



THE ROYAL INSTITUTION OF CORNWALL

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Company registration number 08362598

Charity registration number 1150749



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REFERENCE AND ADMINISTRATION DETAILS

Patron	HRH The Prince of Wales, Duke of Cornwall	Vice-Patron	The Rt. Hon Viscount Falmouth
President	Colonel ET Bolitho, Lord Lieutenant of Cornwall	Honorary Vice- Presidents	Sir Ferrers Vyvyan Mrs B Spring
Trustees	B M M Biscoe (Hon. Secretary) (resigned 23 November 2019) D Bishop (resigned 23 November 2019) M Brooks M Chanter I Doble (Chair – resigned 12 January 2020) Ms R Gripper N Johnson		P Marsden Mrs M Rickett (resigned 23 November 2019) R Robinson (Hon Treasurer) (resigned 23 November 2019) Ms J Seyler (appointed Chair Sept 2019) P C Stethridge (resigned 1 March 2020) A Watts (appointed 1 March 2020) T Krzywinska (appointed 1 March 2020)
Director	Ian Wall (resigned 30 August 2019) Jonathan Morton (appointed March 2020)	Custodian trustee	Barclays Bank Trust Company Limited
Interim Director	Alan Wallace (August 2019 – March 2020)		
Registered office and operating address	Royal Cornwall Museum, 25 River Street, Truro, TR1 2SJ	Website	www.royalcornwallmuseum.org.uk
Bankers	Lloyds Bank PLC, 7 Boscawen Street, Truro, TR1 2QT	Solicitors	Foot Anstey, High Water House, Truro, TR1 1QH
Investment advisers	Charles Stanley & Company Ltd, Broadwalk House, Southernhay West, Exeter, EX1 1TS	Auditors	RRL LLP Peat House, Newham Road Truro, TR1 2DP
Charity number	1150749	Company number	08362598

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Chair's Report

Towards the end of 2019, the Board of the RIC made the decision to close the Royal Cornwall Museum - partially, and on a temporary basis. Associated with the decision was a restructuring of the management and curatorial teams, which resulted in the loss of some long-standing and loyal staff. What lay behind the decision, above all, was an awareness of the Museum's precarious finances. Over the course of a decade or so, our funding has been gradually cut. With rising costs and flat visitor levels, we were incurring substantial annual losses. We could not continue to dip into the RIC's reserves to cover these losses.

The Board's aim has been to use the partial closure to start to reassemble a team to run the Museum, to carry out some essential repairs, to work on a renewed vision for the Museum's role and for its future, to rebuild relationships with existing funders, and to forge new ones, with a view to re-opening the Museum in September. All these plans are well under way.

During the year the RIC concluded the work on the Business Plan, supported through the National Lottery Heritage Fund and Arts Council England. The scope of this work involved strategic business planning including an appraisal of the space available within the Museum and how it might be better configured to provide exhibitions, events, storage, education, and commercial services; detailed research into who does, and does not, use the Museum; and a collection review.

Very sadly, in March Dr Jayne Wackett, the Collections and Exhibitions Manager since 2017, died after a year's illness. We offer our sympathy to her husband, Dr Alec Forsyth, and a tribute, including a notice about her Memorial Fund, appears in the RIC Journal for 2020.

After five years in post, our Director, Ian Wall, left to follow a career in horticulture. We thank him for all his hard work and dedication during a difficult period. We are grateful too to Alan Wallace for acting as interim director until the appointment of Ian's successor early in 2020.

In summation, this has been a challenging and difficult twelve months, compounded by the looming Covid-19 pandemic at the end of this financial year, during which our employees and volunteers alike have faced the temporary closure of the museum with fortitude. We thank both current and departing members of our team for the important contribution they have played. We look forward to reopening our doors and welcoming back our dedicated visitors and members to a sustainable museum that can deliver outstanding work in a new and financially resilient way.

Julie Seyler, Chair of Trustees

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Background and Objectives

Founded in 1818 as the Cornwall Literary and Philosophical Society, the Royal Institution of Cornwall (RIC) was one of the earliest of five similar societies established in England and Wales during the 19th century. These voluntary bodies typically founded a library and a museum, offered a lecture programme and scientific demonstrations, and gave instruction to the local population, well before state education was available. Today the RIC (so called after receiving royal patronage in 1821) remains true to the objects stated in its constitution, which are "To advance the education of the public by encouraging and promoting the study and knowledge of literature, natural sciences, archaeology, history, ethnology, geology and the fine and applied arts with special reference to Cornwall".

In pursuit of these objectives the RIC operates Cornwall's oldest and most prestigious museum, the Royal Cornwall Museum (RCM), and operates the Courtney Library as well as publishing the annual RIC journal. The values that led to the creation of the RIC in 1818, the sharing of knowledge and understanding about Cornwall and the opportunities this provided to connect with people and place, are as relevant now as they were then. With the collection at the heart of the organisation the opportunity exists to re-imagine the RIC as a hub which explores and celebrates a distinctly Cornish narrative. When visitors engage with the museum or the library they will be in no doubt that they are in Cornwall and visiting an organisation with a strong history and legacy where knowledge and ideas about Cornwall have been absorbed, debated, and challenged and where people can now explore and be inspired by the distinctiveness of place.

The RIC will therefore position itself as the beacon for Cornish history and culture, establishing the Royal Cornwall Museum as the place where everyone, who either lives in or visits Cornwall can explore Cornwall's rich cultural heritage. The focus will be on developing our audiences by making a positive impact on the lives of everyone who engages with us relative to their needs and interests. Our programme will reveal a story about Cornwall which is inspiring, and which encourages people to delve deeper into Cornish culture and landscape, visit other places, and create a sense of place which is relevant to them. This to also reflect Cornwall's connections across the globe and to bring the world to the county. The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit and confirm that they are satisfied the charity has met the relevant requirements.

Structure, governance and management

The RIC is an incorporated association and it is a registered charity, governed by its Memorandum and Articles of Association. It was incorporated in January 2013 and commenced trading on the 1 April 2013. Following the approval of the members, all the assets and liabilities of the former RIC, the unincorporated charity, were transferred to the incorporated RIC. The incorporated charity is also now the sole trustee of the unincorporated charity as well as the endowments that had been previously established. The RIC owns the entire share capital of a trading subsidiary, RIC Museum Limited. As the incorporated charity now controls these entities the consolidated accounts incorporate the assets and liabilities of them all.

The RIC's governing body is a board of trustees, which is responsible for the policies, control and monitoring of the RIC's day-to-day management. Under the constitution, the board of trustees is made up of between eight and fourteen members comprising:

- the trustees are elected at the annual general meeting
- members co-opted by the existing trustees until the following annual general meeting

The trustee selection process is designed to appoint persons who have the necessary skills to contribute to the RIC's management and development. Newly appointed trustees are given an

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Structure, governance and management (continued)

introduction to the work of the RIC and provided with the information they need to fulfil their roles, which includes information about the role of trustees and charity law.

The board meets no less than three times a year. There are also regular meetings of subcommittees. The Director, who is not a trustee, is responsible for day-to-day operation of the RIC and manages the staff on behalf of the trustees.

