

The British Academy Annual Report of the Trustees and Financial Statements

For the year ended 31 March 2020



Trustees and Principal Advisers

Council

As at date of signing

President

Professor Sir David Cannadine

Vice-Presidents

Professor Sarah Worthington QC	Treasurer
Professor Dominic Abrams	Vice President, Social Sciences
Professor Simon Goldhill	Foreign Secretary
Professor Aditi Lahiri	Vice President, Humanities
Professor Roger Kain	Vice President, Research and Higher Education Policy (retired 18 July 2019)
Professor Simon Swain	Vice President, Research and Higher Education Policy
Revd Professor Diarmaid MacCulloch Kt	Vice President, Public Engagement
Professor Genevra Richardson	Vice President, Public Policy
Professor Hamish Scott	Vice President, Publications
Professor Charles Tripp	Vice President, British International Research Institutes

Ordinary Members

Professor Julia Barrow	Professor Tony Manstead
Professor Christine Bell	Professor Jane Millar
Professor Sarah Birch	Professor Michael Moriarty
Professor Julian Birkinshaw	Professor Anne Phillips (retired 18 July 2019)
Professor Joanna Bourke	Professor Chakravarthi Ram-Prasad
Professor Stella Bruzzi	Professor John Scott (retired 18 July 2019)
Professor Eleanor Dickey	Professor Sally Shuttleworth (retired 18 July 2019)
Professor Jane Humphries	Professor Nicholas Sims-Williams
Professor Glynnis Jones (retired 18 July 2019)	Professor Annette Volting
Professor Simon Keay	Professor Sarah Whatmore

Senior Management Team

Chief Executive	Hetan Shah
Director of Communications	Liz Hutchinson
Director of Development	Jo Hopkins
Director of Policy	Molly Morgan Jones
Director of Research	Vanessa Cuthill
Director of Resources	Graeme Appleby

Registered Charity No.
233176

Registered Auditors
BDO LLP
55 Baker Street
London W1U 7EU

Solicitors
Macfarlanes
10 Norwich Street
London EC4A 1BD

Bank
The Royal Bank
of Scotland plc
28 Cavendish Square
London W1G 0DB

Investment Fund Manager
BlackRock Investment
Management (UK) Ltd
12 Throgmorton Avenue
London EC2N 2DL

Custodian
BNY Mellon
(International) Ltd
One Canada Square
London E14 5AL

Index

Trustees' report for the year 31 March 2020	6 – 25
Statement of council's responsibilities	26
Independent auditor's report to the trustees	27 – 29
Consolidated statement of financial activities 2020	30 – 31
Academy statement of financial activities 2020	32
Consolidated and academy balance sheet 2020	33
Consolidated statement of cash flows	34
Notes to the accounts	35 – 65

*Trustees'
report for the
year ended 31
March 2020*

Foreword

Professor Sir David Cannadine, President

This annual report was being compiled as the COVID-19 virus disturbed, disrupted and dismantled many aspects of life as we had previously known it, causing great hardship, suffering and distress to so many people in the United Kingdom and across and around the world.

It is, then, slightly strange to be reporting and reflecting here on what now seem the far-off, pre-pandemic times of the year 2019. As the historian and Fellow of the Academy Peter Hennessy recently remarked, we may look back and divide the early decades of the 21st century into 'BC' - Before Corona - and 'AC' - After Corona.

This report deals mainly with BC, from 1 April 2019 to 31 March 2020, and describes a highly successful year. It tells a story of continued upscaled and expanded activity - in terms of the funding we offer to the very best researchers across the globe, of our growing influence on practice and policy from purpose in business to data governance, of the enhanced numbers of people with whom we engage through our events, with an increasing number taking place outside London, and of our online activities and our work with the media.

I'm grateful as always to our talented and dedicated staff, and I want to record my special and heartfelt thanks to Robin Jackson, who selflessly came out of well-earned retirement in Norfolk to lead the Academy once more as we recruited a new Chief Executive. Once again, we are hugely in Robin's debt.

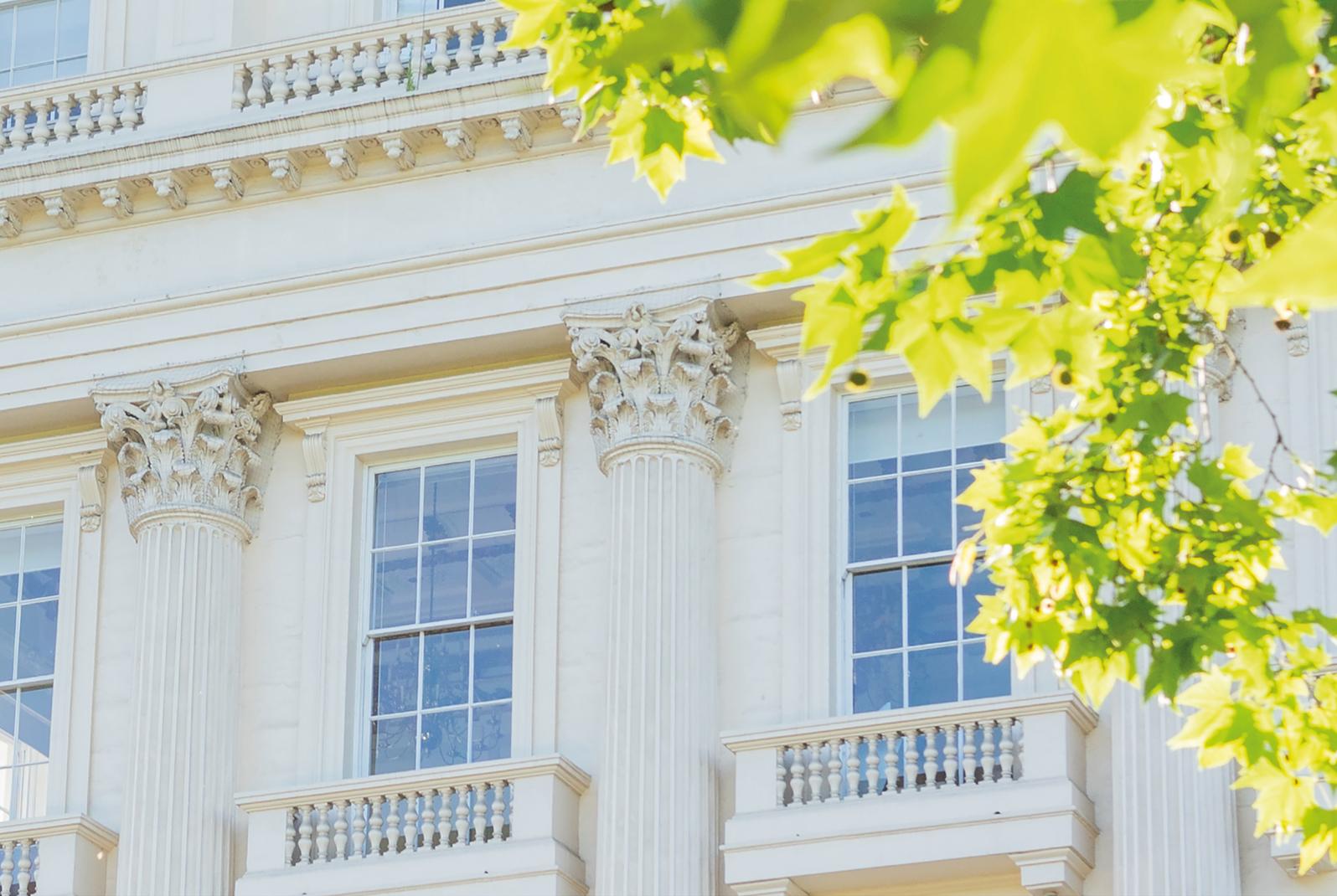
Just a few weeks before the Academy transitioned into virtual mode, we warmly welcomed Hetan Shah as our new Chief Executive, little knowing the unprecedented challenges that he would face almost immediately. He is doing a brilliant job, keeping the staff together and maintaining morale, and ensuring that so much of our work is still being carried on.

Beyond doubt, these are testing and demanding times, and no doubt there will be further challenges ahead for the Academy. As well as adapting to the changed operating environment, we are also working hard to ensure that the collective insights of the humanities and social sciences will be brought to bear as together we seek to shape a positive post-pandemic future.

