. This is the contribution on the CHRISTMAS LECTURES fund towards overheads.
- B. This is the shortfall on the funding received on the Young Scientist Centre fund.
- C. This is the shortfall on the funding received towards Maths Fund – Primary expenditure during the year.
- D. This is the contribution on conservation grants to conservation costs.
- E. Maths Fund – Engineering is afforded from multiple sources with whom it is agreed all funding provided will contribute to overheads.
- F. This is the contribution on the Philip Freer Studentships Income grant towards direct costs in the general fund.
- G. This is the allocation of sponsorship income received for the Public Events Programme towards applicable costs.
- H. This is the contribution on the Causeway Endowment fund towards costs in the general fund in relation to the Computing Masterclasses Programme.
- I. This is the recognition of the FX movement on the US dollar bank balance in the American Friends fund.
- J. This is the contribution on the Life Membership Fund toward servicing life members.
- K. This is the contribution for Clothworkers' Masterclass expendable endowment towards overheads.
- L. This is the recognition of the original gift of £62k on the Ludwig Mond endowment as an endowment and the surplus £453k as restricted fund. The £200k represents the release of £50k per year towards building related costs following the Charity commission public order on 5 Dec 2014.
- M. The surplus above the original bequest of £50k has been reclassified as a restricted fund.
- N. This is the contribution on the School Outreach programme to overheads.
- O. This is the contribution on the Clothworkers' Masterclass to overheads.
- P. This is the contribution to the digital costs.

11. Intangible assets

Group and Charity	Computer Software £000	Charity Total £000	Computer Software RiGB Limited £000	Group Total £000
Cost or Valuation:				
At 1 October 2017	12	12	81	93
Additions	112	112	-	112
At 30 September 2018	124	124	81	205
Amortisation:				
At 1 October 2017	8	8	13	21
Charge for the year	4	4	27	31
At 30 September 2018	12	12	40	52
Net Book Value:				
At 30 September 2018	112	112	41	153
At 30 September 2017	4	4	68	72

The computer software capitalised in the year has not been amortised as it was not brought in to operation until 1 October 2018.

12. Tangible assets

Group and Charity	Freehold Building £000	Long Leasehold Land and Buildings £000	Restaurant - Fixture and Fittings £000	Computer Equipment £000	Fixtures and Fittings £000	Theatre Equipment £000	Charity Total £000	RiGB Ltd £000	Group Total £000
Cost or Valuation:									
At 1 October 2017	11,880	22,332	37	460	461	-	35,168	84	35,252
Additions	-	-	-	10	2	-	12	-	12
Disposals	-	-	-	(53)	-	-	(53)	(18)	(71)
At 30 September 2018	11,880	22,332	37	417	463	-	35,129	66	35,195
Depreciation:									
At 1 October 2017	-	-	37	365	384	-	786	70	856
Charge for the year	-	-	-	49	32	-	81	6	87
Disposals	-	-	-	(53)	-	-	(53)	(18)	(71)
At 30 September 2018	-	-	37	361	416	-	814	57	872
Net Book Value:									
At 30 September 2018	11,880	22,332	-	56	47	-	34,315	9	34,324
At 30 September 2017	11,880	22,332	-	95	75	-	34,382	14	34,396

The freehold of 20 Albemarle Street was revalued at the effective date of 30 September 2014, by Gerald Eve LLP, an independent valuer. The methods used referred to observable market transactions, the UK economy, inflation, and global financial markets. The freehold land and buildings have been recognised at the carrying amount of £15,550,000 of which £11.55m is Property, Plant and Equipment and £4m is Investment Property. On adoption of FRS102 this valuation is being taken as historical cost going forward.

13. Heritage Assets

Group and Charity	Printed works £000	Archives £000	Images £000	Scientific apparatus & Instruments £000	Furniture, silver, clocks & watches £000	Total £000
Valuation at 1 October 2017	663	2,626	410	919	99	4,717
Additions	2	-	-	-	-	2
Valuation at 30 September 2018	665	2,626	410	919	99	4,719

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

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

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

The collections are accessible to the public and scholars in a number of ways. Roughly a thousand objects are displayed around the building, whilst the archives and reserve collection may be visited by appointment.

