

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

# **BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

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**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Directors of trustee  
company**

Cllr A Clarke  
Mr M Davis  
Prof J Dawes  
Dr H Ford  
Dr R Guthrie  
Ms C Hildebrandt  
Prof P Hyland  
Ms M-L Luxemburg  
Dr N Parish  
Mr M Sturge  
Mrs E Suchar, Vice Chair  
Mr P Thomas  
Prof R Wendorf  
Dr S Wharton, Chair

**Trustee**

Bath Royal Literary & Scientific Institution Trustees

**Charity registered  
number**

304477

**Principal office**

16-18 Queen Square  
Bath  
BA1 2HN

**Accountant**

Bishop Fleming LLP  
Chartered Accountants  
16 Queen Square  
Bristol  
BS1 4NT

## BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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The Directors present their annual report together with the financial statements of the Bath Royal Literary and Scientific Institution (the charity) for the year ended 31 March 2017.

The Directors confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### REFERENCE AND ADMINISTRATIVE DETAILS

The Bath Royal Literary and Scientific Institution (BRLSI) is an unincorporated association Registered Charity number 304477 (the Charity) run by volunteers. It is governed by the Scheme dated 29 September 1993, as amended by the Scheme dated 16 September 1997.

The Trustee of the Charity is Bath Royal Literary and Scientific Institution Trustees (the company), a company limited by guarantee with number 2857000. The company is regulated by its Memorandum and Articles of Association (M&A) dated 27 September 1993, as amended by special resolutions dated 12 April 1995, 21 February 1996, 2 July 1997, 10 February 1999, 28 June 2000, 4 December 2002, 20 May 2010 and 17 January 2017. The Articles of Association state that the members of the Company's Board of Management (the Directors as defined by Companies Acts) are the Directors of the company.

The premises and principal office of the BRLSI are at 16-18 Queen Square, Bath, BA1 2HN.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### a. ORGANISATION

The Memorandum and Articles of Association of the Trustee Company states that there shall be 15 Directors:

- Two Directors to be appointed by the University of Bath
- One Director to be appointed by Bath Spa University
- Two Directors to be appointed, one each by two suitable establishments or societies to be determined from time to time by the Directors
- One Director to be appointed by the West of England group of the Geologists' Association.
- Eight Directors to be elected by the members at a General Meeting.
- One Director to be appointed by Bath and North East Somerset Council or by such other Local Government Authority as shall take its place.

#### Directors

On the date the report was approved  
Directors Nominated or Elected

Cllr Anthony Clarke	B&NES Council
Mr Michael Davis	Elected
Prof Jonathan Dawes	The University of Bath
Dr Henry Ford	Elected
Dr Richard Guthrie	Elected
Ms Claudia Hildebrandt	The West of England group of the Geologists' Association
Prof Paul Hyland	Bath Spa University
Ms Marie-Louise Luxemburg	Elected
Dr Nina Parish	The University of Bath
Mr Martin Sturge	Elected
Mrs E Suchar (Vice-Chair)	Elected
Mr Paul Thomas	Elected
Prof Richard Wendorf	American Museum
Dr Steve Wharton (Chair)	Elected

## **BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017**

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No Director resignations were received and no elections required during the reporting year.

#### **b. APPOINTMENT OF DIRECTORS**

Each Director appointed by B&NES is appointed for a term of office ending on the date of the appointment of his/her successor, which may be made at any time after the ordinary day of retirement of councillors next after his/her appointment. Each of the remaining appointed Directors is appointed for a term of three years and each elected Director for a period of three years from the date of the AGM at which he/she is elected.

No Director may serve more than three consecutive terms of three years each. An elected Director who has served nine years may stand after twelve months have elapsed since he or she ceased to be a Director.

#### **c. DIRECTOR INDUCTION AND TRAINING**

New Directors are provided with copies of the Memorandum & Articles of the trustee company and the Governance document (which is under continuous review), together with relevant Charity Commission documents. They are given a tour of the BRLSI premises (including the Library and Collections), introduced to the permanent staff and the general running of the BRLSI is explained to them.