In these dark and difficult days, the subjects that the Academy represents, and the values that it champions - evidence-based research, free trade in ideas, international collaboration - are of vital importance to our national and global well-being. This report describes an Academy that is stronger than ever, and perfectly placed to rise to the level of events.



David Cannadine
President, the British Academy



Introduction

Hetan Shah, Chief Executive

"I have been both impressed by and grateful for the resilience, support and commitment from both the staff and our fellowship."



It has been an unusual time to join the Academy. I took up the role of Chief Executive on 24 February and had three weeks in the building before we were forced to close our office and move all our activities online.

I have been both impressed by and grateful for the resilience, support and commitment from both the staff and our fellowship. We have managed to keep disruption to our work to the minimum. Indeed, there has been some welcome innovation and new practices emerging such as online events and meetings that we will hold on to and develop further even when face to face possibilities return.

Given my recent arrival, I cannot take credit for the achievements contained within the report but I will briefly outline some of the highlights:

- We have supported almost 1000 of the world's best academics in the humanities and social sciences with research funding from small grants to kick start a new piece of work to substantial multi-year fellowships
- Our international programmes are helping some of the most disadvantaged people in low and middle income countries through supporting research on topics such as education, urban infrastructures and heritage
- We have been a visible and vocal champion for the humanities and social sciences, influencing policy on topics such as research funding, open access and languages and future frameworks for research on exiting the European Union.
- Our digital presence continues to grow, with over 1.25m visits to our website this year compared to just over 1m last year and our best-read blog post reaching over 20,000 people.
- We put on over 50 public events and lectures, reaching over 11,000 people and our Summer Showcase attracted almost 2,000 visitors. In the wake of the pandemic, we launched our first '10-Minute Talks' on YouTube which have had over 11,000 views collectively.
- The Future of the Corporation programme published a major report on Principles for Purposeful Business, gaining traction in the UK and overseas among business leaders, experts and the media.
- Our policy response to the pandemic, 'Shape the Future', mobilises our Fellowship and funded research community to bring together insights from across the humanities and social sciences, looking at how we shape a positive post-pandemic future for people, the economy and the environment. We will explore issues around how we revitalise societal well-being in its broadest sense, create a more inclusive economy and consider what we can learn from the cultures and histories of science, policy and politics.

Looking ahead, my ambition is to put the British Academy at the heart of exploring the big questions facing our society and economy today. The Academy is well placed to bring together leading thinkers from our fellowship and wider research community with business, civil society, policymakers, philanthropy and the media to help shape a better future.

Hetan Shah
Chief Executive

Achievements

To speak up for the humanities and social sciences

The Academy continues to be a visible and vocal champion for the disciplines within the humanities and social sciences. We ensured **a voice for the subjects in sector debates**, giving evidence on research funding to the House of Lords Select Committee, responding to consultations about Open Access policy and to the recommendations of the ‘Augar Review’ – the independent panel chaired by Philip Augar that looked at the future of higher education

Our analysis of the Labour Force Survey found that our graduates are as likely to be in work as STEM graduates and are more flexible in the rapidly changing employment sector. This forms part of the **growing evidence base that we are researching and creating on the value of the social sciences, humanities and the arts for people and for the economy**. We have been working with several organisations, including UKRI, the Arts Council, the Academy of Social Sciences and the LSE, to articulate a **compelling narrative for our subjects** based on the notion of SHAPE – Social Sciences, Humanities and the Arts for People and the Economy. We intend to roll this out from the summer of 2020 and onwards.

We have enhanced our capacity to **monitor the health of our disciplines**, completing a pilot study on at-risk subjects such as theology and religious studies and launching a new project on the growing importance of business and management studies. The Academy is a leading voice in **making the case for languages** as a strategically important discipline and has published evidence on the cognitive benefits of language learning, advocating for better data collection on heritage languages through the Census, and supporting the languages education community through events and networks.

The Academy staged **over 50 public events and lectures** this year, including our flagship public engagement festival – the Summer Showcase. We welcomed 11,000 people to these gatherings, including 1900 to the Summer Showcase alone. We held events at our London headquarters or in venues across the UK, with over 50% of them taking place at regional universities or literary festivals such as the Hay Festival and the Edinburgh International Festival. We are continuing to grow and attract newer audiences for our events, among them school children and under 35s, with over a third of public event attendees falling into this category. Our new online events offer, created in response to the pandemic, has included a weekly series of 10-Minute Talks on You Tube with the first four of them attracting combined audiences of more than 11,000

Our digital audiences are also expanding rapidly. We now engage with over 40,000 followers on Twitter, more than 20,000 on Facebook and had 1.25 million visitors to our website in the last year – an increase of 250,000 on the previous 12 months. We number more than 13,000 subscribers to our email newsletters – up from 2,000 only two years ago. We have also launched our first podcast, ‘*Great Thinkers*’, which features one Fellow of the Academy profiling another great thinker, past or present, from among the fellowship. Our blog continues to grow, with some posts such as ‘*What is social science?*’ being read by over 20,000 people. And we have launched a refreshed version of our website that significantly improves its design, navigation and user experience.

The Academy’s media profile has significantly increased, with 26% more mentions in the press than last year. As well as more name checks for research and researchers funded by the Academy, there are many more instances of **Fellows leading and shaping conversations**. They have been heard on the *Today*

programme urging action on the language learning crisis; on the *BBC News* and in the *Financial Times* encouraging businesses to act with purpose; and have been quoted regularly in *the Times*, *the Guardian*, *the i* and trade press on the vital role played by the humanities and social sciences in both academic and public life.

To invest in the very best researchers and research

Funding from the Department for Business, Energy and Industrial Strategy, the Department for International Development, the Leverhulme Trust, the Wolfson Foundation and many others (see end of document) enables us to support the very best scholars in the humanities and social sciences at key stages in their professional lives.

In 2019-20, our **Postdoctoral Fellowship scheme** assisted 250 early-career researchers including 53 who began in autumn 2019, plus a further 44 Newton International Fellows and six Academy/Wolfson Fellows. These award-holders are based at universities and research institutions across the four nations of the United Kingdom and in every region of England.

The Academy also supported 30 new **Mid-Career Fellows**; and, with funding from the Leverhulme Trust, the Thank-Offering to Britain Fund and the Wolfson Foundation, financed eight new **Senior Research Fellowships** and four ongoing **Research Professorships**. Our **Small Research Grant** scheme supported over 300 new award-holders based in 81 different universities and research institutions. Over half of our awards (55%) were made to women and 16% to applicants from a BAME background. We also disbursed over half of our grants (57%) to those based at institutions outside London and the South East.

Our **international programmes** supported awards to 132 Principal Investigators at 72 different institutions and 392 Co-Investigators at 232 institutions in countries including Ghana, Brazil, India, Mexico and many others at a total value of over £31 million, including seven new awards of up to £200,000 each under our **Knowledge Frontiers** programme. This scheme supports interdisciplinary research projects around the world that build and enhance our understanding of hazard and risk, forecasting and resilience – subjects that have become ever more crucial given the pandemic and its consequences.

The **Global Challenges Research Fund** enabled us to finance five new programmes which will help some of the most disadvantaged people in low- and middle-income countries, with the focus on early childhood education; heritage, dignity and violence; urban infrastructures; youth futures; and education and learning in crises.

The Academy has provided leadership in the development of healthy **research cultures** by representing our disciplines in the review of the sector-wide Concordat of funders, universities and representative bodies to support the career development of researchers and the creation of a national committee on research integrity. We also partnered with the Royal Society to hold the first **Educational Research Forum** for 100 academic researchers, teaching practitioners and policy makers from government and agencies from across the UK.

Representatives of the Academy made 17 visits last year to talk with potential applicants about our funding opportunities to, among others, Bournemouth, Loughborough, Sheffield Hallam and Essex Universities, and also to Queen Mary, University of London.

We hosted nine British Academy Conferences, with more than half of them held at

different venues across the UK. Over 300 people attended these landmark occasions including an increased number of early-career researchers and higher education students: 55% of attendees were under the age of 45 compared to 45% the year before. Seven themed volumes from previous conferences were published including a timely consideration of the 'Anglosphere' and its post-Brexit implications.