Key management personnel

The trustees consider the board of trustees, the director and the senior management team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. The pay of the charity's director and senior management team is reviewed annually and benchmarked against other organisations.

Risk management

The major risks to which the RIC is exposed have been reviewed and systems have been developed to monitor and control those risks in order to mitigate any impact that they may have on the RIC in the future. Risk management overall is ultimately the responsibility of the Trustees and Director.

Financial, building and business risks are monitored by the Director and the Trustees' Finance and General Purposes Subcommittee. Risks to the collections are monitored by the Director and the Curators and covered by a suite of policies and procedures including an emergency plan. Risks to visitors, staff and volunteers are covered by the RIC's Health and Safety Policy and Procedures.

Investment Policy

The Charity's investment powers are set out in its Memorandum and Articles of Association. The investments are monitored by the Finance and General Purposes Subcommittee who compare performance with appropriate indices and meet with the charity's brokers on an annual basis. An investment policy document has been produced setting out the charity's requirements relating to income, risk and asset mix. The funds are held on a long-term basis and an average return of 3.6% on cost was obtained during the year from these investments.

Aims and Objectives

The trustees and staff, in consultation with external organisations and individuals, developed a Business Strategy for five years (2014/15 – 2018/19) which set out a new vision and mission for the organisation which was that:

The Royal Institution of Cornwall will become a beacon for Cornish heritage and culture; involving and inspiring people through engagement with Cornish heritage and its links to the world with the mission to use our unique collections to provide a welcoming, dynamic and lively cultural hub that inspires people to explore, learn about and enjoy Cornish heritage and its links to the world thereby contributing to the economic and social welfare of Cornwall.

Ten strategic objectives were identified as part of this five year plan:

- Establish a sustained, diverse, and growing audience whose needs we understand and who understand and support The Royal Institution of Cornwall's vision and cultural offer.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Aims and Objectives (continued)

- Develop an engaging and relevant cultural offer which is responsive to the Royal Institution of Cornwall's vision, audiences, collections, and the wider cultural ecology of Cornwall.
- Work with stakeholders, partners and members to build support and strengthen the position of the Royal Institution of Cornwall and its activities.
- Review and improve internal infrastructure, systems and maintenance in order to improve efficiency and reduce costs.
- Invest in collections management and care in order to exceed accreditation standards.
- Continue to improve knowledge and understanding of the collections through scholarly research and partnership where there is a clear public benefit.
- Develop a strong volunteer programme which enhances the visitor experience and supports the range of activities of the RIC.
- Continue to improve leadership and governance.
- Invest in staff and volunteers and ensure that the resourcing of both is adequate to deliver the strategy and affect the smooth running of the RIC.
- Improve our performance in establishing a diverse portfolio of funding streams which include private investment, public funding, trusts and foundation grants, commercial income, donors, corporate sponsorship.

The financial year 2019/20 marks the fifth year of the organisation's Business Strategy. This strategy identified two key aims: to ensure the long-term sustainability and resilience of the Royal Cornwall Museum and its heritage assets; and to enable an increased and diverse range of people to enjoy, take part in, and learn about the museum's collections and Cornish heritage and culture, as well as Cornwall's links to the world.

A key strand of work in meeting these aims has been to work with Cornwall Museum Partnership (CMP) with NPO funding both posts and projects. In addition, the museum has continued to benefit from investment from Cornwall Council through its core grant towards the cultural programme and wider access, collection care, running costs, as well as investment from grant giving bodies for specific projects.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Activity, Achievements and Performance

At the beginning of the year (2019/20), the RIC set itself several targets which would meet its strategic priorities. The continued investment by Cornwall Council and the Arts Council, through working with CMP, has enabled the museum to mount a strong cultural programme.

Cultural Programme

Exhibitions for 2019/20

More than in previous years, 2019 reflected the forward strategy with its focus on the rich and varied collections held by the RIC, bringing out often untold or hidden stories about Cornwall and Cornish heritage.

The theme 'Hireth – A Cornish Landscape', which began at the start of 2017 and continued throughout 2019/20 was curated in-house and explored the emotional attachment to 'place'. The exhibition demonstrated the depth and variation in the collection and, more importantly, provided scope to ask our visitors about their sense of place which formed part of the exhibition displayed in the labels.

In the Treffy Gallery there was the Face to Face exhibition, an in-house exhibition on the theme of the face. During the year, in the Spotlight Gallery, there were exhibitions that culminated with a touring exhibition from the Courthauld in London of Islamic Art, while in the Link Gallery we had Algorithmic Art which also included sessions on coding and use of the technology.

Alongside these temporary exhibitions were the permanent exhibitions of the core collection including, in the Main Hall, the Cornish Gallery which provided visitors with a chronological history of Cornwall from prehistory to the present day, the natural history and geology / mineral collections in the Bonython and Rashleigh Galleries, respectively, and in the British Museum partnership gallery the ancient civilisation collections.

The diversity and quality of the museum collections continued to attract attention from international, national and local organisations. As part of our ongoing aspiration to help develop a vibrant museum sector the museum has long term loans at 21 museums nationally and regionally and also made a number of short term temporary loans for exhibitions at the Penlee House Gallery Museum, Falmouth Art Gallery, Pool Academy School, Bude Heritage Centre, National Maritime Museum Cornwall, Torre Abby in Torquay, National Museum of the Royal Navy in Portsmouth, London Art Fair for Art UK, and Petworth House in West Sussex.

Events and Community Engagement

An element of our cultural programme which is being continually developed is the events and activities to encourage an increasing footfall especially from non-customary museum visitors.

In 2019/20 the RIC continued to build on a varied programme of lectures, music events, drama performances and clubs. We implemented a wider, more diverse structure to the events programming, building beyond the traditional lectures and private views. We opened the Museum up to more drama, music and literature events.

We also worked to partner with community events and local clubs now have their end of term performances at the museum, such as Truro Youth String Orchestra, Jason Thomas Dance Academy and Cornwall County Youth Choir. We also hosted community clubs such as Coding for Kids, Algorithmic Art and Museum Club – all of which are bringing more children and young people into the facility.

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Activity, Achievements and Performance (continued)

2018/19 was the first year we introduced themed 'free days' at the Museum to promote our community work and to be available to low income families and this continued in 2019/20, which drew in more people than year one. We have good data to support that our audience on free days differs to our normal audience make-up. We took part in Truro Day in September, Fun Palaces in October and hosted our second Christmas Craft Fair. 2019 also saw the RIC working with Truro BID to host Santa's Grotto here over the four late night shopping Wednesdays in December and on the Saturdays.

In order to encourage greater engagement with children and young people the museum launched the Museum Club for 8-14-year olds which runs monthly. Further successful drop-in arts-based workshops were programmed during the school holidays including lantern making in collaboration with the Truro BID as part of the City of Lights festival.

The partnership with the British Museum's Portable Antiquities Scheme continued throughout the year, as the museum continued to host the Finds Liaison Officer, who was kept busy with a number of treasures finds and subsequent treasure inquests, this work often resulting in acquisitions to the museum.

Learning

The museum's formal education programme continued to be well received by teachers and demonstrated a strong geographical spread across Cornwall. 2019/20 proved to be a very busy year for visiting schools and our Learning Assistants have been kept fully occupied.