#### **d. RISK MANAGEMENT**

Close scrutiny of the operations of the Institution through detailed reporting of activity of subcommittees through the Management committee offers the Directors a thorough understanding of risks to the charitable aims of the Institution. Delegated responsibilities are monitored closely by the Directors to ensure that the balance of risk is always in favour of the Institution's membership and the beneficiaries of its activities, while balancing that against the need to fulfil its responsibilities for preservation and conservation of its Grade 1 Listed premises and its extensive and historic collections.

The Directors oversee the Institution's compliance with statutory obligations, ensuring that the Management committee pays due attention to, for example, Health and Safety Policy, Equality and Diversity, Safeguarding and Insurance. The Directors continue to pay close attention to the potential risks associated with the governance of the Institution, including the involvement of members in the Institution's management, the appointment and declaration of interest of Directors, and the proper employment of staff and compliance with trading activities in relation to BRLSI charity status. The Directors consider that there are no significant risks to the charitable activities of the Institution and appropriate mitigation is in place for more moderate risks. In order to enhance further the Directors' appreciation for all areas of risk, a risk register incorporating mitigation measures has been established to ensure that systematic up to date monitoring of risk management strategies continues.

### **OBJECTIVES AND ACTIVITIES**

#### **a. BRLSI OBJECTIVES AND ACTIVITIES OVERVIEW**

BRLSI's mission is to promote in Bath and North East Somerset and the surrounding area an interest in the arts and sciences, and to provide through its archives and collections resources for education, research and enjoyment.

Its function is to be a cultural centre for its members and the public, providing a wide ranging programme of lectures, discussions, science demonstrations and regular exhibitions of historical, scientific, literary and artistic significance and interest, and to serve as a meeting place for other societies and organisations. It also plays a part in promoting research and producing publications associated with its objectives, as well as conserving and managing its collections, some of them of national and international importance, making them accessible for study and learning.

## **BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

### **DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017**

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The Directors take seriously the role BRLSI plays in providing public benefit, admitting the public free of charge to almost all of its many exhibitions, offering its lectures at negligible cost to the public, and allowing anyone with specific interests in the Institution's wider collection the opportunity to view items on appointment free of charge.

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **a. GOING CONCERN**

After making appropriate enquiries, the Directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

##### **b. REVIEW OF ACTIVITIES**

In 2016-17 BRLSI continued to engage with various publics through its own Programme of lectures and exhibitions, including the launch of a lecture series on The 1960s in January 2017, bringing together experts of national and international renown and already attracting large audiences. The major achievements of the year were the full Museum Accreditation of the Institution's Collections by the Arts Council in November 2016 – opening up potential opportunities for new funding sources to promote the Institution's aims and objectives – and the appointment in May 2016 of a Volunteer Coordinator to better enhance volunteer and member support for the Institution's activities.

Overall our Programme provided some 120 lectures, workshops and other events, including a "World Affairs Through Our Eyes" lecture series launched in May 2016 and given by representatives of foreign embassies, usually preceded by a Reception in the Mayor's Parlour at the Guildhall thanks to the relationships which exist between the Institution and the Mayoralty. Our Youth Activities programme (Young BRLSI) with its Serious Fun Saturday Workshops outreach initiative introducing children to all aspects of Science continued to grow from strength to strength, attracting a number of plaudits, and in association with the University of Bath we held a well-attended Young Researcher Event on campus in October showcasing Young BRLSI's collaborative work with the University. Our exhibitions range across the fields of Art, Science and Photography, and attract good attendances. May 2016 saw the launch of our Summer exhibition jointly organized with Bristol Museums on Adela Breton, a Victorian traveller whose work did much to record aspects of Meso-American archaeology and culture. The Institution was instrumental in obtaining permission for the placing of a commemorative plaque on her house in Camden Crescent, unveiled by the Deputy Minister of the Mexican Embassy during his visit as part of the "World Affairs" series.