We also conducted a **widespread consultation exercise** with early-career researchers, university administrators and managers, independent research organisations and other scholars to help strengthen the Academy's existing network of support, training and mentoring for early-career researchers; to assess their changing needs; and to strengthen our alumni engagement.

To inform and enrich debate around society's greatest questions

The British Academy has been actively engaged in discussions and policy work concerning the pandemic, both in Whitehall and Westminster and in the broader public realm.

We have launched a policy response to the pandemic called **Shape the Future** which represents an unprecedented interdisciplinary mobilisation of the fellowship and of our wider research community to examine the longer-term economic, social and well-being issues arising from the pandemic. These seminars will explore how we will try to shape a positive post-pandemic future, looking at opportunities to rebuild the economy, communities, the environment and culture in the aftermath of the COVID-19 crisis.

In so doing, we will draw on insights and expertise from across the humanities and social sciences and explore interdisciplinary approaches to revitalise social and individual well-being, to create an inclusive economy around purposeful business, and to develop broader policies for public benefit. We have also been involved in rapid response activity to support the government and, in April 2020, we opened a Special Research Grant call for researchers working on issues connected to the pandemic.

These timely and important initiatives will incorporate a number of existing policy programmes, especially our work on **Cohesive Societies**. The Academy has also been focused on building the evidence base for a more comprehensive **childhood policy framework**, bringing together academics, policymakers and practitioners through workshops and events. Publications from the programme are being accompanied by articles in the magazine *Children and Young People Now*.

Our **Future of the Corporation** project published its second major report, *Principles for Purposeful Business*, which was the culmination of its detailed research and engagement with business leaders and experts. Media coverage included *Sky News*, *CityAM*, *Radio 4 Today*, *BBC news online*, and for a time it was the second most-read story on the BBC homepage. The Financial Times described the project as "one of the world's most ambitious efforts to reform capitalism for the 21st century". Findings were well received by policymakers, think tanks, regulators and businesses: for example, the principles were reported as part of a set of major milestones alongside statements from the main US business network (the Business Roundtable) and the World Economic Forum. The report itself has been downloaded 4,717 times, and all programme materials downloaded more than 10,000 times since October 2018.

We have **applied the insights of our Fellows and award-holders to many topical global issues such** as the interrelationship between child labour and education in developing countries, the impact of languages and cultures on international trade, and the policy instruments needed to engage effectively with local peace processes. We worked in partnership with the International Committee of the Red Cross to present the Academy's work on urban violence at the World Urban Forum, the world's premier conference on urban issues and convened by UN-Habitat.

The Academy held a series of **health policy workshops** in collaboration with the Wellcome Trust. With unexpected prescience, the first of these looked at pandemic preparedness. This early engagement has had major impact, leading to a number of key researchers from the humanities and social sciences becoming directly involved in the UK's planning around COVID-19.

The Academy plays an important role as a **bridge between the academic community and government**, working in partnership with the Government Office for Science and the Government Social Research Network to connect civil servants with researchers on issues such as decarbonisation, biodiversity, clean growth, data governance, democratic reform, and social cohesion.

Several special editions of the online and open access *Journal of the British Academy* have captured a range of the most innovative and policy-relevant findings that have emerged from our many and varied interdisciplinary programmes, among them *Tackling Modern Slavery*, *Child Labour and Human Trafficking in Modern Business*, *Cities and Infrastructure*, *European Union and Disunion* and *Early Childhood Development*.

To ensure sustained international engagement and collaboration

We have been heavily involved in the continuing conversations in Westminster and Whitehall concerning the United Kingdom's exit from the European Union, including the submission of evidence to the independent review chaired by Professor Adrian Smith FRS on **future frameworks for international collaboration on research and innovation**, and developing a response with the All European Academies (ALLEA) to a European Commission consultation on the development of Horizon Europe.

Immediately after parliament passed the legislation mandating our withdrawal from the EU, the President of the British Academy wrote to the Presidents of the many European academies with which we have close relationships to reassure them of our continuing commitment to ever-closer collaboration and exchange. He wrote, "Whether it is championing enlightenment values, protecting academic freedom or nurturing new talent, we only succeed when we work together. We also know that to tackle the great challenges of the 21st century, from climate change to the rise of artificial intelligence, academics will need to collaborate across disciplines and across borders." The President received many warm and appreciative replies, indicating the high esteem in which research in the United Kingdom in the humanities and social sciences is held within the wider European community.

The Academy convened six **Knowledge Frontiers Symposia** in association with such international partners as the Alexander von Humboldt Foundation, the Royal Irish Academy and the Australian Academy of the Humanities. These gatherings

were designed to enhance the skills and capabilities of early-career researchers and to encourage them to develop new international links and networks and they were supplemented by 51 new awards providing seed-corn funding and supporting further international collaboration.

The British Academy disburses government funding to seven **British International Research Institutes (BIRIs)** overseas, in cities from Nairobi to Ankara, and it is also closely associated with the British Institute for the Study of Iraq. These institutes make significant and wide-ranging contributions to our country's international engagement, by conducting and facilitating research, collaborating with UK-based and overseas partners and providing facilities, training and financial, academic and logistical support to scholars working in the countries in which they are located. These institutes also play a vital role in the strengthening of key networks and relationships with in-country ministries and diplomatic representatives.

During 2019-20 the BIRIs created over 45 new partnerships with UK-based organisations and institutions including with the University of Cambridge, the Anglo-Hellenic League, Coventry University and the National Gallery, as well as over 60 new partnerships with overseas entities including with the American Research Institute in Turkey, Jordan's National Agricultural Research Center and the National Academy of Sciences at the Abu Rayhan Beruni Institute of Oriental Studies.

The BIRIs undertook a range of research and networking activities and delivered almost 100 training events, over 40 workshops, over 120 lectures and over 25 conferences which were attended by a total of almost 4,800 UK-based and non-UK based researchers. Highlights from the year included a collaborative BIRI interdisciplinary research project on water management, which engaged engineers, archaeologists and environmental scientists in discussions at workshops held at the British Institute at Ankara in Turkey and at the University of Edinburgh.

To make the most of our assets to secure the Academy for the future

More than ever in these difficult times, the Academy is working hard to increase its own resources and revenues. Our **commercial arm, Clio, generated approximately £3 million in income this year, delivering an unrestricted surplus of almost £700,000** for the benefit of the Academy. Despite the significant impact of the pandemic in late February and March, we still hosted over 2,000 meetings and events in our London headquarters, welcoming external commercial clients, higher education bodies and many charitable organisations, in addition to our own internal meetings and gatherings of Fellows. External clients included Hearst Publication, XPS Pensions, EY, The Prince's Trust and Children in Need as well as regular government bookings from the FCO, DFID and the Home Office. Clio enjoyed its most successful Christmas booking period to date and there is a growing interest in the building on the part of film makers: indeed, it features in the upcoming 25th anniversary James Bond film, *No Time to Die*.

Philanthropic support continues to provide a vital source of income for the Academy. We have raised over £2 million from non-government sources over the past year, with many of our Fellows and award-holders generously donating towards our programmes, including two legacies from previous Small Research Grant holders. We are grateful for the continued support of Academy friends, trusts and foundations, learned societies and companies. This support gives us both essential resources and the freedom to use them as we wish in developing our programmes of activities to

support talented researchers across the humanities and social sciences and to engage with broader audiences through our policy and public engagement work in the UK and internationally.

This year the Academy welcomed a new Director of Resources to manage what is now a steadily growing portfolio of responsibilities. We also appointed a new Head of Human Resources, this being an upscaled senior role within the Academy reflecting the growing size of our staff and complexity of our operations. As a result, the Academy has established **a new People Strategy** which sets out the framework within which our staff will be able to work effectively and collaboratively to deliver the priorities outlined in our Strategic Plan. The new strategy has enabled us to review and improve the ways in which we address recruitment and selection, pay and benefits and performance and development.

This year also saw renewed focus on the issues of **equality, diversity and inclusion** (EDI). The Fellows' Diversity Working Group was reconvened, tasked with considering a wide range of issues, including protected characteristics, geographical diversity and disciplinary diversity in new and emerging disciplines. In parallel, a new Staff EDI Working Group was set up with representatives from across the organisation. These two groups worked together to commission a review of the Academy's record and processes in these vital and important areas. The results of this review will provide a basis for our further and future work, as a fellowship organisation, an employer, a funder or a forum for dialogue and debate.