Digital

The Institution's digital engagement grows exponentially year on year as more and more conversations are conducted through various media channels and platforms. Following the launch of the new website in 2015, this year the number of visits to our website reached an all-time high at 157,023 users.

We have also continued to increase our digital cultural content online through the continued publication of the photographic archive through Media Storehouse with 4,386 images available to download. In 2019, we began adding other parts of the museum collection to our Media Storehouse site and 139 different objects are now available to view online. Visits to Media Storehouse continue to grow year on year.

Conservation, Collection Care and Acquisitions

Routine and regular monitoring throughout the year has enabled the RIC to continue to care for the museum and library collections. The curatorial team have been working through the recommendations from the Accreditation Review by the Arts Council in July 2015. We are now working towards the next Accreditation review, which was planned for 2020 and for which, post-Covid, Arts Council England will release revised review dates in January 2021.

Organisational Health

We have continued to address specific risks associated with the way the museum has operated historically in particular breaking down silo working between departments and developing more effective communication. In partnership with Cornwall Museums Partnership the RIC, as a result of staff changes, refocused on the development of the pilot Citizen Curator programme which will create a pool of trained volunteer curators.

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Activity, Achievements and Performance (continued)

Volunteers

Our volunteers have been working tirelessly this year, continuing to support the museum. In 2019/20 volunteers collectively donated more than 10,000 hours of work. A host of ongoing projects are showcasing the wonderful talent and generosity of the Royal Institution of Cornwall volunteers. The Conservation team have begun to work on the vast project of conserving the minerals collection, while this year's Citizen Curators will be focusing on diversity within the collection. The Digitization team have managed to digitize an amazing 1,370 photographs in the last year, taking our total to 5,410. And of course, we would not be able to deliver our fantastic services and visitor experience without our gallery and learning volunteers, some of whom have gone the extra mile by assisting with Second-hand Book Sales which has raised over £3,000 for the RIC. Our volunteers continue to be invaluable to the work of the RIC.

Resilience and long term masterplanning

During the year the RIC continued to work on its Business Plan, supported through the National Lottery Heritage Fund, and Arts Council England via Cornwall Museums Partnership. The scope of this work has involved strategic business planning including an options appraisal of the spatial characteristics of the museum and how the layout might be better configured to deliver exhibitions, events, collection storage, education provision, and commercial services. This strategic review also involved detailed audience research into the museums users and non-users, and a collection holdings review. Throughout 2019/20 we have had to review funding and revenues, and to look at restructuring in order to save costs. This resulted in staff cuts and has affected the proposed business plan in that we need to review the results and see what can be achieved with the funding we have. This has resulted in redundancies among staff and during the summer period staff taking on more duties in order to maintain the opening of the museum.

What We Have:

- A cohesive and exceptional visitor experience which enhances our appeal and is relevant to diverse audiences and which places at centre stage the Royal Cornwall Museum's collections, significantly enhancing the museum's ability to tell the story of Cornwall and show case the largest collection of cultural material.
- A significant cultural asset within the capital city of Cornwall contributing to the critical mass of cultural venues and providing a stronger cultural offer for local communities and tourists, and which brings social and economic benefits.
- Opportunities to enhance the ability of the Royal Cornwall Museum to care for one of the most diverse and significant collections in Cornwall and the restoration and rejuvenation of a significant Grade II listed building at the heart of Truro.

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Financial Review

Total income for 2019/20 was £471,000, a reduction of £118,000 from the previous year. Total expenditure, at £716,000 saw a drop of £106,000 over the previous year.

The resulting deficit for the year was £245,000 against a corresponding deficit of £233,000 in 2018/19. While the organisation's balance sheet improved due to the resolution of its liability in respect of the defined benefit pension scheme, seeing a positive adjustment of £348,000, the impact on investments held in its endowment funds at the start of the Covid-19 pandemic crisis caused a £291,000 loss, and a £60,000 reduction in unrestricted investment assets.

The net movement in reserves is a reduction of £248,000 to give a year end reserves total of £6,036,000.

The deficits suffered in recent years have arisen primarily as a result of a continuing reduction in grant revenue received to support core costs from central and local government, which has seen funding becoming insufficient to cover the expenditure arising under the existing business model. Within the deficit posted for 2019/20, there are exceptional restructuring costs that reflect the redundancies that unfortunately arose from the decision to close the museum for an extended period of time to deal with long-needed maintenance issues, particularly in relation to the building's roof.

As referred to under 'Future Plans', the trustees continue to explore alternative ways of operating the charity on a sustainable basis.

Investments

The Charity's investment funds are professionally managed, and the trustees are satisfied their performance has met the objectives set. The 2019/20 year saw the start of the impact of the global pandemic on the value of endowment investments and clearly 2020/21 will be challenging in terms of endowment values and corresponding monthly investment-driven income. In setting the revenue budget for 2020/21, the organisation has been mindful of the likely impact on investment revenue received and has forecast a significant reduction in revenue from those sources. While values of endowment funds will, no doubt, correct themselves against the current downturn, the RIC recognises that this is likely a medium-term correction and further reductions in fund values may well be posted in the 2020/21 accounts.

Reserves

The trustees review reserves policy annually and aim to maintain unrestricted general funds at a figure equal to at least three months operating expenditure, requiring minimum reserves of £206,000.

In the prior year, mindful of reductions in the opening general reserves for the year, the trustees made the difficult decision to re-designate the RIC Endowment Fund previously set up by them to add this to the general reserve. This resulted in a general reserves balance at the year-end 2018/19 of £597,000, which, after the deficit posted for the 2019/20 year stands at £350,000 at 31 March 2020.

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Future Plans

With the exception of researcher access to the museum collection through our enquiry service, the museum closed its doors to members and visitors during January 2020 in order to implement long-needed maintenance work, particularly on its roof, and to commence the process of reimagining the museum for the next years. As the financial year ended, it became clear that the global pandemic would have closed our doors across the summer of 2020 in any event. Though this caused a temporary halt to roofing repair works, which recommenced under social distancing rules, it also meant that our skeleton team instigated remote home working and the impact of that will mean that plans for a thorough overhaul of the museum's exhibits, displays, and educational signage has become more elongated process.

Work that occurs during 2020/21 is informed in context by senior management changes that were beginning to be implemented during March 2020 at our fiscal year-end. Our previous Director, Ian Wall, resigned in August 2019, having implemented the first round of redundancies that occurred during this year. The RIC was fortunate in acquiring the cultural management skills of Alan Wallace as Interim Director through to March 2020; at the same time, because of the departure of the existing finance team, RIC received accounting support from members of the finance team at the Hall For Cornwall theatre.

In January 2020, Jonathan Morton, previously of Tate St. Ives, was appointed as CEO, taking up post at the end of the financial year. Early into the new financial year, the RIC additionally appointed Bryony Robins, formerly of Cornwall Museums Partnership, to a new role as Creative Director and de-facto Deputy to the CEO. This new executive team is the foundation from which the reimagining of the Royal Cornwall Museum for the third decade of the 21st Century springs.