The BRLSI website continued to ensure BRLSI's events, activities and resources remain accessible to its members and the wider community, and we continue to seek to ensure that the website more generally provides an inviting introductory portal to BRLSI and engagement with its activities. In addition to these in-house activities, BRLSI continued to operate joint events with a number of outside groups and work in collaboration with other local museums, and cooperates fully as a member of the Bath Museums Partnership.

##### **c. INVESTMENT POLICY AND PERFORMANCE**

During the 2016-17 financial year the Institution changed its arrangements for the management of its investments. Investment management companies were invited to tender their services and four of these were interviewed by a working group comprising a number of Directors. The unanimous recommendation of the working group was to engage the Bristol office of Rathbone Investment Management Ltd ('Rathbones'); this decision was ratified by the Board of Directors at their meeting on 1 December 2016.

Rathbones manages BRLSI's investments on a discretionary basis and provides regular reports to the Finance sub-committee and to Directors.

Investments have increased in value by approximately £77,000 over the year. At the year end, investments were valued at £587,355 comprising £463,963 in listed securities and £123,392 in cash held for investment purposes.

## BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION

### DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

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#### FINANCIAL REVIEW

##### a. OVERVIEW

The BRLSI aims to balance its revenue generation activities against its aspiration to provide as extensive and useful a facility for educational activities as possible, while ensuring the long-term sustainability of its freehold property, 16-18 Queen Square, Bath (a Grade I listed building) and its important scientific collections and books.

Total incoming resources for the year were £255,952 (2016: £323,846) and total resources expended were £298,982- (2016: £285,855). Net incoming resources were £34,184 (2016: net outgoing resources - £3,018). Total funds as at 31 March 2017 were £3,158,235 (2016: £3,124,051).

##### b. RESERVES POLICY

The financial assets of the BRLSI are as follows: the building and contents, investments, and cash. In legal terms, part of the value of the building is considered as a straightforward asset directly supporting the aims of the Institution while the remainder is considered investment property leased out in order to raise income.

The BRLSI Financial Reserves Policy is derived from two key sources: the Risk Register collated by the Board of Directors and the guidance offered by the Charity Commission through CC19. BRLSI Financial Reserves are held for three main purposes: (i) to provide financial stability and security by making provisions against realistic risks the Institution might encounter [the "Contingency Reserve"]; (ii) to allow for planning of maintenance activities on the fabric of the building plus unexpected building repair costs [the "Building Maintenance Fund"]; and (iii) to provide income from investments [the "Income Generating Reserve"]. The investment portfolio is managed in line with two objectives: (a) to enhance the security and sustainability of the Institution's finances; and (b) to enable better use of the Queen Square premises and increase the range of charitable activities that are possible by reducing the proportion of physical space currently being rented out. Current reserves are adequate to cover (i) and (ii) but will need to be increased to be able fully to meet the objectives of (iii).

#### PLANS FOR FUTURE PERIODS

##### a. FUTURE DEVELOPMENTS

Future events include an exhibition "Riches of the Earth" showcasing elements of the Institution's geology collections in May 2017; and continued rollout of Young BRLSI activities and workshops including a contribution to the University's 50th Anniversary Festival on 6 May 2017, as well as work to conserve and display the unique 1809 Plan of the Somersetshire Coal Canal.

The programme will continue to offer a range of subjects across the areas of interest outlined in our instruments of governance.

Further information may be found on the Institution's website [www.brlsi.org](http://www.brlsi.org), where Reports to Members presented at the AGM are also available.

This report was approved by the Directors on 29 vi 17 and signed on their behalf by:



**Dr S Wharton**  
Chair of Directors of Trustee Company

## **BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

### **INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2017**

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#### **INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

I report on the financial statements of the charity for the year ended 31 March 2017 which are set out on pages 8 to 21.