We have finalised plans for the much-needed refurbishment of the staff office spaces on the second and third floors of 10-11 Carlton House Terrace. They include the full replacement of the 20-year-old IT infrastructure, the co-location of individual departments and the provision of an increased number of desk-spaces, meeting areas and more flexible working facilities. The work is expected to be complete by autumn 2020 and will create a much-improved environment for all Academy staff.

Our much larger project to transform the lower floors of the building, replacing a rabbit-warren of corridors, small rooms and storage spaces with modern facilities to enable us to deliver our strategic aims, has been paused because of the impact of the current pandemic. However, our plans for this space, including a new 220-seat auditorium, digital facilities and modern and effective event spaces, are all fully finalised and ready to implement once further essential funding has been secured.

Before the pandemic broke out, the Academy had been relocating documents from servers based in the building to the cloud, and had begun providing members of staff with their own laptops, which meant we were **well-placed to shift to remote working once 10-11 Carlton House Terrace was closed**. For the first time, the Spring Section Meetings of the Academy's fellowship took place virtually – and successfully. Fellows also conducted the annual ballot for election online, with over 75% of the Fellowship taking part – the highest rate of participation ever recorded in recent times .

52

52 new Fellows

11k

11,000 attendees at
50 public events

250

250 Early-career
researchers supported

20

20 new Corresponding Fellows

1,900

1,900 visitors to the 2019
Summer Showcase

300+

Over 300 new award-holders
based in 81 different universities
and research institutions
received small research grants

4

4 new Honorary Fellows

1.25m

1.25 million visits to our website

9

9 major conferences

*Impact
and value*

£31m+

*Our international programmes supported awards to **132** Principal Investigators at **72** different institutions and **392** Co-Investigators at **232** institutions at a total value of over **£31 million**.*

10k+

*Future of the Corporate materials were downloaded more than **10,000** times*

105

***45** new UK and **60** overseas partnerships created by our seven British International Research Institutes*

The British Academy's longer-term strategies

The Academy's core ambitions remain as they have been for the past decade, and indeed for much longer than that. We wish to put our substantial intellectual resources to work for the public good, and to do so in three primary areas:

- Ensuring the health of our disciplines and the development of their talented researchers, since research in our core areas can provide the critical and crucial insights that are essential in addressing pressing national and global challenges.
- Deploying our research outputs to provide decision-makers with improved guidance and information to assist them in their difficult policy choices on complex and contested social and economic issues.
- Making the growing understanding of our own fields of endeavour and expertise more widely available to a general public hungry for a better understanding of the world around us.

What is new in all this for the Academy, looking ahead, is that we are in the process of transforming how we accomplish these ambitions and achieve these objectives.

We are making far greater use of digital facilities in all areas of our work; and collaborating more imaginatively with partners, including the other academies, universities, charities, commercial entities and individual supporters. We will continue to make much more use of this well-attested convening power to bring people together face to face in London and in venues around the UK and overseas when the time becomes right to do so.

Our early endeavours on all these fronts confirm our belief that there is enormous untapped potential for us to do more in delivering our strategic priorities more imaginatively and effectively.

re

Voices

Rt Hon Chris Skidmore MP, *“So, more than perhaps any other organisation in the UK, the British Academy knows the power of words to start new discussions, to build bridges, to form new shared narratives – to illuminate the darkness, and to heal divisions.”*

The Financial Times, *“In its 117-year history, the British Academy has been home to illustrious thinkers and doers from John Maynard Keynes to Mary Leakey. For the past two of those years, it has hosted one of the world’s most ambitious efforts to reform capitalism for the 21st century; a programme asking searching questions about business’s role in society.”*

Helen Fisher, Mid-Career Fellow

“This award was crucial to securing promotion, further established me as a leader in the field of psychosis, and raised my international profile.”

Mateja Kovacic, Postdoctoral Fellow

“BA has been incredibly supportive from day one, and all I felt throughout my fellowship is that there’s someone who backs me up, wants what I want for myself, encourages me to develop in a free way, make the most out of it all... ”

Teacher, Summer Showcase

“We were going to come here in the morning and go to the National Portrait Gallery in the afternoon, but it’s been so good, and the students have wanted to see everything so we’ve stayed all day!”

Hasan Bakhshi (Director of the Creative Industries Policy and Evidence Centre (PEC) and Executive Director of Creative Economy and Data Analytics at Nesta)

“This timely report from the British Academy...provides important new evidence that these graduates in the UK are already more likely than STEM graduates to change sector and role voluntarily and without wage penalty.”

Financial Review

Results for the Year

The financial statements for 2019/20, report a continuing trend of expansion for the Academy. Traditional funding streams continued and new funding streams were added. Total consolidated income for the Academy increased by 17.2% on the prior year from £51.8m to £60.7m. Total consolidated expenditure increased by 19.7% from £50.8m to £60.8m as the Academy has continued to expand its charitable programme.

The Department for Business, Energy and Industrial Strategy (BEIS) remained the Academy's principal funder, with £27.0m of the Academy's total income of £60.7m coming in the form of the current annual BEIS grant. This was fully invested in research and scholarship across the humanities and social sciences and includes grant for operational delivery of the investment. BEIS also provided grants totalling £17.9m through the Global Challenges Research Fund, £9.2m under the Global Research Talent Fund and £0.8m from the Newton Fund.

Resources continued to be expended largely on supporting the most talented people at key stages of their careers through fellowships and small-scale innovation funding. The British International Research Institutes programme accounted for a spend of £4.3m. Spend on ongoing international programmes totalled £13.7m, including Global Challenges £4.2m, Cities and Infrastructure £3.1m, Early Childhood Development £2.4m and Global Professorships £4.0m. Expenditure on new international programmes totalled £8.3m, spent on Youth Futures £3.0m, Early-Career Research £2.4m, Heritage, Dignity and Violence £2.2m, and Conflict and Crisis Education £0.7m.

Group accounts were again prepared for the Academy and its wholly owned subsidiary, Clio Enterprises Limited ("Clio"). Trading activity conducted through Clio again generated a valuable unrestricted surplus, this year totalling £0.65m.

Clio fulfils several purposes, providing the essential underpinning of the Academy's financial and corporate strategy by:

1. Subsidising operational expenditure, which the government grant no longer covers.
2. Strengthening the Academy's financial independence by contributing capital to the Academy Development Fund (ADF).
3. Contributing to increasing the income available from the ADF, which is used to cover early costs of new and developing strategic priorities and initiatives.
4. Providing a discrete commercial conduit through which conferences and events may be organised, operated and managed.

The group's total reserves amounted to £35.0m as at 31 March 2020, a decrease of £2.3m on the year before. This fall can be chiefly attributed to the fall in the market value of our investment portfolio following the COVID-19 pandemic.

Funds and Reserves

Unrestricted Funds

The Academy Development Fund (ADF)

This remains the Academy's principal unrestricted fund. At 31 March 2020 it stands at £9.4m, having fallen £0.9m since 31 March 2019. The Academy can exercise its own discretion in its use of the ADF fund. Growth in this fund remains a strategic objective.

The intention in creating the Fund was to enable the Academy to tackle new initiatives funded by Fellows' subscriptions and philanthropic donations, along with investment income generated from capital. Historically, an increase in the capital value of the investment portfolio and the transfer of Clio profits has contributed to growth in the fund. The reduction in its value this year is fully attributable to the (unrealised) loss on investments.

The BEIS Carlton House Terrace Fund

This fund was created following a receipt of a £14.0m grant from BEIS in 2017/18 which secured the Academy's long-term future at 10-11 Carlton House Terrace. The fund stands at £13.8m as at 31 March 2020 and is being written down over the life of the 125-year lease, which has 123 years remaining.

Other General and Designated Funds

Other general and designated funds include funds set aside for operational expenses such as building repairs, decorations and publications. These funds total £0.7m at 31 March 2020 (£0.7m at 31 March 2019)

Restricted Funds

Permanent Endowment Funds

There are three permanent endowment capital funds (the Webster Fund, the Ullendorf Fund and the Rose Mary Crawshay Prize for English Literature), the capital totalling £0.6m at 31 March 2020. The capital of permanent endowment funds may not be spent.

Expendable Endowment Funds

These capital funds generate income for various prizes, lectures, grants and conferences. The capital value at 31 March 2020 is £7.4m (£8.3m at 31 March 2019).