During the year 2020/21 we will:

- Ensure that we are aware of all avenues for support during the Covid-19 pandemic, including emergency funding streams that have been made available from National Lottery Heritage Fund, Arts Council England and other sources such as HMRC's furlough scheme.
- Consider and reflect on our approach to diversity and inclusion ensuring that these are at the heart of the museum as we think about our future operation and presentations. Delivering a relevant and inclusive cultural programme which meets the RIC's audience development targets for children and young people including families, marginalised and excluded groups, older independents, and people with disabilities will be at the heart of what we do.
- Aim to deliver a balanced budget.
- Ensure that the museum reopens its doors during the final months of the 2020 calendar year in a safe and socially distanced manner
- Develop and redefine the museum's governance and operational procedures, ensuring best practice in digital administrative document storage and sharing to improve our ability to work across multiple locations in the instances of remote/home working. Move our accounting systems into Cloud-based access.
- Look to the future and work on the process of refreshing and re-establishing the museum as a centre for excellence in the recording of the cultural, social, and geographical history and life of Cornwall. Review the Strategic Business Plan project and define future options for a museum transformation programme, maintaining the momentum on master planning.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Future Plans (continued)

- Be ready to welcome back schools and other educational establishments as Government guidelines allow, and work on our digital offerings in these respects so that the museum continues to be an important part of student experience in studying the history of Cornwall whether in person at the museum or through digital education streams.
- Continue to develop the museum's curatorial skills by fostering increased access, research, and care of the collection through the Citizen Curator programme.
- Consider how we best add value to museums nationally, regionally and locally by continuing to expand our partnering and temporary and long-term loan exchanges.
- Ensure that our endeavours reflect our need to rebalance our earned income vs. grant funded revenue so that our ratio on revenue is focused towards sustainable audience-facing revenue generation.
- Play our part in supporting the footfall of Truro as pandemic restrictions ease.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The Royal Institution of Cornwall for the purposes of company law) 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).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

By order of the trustees.



Julie Seyler
Chair of Trustees

22/2/2021

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

We have audited the financial statements of The Royal Institution of Cornwall (Limited by Guarantee) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise of the statement of financial activities, balance sheet, statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 parent charitable company'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.

REPORT OF THE TRUSTEES OF THE ROYAL INSTITUTION OF CORNWALL

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual 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, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Independent auditors' report to the members of The Royal Institution of Cornwall (Limited by Guarantee)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those acts.

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 located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP

Mark Williams FCA DChA (Senior Statutory Auditor)

For and on behalf of RRL LLP

Statutory Auditors

Peat House

Newham Road

TRURO TR1 2DP

22 February 2021

The Royal Institution of Cornwall
Consolidated Statement of Financial Activities for the year ended 31st March 2020
(including Income and Expenditure Account)

2018/19 £000s		Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total Funds £000s
Income						
Donations and legacies						
234	• Grants		125	34	-	159
7	• Donations & legacies		2	7	-	9
5	• Gift Aid		2	-	-	2
<i>Income from charitable activities:</i>						
65	Admissions		56	-	-	56
24	Learning		25	-	-	25
16	Members subscriptions		15	-	-	15
8	Other		4	-	-	4
Other trading activities						
26	• Retail activities		26	-	-	26
65	• Rental income		65	-	-	65
118	Investment Income		29	81	-	110
21	Other Income		-	-	-	-
589	Total Income	4	349	122	-	471
Expenditure						
<i>Cost of raising funds:</i>						
11	Retail activities		20	-	-	20
34	Investment management		3	-	20	23
<i>Charitable activities:</i>						
777	Operation of RIC		557	116	-	673
822	Total expenditure	5	580	116	20	716
107	Net (losses)/gains on investment assets		(60)	-	(291)	(351)
(126)	Net income/(expenditure) before transfers		(291)	6	(311)	(596)
-	Transfer between funds		-	-	-	-
(126)	NET INCOME/(EXPENDITURE) FOR THE YEAR		(291)	6	(311)	(596)
(106)	Actuarial losses on defined benefit pension scheme	18	-	-	-	-
-	Gain on cessation of defined benefit pension scheme	18	348	-	-	348
(232)	Net movement in funds for year		57	6	(311)	(248)
6,516	Total funds brought forward		1,114	1,871	3,299	6,284
6,284	Total funds carried forward	16	1,171	1,877	2,988	6,036

All income and expenditure are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

The Royal Institution of Cornwall
Consolidated and Charity Balance Sheets as at 31st March 2020

Group 2019 £000s	Charity 2019 £000s		Note	Group 2020 £000s	Charity 2020 £000s
		Fixed Assets			
7	7	Intangible assets	9	7	7
2,662	2,662	Tangible assets	10	2,618	2,618
32	32	Heritage assets	10	32	32
3,800	3,801	Investments	12	3,163	3,164
<u>6,501</u>	<u>6,502</u>			<u>5,820</u>	<u>5,821</u>
		Current Assets			
17	17	Stock		8	8
176	176	Debtors	13	48	48
47	47	Cash at bank and in hand		213	213
<u>240</u>	<u>240</u>			<u>269</u>	<u>269</u>
(109)	(113)	Creditors: amounts falling due within one year	14	(53)	(57)
131	127	Net Current Assets		216	212
6,632	6,629	Total assets less current liabilities		6,036	6,033
(348)	(348)	Pension liability	18	-	-
<u>6,284</u>	<u>6,281</u>	Net assets		<u>6,036</u>	<u>6,033</u>
		Funds of the charity			
1,462	1,459	Unrestricted funds, excluding pension reserve		1,171	1,168
(348)	(348)	Unrestricted pension reserve		-	-
<u>1,114</u>	<u>1,111</u>	Total Unrestricted Funds	16	<u>1,171</u>	<u>1,168</u>
1,871	1,871	Restricted Funds	16	1,877	1,877
3,299	3,299	Endowment Funds	16	2,988	2,988
<u>6,284</u>	<u>6,281</u>	Total Charity Funds	17	<u>6,036</u>	<u>6,033</u>

Included in the above funds is a revaluation reserve of £107,000 (2019: £550,000).

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the financial statements required by the Companies Act 2006 and are for circulation to the members of the company.

Signed on behalf of the trustees by:

Chair  JULIE SEYLER (Trustee)

Approved and authorised for issue by the trustees on 22/2/2021

Company registration number 08362598

The Royal Institution of Cornwall
Group statement of cash flows for the year ended 31st March 2020

	<i>Notes</i>	£000s	2020 £000s	2019 £000s
Cash flows from operating activities:				
Net cash used in operating activities	1		(230)	(224)
Cash flows from investing activities:				
Investment income received		110		118
Net investment disposals/(additions)		407		(13)
Fixed asset additions		-		(1)
Heritage asset additions		-		(32)
Net cash provided by investing activities			517	72
Change in cash and cash equivalents in the reporting period			287	(152)
Cash and cash equivalents at the beginning of the reporting period			128	280
Cash and cash equivalents at the end of the reporting period	2		415	128

The Royal Institution of Cornwall
Notes to the group statement of cash flows for the year ended 31st March 2020

1 Reconciliation of net income to net cash provided by operating activities

	2020 £000s	2019 £000s
Net expenditure for the reporting period (as per the statement of financial activities)	(596)	(126)
<i>Adjusted for:</i>		
Depreciation and loss on disposals	44	44
Pension scheme costs and charges	-	(7)
Investment income	(110)	(118)
Losses/(Gains) on investments	351	(107)
(Decrease)/Increase in stock	9	(9)
Decrease/(Increase) in debtors	128	149
(Decrease)/Increase in creditors within one year	(56)	(50)
	<hr/>	<hr/>
Net cash used in operating activities	(230)	(224)
	<hr/>	<hr/>

2 Analysis of cash and cash equivalents

	2020 £000s	2019 £000s
Cash in hand	1	1
Cash in bank – current accounts	34	26
Cash in bank – deposit accounts	178	20
Cash held in investments	202	81
	<hr/>	<hr/>
Total cash and cash equivalents	415	128
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been adopted in dealing with items which are considered material in relation to the preparation of the financial statements.