This report is made solely to the charity's Directors, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's Directors those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Directors as a body, for my work or for this report.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND EXAMINER**

The charity's Directors are responsible for the preparation of the financial statements, and they consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

#### **BASIS OF INDEPENDENT EXAMINER'S REPORT**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.



**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**INDEPENDENT EXAMINER'S REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**INDEPENDENT EXAMINER'S STATEMENT**

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 130 of the Act; and
  - to prepare financial statements which accord with the accounting records, Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and in other respects comply with the accounting requirements of the Act.
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

6/7/17

Joseph Scaife FCA DChA

**BISHOP FLEMING LLP**  
Chartered Accountants  
16 Queen Square  
Bristol  
BS1 4NT

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>					
Donations and legacies	2	33,099	91	33,190	64,548
Charitable activities		77,870	1,102	78,972	105,452
Activities for generating funds	3	127,071	-	127,071	131,464
Investments	4	16,719	-	16,719	22,382
<b>TOTAL INCOME</b>		<b>254,759</b>	<b>1,193</b>	<b>255,952</b>	<b>323,846</b>
<b>EXPENDITURE ON:</b>					
Raising funds		5,867	-	5,867	9,091
Charitable activities		289,431	3,684	293,115	276,764
<b>TOTAL EXPENDITURE</b>	8	<b>295,298</b>	<b>3,684</b>	<b>298,982</b>	<b>285,855</b>
<b>NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>					
Net gains/(losses) on investments	13	(40,539)	(2,491)	(43,030)	37,991
		77,214	-	77,214	(41,009)
<b>NET INCOME / (EXPENDITURE)</b>		<b>36,675</b>	<b>(2,491)</b>	<b>34,184</b>	<b>(3,018)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>36,675</b>	<b>(2,491)</b>	<b>34,184</b>	<b>(3,018)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		3,118,462	5,589	3,124,051	3,127,069
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>3,155,137</b>	<b>3,098</b>	<b>3,158,235</b>	<b>3,124,051</b>

All activities relate to continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**BALANCE SHEET  
AS AT 31 MARCH 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	11	1,133,545		1,143,218	
Investment property	12	1,310,000		1,310,000	
Total tangible assets			<b>2,443,545</b>		2,453,218
Investments	13		<b>587,355</b>		600,970
			<b>3,030,900</b>		3,054,188
<b>CURRENT ASSETS</b>					
Debtors	14	60,109		59,457	
Cash at bank and in hand		143,278		78,928	
		<b>203,387</b>		138,385	
<b>CREDITORS:</b> amounts falling due within one year	15	(76,052)		(68,522)	
<b>NET CURRENT ASSETS</b>			<b>127,335</b>		69,863
<b>NET ASSETS</b>			<b>3,158,235</b>		3,124,051
<b>CHARITY FUNDS</b>					
Restricted funds	17		<b>3,098</b>		5,589
Unrestricted funds	17		<b>3,155,137</b>		3,118,462
<b>TOTAL FUNDS</b>			<b>3,158,235</b>		3,124,051

The financial statements were approved and authorised for issue by the Directors on 29.6.17 and signed on their behalf, by:



**Dr R Guthrie**

The notes on pages 11 to 21 form part of these financial statements.

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	<u>(42,930)</u>	<u>(24,323)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		5,238	22,383
Purchase of tangible fixed assets		(4,274)	(62,691)
Proceeds from sale of investments		306,316	-
Purchase of investments		<u>(76,608)</u>	<u>(36,000)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>230,672</u>	<u>(76,308)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>187,742</b>	<b>(100,631)</b>
Cash and cash equivalents brought forward		<u>78,928</u>	<u>179,559</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>266,670</u></u>	<u><u>78,928</u></u>

## BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Bath Royal Literary & Scientific Institution constitutes a public benefit entity as defined by FRS 102.

##### 1.2 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

##### 1.3 INCOME

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the time and general contribution of volunteers is not recognised in the Accounts and refer to the Directors' report and the separate Report to Members for more information about their contributions.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, less depreciation. Depreciation 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 bases:

Fixtures and fittings - 20% Straight Line

No depreciation is provided on the Charity's land and buildings. In the opinion of the Directors of the Trustee Company the building will have a residual value at least equal to its cost rendering a charge for depreciation negligible.

**1.6 INVESTMENTS**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the Statement of financial activities.

**1.7 INVESTMENT PROPERTY**

The investment property is included in the Balance sheet at open market value in accordance with the Financial Reporting Standard 102 and is not depreciated.