Restricted Income Funds

These funds include balances of £1.1m held for all the Academy programmes funded by the Government and other grant making bodies. Of the remaining £2.2m at 31 March 2020, £1.2m is represented by the Carlton House Terrace property fund and £1.0m by income balances generated by permanent and expendable endowment capital held for various specific purposes, such as prizes, lectures, grants and conferences.

Investment Policy

The Academy's assets are invested in line with its aims. The Trustees do not adopt an inclusionary or exclusionary policy, being a passive investor, but individual investments may be excluded if materially conflicting with the Academy's objects.

The Academy seeks to produce a consistent financial return within an acceptable level of

risk. The investment objective is to generate a return of inflation plus three per cent per annum over the long term after expenses. This should allow the Academy to maintain the real value of the assets, while funding annual expenditure in the region of three per cent per annum. To achieve this, the Academy applies a proportion of its funds to equity and/or equity related investments balanced by an element of fixed income generating investments.

As asset valuations are constantly affected by factors such as changing discount rates, liquidity and confidence levels, the achievement of the Academy's investment objectives is assessed over the longer term. Council is advised on investment matters by an Investment Management Committee chaired by the Treasurer and attended by at least one external member with fund manager experience. At 31 March 2020 £16.2m is held in tracker funds managed by BlackRock Advisors (UK) Ltd. Investment funds managed by BlackRock provided a return of 3.7 per cent for the year 2019/20.

Reserves Policy

Total Unrestricted Funds are £23.8m at 31 March 2020. As noted above, the Academy's primary unrestricted fund is the ADF, a fund over which the Academy can exercise its own discretion in its use. Growth in this fund remains a strategic objective in order to strengthen the Academy's financial independence.

Total Unrestricted Funds less Fixed Assets are considered to be the reserves the Academy is free to spend – its free reserves. These amount to £8.8m as at 31 March 2020 (£10.5m as at 31 March 2019). Council considers that a minimum level of free reserves should be maintained in order to provide a cushion against economic shocks. This minimum level has been set at £5m, which is broadly equivalent to operational expenditure for one year.

Future Outlook and Going Concern

The Academy's Trustees believe the Academy is well placed to secure a funding settlement in the next Comprehensive Spending Review, to allow its work to continue at similar or expanded levels. The trustees do however recognise the potential challenges and uncertainties arising from the current COVID-19 pandemic.

The immediate impact of the pandemic has been evident in the delay in receiving formal notification of the BEIS core grant letter for the 2020-21 financial year. While this immediate uncertainty has been alleviated by the receipt of a letter of comfort from BEIS guaranteeing core funding for 2020-21 at least equal to the previous financial year, it is only guaranteed until the end of that financial year. At present there is no suggestion that core funding would not be continued beyond the current commitment. In the event that the Academy was unable to secure further funding from BEIS beyond the end of the next financial year then it is well placed to adapt accordingly. Grant funding agreements are either single-year or include an option to exit the grant in the event that funding from BEIS to the Academy ceased. In addition, the Academy holds a significant level of liquid funds, notably cash and investments, allowing the Academy to adapt to changing priorities without having to make immediate and significant changes to its operations. Given the strength of the Academy's relationship with BEIS and the benefit of activities undertaken by the Academy and its partners to society, the Trustees have a reasonable expectation that funding with BEIS will continue beyond the end of the next financial year. In all circumstances, sensitivity analysis continues to forecast a high level of cash and investment reserves for the foreseeable future.

A further immediate impact of the pandemic resulted in the need to close the Academy's building to staff and guests in line with Government guidance from late March 2020. The closure of the building is likely to have a material impact on the financial results of Clio, the Academy's trading subsidiary.

Financial forecasts for the 2020-21 financial year have been prepared on the assumption that our building will not re-open for external hire until September at the earliest, and even then, at a reduced level of activity. While all efforts are being made to reduce operational costs where possible, no cost reductions are being implemented which are likely to impede the ability of Clio to restart its activities as soon as the pandemic restrictions are relaxed. Clio transfers all of its profits to the Academy, and holds no reserves of its own. Our conservative financial forecasts suggest that Clio will be in deficit position for 2020-21, and thus unable to subsidise the Academy's operational expenditure nor add any capital to the Academy's ADF. Instead, it is expected that during this period, Clio will be reliant on support from the Academy to continue operating, creating material uncertainty within the financial statements of Clio surrounding its ability to continue as a going concern. This support is regarded as justifiable on the basis that the Trustees are confident that Clio will return to surplus in the following financial year as business begins a return to normal. Hence, the Trustees expect to provide all necessary financial support to Clio for the foreseeable future.

The above events have created a degree of financial uncertainty. However, on the basis that funding has been secured until at least 31 March 2021, and given the high level of liquid assets and other reserves, the Trustees do not consider there to be a material uncertainty in relation to the going concern basis of preparation.

After making appropriate enquiries, which include the review of financial forecasts for the period ended 30 September 2021 and beyond, a sensitivity analysis and the consideration of the nature and extent of the matters identified above, the Council considers that the Academy has adequate resources to justify preparing the financial statements on a going concern basis.

Governance and Management

The British Academy is a charity, registered with the Charity Commission for England and Wales (number 233176). Its principal place of business is its registered office at 10-11 Carlton House Terrace, London SW1Y 5AH, and its professional advisers are listed on page three.

The Academy was established by Royal Charter in 1902. It is a private, independent, self-governing corporation, composed of almost 1,000 UK Fellows and 300 overseas Fellows elected in recognition of their distinction as scholars and researchers. Its objectives, powers and framework of governance are set out in the Charter and its supporting Bye-Laws, as approved by the Privy Council.

The Academy receives public funding from the Science and Research budget allocated by a grant from the Department for Business, Energy and Industrial Strategy (BEIS). It also receives support from private sources and draws on its own funds. It endeavors to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and with the Guidance on Codes of Practice for Board Members of Public Bodies, issued by the Cabinet Office.

Public Benefit Reporting

The Council, as formal Trustees of the Academy, operates in accordance with the Charities Act 2011 and this Annual Report meets the requirement in the Act to set out the public benefits of the Academy's work. The Council is also satisfied that it has complied with the duties set out in Section 17 of the Act to have due regard to the public benefit guidance published by the Charity Commission.

The objects of the Academy as set out in its Charter are “the promotion of the study of the humanities and social sciences”.

The purpose of the Academy is to deepen understanding of people, societies and cultures, enabling everyone to learn, progress and prosper by inspiring, supporting and promoting outstanding achievement and global advances in the humanities and social sciences.

As a registered charity, the Academy undertakes a range of activities that provide public benefit:

- providing financial support to academics at various stages of their careers in the UK and internationally;
- funding programmes that advance understanding of the humanities and social sciences;
- providing expert advice to policy makers regarding our subjects;
- promoting the importance of the humanities and social sciences internationally; and
- staging programmes to engage the public with the humanities and social sciences.

The public benefit of the work of the Academy is delivered both directly through its own activities and indirectly through the research and capacity building it funds. This research covers a very broad field, including all 17 of the UN Sustainable Development goals.

Trustees

The Academy’s Trustees are the members of its Council. Nominations for vacancies are sought and received by the Nominations Committee and new members are elected by the Fellowship. Following election, new members of Council are provided with an information pack comprising the Charter, Statutes, Bye-laws and Regulations of the Academy, a Charity Commission publication on the responsibilities of charity Trustees and the Strategic Plan. A thorough induction is provided and members are also encouraged to attend recommended external training courses for charity Trustees.

Council and Committees

Council is responsible for the governance of the Academy, making decisions on strategy, policy and finance. To aid this it is supported by a number of committees that discuss and advise on matters including finance, audit and risk, membership and nominations. Memberships of the committees include Fellows, other researchers and others with relevant expertise. Committees that report directly to Council include:

- Standing Committee of Council: Council’s principal executive advisory committee comprising the Officers of the Academy.
- Audit Committee: a committee examining the Academy’s arrangements for governance, risk management, internal control and value for money, and which advises Council on their adequacy and effectiveness.
- Nominations Committee: a committee advising Council on the strongest candidates for election as members of Council.

The day to day management of the affairs of the Academy is delegated to the Chief Executive and the Senior Management Team.