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

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

Five year summary of transactions

Group and Charity	2018 £000	2017 £000	2016 £000	2015 £000	2014 £000
Purchases:					
Printed Works	2	-	-	-	10
Total Additions	2	-	-	-	10
Disposals:					
Printed Works	-	-	(589)	-	-
Total Disposals	-	-	(589)	-	-
Proceeds from Disposals:					
Printed Works	-	-	974	-	-
Total Proceeds from Disposals	-	-	974	-	-

14. Investments

Group and Charity	Cash £000	Quoted Investments £000	Property £'000	Group Total 2018 £'000	Group Total 2017 £000
Fair value at 1 October:	314	4,828	4,000	9,142	8,920
Disposals - Quoted investments	-	(1,807)	-	(1,807)	(2,592)
Net realised gains on sale of quoted investments	-	15	-	15	110
Purchase of quoted Investments	-	1,537	-	1,537	2,544
Net unrealised investment gains on quoted investments	-	176	-	176	226
Cash movements	(76)	-	-	(76)	(66)
Fair value at 30 September	238	4,749	4,000	8,987	9,142
Historical cost at 30 September	238	3,653	-	3,891	4,438

The Ri operates an Investment Pool which is shared by all the funds. All participating funds share in the income, expenditure, gains and losses of the Investment Pool in proportion to their investment in it.

The Philip Freer permanent endowment is held in an Investment Pool separate from the Ri's on-going activities. The above figures are inclusive of the Philip Freer endowment and other Pool funds. The above investments support charitable activities.

Quoted investments	2018 £000	2017 £000
HSBC - UK Fixed Interest	23	79
HSBC - Overseas Fixed Interest	464	728
HSBC - UK Equities	1,704	1,542
HSBC - Overseas Equities	2,283	2,198
HSBC - Alternative Investment Property	275	282
Total quoted investments	4,749	4,829

Investment in Subsidiary

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

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

	2018 £000	2017 £000
Turnover	1,470	1,575
Cost of sales	(789)	(761)
Management fee paid to Ri	(537)	(578)
Operating profit	144	236
Profit on ordinary activities before taxation	144	236
Taxation	-	-
Profit for the year after Taxation (which was distributed to parent as Gift Aid)	144	236

The balance sheet of the subsidiary is as follows:

	2018 £000	2017 £000
Fixed assets		
Tangible fixed assets	41	14
Intangible fixed assets	9	68
Current assets		
Debtors	192	243
Cash at bank	166	62
Creditors: Amounts falling due within one year	(395)	(357)
Net current assets	(37)	(52)
Creditors: Amounts falling due after more than one year	(13)	(30)
Total assets less liabilities	-	-
Capital and reserves		
Called up share capital	-	-
Profit and loss account	-	-
Shareholder Funds	-	-

15. Debtors

	2018 Group £000	2018 Charity £000	2017 Group £000	2017 Charity £000
Trade debtors	162	56	179	70
Other debtors	10	10	3	3
Tax recoverable	26	26	15	15
Prepayments and accrued Income	252	232	303	300
Total Debtors	450	324	500	388

16. Creditors: Amounts falling due within one year

	2018 Group £000	2018 Charity £000	2017 Group £000	2017 Charity £000
Trade creditors	504	489	351	337
Amount owed to subsidiary	-	65	-	127
Other tax and social security	138	77	121	56
Holiday pay accrual	25	25	29	29
Other creditors	17	17	16	15
Income received in advance (see note 18)	805	498	818	551
Accruals	96	84	95	88
Total Creditors: Amounts falling due within one year	1,585	1,255	1,430	1,203

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

	2018 Group £000	2018 Charity £000	2017 Group £000	2017 Charity £000
Income received in advance (see note 18)	1,251	1,238	1,343	1,313
Total Creditors: Amounts falling due after more than one year	1,251	1,238	1,343	1,313

18. Income received in advance

	Balance as at 30 September 2017 £000	Income released in the year £000	Income received in advance during the year £000	Balance as at 30 September 2018 £000
Charity				
Grant income	224	(703)	635	156
Subscription income	116	(1,227)	1,227	116
Events Income	26	(48)	60	38
Advanced Rental & Service Charge	109	(662)	668	115
Lease Premium	1,387	(75)	-	1,312
Total Charity	1,862	(2,715)	2,590	1,737
RIGB Limited	299	(929)	949	319
Group	2,161	(3,644)	3,539	2,056