**1.8 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.9 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 DEBTORS**

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

## BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 CASH AT BANK AND IN HAND

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

##### 1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### 1.13 FINANCIAL INSTRUMENTS

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

##### 1.14 MUSEUM COLLECTION

The charity's collection, which includes geological specimens, a herbarium and a library, is not capitalised or valued. These are considered to be heritage assets where reliable cost information is not available nor would a conventional valuation be appropriate.

#### 2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	33,099	91	33,190	33,737
Legacies	-	-	-	30,811
	<u>33,099</u>	<u>91</u>	<u>33,190</u>	<u>64,548</u>

In 2016, £60,648 of the income from donations and legacies was unrestricted and £3,900 was restricted.

#### 3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Rents received	127,071	-	127,071	131,464
	<u>127,071</u>	<u>-</u>	<u>127,071</u>	<u>131,464</u>

In 2016, all of the income was unrestricted.

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	137	-	137	185
Listed securities	11,101	-	11,101	22,197
Subtotal	<u>11,238</u>	<u>-</u>	<u>11,238</u>	<u>22,382</u>
Other investment income	5,481	-	5,481	-
	<u>16,719</u>	<u>-</u>	<u>16,719</u>	<u>22,382</u>

In 2016, all of the investment income was unrestricted.

**5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	<u>70,746</u>	<u>222,369</u>	<u>293,115</u>	<u>276,764</u>

**6. DIRECT COSTS**

	Total 2017 £	Total 2016 £
Other costs	26,994	34,761
Premises costs	12,377	18,777
Wages and salaries	31,375	30,492
	<u>70,746</u>	<u>84,030</u>

**7. SUPPORT COSTS**

	Total 2017	Total 2016
Other costs	45,133	32,059
Premises	92,233	84,980
Accountancy fees	4,000	3,750
Wages and salaries	81,003	71,945
	<u>222,369</u>	<u>192,734</u>

Direct costs are costs which are directly attributable to the generation of charitable income. Support costs are costs incurred in activities not directly associated with the generation of the charitable income.



**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Costs of generating voluntary income	-	5,867	5,867	9,091
<b>COSTS OF GENERATING FUNDS</b>	<b>-</b>	<b>5,867</b>	<b>5,867</b>	<b>9,091</b>
Charitable activities	112,378	180,737	293,115	276,764
	<b>112,378</b>	<b>186,604</b>	<b>298,982</b>	<b>285,855</b>

**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	13,947	3,237
Accountancy fees for independent examination	3,750	3,750
Operating lease rentals	2,100	2,100

During the year, no Directors received any remuneration (2016: £NIL).

During the year, no Directors received any benefits in kind (2016: £NIL).

3 Directors received reimbursement of expenses amounting to £1,028 in the current year, (2016: £NIL).

**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	112,378	102,437

The average number of persons employed by the charity during the year was as follows:

	2017 No.	2016 No.
Collections	1	1
Support	5	4
	<b>6</b>	<b>5</b>

No employee received remuneration amounting to more than £60,000 in either year.

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Total £
<b>COST</b>			
At 1 April 2016	1,081,114	94,199	1,175,313
Additions	-	4,274	4,274
At 31 March 2017	<u>1,081,114</u>	<u>98,473</u>	<u>1,179,587</u>
<b>DEPRECIATION</b>			
At 1 April 2016	-	32,095	32,095
Charge for the year	-	13,947	13,947
At 31 March 2017	<u>-</u>	<u>46,042</u>	<u>46,042</u>
<b>NET BOOK VALUE</b>			
At 31 March 2017	<u>1,081,114</u>	<u>52,431</u>	<u>1,133,545</u>
At 31 March 2016	<u>1,081,114</u>	<u>62,104</u>	<u>1,143,218</u>

The property 16-18 Queen Square is owned by Bath Royal Literary and Scientific Institution Trustees Limited which is the trustee for the charity. This company holds this property in trust for the charity.

An element of the property 16-18 Queen Square, Bath, is leased to generate rental income. It is this element of the property which has been classified as an investment asset.