Remuneration of Trustees and Senior Management Personnel

None of the Officers or Council members receives any payment apart from the reimbursement of expenses for their work for the Academy. The Academy has a Remuneration Committee, which meets annually and whose terms of reference include the setting of pay for its senior management personnel. The committee takes into account performance reviews, relevant sectoral pay awards and pay benchmarking exercises conducted by independent professional consultants.

Fundraising Statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Such amounts receivable are presented in our accounts as “voluntary income” and include legacies and donations. The Academy regularly reviews its fundraising objectives and targets and investing in its fundraising activities accordingly.

In relation to the above we confirm that all solicitations are managed internally without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Senior Management Team, which is accountable to the Trustees.

The charity is registered with the Fundraising Regulator and follows its guidance and standards in order to ensure that our fundraising activity adheres to their code of conduct whilst following best practice. No complaints were received during the year in relation to our fundraising. The appropriateness of our fundraising activity continues to form a natural part of our risk management framework and our scheme of delegation.

Grant Making Policy

The Academy’s grant making policy and procedures are set out in its Code of Practice for Consideration of Research Proposals, published on its website. Guidelines are issued on the information to be supplied by applicants, details of the criteria against which applications are assessed, and the process and timescale for assessing them.

Applications are judged on their academic merit through a stringent process of peer review by appropriately qualified experts, normally drawn from the Academy’s Fellowship, then passed to the relevant awarding committee for the final decision. Appeals may not be made against the academic judgement of the Academy’s assessors, panels, or committees, but may be made on the sole ground of improper procedure.

Assessors are required to declare actual or potential conflicts of interest. Fellows of the Academy who wish to apply for a grant during the period in which they are serving in any capacity as an assessor must abstain from any involvement in the competition to which they are applying. The Code of Practice is reviewed annually.

Risk Management

Council has overall responsibility for the Academy’s risk management and internal control systems. The Audit Committee reports to and advises Council on these matters. The Audit Committee’s remit includes reviewing the development and effectiveness of the risk management arrangements and keeping them under review. The Audit Committee reviewed the risk register at its meetings in June 2019 and January 2020.

A Strategic Risk Register is maintained by the Head of Secretariat. The strategic risks are linked to the delivery of the Academy’s Strategic Plan. The Strategic Risk Register

includes description of risk and mitigating actions.

The principal risks identified in the corporate risk register include the following.

- Inability to secure funding to achieve strategic objectives
- Political uncertainty
- Data protection and GDPR compliance
- Retention and motivation of staff, risk to continuity from key staff
- Fellowship risks including limited engagement
- Inadequate controls on awards and use of funds
- Reputational risk

A range of controls and mitigations is in place with further actions planned to reduce the likelihood of risks occurring and the impact in the event that they do occur. In addition to operational controls, these actions include preparation of a range of scenarios for the forthcoming government spending review, appropriate committee oversight of programmes and communications and the review of delegated authorities. In addition, we have undertaken a review of our risk management policy and processes and will be delivering risk workshops to relevant staff in 2020–21.

Volunteers

The Academy is critically dependent on the voluntary services of its Fellows who, whether as Officers, Chairs or members of the Sections, Committees and Sub-committees, or as referees and assessors, perform a wide and crucial range of tasks for which they are wholly unremunerated outside the recovery of their direct expenses. The Academy also consults external academic experts and relies extensively on the services and goodwill of numerous referees and assessors outside its Fellowship and external members of the Investment Management and Audit Committees. All this constitutes an unquantifiable voluntary contribution without which the Academy would be unable to fulfil its objectives.

Auditors

A resolution for the appointment of BDO LLP for the ensuing year will be proposed at the Annual General Meeting.



Approved by Council on 16 June 2020

Professor Sarah Worthington QC (Hon),
FBA *Treasurer*

Statement of Council's Responsibilities

The Council (as Trustee body of the Charity) is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity Law requires the Council to prepare for each financial year financial statements that give a true and fair view of the state of affairs of the group and parent charity and of the incoming resources and application of resources of the group for the year. In preparing those 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
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, including FRS 102, 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 charity will continue in business

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with Charities Act 2011 and regulations made thereunder. They are responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Council has taken steps to:

- Ensure that funds from BEIS are used only for the purposes for which they have been given and in accordance with the BEIS grant terms and conditions and any other conditions which BEIS may from time to time prescribe
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- Safeguard the assets of the Academy and prevent and detect fraud
- Secure the economical, efficient and effective management of the Academy's resources and expenditure

Independent Auditor's Report to Trustees of the British Academy

Opinion

We have audited the financial statements of The British Academy (“the Parent Charity”) and its subsidiary (“the Group”) for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the parent charity’s statement of financial activities, the consolidated and parent charity balance sheet, the consolidated 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 of the Parent Charity’s affairs as at 31 March 2020 and of the Group’s incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

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

Conclusions related to going concern

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 or the Parent Charity’s ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

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

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.

Opinion on other matters as required by BEIS

In our opinion, in all material aspects, the grant payments received from the Department of Business, Energy and Industrial Strategy Skills (BEIS) have been applied for the purposes set out in the Core Grant Letter and in accordance with the terms and conditions of the grants.

Matters on which we are required to report by exception

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

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

The image shows a handwritten signature in black ink that reads "BDO LLP". The letters are written in a cursive, slightly slanted style.

Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor

London
Date: 21 July 2020

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

*Consolidated
and Academy
Statement
of Financial
Activities*

Year ended 31 March 2020

2020

	Notes	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2020 Funds	2019 Funds
		£	£	£	£	£	£
Income and endowments from							
Donations and legacies	3	-	224,558	100,050	-	324,608	761,320
Charitable activities							
Grants receivable	4	-	-	56,644,129	-	56,644,129	47,446,218
Other trading activities							
Trading funds generated	5	2,585,830	304,040	-	-	2,889,870	2,884,400
Investment income	6	18,225	307,343	294,310	-	619,878	552,662
Other income	7	-	196,311	53,021	-	249,332	191,005
Total income		2,604,055	1,032,252	57,091,510	-	60,727,817	51,835,605
Expenditure on							
Generating funds	8	1,936,330	1,083,419	7,021	-	3,026,770	2,554,969
Charitable activities							
Grant awards and activities	8	-	660,102	57,144,262	-	57,804,364	48,248,008
Total expenditure		1,936,330	1,743,521	57,151,283	-	60,831,134	50,802,977
Net (expenditure)/income before net (losses)/gains on investments		667,725	(711,269)	(59,773)	-	(103,317)	1,032,628
Net (losses)/gains on investments	13	-	(1,090,786)	-	(1,044,531)	(2,135,317)	519,666
Net (expenditure)/income		667,725	(1,802,055)	(59,773)	(1,044,531)	(2,238,634)	1,552,294
Transfers between funds	18	(667,725)	724,376	(56,651)	-	-	-
Net movement in funds		-	(1,077,679)	(116,424)	(1,044,531)	(2,238,634)	1,552,294
Fund balances brought forward at 1 April 2019		200,000	24,713,827	3,386,149	8,955,966	37,255,942	35,703,648
Total funds carried forward at 31 March 2020		200,000	23,636,148	3,269,725	7,911,435	35,017,308	37,255,942

All of the above results are derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The consolidated and Academy statement of financial activities includes the results of the charity's wholly owned subsidiary, Clio Enterprises Ltd.

The notes, on pages 35 to 64 form part of these accounts.