19. Endowment funds

1 October 2017 to 30 September 2018:

Group and Charity	Balance As At 1 October 2017 £000	Re- classifica- tion 1 October 2017 £000	(Outgoing) £000	Investment Manageme- nt Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance As At 30 September 2018 £000
Permanent Endowment Funds:							
Gillespie Trust fund	973	-	-	-	-	45	1,018
Dr Ludwig Mond Trust	16,377	(244)	-	-	(200)	-	15,933
Philip Freer Studentships Fund	1,113	-	-	-	-	-	1,113
British Aerospace educational fund	-	50	-	-	-	-	50
Clothworkers' Masterclasses fund	750	-	-	-	-	-	750
Total Permanent Endowment Funds	19,213	(194)	-	-	(200)	45	18,864
Expendable Endowment Funds:							
Phillip Freer Studentships Fund	173	-	-	-	(49)	-	124
Building Preservation fund	95	-	-	(1)	-	2	96
British Aerospace Educational fund	201	(201)	-	-	-	-	-
Clothworkers' Endowment fund	366	-	(42)	(2)	-	9	331
The Royal Institution Research fund	362	-	-	(1)	-	6	367
Causeway Endowment	280	-	(54)	-	(22)	-	204
Old Broad Street Charity Trust fund	633	-	-	(2)	-	11	642
Victoria Woodhull Endowment fund	656	-	-	(2)	-	11	665
Total Expendable Endowment Funds	2,766	(201)	(96)	(8)	(71)	39	2,429
Total Endowment Funds	21,979	(395)	(96)	(8)	(271)	84	21,293

1 October 2016 to 30 September 2017:

Group and Charity	Balance As At 1 October 2016 £000	Re- classifica- tion 1 October 2016 £000	(Outgoing) £000	Investment Manageme- nt Fee £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance As At 30 September 2017 £000
Permanent Endowment Funds:							
Gillespie Trust fund	902	-	-	(10)	-	81	973
Dr Ludwig Mond Trust	16,368	-	-	(2)	(5)	16	16,377
Philip Freer Studentships Fund	1,367	(254)	-	-	-	-	1,113
Clothworkers' Masterclasses fund	-	750	-	-	-	-	750
Total Permanent Endowment Funds	18,637	496	-	(12)	(5)	97	19,213
Expendable Endowment Funds:							
Phillip Freer Studentships Fund	123	-	-	(22)	-	72	173
Building Preservation fund	92	-	-	-	-	3	95
British Aerospace Educational fund	224	-	(30)	(1)	-	8	201
Clothworkers' Endowment fund	377	-	(27)	(1)	-	17	366
Clothworkers' Masterclass fund	1,652	(1,652)	-	-	-	-	-
The Royal Institution Research fund	352	-	-	(1)	-	11	362
Causeway Endowment	359	-	(56)	-	(23)	-	280
Old Broad Street Charity Trust fund	616	-	-	(2)	-	19	633
Victoria Woodhull Endowment fund	638	-	-	(2)	-	20	656
Total Expendable Endowment Funds	4,433	(1,652)	(113)	(29)	(23)	150	2,766
Total Endowment Funds	23,070	(1,156)	(113)	(41)	(28)	247	21,979

Permanent Funds

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

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

The Philip Freer Studentships Fund provides help to students of science research and, as agreed by the Trustees in November 2017, to create a RI Centre for Science in Culture. As per trust deed, 90% of original capital value cannot be depleted and, as such, is treated as Permanent Endowment.

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

The Clothworkers' Masterclass Endowment is used for Secondary Mathematics Masterclasses.

Expendable Funds

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

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

The British Aerospace Educational Endowment is to be used to encourage young people's interest in science.

The Clothworkers' Endowment supports technical staff in the RI Preparation Laboratory.

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

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

The Old Broad Street Charity Trust fund provides funds to send young scientists to an International Science Festival.

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

Transfers 1 October 2017 and 1 October 2016

The Dr Ludwig Mond trust endowment and the British Aerospace Educational fund have been reclassified as at 1 October 2017 to better reflect the terms of their underlying deeds and conditions. The Philip Freer endowment and the Clothworkers' Masterclass fund were reclassified as at 1 October 2017 to accurately reflect the terms of their underlying deeds and conditions.