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic (FRS 102) and the Companies Act 2006.

The Royal Institution of Cornwall meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The consolidated financial statements have been prepared in respect of The Royal Institution of Cornwall and RIC Museum Limited. RIC Museum Limited is dormant.

1.2 Going concern

The COVID-19 pandemic has, and will continue to have a profound impact on the economy, and the charity has been and will continue to be affected. The Trustees have considered the impact of this on the charity's current and future financial position. The Trustees consider, based on known facts at this time that the charity has sufficient unrestricted funds and cash flow to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. On this basis the financial statements have been prepared on a going concern basis.

If the charity was unable to continue to operate, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that may arise and to reclassify fixed assets as current assets.

1.3 Income

Voluntary income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Intangible income is not included unless it represents goods or services which would otherwise be purchased. No amount is included in the financial statements for volunteer time in line with SORP (FRS 102).

Legacies are recognised in the financial statements in the period to which the charity becomes entitled to the income, unless it is incapable of financial measurement.

Income from trading activities is recognised as earned (as the related goods and services are provided). Investment income is recognised on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions it is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when performance related grants are received in advance of the activity to which they relate.

1.4 Expenditure

Expenditure is included on an accruals basis. The irrecoverable element of VAT is included with the expense to which it relates. Expenditure is recognised when a liability is incurred.

Governance costs represent the cost of governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity on the basis of the estimated usage by each cost centre of services provided.

1.5 Funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets the criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other income received or generated for any of the charity's objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Endowment funds capital is required to be retained in perpetuity.

1.6 Pension costs

Defined benefit schemes

In accordance with the provisions of Financial Reporting Standard 102, current service costs and gains and losses on settlements and curtailments are included within expenditure in the Statement of Financial Activities. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. Actuarial gains and losses are recognised immediately and shown separately within the Statement of Financial Activities. The pension asset or liability, based upon actuarial valuation, is presented separately, after other net assets, in the balance sheet. A pension asset is allocated to unrestricted funds unless the economic benefit of the asset will accrue to a particular fund through reduced contributions or refunds, in which case it is allocated to that fund. A pension liability is allocated to unrestricted funds unless a constructive liability arises to fund the deficit and could properly be met from a particular fund, in which case it is allocated to that fund.

The charity exited the scheme on 31 March 2020. See note 18 for further details.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

Defined contribution schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

1.7 Operating leases

Rental charges are charged in the statement of financial activities on a straight line basis over the term of the lease.

1.8 Heritage assets

Heritage assets are tangible fixed assets which are of historical, artistic or scientific importance that are held and maintained principally for their contribution to knowledge and culture. They are capitalised and included at cost when purchased or if donated, their valuation. When information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

1.9 Tangible fixed assets (other than heritage assets)

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental costs of acquisition.

With effect from 2004, the RIC's freehold land and buildings have not been depreciated, as they are maintained in good working order and are considered to have a residual value at least equal to the cost of the asset. Depreciation of other assets is provided to write off the cost less residual value on a straight-line basis as follows:

Computer equipment	4 years
Other equipment and furniture	5 – 10 years

For assets purchased with restricted income recognised in prior years, the related depreciation has been charged against those restricted funds.

1.10 Investments

Investment assets other than properties and unlisted shares are included in the balance sheet at market value. Investment properties are included in the balance sheet at the trustees' estimate of fair value. Unlisted shares are valued at net asset value as shown by the charity's accounts. Unrealised gains and losses on revaluation and realised gains and losses on disposal are included in the Statement of Financial Activities and dealt with in the relevant fund.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Intangible assets

Intangible fixed assets are capitalised at cost. No depreciation is charged in respect of intangible assets regarded as having an indefinite useful life.

1.12 Stock

Stock is valued at the lower of cost and net realisable value.

1.13 Debtors and creditors

Debtors receivable and creditors payable within one year are recorded at transaction value.

1.14 Taxation

The company is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.15 Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

As disclosed in note 18 the charity left the Local Government Pension Scheme on 31 March 2020. No liability falls on the charity, and as a result no liability requires recognition at the year-end on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement of financial activities include those of the RIC's wholly owned subsidiary, RIC Museum Limited, a company registered in England and Wales number 02485070. The company was dormant during this financial year. A summary of the financial activities undertaken by the charity (i.e. excluding its subsidiary) is given below.

2019 £000s		2020 £000s
589	Income	471
(822)	Expenditure	(716)
107	Net gain/(loss) on investment assets	(351)
(106)	Actuarial loss on pension scheme	-
-	Gain on cessation of pension scheme	348
	(232) Net movement in funds for the year	(248)
6,513	Total funds brought forward	6,281
6,281	Total funds carried forward	6,033
Represented by:		
1,111	Unrestricted funds (including pension reserve)	1,168
1,871	Restricted funds	1,877
3,299	Endowment funds	2,988
6,281		6,033

3. SUBSIDIARY UNDERTAKINGS

The RIC's wholly owned subsidiary, RIC Museum Limited, a company registered in England and Wales number 02485070, was dormant during the financial year. Its net assets are summarised below.

2019 £000s		2020 £000s
4	Current assets	4
-	- Current liabilities	-
4	Net assets	4
4	Share capital & reserves	4

NOTES TO THE FINANCIAL STATEMENTS

4. TOTAL INCOME

Total 2019 £000s		Donations and legacies £000s	Other trading activities £000s	Charitable activities £000s	Investment & other income £000s	Total 2020 £000s
	Grants:					
100	• Cornwall Council	98	-	-	-	98
14	• HLF	-	-	-	-	-
120	• Other grants	61	-	-	-	61
5	Donations	9	-	-	-	9
2	Legacies	-	-	-	-	-
5	Gift Aid	2	-	-	-	2
65	Admissions (including Gift Aid)	-	-	56	-	56
26	Sale of goods	-	26	-	-	26
65	Property income	-	65	-	-	65
118	Investment income	-	-	-	110	110
	Fees from workshops and other					
24	Learning activities	-	-	25	-	25
16	Members subscriptions	-	-	15	-	15
29	Other	-	-	4	-	4
589		170	91	100	110	471

5. TOTAL EXPENDITURE

Total 2019 £000s		Direct Costs £000s	Apportioned support costs £000s	Apportioned Governance Costs £000s	Total 2020 £000s
	<i>Costs of raising funds:</i>				
11	• Retail activities	20	-	-	20
34	• Investment management	23	-	-	23
	<i>Charitable activities:</i>				
777	• Operation of RIC	114	557	2	673
	<i>Other costs:</i>				
-	• Governance costs	-	-	-	-
822		157	557	2	716

NOTES TO THE FINANCIAL STATEMENTS

6. ALLOCATION OF SUPPORT COSTS

Total 2019 £000s	Premises & Operation £000s	Management & Administration £000s	Total 2020 £000s
- Generating voluntary income	-	-	-
- Investment management	-	-	-
591 Charitable activities	137	420	557
<u>591</u>	<u>137</u>	<u>420</u>	<u>557</u>

Direct expenditure is allocated to categories of activity. Support costs which cannot be directly allocated to activities are apportioned on the basis of estimated space usage (in the case of premises and operation costs) or estimated usage (in the case of management and administration costs).