Statement of Financial Activities of the Academy

year ended 31 March 2020

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2020 Funds	2019 Funds
	£	£	£	£	£	£
Income and endowments from						
Donations and legacies	-	224,558	100,050	-	324,608	761,320
Qualifying charitable donation	649,500	-	-	-	649,500	905,710
Charitable activities						
Grants receivable	-	-	56,644,129	-	56,644,129	47,446,218
Other trading activities						
Publications	-	304,040	-	-	304,040	241,422
Investment income	18,225	307,343	294,310	-	619,878	552,662
Other income	-	196,311	53,021	-	249,332	191,005
Total income	667,725	1,032,252	57,091,510	-	58,791,487	50,098,337
Expenditure on						
Fundraising	-	769,828	-	-	769,828	501,390
Costs of generating funds						
Publications	-	307,267	-	-	307,267	275,433
Investment management fees	-	6,324	7,021	-	13,345	40,878
Charitable activities						
Grant awards and activities	-	660,102	57,144,262	-	57,804,364	48,248,008
Total expenditure	-	1,743,521	57,151,283	-	58,894,804	49,065,709
Net (losses)/gains on investments	-	(1,090,786)	-	(1,044,531)	(2,135,317)	519,666
Net (expenditure)/income	667,725	(1,802,055)	(59,773)	(1,044,531)	(2,238,634)	1,552,294
Transfers between funds	(667,725)	724,376	(56,651)	-	-	-
Net movement in funds	-	(1,077,679)	(116,424)	(1,044,531)	(2,238,634)	1,552,294
Fund balances brought forward at 1 April	200,000	24,713,827	3,386,149	8,955,966	37,255,942	35,703,648
Total funds carried forward at 31 March	200,000	23,636,148	3,269,725	7,911,435	35,017,308	37,255,942

Consolidated and Academy Balance Sheets

as at 31 March 2020

	Notes	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Fixed Assets					
Tangible assets	12	16,172,876	15,763,172	16,172,876	15,763,172
Investments	13, 14	16,166,691	18,312,283	16,166,701	18,312,293
		32,339,567	34,075,455	32,339,577	34,075,465
Current Assets					
Debtors	15	2,599,266	1,899,889	3,455,347	2,397,136
Cash at bank and in hand		2,259,252	3,521,170	1,211,343	2,643,028
		4,858,518	5,421,059	4,666,690	5,040,164
Creditors					
Amount falling due within one year	16	(2,180,777)	(2,220,722)	(1,988,959)	(1,839,837)
Net Current Assets		2,677,741	3,200,337	2,677,731	3,200,327
Creditors					
Amounts falling due after more than one year	17	-	(19,850)	-	(19,850)
Net Assets		35,017,308	37,255,942	35,017,308	37,255,942
Represented by:					
Endowment funds	18	7,911,435	8,955,966	7,911,435	8,955,966
Restricted funds	18	3,269,725	3,386,149	3,269,725	3,386,149
General funds	18	200,000	200,000	200,000	200,000
Designated funds	18	23,636,148	24,713,827	23,636,148	24,713,827
		35,017,308	37,255,942	35,017,308	37,255,942

The notes, on pages 31 to 64 form part of these accounts.

The Financial Statements on pages 35 to 64 were approved and authorised for issue on 23 July 2020 and signed by:



Professor Sarah Worthington QC
Treasurer



Hetan Shah
Chief Executive and Secretary

Consolidated Statement of Cash Flows

as at 31 March 2020

	2020 (£)	2019 (£)	
Reconciliation of net income to net cash flow from operating activities			
Net (expenditure)/income for the reporting period	(2,238,634)	1,552,294	
Depreciation charges	252,576	243,628	
Losses/(gains) on investments	2,136,307	(519,666)	
Purchase of property, plant and equipment	(662,280)	(395,646)	
Investment Income	(619,878)	(552,662)	
(Increase)/decrease in debtors	(699,377)	413,613	
Increase/(decrease) in creditors	(39,395)	(15,039,903)	
Net cash outflow from operating activities	(1,870,681)	(14,298,342)	
Cash flow statement			
Net cash inflow from operating activities	(1,870,681)	(14,298,342)	
Returns on investments	619,878	552,662	
Financial investment	(989)	(531,910)	
Finance lease payments	(20,400)	(20,400)	
Net cash used in financing activities	(1,272,192)	(14,297,990)	
Reconciliation of net cash outflow			
Change in cash and cash equivalents	(1,272,192)	(14,297,990)	
Cash and liquid resources at 1 April 2019	3,615,591	17,913,581	
Cash and liquid resources at 31 March 2020	2,343,399	3,615,591	
Notes to Cash flow statement			
Note (i) Gross cash flows			
Financial investment			
Payments to acquire investments	(759,325)	(531,910)	
Receipts from sales of investments	758,336	-	
	(989)	(531,910)	
Note (ii) Analysis of change in net funds			
	At 1 April 2019 (£)	Cash flows (£)	At 31 March 2020 (£)
Cash at bank and in hand	3,521,169	(1,261,917)	2,259,252
Cash held with investment managers	94,422	(10,275)	84,147
	3,615,591	(1,272,192)	2,343,399

1

Accounting Policies

as at 31 March 2020

A. Basis of preparation of the accounts

The Annual Report, incorporating the financial statements for the year ended 31 March 2020, has been prepared in accordance with the Academy's Royal Charter, and in compliance with the Charities Act 2011, the Statement of Recommended Practice applicable to the charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP).

The financial statements have been prepared under the historical cost convention, as modified for the inclusion of investment assets.

The Academy's Trustees believe the Academy is well placed to secure a funding settlement in the next Comprehensive Spending Review, to allow its work to continue at similar or expanded levels. The trustees do however recognise the potential challenges and uncertainties arising from the current COVID-19 pandemic.

The immediate impact of the pandemic has been evident in the delay in receiving formal notification of the BEIS core grant letter for the 2020-21 financial year. While this immediate uncertainty has been alleviated by the receipt of a letter of comfort from BEIS guaranteeing core funding for 2020-21 at least equal to the previous financial year, it is only guaranteed until the end of that financial year. At present there is no suggestion that core funding would not be continued beyond the current commitment. In the event that the Academy was unable to secure further funding from BEIS beyond the end of the next financial year then it is well placed to adapt accordingly. Grant funding agreements are either single-year or include an option to exit the grant in the event that funding from BEIS to the Academy ceased. In addition, the Academy holds a significant level of liquid funds, notably cash and investments, allowing the Academy to adapt to changing priorities without having to make immediate and significant changes to its operations. Given the strength of the Academy's relationship with BEIS and the benefit of activities undertaken by the Academy and its partners to society, the Trustees have a reasonable expectation that funding with BEIS will continue beyond the end of the next financial year. In all circumstances, sensitivities continue to forecast a high level of cash and investment reserves for the foreseeable future.

A further immediate impact of the pandemic resulted in the need to close the Academy's building to staff and guests in line with Government guidance from late March 2020. The closure of the building is likely to have a material impact on the financial results of Clio, the Academy's trading subsidiary.

Financial forecasts for the 2020-21 financial year have been prepared on the assumption that our building will not re-open for external hire until September at the earliest, and even then, at a reduced level of activity. While all efforts are being made to reduce operational costs where possible, no cost reductions are being implemented which are likely to impede the ability of Clio to restart its activities as soon as the pandemic restrictions are relaxed.

Clio transfers all of its profits to the Academy, and holds no reserves of its own, our conservative financial forecasts suggest that Clio will be in deficit position for 2020-21, and thus unable to subsidise the Academy's operational expenditure nor add any capital to the Academy's ADF. Instead, it is expected that during this period, Clio will be reliant on support from the Academy to continue operating, creating material uncertainty within the financial statements of Clio surrounding its ability to continue as a going concern. This support is regarded as justifiable on the basis that the Trustees are confident that Clio will return to surplus in the following financial year as business begins a return to normal. Hence, the Trustees expect to provide all necessary financial support to Clio for the foreseeable future.

The above events have created a degree of financial uncertainty. However, on the basis that funding has been secured until at least 31 March 2021, and given the high level of liquid assets and other reserves, the Trustees do not consider there to be a material uncertainty in relation to the going concern basis of preparation.

After making appropriate enquiries, which include the review of financial forecasts for the period ended 30 September 2021 and beyond, a sensitivity analysis and the consideration of the nature and extent of the matters identified above, the Council considers that the Academy has adequate resources to justify preparing the financial statements on a going concern basis.

B. Group and charity financial statements

Group financial statements consolidate the results of the charity and its wholly owned subsidiary, Clio Enterprises Ltd, on a line-by-line basis. A separate statement of financial activities for the charity itself is also presented. Notes to the accounts for the parent alone are not prepared, as the notes to consolidated financial statements identify the charity results.

C. Income

The specific bases for accounting for income are described below. In general terms, income is accounted for on a receivable basis, gross of related expenditure. Income is only recognised where there is evidence of entitlement, its receipt is probable and there is reasonable certainty of the amount.