20. Restricted income funds

1 October 2017 to 30 September 2018:

Group and Charity	Balance As At 1 October 2017 £000	Transfers 1 October 2017 £'000	Incoming £000	Pool Income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recog- nised Gains £000	Balance As At 30 September 2018 £000
Bragg Lecture fund	10		-	-	-	-	-	-	10
American Friends fund	7		-	-	-	-	6	-	13
Webcast grants fund	6		-	-	-	-	-	-	6
Maths set-up fund	36		-	-	-	-	-	-	36
Christmas Lectures fund	-		141	-	(103)	-	(38)	-	-
Young Scientist Centre fund	-		120	-	(132)	-	12	-	-
RI Online	10		-	-	-	-	(3)	-	7
Gillespie Trust Fund	143	-	-	30	(4)	(11)	-	-	158
Dr Ludwig Mond Trust	38	243	(7)	5	-	(3)	-	9	285
Building preservation fund	8	-	-	1	-	-	-	-	9
British aerospace educational fund	(1)	152	2	3	(30)	(1)	-	4	129
Clothworkers' Endowment Fund	-	-	-	6	(6)	-	-	-	-
The Royal Institution research fund	29	-	-	4	-	-	-	-	33
Old Broad Street Charity Trust fund	51	-	-	7	-	-	-	-	58
Victoria Woodhull Endowment fund	53	-	-	7	-	-	-	-	60
Ternality Trust	61	-	2	-	-	-	-	-	63
Maths Fund - Primary	-	-	97	-	(87)	-	(10)	-	-
Maths Fund - Secondary	-	-	35	-	(35)	-	-	-	-
Maths Fund - Engineering	-	-	86	-	(70)	-	(16)	-	-
School Outreach Fund	-	-	18	-	(8)	-	(10)	-	-
Educational Funds	124	-	-	1	-	-	-	2	127
Research Funds	105	-	1	3	-	-	-	2	111
Enrichment & Enhancement Grant	-	-	18	-	(18)	-	-	-	-
Sponsored events	-	-	60	-	(48)	-	(12)	-	-
Conservation work grants	254	-	33	-	(43)	-	18	-	8
Philip Freer Studentships Income	328	-	2	49	(26)	(22)	23	44	398
Clothworkers' Masterclass fund	897	-	2	21	(68)	(9)	(33)	34	844
Total Restricted Income Funds	1,903	395	610	138	(677)	(46)	(63)	95	2,355

1 October 2016 to 30 September 2017:

Group and Charity	Balance As At 1 October 2016 £000	Transfers 1 October 2016 £'000	Incoming £000	Pool Income £000	(Out- going) £000	Invest- ment Manage- ment Fees £000	Transfer Between Funds £000	Other Recog- nised Gains £000	Balance As At 30 September 2017 £000
Bragg Lecture fund	11	-	-	-	(1)	-	-	-	10
American Friends fund	6	-	-	-	-	-	-	-	7
Barclays Creative fund	9	-	-	-	-	-	(9)	-	-
Webcast grants fund	6	-	-	-	-	-	-	-	6
Maths set-up fund	36	-	-	-	-	-	-	-	36
CHRISTMAS LECTURES fund	-	-	140	-	(100)	-	(40)	-	-
Young Scientist Centre fund	-	-	110	-	(129)	-	19	-	-
Ri Online	7	-	53	-	(50)	-	-	-	10
Permanent Endowment-Income	161	-	1	30	(11)	-	-	-	181
Expendable Endowment-Income	129	-	-	43	(33)	-	-	-	139
Ternality Trust	61	-	-	-	-	-	-	-	61
Maths Fund - Primary	-	-	74	-	(63)	-	(11)	-	-
Maths Fund - Secondary	-	-	47	-	(37)	-	(10)	-	-
Maths Fund - Engineering	-	-	64	-	(46)	-	(18)	-	-
School Outreach Fund	-	-	8	-	(8)	-	-	-	-
Educational Funds	120	-	-	1	-	-	-	3	124
Research Funds	102	-	-	1	-	(1)	-	3	105
Enrichment & Enhancement Grant	-	-	35	-	(35)	-	-	-	-
Sponsored events	-	-	29	-	(25)	-	(4)	-	-
Conservation work grants	-	-	18	-	(18)	-	-	-	-
Phillip Freer Studentships Income	49	254	-	46	(17)	-	(4)	-	328
Clothworkers' Masterclass fund	-	902	-	-	(29)	(10)	(27)	61	897
Total Restricted Income Funds	697	1,156	579	121	(602)	(11)	(104)	67	1,903

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

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

The Barclays Creative fund is used for supporting the transport costs of bringing schools from less privileged areas of London to the RI's Science Events for Schools programme.

The Webcast grant has been used to create webcasting facilities to broadcast schools lectures to UK schools and colleges.

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

The CHRISTMAS LECTURES fund is used for supporting the production of the CHRISTMAS LECTURES and associated educational learning materials.

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

The Ri Online fund is used to support an animator in residence.

The Permanent Endowment-Income fund is the investment income arising from the permanent endowment funds.

The Expendable Endowment-Income fund is the investment income arising from the expendable endowment funds.

The Dr Ludwig Mond Fund, Building Preservation fund, British Aerospace educational fund, Clothworkers' endowment, the Royal Institution Research Fund, Old Broad Street Charity Trust funds and Victoria Woodhull endowment fund is the income and capital gains available to fund the activities set out in the endowment funds.