7. TRUSTEES & STAFF COSTS

The average number of staff employed during the year was 25 (2019: 39) and the staff costs were as follows:

2019 £000s	2020 £000s
404 Wages and salaries	283
23 Employers national insurance	15
17 Pension costs	13
- Redundancy costs	25
<u>444</u>	<u>336</u>

Employer's pension contributions for the year totalled £13,000 (2019: £17,000). There were outstanding contributions of £Nil (2019: £Nil) at the year end. No employees earned £60,000 or more.

The total remuneration and benefits of key management personnel for the year were £62,015 (2019: £95,872).

Trustees are not remunerated for their services but may claim reasonable travel expenses incurred to attend company business. During the year ending 31 March 2020 one (2019: nil) trustee received a total of £1,165 (2019: £nil) for reimbursement of costs to attend meetings.

8. TOTAL EXPENDITURE IS STATED AFTER CHARGING

2019 £000s	2020 £000s
Auditors remuneration for:	
3 Audit services	4
4 Other services	8
44 Depreciation	44
6 Operating lease rentals	7

NOTES TO THE FINANCIAL STATEMENTS

9. INTANGIBLE ASSETS

Intangible fixed assets comprise copyrights relating to the literary work of A L Rowse.

<i>Cost</i>	£000s
At 1 st April 2019 and 31 st March 2020	<u><u>7</u></u>

10. TANGIBLE FIXED ASSETS

	Freehold premises £000s	Furniture & equipment £000s	Total Tangible Assets £000s	Heritage assets £000s	Group Total £000s
<i>Cost or valuation</i>					
At 1 st April 2019	2,543	736	3,279	32	3,311
Additions	-	-	-	-	-
At 31 st March 2020	<u>2,543</u>	<u>736</u>	<u>3,279</u>	<u>32</u>	<u>3,311</u>
<i>Depreciation</i>					
At 1 st April 2019	124	493	617	-	617
Charge for the year	-	44	44	-	44
At 31 st March 2020	<u>124</u>	<u>537</u>	<u>661</u>	<u>-</u>	<u>661</u>
<i>Net Book Value</i>					
At 31 st March 2020	<u>2,419</u>	<u>199</u>	<u>2,618</u>	<u>32</u>	<u>2,650</u>
At 31 st March 2019	<u>2,419</u>	<u>243</u>	<u>2,662</u>	<u>32</u>	<u>2,694</u>

All of the tangible fixed assets are held by the charity. The trustees are not aware of any material change to the valuation of tangible fixed assets during the period.

Part of the museum building is currently let out to a third party. The rental income generated is used to further the charity's objectives. The trustees do not believe that it is practical to value the part of the building that could be classed as an investment property. The trustees have no current or future intention to sell the property and any valuation would be of no additional use to a reader of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

11. HERITAGE ASSETS

The Museum's collections are diverse in origin and nature. The vast majority of the objects held were acquired many years ago. In the opinion of the Trustees, reliable information on cost or valuation is not available for the majority of the Museum's collections. This is owing to the lack of information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held. These collections are therefore not reported as assets in the balance sheet. The value of heritage assets held by the RIC is very significant.

The RIC's policy for the acquisition, preservation, management and disposal of heritage assets is available on its website.

12. INVESTMENTS

The endowments, invested in equity portfolios have remained with the unincorporated charity of which the incorporated charity is the sole trustee.

2019		2020			
£000s		Unrestricted £000s	Restricted £000s	Endowment £000s	Total £000s
	<i>Group (all in the UK)</i>				
3,719	Listed investments	-	-	2,961	2,961
81	Bank and other deposits	-	-	202	202
<u>3,800</u>		<u>-</u>	<u>-</u>	<u>3,163</u>	<u>3,163</u>
	<i>Charity:</i>				
3,800	As above				3,163
1	Investment in subsidiary undertaking				1
<u>3,801</u>					<u>3,164</u>
	Movement in listed investment assets:				
3,680	At 1 st April 2019				3,719
1,081	Additions at cost				925
(1,077)	Disposals at carrying value				(1,273)
35	Net gain/(loss) on revaluation				(410)
<u>3,719</u>	At 31 st March 2020				<u>2,961</u>

The cost of the above investments at 31 March 2020 was £3,068,000 (2019: £3,260,000).

NOTES TO THE FINANCIAL STATEMENTS

13. DEBTORS

Group 2019 £000s	Charity 2019 £000s		Group 2020 £000s	Charity 2020 £000s
84	84	Trade debtors	11	11
70	70	Prepayments and accrued income	35	35
1	1	Value added tax	2	2
21	21	Corporation tax recoverable	-	-
<u>176</u>	<u>176</u>		<u>48</u>	<u>48</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group 2019 £000s	Charity 2019 £000s		Group 2020 £000s	Charity 2020 £000s
97	97	Trade creditors	38	38
-	4	Amount owed to subsidiary undertaking	-	4
11	11	Accruals and deferred income	7	7
1	1	Other creditors	8	8
<u>109</u>	<u>113</u>		<u>53</u>	<u>57</u>

15. DEFERRED INCOME

Group 2019 £000s	Charity 2019 £000s		Group 2020 £000s	Charity 2020 £000s
2	2	Grants receivable in advance	-	-
(2)	(2)	Balance brought forward	-	-
-	-	Amount released to incoming resources	-	-
-	-	Amount deferred in year	-	-
<u>-</u>	<u>-</u>	Balance carried forward	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

16. FUNDS

		Balance 1 st April 2019			Transfers, gains/losses	Balance 31 st March 2020
	Note	£000s	Income £000s	Expenditure £000s	£000s	£000s
Unrestricted Funds						
General fund		597	349	(580)	(16)	350
General fund asset reserve	(a)	865	-	-	(44)	821
General fund pension reserve	(b)	(348)	-	-	348	-
		<u>1,114</u>	<u>349</u>	<u>(580)</u>	<u>288</u>	<u>1,171</u>

- (a) The general fund asset reserve is the value of the assets of the RIC used in the day to day operations of the RIC. They are not readily convertible into cash. This also has the effect of showing usable or free reserves separately.
- (b) The general fund pension reserve relates to the defined benefit pension scheme referred to in note 18.