The land and buildings relate to assets which were returned from Avon County Council when the Institution was relaunched. The Directors continue to recognise the donated assets at their deemed cost of £1,081,114. Having obtained external advice, the Directors are satisfied that the current market value would be in excess of the recorded book value, but currently have elected not to adopt a policy of revaluing tangible fixed assets as permitted under FRS 102.

**12. INVESTMENT PROPERTY**

	Investment property £
<b>VALUATION</b>	
At 1 April 2016 and 31 March 2017	<u>1,310,000</u>

The investment property was revalued in 2014 by AL Brook FRICS of Brooks Chartered Surveyors, on an open market value for existing use basis. The directors believe that there is no material difference in the value of the property at the year end.

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**13. FIXED ASSET INVESTMENTS**

	Listed securities £	Other investments £	Total £
<b>MARKET VALUE</b>			
At 1 April 2016	600,970	-	600,970
Additions	76,608	123,392	200,000
Disposals	(306,316)	-	(306,316)
Revaluations	92,701	-	92,701
	<u>463,963</u>	<u>123,392</u>	<u>587,355</u>
At 31 March 2017	<u>463,963</u>	<u>123,392</u>	<u>587,355</u>

**INVESTMENTS AT MARKET VALUE COMPRISE:**

	UK £	Overseas £	2017 £	2016 £
Listed investments	451,934	12,029	463,963	600,970
Cash held for investment	123,392	-	123,392	-
	<u>575,326</u>	<u>12,029</u>	<u>587,355</u>	<u>600,970</u>

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	44,668	47,651
Prepayments and accrued income	15,441	11,806
	<u>60,109</u>	<u>59,457</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	33,919	33,581
Other taxation and social security	7,678	713
Accruals and deferred income	34,455	34,228
	<u>76,052</u>	<u>68,522</u>

**DEFERRED INCOME**

Deferred income at 1 April 2016	27,749
Resources deferred during the year	27,749
Amounts released from previous years	(27,749)
Deferred income at 31 March 2017	<u>27,749</u>

Deferred income wholly comprises rent and service charges invoiced in advance.

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**16. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	730,633	679,898
Financial assets measured at amortised cost	44,668	51,870
	<u>775,301</u>	<u>731,768</u>
Financial liabilities measured at amortised cost	<u>(40,625)</u>	<u>(40,060)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand and investments.

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains, (Losses) and Transfers £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>					
General Fund	512,253	248,481	(235,863)	77,214	602,085
Designated building maintenance fund	106,491	-	(44,104)	(4,274)	58,113
Fixtures and Fittings Fund	62,104	-	(13,947)	4,274	52,431
Freehold asset reserve	2,391,114	-	-	-	2,391,114
Designated Lovell Fund	3,000	-	-	-	3,000
Designated Valentine Fund	10,744	-	-	-	10,744
Designated Cassidy Fund	30,811	-	-	-	30,811
Designated Youth Activities Fund	1,474	797	(913)	-	1,358
Designated Mechanics Worldwide Fund	471	-	(471)	-	-
Other GENERAL FUNDS	-	5,481	-	-	5,481
	<u>3,118,462</u>	<u>254,759</u>	<u>(295,298)</u>	<u>77,214</u>	<u>3,155,137</u>

**BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains, (Losses) and Transfers £	Carried Forward £
Adopt a book	757	338	(1,095)	-	-
JESBI Project	1,786	-	(1,786)	-	-
Collections Preservation Fund	18	764	(500)	-	282
Restricted Youth Activities Fund	3,028	91	(303)	-	2,816
	<u>5,589</u>	<u>1,193</u>	<u>(3,684)</u>	<u>-</u>	<u>3,098</u>
Total of funds	<u><u>3,124,051</u></u>	<u><u>255,952</u></u>	<u><u>(298,982)</u></u>	<u><u>77,214</u></u>	<u><u>3,158,235</u></u>

**SUMMARY OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains, (Losses) and Transfers £	Carried Forward £
General funds	3,118,462	254,759	(295,298)	77,214	3,155,137
Restricted funds	5,589	1,193	(3,684)	-	3,098
	<u><u>3,124,051</u></u>	<u><u>255,952</u></u>	<u><u>(298,982)</u></u>	<u><u>77,214</u></u>	<u><u>3,158,235</u></u>

**UNRESTRICTED FUNDS**

The designated building maintenance fund represents funds set aside to maintain the building. It is not a separate cash fund but comprises part of the investments of the Institution as described in the Directors' Report.