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

The Maths Fund - Primary fund is to support primary mathematics Masterclass groups around the UK providing extracurricular mathematics for gifted and talented children.

The Maths Fund - Secondary fund is to support secondary mathematics Masterclass groups around the UK providing extracurricular mathematics for gifted and talented children.

The Maths Fund - Engineering to organise and run engineering Masterclasses in London for gifted and talented students.

The Educational Funds consist of the Davenhall Bequest, Acton and Neate funds transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees. The funds support the educational programme of the charity.

The Research Funds consists of the Fulleren Accumulated, Professorship of Chemistry and Professorship of Physiology transferred from Permanent Endowments to Restricted as part of the modernisation proposal set out by the Trustees.

Enrichment & Enhancement grant is designed to provide grants to teachers working in disadvantaged areas.

The Philip Freer Studentships Fund provides funds to help students of science research or the history of science at The Royal Institution of Great Britain.

The Clothworkers' Masterclass Fund supports Secondary Maths Masterclasses

The Gillespie restricted fund support schools events in disadvantaged areas about Physics

The Mond restricted fund supports the maintenance and insuring of the charities buildings and educational programmes.

21. Unrestricted income funds

Group – 1 October 2017 to 30 September 2018:

	Balance as at 1 October 2017 £000	Incoming £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance As At 30 September 2018 £000
General fund	(1,995)	2,202	8	(3,284)	(1)	880	350	4	(1,836)
Non charitable trading funds	-	1,288	-	(408)	-	(880)	-	-	-
Total Unrestricted Funds	(1,995)	3,490	8	(3,692)	(1)	-	350	4	(1,836)
Designated funds:									
Christmas Bursary fund	24	-	-	(4)	-	-	-	-	20
Library fund	142	-	-	(48)	(1)	-	-	4	97
Life Membership fund	181	-	-	-	(1)	-	(16)	4	168
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,717	2	-	-	-	-	-	-	4,719
Total designated funds	25,183	2	-	(52)	(2)	-	(16)	8	25,123
Total Unrestricted Income Funds Excluding Pension Reserve	23,188	3,492	8	(3,744)	(3)	-	334	12	23,287
Pension reserve	-	-	-	-	-	-	-	-	-
Total Unrestricted Income Funds	23,188	3,492	8	(3,744)	(3)	-	334	12	23,287

Charity – 1 October 2017 to 30 September 2018:

	Balance as at 1 October 2017 £000	Incoming £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2018 £000
General fund	(1,995)	2,202	8	(3,284)	(1)	880	350	4	(1,836)
Designated funds:									
Christmas Bursary fund	24	-	-	(4)	-	-	-	-	20
Library fund	142	-	-	(48)	(1)	-	-	4	97
Life Membership fund	181	-	-	-	(1)	-	(16)	4	168
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,717	2	-	-	-	-	-	-	4,719
Total designated funds	25,183	2	-	(52)	(2)	-	(16)	8	25,123
Total Unrestricted Income Funds Excluding Pension Reserve	23,188	2,204	8	(3,336)	(3)	880	334	12	23,287
Pension reserve	-	-	-	-	-	-	-	-	-
Total Unrestricted Income Funds	23,188	2,204	8	(3,336)	(3)	880	334	12	23,287

Group – 1 October 2016 to 30 September 2017:

	Balance as at 1 October 2016 £000	Incoming £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance As At 30 September 2017 £,000
General fund	(1,810)	2,016	7	(3,432)	(1)	1,009	(238)	454	(1,995)
Non charitable trading funds	-	1,363	-	(354)	-	(1,009)	-	-	-
Total Unrestricted Funds	(1,810)	3,379	7	(3,786)	(1)	-	(238)	454	(1,995)
Designated funds:									
Christmas Bursary fund	24	-	-	-	-	-	-	-	24
Library fund	185	-	-	-	(1)	-	(50)	8	142
Life Membership fund	194	-	-	-	(1)	-	(18)	6	181
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,707	-	-	-	-	-	10	-	4,717
Total designated funds	25,229	-	-	-	(2)	-	(58)	14	25,183
Total Unrestricted Income Funds Excluding Pension Reserve	23,419	3,379	7	(3,786)	(3)	-	(296)	468	23,188
Pension reserve	(512)	84	-	-	-	-	428	-	-
Total Unrestricted Income Funds	22,907	3,463	7	(3,786)	(3)	-	132	468	23,188

Charity – 1 October 2016 to 30 September 2017:

	Balance as at 1 October 2016 £000	Incoming £000	Pool Income £000	(Out- going) £000	Manage- ment Fee £000	Consol- idated Adjust- ment £000	Transfers Between Funds £000	Other Recognised Gains £000	Balance as at 30 September 2017 £000
General fund	(1,810)	2,016	7	(3,432)	(1)	1,009	(238)	454	(1,995)
Designated funds:									
Christmas Bursary fund	24	-	-	-	(1)	-	-	-	23
Library fund	185	-	-	-	(1)	-	(50)	8	142
Life Membership fund	194	-	-	-	-	-	(18)	6	182
Tangible fixed assets fund	20,119	-	-	-	-	-	-	-	20,119
Heritage assets fund	4,707	-	-	-	-	-	10	-	4,717
Total designated funds	25,229	-	-	-	(2)	-	(58)	14	25,183
Total Unrestricted Income Funds Excluding Pension Reserve	23,420	2,016	7	(3,432)	(3)	1,009	(296)	467	23,187
Pension reserve	(512)	84	-	-	-	-	428	-	-
Total Unrestricted Income Funds	22,908	2,100	7	(3,432)	(3)	1,009	132	467	23,187

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

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

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

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

The Life Membership fund is life membership fees invested to give an annual return to membership income.

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

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

The pension reserve represents the prior pension liability relating to the RI defined benefit pensions scheme, now in surplus.

22. Analysis of net assets between funds

Group – As at 30 September 2018:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Liability £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	6,990	(6)	-	-	18,864
Expendable endowment	-	-	-	2,432	(3)	-	-	2,429
Total Endowment Funds	11,880	-	-	9,422	(9)	-	-	21,293
Total Restricted Income Funds	-	-	-	2,034	320	-	-	2,354
Unrestricted Income Funds:								
General fund	2,316	112	-	(2,733)	(291)	(1,238)	-	(1,834)
Non charitable trading funds	9	41	-	-	(37)	(13)	-	-
Total Unrestricted Income Funds	2,325	153	-	(2,733)	(328)	(1,251)	-	(1,834)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	264	21	-	-	285
Total Designated Funds	20,119	-	4,719	264	21	-	-	25,123
Total Funds	34,324	153	4,719	8,987	4	(1,251)	-	46,935

Charity – As at 30 September 2018:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Liabilities £000	Long Term Liabilities £000	Pension Liability £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	6,272	(6)	-	-	18,146
Expendable endowment	-	-	-	2,432	(3)	-	-	2,429
Total Endowment Funds	11,880	-	-	9,422	(9)	-	-	21,293
Total Restricted Income Funds	-	-	-	2,034	320	-	-	2,354
Unrestricted Income Funds:								
General fund	2,316	112	-	(2,733)	(291)	(1,238)	-	(1,834)
Total Unrestricted Income Funds	2,316	112	-	(2,733)	(291)	(1,238)	-	(1,834)
Designated Funds:								
Fixed Assets	20,119	-	4,719	-	-	-	-	24,838
Other	-	-	-	264	21	-	-	285
Total Designated Funds	20,119	-	4,719	264	21	-	-	25,123
Total Funds	34,315	112	4,719	8,987	40	(1,238)	-	46,935

Group – As at 30 September 2017:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Pension Liability £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,333	-	-	-	19,213
Expendable endowment	-	-	-	2,766	-	-	-	2,766
Total Endowment Funds	11,880	-	-	10,099	-	-	-	21,979
Total Restricted Income Funds	-	-	-	1,521	382	-	-	1,903
Unrestricted Income Funds:								
General fund	2,383	4	-	(2,651)	(418)	(1,313)	-	(1,995)
Non charitable trading funds	14	68	-	-	(52)	(30)	-	-
Total Unrestricted Income Funds	2,397	72	-	(2,651)	(470)	(1,343)	-	(1,995)
Designated Funds:								
Fixed Assets	20,119	-	4,717	-	-	-	-	24,836
Other	-	-	-	173	174	-	-	347
Total Designated Funds	20,119	-	4,717	173	174	-	-	25,183
Total Funds	34,396	72	4,717	9,142	86	(1,343)	-	47,070

Charity – As at 30 September 2017:

	Tangible Assets £000	Intangible Assets £000	Heritage Assets £000	Investments £000	Net Current Liabilities £000	Long Term Liabilities £000	Pension Liability £000	Total £000
Endowment Funds:								
Permanent endowment	11,880	-	-	7,333	-	-	-	19,213
Expendable endowment	-	-	-	2,766	-	-	-	2,766
Total Endowment Funds	11,880	-	-	10,099	-	-	-	21,979
Total Restricted Income Funds	-	-	-	1,521	382	-	-	1,903
Unrestricted Income Funds:								
General fund	2,383	4	-	(2,651)	(418)	(1,313)	-	(1,995)
Total Unrestricted Income Funds	2,383	4	-	(2,651)	(418)	(1,313)	-	(1,995)
Designated Funds:								
Fixed Assets	20,119	-	4,717	-	-	-	-	24,836
Other	-	-	-	173	174	-	-	347
Total Designated Funds	20,119	-	4,717	173	174	-	-	25,183
Total Funds	34,382	4	4,717	9,142	138	(1,313)	-	47,070

Use of funds

In previous years endowment and restricted Funds were used for the refurbishment of 21 Albemarle Street and in 2009, the RI made a commitment to the Charity Commission to replenish a total of £2.1m of endowment and restricted Funds invested in the refurbishment within the 15 years to 30 September 2025. The Charity Commission noted that these endowment and restricted Funds have been applied to secure the long-term success of the Charity.

In the year to 30 September 2018, further replenishment of endowment and restricted Funds of £150k (2017: £118k) has occurred. Replenishment since 2009 now totals £1.122m (2017: £972k). The RI remains committed to replenish Endowment and Restricted Funds of £2,609m (2017: £2,759m) and is committed to agreeing an updated replenishment programme with the Charity Commission.

23. Analysis of net debt

	Balance at 1 October 2017 £000	Cash Flows £000	Balance at 30 September 2018 £000
Cash Movement:			
Cash at bank and in hand	1,016	122	1,138
Increase in Cash and cash at bank and on hand	1,016	122	1,138

24. Financial Assets and Liabilities and Financial Instruments

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

	2018		2017	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Financial assets measured at fair value through the SOFA	4,749	4,749	4,829	4,829
Financial assets measured at amortised cost	284	177	272	160
Financial liabilities measured at amortised cost	(606)	(598)	(477)	(454)

25. Pension commitments

The charity operates three staff pension schemes.

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

Being a final salary scheme, this is accounted for as a defined benefit pension scheme for the purposes of FRS102. The scheme's liabilities are assessed by a qualified actuary and the last full actuarial valuation was carried out at 1 October 2016. The scheme currently has nine pensioners and eight deferred members.

The second scheme is a stakeholder pension scheme where the RI makes contributions, but has no liabilities from a financial performance point of view. The assets of the scheme are held separately from those of the charity, being invested with an insurance company. This scheme is accounted for as a defined contribution scheme under FRS102. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year. There are currently 48 members in this scheme.

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

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

Major actuarial assumptions used in the full valuation at 1 October 2016:

Rate of increase in salaries	6.00%
Rate of increase in pensions in payment	3.80%
Rate of increase of existing assets and future contributions	7.00%
Pensions at retirement bought using annuity rates consistent with a long-term interest rate of:	5.00%
Inflation assumption	3.30%
General increases in earnings will be at	5.00%
Active members GMP will be revalued at	5.00%

The employer's pension charge for the year was £41k (2017: £41k).

The full scheme valuation undertaken as at 1 October 2016 by the scheme actuary Mr K O'Donnell of Cartwright Group Limited. The liabilities of the plan have been calculated for the purposes of FRS102 based on the calculations as at 30 September 2018.

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

	2018	2017
Discount Rate	2.90%	2.60%
RPI assumption	3.20%	3.30%
CPI assumption	1.90%	2.00%
Pension increases	4.00%	4.00%

The underlying mortality assumption for both years is that based upon the standard table known as S1PA on a year of birth usage with CMI 2017 future improvement factors and a long term rate of future improvement of 1.25% p.a. (2017 – S1PA with CMI future improvement factors and a long term future rate of improvement of 1.25% p.a.) This results in the following life expectancies:

Male age 65 now has a life expectancy of 86.7 years (previously 86.9 years)
 Female age 65 now has a life expectancy of 88.9 years (previously 89.0 years)

	2018 £000	2017 £000
The amounts recognised in the balance sheet are as follows:		
Present value of plan liabilities	(1,827)	(1,916)
Market value of plan assets	2,126	1,977
Surplus / (Deficit) in the plan	299	61
Adjustment for non-recoverable surplus	(299)	(61)
Net defined benefit liability	-	-
The amounts to be recognised in Statement of Financial Activities (SOFA) for the year are as follows:		
Interest on net defined benefit liability	-	11
Total	-	11
Changes in the present value of the plan liabilities for the year are as follows:		
Present value of plan liabilities at 1 October	1,916	2,282
Benefits paid	(11)	(56)
Interest on plan liabilities	42	50
Actuarial (gains) / losses	(120)	(360)
Present value of scheme liabilities at 30 September	1,827	1,916
Changes in the market value of the plan assets for the year are as follows:		
Market value of plan assets at 1 October	1,977	1,770
Contributions paid by the Company	11	95
Benefits paid	(11)	(56)
Interest on plan assets	42	39
Return on assets, less interest included in the SOFA	107	129
Market value of plan assets at 30 September	2,126	1,977
Actual return on plan assets	149	168