NOTES TO THE FINANCIAL STATEMENTS

		Balance 1 st April 2019 £000s	Income £000s	Expenditure £000s	Transfers, gains/losses £000s	Balance 31 st March 2020 £000s
	Note					
<i>Restricted funds:</i>						
Buildings	(a)	1,647	-	-	-	1,647
HC Cardew Rendle	(b)					
Income		-	19	(19)	-	-
Reverend Selkirk	(c)	28	-	-	-	28
PAS	(d)	-	29	(29)	-	-
Winston Graham	(e)	15	-	-	-	15
Hawkins Galsworthy	(f)	-	61	(61)	-	-
Heritage Lottery Fund	(g)	150	-	-	-	150
 St Levan Coin Hoard	(h)	31	1	(1)	-	31
Wilder Cornwall	(i)	-	4	(4)	-	-
Project						
Algorithmic Art	(j)	-	1	(1)	-	-
Programme						
Jayne Wackett	(k)	-	6	-	-	6
Memorial Fund						
Cornish Language Book	(l)	-	1	(1)	-	-
		1,871	122	(116)	-	1,877

- (a) The buildings fund represents funding received for capital building projects.
- (b) The HC Cardew Rendle fund comprises investment income generated by the HC Cardew Rendle permanent endowment fund.
- (c) The Reverend Selkirk fund relates to a legacy to be used for the purchase of materials and equipment for the RIC's Courtney Library.
- (d) The PAS fund relates to funding received under the Portable Antiquities Scheme.
- (e) The Winston Graham fund relates to a historical prize competition.
- (f) The Hawkins Galsworthy fund comprises investment income generated by the Hawkins Galsworthy permanent endowment fund.
- (g) The Heritage Lottery Fund relates to the capital expenditure for the installation of the Ancient Civilisations exhibition in the De Pass gallery.
- (h) The St Levan Coin Hoard relates to the purchase of a coin hoard.
- (i) Funding received for the Wilder Cornwall Project.
- (j) Funding received for the Algorithmic Art Programme.
- (k) Donations received in memory of Jayne Wackett.
- (l) Conservation of Cornish Language Book.

NOTES TO THE FINANCIAL STATEMENTS

	Note	Balance 1 st April 2019 £000s	Income £000s	Expenditure £000s	Transfers, gains/ losses £000s	Balance 31 st March 2020 £000s
Endowment funds						
HC Cardew						
Rendle Capital	(a)	663	-	(4)	(50)	609
Winston Graham	(a)	43	-	-	(7)	36
Hawkins						
Galsworthy	(b)	2,479	-	(15)	(224)	2,240
HLF – Endowing the next 200 years	(c)	114	-	(1)	(10)	103
		3,299	-	(20)	(291)	2,988

- (a) The HC Cardew Rendle and Winston Graham funds represent permanent endowments, from legacies, to be held indefinitely and the income restricted to the purposes set out at note 16(c) and 16(h) respectively.
- (b) The Hawkins Galsworthy fund represents a permanent endowment created from the sale of two paintings and the income restricted to use on care of RIC's collections.
- (c) HLF – Endowing the next 200 years represents funding for the long term sustainability of the RIC which is made up of legacies and donations received which have been matched by a grant from the Heritage Lottery Fund.

NOTES TO THE FINANCIAL STATEMENTS

17. ANALYSIS OF GROUP NET ASSETS BY FUND

Current year	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total £000s
Intangible fixed assets	7	-	-	7
Tangible fixed assets	821	1,797	-	2,618
Heritage fixed assets	-	32	-	32
Fixed asset investments	257	-	2,906	3,163
Net current assets	86	48	82	216
	1,171	1,877	2,988	6,036

Prior year	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total £000s
Intangible fixed assets	7	-	-	7
Tangible fixed assets	865	1,797	-	2,662
Heritage fixed assets	-	32	-	32
Fixed asset investments	542	-	3,258	3,800
Net current assets	48	42	41	131
Pension liability	(348)	-	-	(348)
	1,114	1,871	3,299	6,284

18. PENSION SCHEMES

Defined benefit scheme

A number of the RIC's employees were members of a defined benefit pension scheme, the Cornwall Council Pension Fund (the "CCP Fund"), to which the employees and the RIC contribute. The assets of the CCP Fund are held separately in a fund administered for the benefit of local authority employees and employees of other specified bodies and managed in accordance with the Local Government Pension Scheme Regulations 1997 (as amended).

Actuarial valuations of the CCP Fund are obtained triennially, for the purpose of setting employer contributions. The last such valuation was at 31 March 2016, as a result of which the RIC's employer contribution rate for the year ending 31 March 2017 was set at 25%.

The contributions outstanding at 31 March 2020 amounted to £14,844 (2019: £Nil).

The charity had entered into an agreement with the LGPS Trustees to make additional annual contributions of £6,700 in addition to normal funding levels over a period of 20 years in order to bridge the deficit. As a result of cessation of the scheme on 31 March 2020 no further additional contributions are due.

NOTES TO THE FINANCIAL STATEMENTS

The Royal Institution of Cornwall ceased as an employer in the Cornwall Council Pension Fund on 31 March 2020. A final valuation has been prepared by Hymans Robertson LLP (actuary) to determine the net liability at cessation. This has been calculated at £656,000. An arrangement has been entered into with Cornwall Council acting as guarantor, and as a result no cessation payment will need to be made by the Royal Institution of Cornwall. Therefore it has not been necessary to provide for any liability on the balance sheet at 31 March 2020.

The following disclosures are provided for comparative purposes only.

Financial assumptions:

The principal actuarial assumptions used at the balance sheet date were as follows

	2019
Financial assumptions:	
Pension increase rate	2.5%
Salary increase rate	2.6%
Discount rate	2.4%

The Charity's share of the assets in the scheme

	2019
Equities	51%
Bonds	40%
Property	8%
Cash	1%

Balance sheet

	2019 £000s
The amounts recognised in the balance sheet were as follows:	
Fair value of scheme assets	1,782
Present value of funded liabilities	(2,130)
Net liability	(348)
Amount in the balance sheet	
Liabilities	(348)
Net liability	(348)

NOTES TO THE FINANCIAL STATEMENTS

Statement of financial activities

	2019 £000s
The amounts recognised in the statement of financial activities were as follows:	
Current service cost	12
Interest cost	52
Interest income on plan assets	(45)
Total	<u>19</u>
Actual return on scheme assets	<u>106</u>
Reconciliation of defined benefit obligation is as follows:	
Opening defined benefit obligation	1,926
Current service cost	12
Interest cost	52
Contributions by members	2
Changes in financial assumptions	171
Benefits paid	(33)
Closing defined benefit obligation	<u>2,130</u>
Reconciliation of fair value of employer assets is as follows:	
Opening fair value of scheme assets	1,677
Interest income on plan assets	45
Contributions by members	2
Contributions by the employer	26
Return on assets excluding amounts included in net interest	65
Benefits paid	(33)
Closing fair value of scheme assets	<u>1,782</u>

Amounts for the previous accounting period

	2019 £000s
Fair value of scheme assets	1,782
Present value of defined benefit obligation	(2,130)
Deficit	(348)
Experience gains/(losses) on assets	45
Experience gains on liabilities	-

Defined contribution scheme

Membership of the defined benefit scheme was closed to new entrants during the year ended 31 March 2008, and new employees are now instead offered membership of the Amber Group Personal Pension Plan, which is a defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS

19. TAXATION

The RIC is a registered charity and no provision is considered necessary for taxation.