The fixtures and fittings fund represents the value of fixed asset additions to the building.

The freehold asset reserve represents 16-18 Queen Square. Included within this fund is the revaluation reserve of £1,891,188.

The Lovell Fund represents a legacy from Don Lovell which will be used for general purposes relating to the educational aims of BRLSI.

The Valentine Fund represents a legacy and other funds realised from the Estate of Dr Rex Valentine. The fund will support activity related to the Visual Arts and the establishment of a modern library for the use of BRLSI Members.

The Cassidy Fund represents the value of a legacy gratefully received from the estate of the late Dr Brian Cassidy, a long-standing member of the Institution.

The Youth Activities Fund supports our Youth Activities including the Serious Fun Saturday Workshops described in the Review of Activities in the Directors' Report above.

## BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 17. STATEMENT OF FUNDS (continued)

The Mechanics Worldwide Fund represents funds held by BRLSI that can be made available, subject to advance approval by the Management Committee, to assist with travel to events associated with Mechanics Worldwide, the Association of Independent Libraries, and other related organisations. This fund was closed during the year.

#### RESTRICTED FUNDS

The Adopt a Book Fund holds donations made for the restoration of specific antiquarian books in the Institution's collection.

The JESBI Project restricted fund represents monies granted to the charity by the Esmee Fairbairn Foundation for the research, conservation and preparation of fossils collected from a working quarry in Ilminster known as Strawberry Bank. These Jurassic fossils show exceptional preservation and have many anatomical features that are very rarely preserved in other specimens. They will allow scientists unusual opportunities to learn more about the anatomy and lives of these 185 million year old animals. This fund was closed during the year as this research project has ended.

The Collections Preservation Fund is used for the restoration of specific items from the Collections.

The Youth Activities Restricted Fund supports our Youth Activities including the Serious Fun Saturday Workshops described in the Review of Activities in the Directors' Report above.

#### 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	1,133,545	-	1,133,545	1,143,218
Fixed asset investments	587,356	-	587,356	600,970
Investment property	1,310,000	-	1,310,000	1,310,000
Current assets	200,289	3,098	203,387	138,385
Creditors due within one year	(76,052)	-	(76,052)	(68,522)
Difference	(1)	-	(1)	-
	<u>3,155,137</u>	<u>3,098</u>	<u>3,158,235</u>	<u>3,124,051</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of financial activities)	34,184	(3,018)
<b>Adjustment for:</b>		
Depreciation charges	13,947	3,237
(Loss)/Gain on investments	(92,701)	18,813
Dividends, interest and rents from investments	(5,238)	(22,382)
Increase in debtors	(652)	(6,898)
Increase/(decrease) in creditors	7,530	(14,075)
<b>Net cash used in operating activities</b>	<u>(42,930)</u>	<u>(24,323)</u>

## BATH ROYAL LITERARY & SCIENTIFIC INSTITUTION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	143,278	78,928
Cash held for investment	123,392	-
	<u>266,670</u>	<u>78,928</u>

#### 21. OPERATING LEASE COMMITMENTS

At 31 March 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	2,100	2,100
Between 1 and 5 years	4,200	6,300
	<u>6,300</u>	<u>8,400</u>

#### 22. RELATED PARTY TRANSACTIONS

During the year £Nil (2016: £333) was paid to M-L Luxemburg (a Director of the Trustee Company) in respect of services provided in editing the Proceedings.

#### 23. GENERAL INFORMATION

Bath Royal Literary and Scientific Institution is an unincorporated charity registered in England and Wales. The registered office is 16-18 Queen Square, Bath, BA1 2HN.