The major categories of plan assets as a percentage of total plan assets at the balance sheet date are as follows:

	2018	2017
Equities and property	79%	77%
Bonds	21%	23%
	100%	100%

Analysis of the remeasurement of the net defined benefit liability recognised in the SOFA for the year are as follows:

	2018 £000	2017 £000
Actual return on assets, less interest included in Profit and Loss	107	129
Experience gains and losses arising on plan liabilities	(9)	149
Changes in assumptions underlying the present value of plan liabilities	129	211
Change in non-recoverable surplus	(238)	(61)
Remeasurement of net defined benefit liability recognised in SOFA	(11)	428

Movement in deficit in the as follows:

Deficit in plan at 1 October	-	(512)
Recognised in SOFA	-	(11)
Contributions paid by the Company	11	95
Actuarial loss recognised in SOFA	(11)	428
Deficit in plan at 30 September	-	-

The Remeasurement of net defined benefit liability recognised in SOFA has been adjusted in the accounting statements by £54k (2017: £54k) to reflect the recognition of contributions in the accounts

Funding Policy

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

The last such valuation was as at 1 October 2016. This showed that the Scheme's assets were insufficient to cover the liabilities on the Funding basis. A Recovery Plan has been agreed with the Scheme, which commits the Ri to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the Scheme's Statement of Funding Principles dated 6 July 2017 and are as follows:

£10,250 per quarter payable from 1 October 2019 to 1 September 2028

These payments are subject to review following the funding valuation as at 1 October 2019.

Universities Superannuation Scheme:

Employers' contributions are currently payable at a rate of 18% (2017: 18%) of pensionable earnings. Employees' contributions were equivalently 8% (2017: 8%).

The Universities Superannuation Scheme is valued formally every three years by the scheme actuary, who is currently Mr Ali Tayyebi of Mercer Limited. The 31 March 2017 valuation has been finalised and audited. The 31 March 2017 valuation was carried out using normal actuarial principles, and the projected unit method in particular. Employer contributions increased to 18% from 1 April 2016. The following key financial actuarial assumptions were used in the 31 March 2017 valuation:

The financial assumptions are calculated using a 'yield curve approach', with different assumptions applying at different points in time, reflecting the term structure of financial instruments.

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual participating employers. As at 31 March 2017, the fair value of the scheme's assets was £60bn and the estimated present value of the scheme's liabilities was £67.5bn resulting in a scheme shortfall of £7.5bn. The Trustees have determined that in order to correct the shortfall the employers should make shortfall contributions of 6% of total salaries from 1 April 2019.

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

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

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

26. Other financial commitments

The Company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	2018 £000	2017 £000
Within 1 year	-	12
Between 1 and 5 years	-	-
Total	-	12

The value of lease payments recognised in expenditure in the year was £12k (2017:£12k).

The Company as lessor:

At the year end, the Company had contracted with tenants, under non-cancellable operating leases for the following future minimum lease payments:

	2018 £000	2017 £000
Within 1 year	242	242
Between 1 and 5 years	968	968
After 5 years	3,025	3,267
Total	4,235	4,477

27. Rents receivable and related party transactions

The following transactions with related parties took place during this period:

	Nature of relationship	2018 £	2017 £	Description	2018 outstanding balances
Miss Claire Gardiner	RI Director	-	324	Season ticket loan written off as part of settlement agreement	-

Trustees and their related parties made donations to the RI totalling £36k (2017 £8k)

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

	2018 £000	2017 £000
Paid from RIGB Limited to Charity		
Cost sharing agreement	528	578
Gift Aid distribution	153	236
Trademark License Fee	120	120
Premises License Fee	262	287

28. Contingent Liabilities

The company is part of a Group VAT registration and hence is jointly and severally liable for any group VAT liability. At 30 September 2018 the contingent liability of the group was £79,935 (2017:£73,383).

29. Post Balance Sheet Events and Other Matters

On 18 January 2019 HSBC Bank PLC advised renewal of the secured overdraft facility of £400k subject to normal standard banking terms and conditions and for the facility to be reviewed again in October 2019.