20. CONTINGENT ASSET

The charity is aware that it is the beneficiary of a number of legacies. The total amount receivable from these legacies cannot be accurately quantified at this time, therefore no income has been accrued in the financial statements.

21. CONTINGENT LIABILITY

A grant of £233,000 was provided by the National Heritage Lottery Fund towards the installation costs of the Ancient Civilisations gallery. There is a legal charge of £233,000 on the freehold property, 25 River Street, Truro which was provided to the National Heritage Memorial Fund as the grant is repayable in certain circumstances.

22. FINANCIAL COMMITMENTS

Total commitments under operating leases expiring:

2019 £000s		2020 £000s
	Land and buildings:	
4	Within one year	6
-	Between one and five years	5
	Other:	
1	Within one year	1
5	Between one and five years	4

23. CAPITAL COMMITMENT

As at the 31 March 2020, The Royal Institution of Cornwall are committed to capital expenditure works of £72,000 (2019: £Nil).

24. RELATED PARTY TRANSACTIONS

The Hall for Cornwall Trust – a charity in which J Seyler (Chair of Trustees) is key management provided finance support during the year. Transactions totalled £5,514 (2019: £nil) and £635 remained due as at the year-end (2019: £nil).

There were no other related party transactions during the year or previous year.

NOTES TO THE FINANCIAL STATEMENTS

25. Consolidated Statement of Financial Activities for the year ended 31st March 2019 (including Income & Expenditure Account) – Comparative period

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total Funds £000s
Income				
Donations and legacies				
• Grants	164	70	-	234
• Donations & legacies	7	-	-	7
• Gift Aid	5	-	-	5
<i>Income from charitable activities:</i>				
Admissions	65	-	-	65
Learning	24	-	-	24
Members subscriptions	16	-	-	16
Other	8	-	-	8
Other trading activities				
• Retail activities	26	-	-	26
• Rental income	65	-	-	65
Investment Income	20	98	-	118
Other Income	21	-	-	21
Total Income	421	168	-	589
Expenditure				
<i>Cost of raising funds:</i>				
Generating voluntary income	-	-	-	-
Retail activities	11	-	-	11
Investment management	-	-	34	34
<i>Charitable activities:</i>				
Sustainability programme	155	-	-	155
Learning & access	165	84	-	249
Collections care	319	54	-	373
Development and other costs	-	-	-	-
Total expenditure	650	138	34	822
Net gains/(losses) on investment assets	-	-	107	107
Net income/(expenditure) before transfers	(229)	30	73	(126)
Transfer between funds	525	-	(525)	-
NET INCOME/(EXPENDITURE) FOR THE YEAR	296	30	(452)	(126)
Actuarial gains/(losses) on defined benefit pension scheme	(106)	-	-	(106)
Net Movement in funds for the year	190	30	(452)	(232)
Total funds brought forward	924	1,841	3,751	6,516
Total funds carried forward	1,114	1,871	3,299	6,284

NOTES TO THE FINANCIAL STATEMENTS

26. Funds for the year ended 31 March 2018 – Comparative period

		Balance 1 st April 2018			Transfers, gains/losses	Balance 31 st March 2019
	Note	£000s	Income £000s	Expenditure £000s	£000s	£000s
Unrestricted Funds						
General fund		266	421	(657)	567	597
General fund asset reserve	(a)	907	-	-	(42)	865
General fund pension reserve	(b)	(249)	-	7	(106)	(348)
Designated funds						
Legacy fund	(c)	-	-	-	-	-
		924	421	(650)	419	1,114

- (a) The general fund asset reserve is the value of the assets of the RIC used in the day to day operations of the RIC. They are not readily convertible into cash. This also has the effect of showing usable or free reserves separately.
- (b) The general fund pension reserve relates to the defined benefit pension scheme asset/liability referred to in note 18.
- (c) The legacy fund represents income earmarked by the Trustees for expenditure on particular projects.

		Balance 1 st April 2018	Income £000s	Expenditure £000s	Transfers, gains/losses £000s	Balance 31 st March 2019 £000s
Restricted funds:						
Buildings	(a)	1,647	-	-	-	1,647
HC Cardew Rendle						
Income	(b)	-	20	(20)	-	-
Reverend Selkirk	(c)	28	-	-	-	28
PAS	(d)	-	25	(25)	-	-
Winston Graham	(e)	16	-	(1)	-	15
Hawkins Galsworthy	(f)	-	78	(78)	-	-
Heritage Lottery Fund	(g)	150	-	-	-	150
Heritage Lottery Fund						
– Transition Project	(h)	-	14	(14)	-	-
St Levan Coin Hoard	(i)	-	31	-	-	31
		1,841	168	(138)	-	1,871

NOTES TO THE FINANCIAL STATEMENTS

- (a) The buildings fund represents funding received for capital building projects.
- (b) The HC Cardew Rendle fund comprises investment income generated by the HC Cardew Rendle permanent endowment fund.
- (c) The Reverend Selkirk fund relates to a legacy to be used for the purchase of materials and equipment for the RIC's Courtney Library.
- (d) The PAS fund relates to funding received under the Portable Antiquities Scheme.
- (e) The Winston Graham fund relates to a historical prize competition.
- (f) The Hawkins Galsworthy fund comprises investment income generated by the Hawkins Galsworthy permanent endowment fund.
- (g) The Heritage Lottery Fund relates to the capital expenditure for the installation of the Ancient Civilisations exhibition in the De Pass gallery.
- (h) The Heritage Lottery Fund – Transition Project relates to forward business planning and spatial awareness options.
- (i) The St Levan Coin Hoard relates to the purchase of a coin hoard.

	Note	Balance 1 st April 2018 £000s	Income £000s	Expenditure £000s	Transfers, gains/ losses £000s	Balance 31 st March 2019 £000s
Endowment funds						
HC Cardew						
Rendle Capital	(a)	643	-	(6)	26	663
Winston Graham	(a)	43	-	-	-	43
RIC Endowment fund	(b)	557	-	(6)	(551)	-
Hawkins Galsworthy	(c)	2,446	-	(22)	55	2,479
HCF – Endowing – the next 200 years	(d)	62	-	-	52	114
		3,751	-	(34)	(418)	3,299

- (a) The HC Cardew Rendle and Winston Graham funds represent permanent endowments, from legacies, to be held indefinitely and the income restricted to the purposes set out at note 16(c) and 16(h) respectively.
- (b) The RIC Endowment Fund represented money set aside by the trustees utilising donations and legacies received. It was hoped this could be treated as a permanent endowment fund, however, in response to deficits incurred over the last three years the trustees made the decision to redesignate the fund as an unrestricted reserve in order to support the charity's ongoing financial position.
- (c) The Hawkins Galsworthy fund represents a permanent endowment created from the sale of two paintings and the income restricted to use on care of RIC's collections.
- (d) HLF – Endowing the next 200 years represents funding for the long term sustainability of the RIC which is made up of legacies and donations received which have been matched by a grant from the Heritage Lottery Fund.