- Donations and legacies include donations, which are accounted for in the year in which they are received, together with subscriptions and gift aid.
- Grants receivable are recognised when entitlement to the grant is confirmed. This also includes returned grants which are accounted for on receipt. Grant income received for expenditure in future accounting periods is deferred.
- Venue hire income includes income receivable from the rent and hire of rooms. Income received in advance is deferred until entitlement to the income has arisen, at which time it is credited to income in the statement of financial activities.
- Publications income includes royalties which are recognised on an accruals basis in relation to the date of sale.
- Investment income is included in the Statement of Financial Activities in the year in which it is receivable.
- Other income consists of conference, service provision and recharges income.
- Capital grants are recognised in the year in which they are received and are accounted for in a separate fund.

D. Expenditure

Expenditure is recognised on an accruals basis, gross of any related income. Where costs cannot be directly attributed to particular categories, they have been allocated to activities on a basis consistent with the use of resources.

- Costs of raising funds include expenditure incurred in generating unrestricted and restricted income through fundraising.
- Charitable activities include grants, awards, prizes and other activities supporting the Academy's aims and objectives. Grants are charged to the statement of financial activities when a constructive obligation exists, notwithstanding that they may be paid in future periods.
- Other expenditure includes expenditure directly incurred in generating income from the subsidiary activity, publications programme and investments.
- Direct staff and support costs are directly allocated to individual activities where possible using full-time staff equivalents, floor space and activity specific weightings. Indirect staff and support costs are allocated using area, the full-time staff equivalents and proportional spend. Governance costs include those associated with the management of the Academy's assets and with constitutional and statutory requirements. They are allocated to activities on a full-time staff equivalent basis where appropriate.

E. Operating Leases

Rental costs under operating leases are charged to the Statement of Financial Activities, as the charges are incurred, over the lease period.

F. Tangible Fixed Assets

Furniture and equipment at a cost of up to £25,000 is treated as revenue expenditure.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

- Furniture and equipment – over five years
- Leasehold improvements – 5 per cent
- Assets under construction – no charge until asset is complete and in use
- Long leasehold – over the lease term
- Items which are fully depreciated are treated as disposals
- Items under finance leases are capitalised and written off over the term of the lease.

G. Investments

Listed investments are included in the financial statements at market value which is measured at bid price.

Gains/losses on disposal of investments and revaluation of investments are recognised in the year of gain or loss and are allocated to the funds to which the investments relate in accordance with their percentage share of the investments.

H. Stocks of Publications

Costs of publications are written off in the Statement of Financial Activities when incurred. Stocks of books donated to the Academy for its library are

not valued within the accounts.

At 31 March 2020, the estimated value of stocks of publications not included in the balance sheet was £87,014 (2019: £91,560), being the lower of cost and net realisable value.

I. Pensions

The Academy is a Participating Employer in Superannuation Arrangements of the University of London (SAUL). The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £3,205 million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The Academy accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

The scheme's actuary has approved that the employers contribution to SAUL for 2018 to 2023 remains at 16.0% of salary.

J. Funds

Endowment Funds represent capital funds which must be held permanently or which may be expended by the Academy. Income arising from Endowment funds is allocated to the correspondingly named individual restricted income funds in accordance with their percentage share of the investments and applied for the purposes for which they were originally given.

Restricted Funds are funds that are subject to restrictions imposed by donors and are applied in accordance with these restrictions. Details of the nature and purpose of certain restricted funds are set out in note 17.

General Funds are those which are available for use at the Council's discretion in the furtherance of the Academy's objects.

Designated Funds are unrestricted funds set aside for unrestricted purposes and which would otherwise form part of General Funds. Details of the nature and purpose of each designated fund are set out in note 17.

K. Tax

The Academy is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

The subsidiary, Clio Enterprises Ltd, made qualifying donations of all taxable profit to the Academy so no corporation tax liability on the subsidiary arises in the accounts.

L. Heritage Assets

In accordance with section 34 of FRS102, heritage assets acquired have not been capitalised, since reliable estimates of cost or value are not available on a basis that would justify the costs of establishing them. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Additions to heritage assets are made by purchase or donation. Purchases are initially recorded at cost and donations are recorded at a fair value where practicable.

2

Accounting Estimates and Judgements

as at 31 March 2020

In preparing these financial statements, the Trustees have made the following judgements:

- Determine whether there are indicators of impairment of the charity's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Whether leases entered into by the charity as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. Other key sources of estimation uncertainty:
- **Tangible fixed assets**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Component accounting has been considered and there are currently no material individual components identified. This will be revisited once the Carlton House capital project is completed.
- **Investments**
Listed investments are valued at the quoted bid price at the reporting date.

3

Donations & Legacies

as at 31 March 2020

	Designated (£)	Restricted (£)	Endowment (£)	2020 Total (£)	Designated (£)	Restricted (£)	Endowment (£)	2019 Total (£)
Donations	78,420	50	-	78,470	103,995	4,000	-	107,995
Legacies	30,000	100,000	-	130,000	30,000	-	531,910	561,910
Subscriptions *	116,138	-	-	116,138	91,415	-	-	91,415
Total	224,558	100,050	-	324,608	225,410	4,000	531,910	761,320

* Subscriptions are gift aided

4

Grants Receivable

as at 31 March 2020

	2020 (£)	2019 (£)
Department for Business, Energy & Industrial Strategy: Main Grant	27,000,000	27,000,000
Department for Business, Energy & Industrial Strategy: Global Challenges Res. Fund	17,856,000	6,974,250
Department for Business, Energy & Industrial Strategy: Global Research Talent	9,227,885	7,232,238
Department for Business, Energy & Industrial Strategy: Newton Fund	768,271	2,510,829
Department for Business, Energy & Industrial Strategy: Knowledge Symposium	18,014	-
Department for International Development	-	2,056,591
Leverhulme Trust	890,397	770,544
Wolfson Foundation	502,227	250,000
Other grants	381,335	651,766
	56,644,129	47,446,218

Grants receivable is split between designated and restricted funds. £nil (2019: £5,200) pertain to designated funds and £56,644,129 (2019: £47,441,018) pertain to restricted funds.

5

Trading Funds Generated

as at 31 March 2020

	General (£)	Designated (£)	2020 Total (£)	General (£)	Designated (£)	2019 Total (£)
Generated income						
Venue hire	2,585,830	-	2,585,830	2,642,978	-	2,642,978
Publications	-	304,040	304,040	-	241,422	241,422
Total generated income	2,585,830	304,040	2,889,870	2,642,978	241,422	2,884,400
Cost of raising funds						
Raising funds	-	769,828	769,828	-	501,390	501,390
Venue hire costs	1,936,330	-	1,936,330	1,737,268	-	1,737,268
Publications	-	307,267	307,267	-	269,813	269,813
Total cost of raising funds	1,936,330	1,077,095	3,013,425	1,737,268	771,203	2,508,471

6

Investment
Income

as at 31 March 2020

	Unrestricted (£)	Restricted (£)	2020 Total (£)	Unrestricted (£)	Restricted (£)	2019 Total (£)
Investment income	307,343	294,310	601,653	277,353	249,821	527,174
Bank interest	18,225	-	18,225	25,488	-	25,488
	325,568	294,310	619,878	302,841	249,821	552,662
UK						
Bonds	65,190	62,419	127,609	74,307	66,931	141,238
Equities	128,075	122,652	250,727	110,487	99,520	210,007
Bank and deposit interest	18,225	-	18,225	25,488	-	25,488
	211,490	185,071	396,561	210,282	166,451	376,733
Overseas equities	114,078	109,239	223,317	92,559	83,370	175,929
	325,568	294,310	619,878	302,841	249,821	552,662

7

Other
Income

as at 31 March 2020

	Designated (£)	Restricted (£)	2020 Total (£)	Designated (£)	Restricted (£)	2019 Total (£)
UK Border Agency	196,311	24,539	220,850	-	176,150	176,150
Conferences	-	14,444	14,444	-	11,716	11,716
Bank interest	-	14,038	14,038	-	3,139	3,139
	196,311	53,021	249,332	-	191,005	191,005

Total Expenditure

Expenditure on charitable activities was £60,831,134 (2019: £50,802,977) of which £1,936,330 pertained to unrestricted general funds (2019: £1,737,268), £1,743,521 to designated funds (2019: £1,289,242) and £57,151,283 was restricted (2019: £47,776,467).

Year ended 31 March 2020

	Direct costs (£)	Staff costs (£)	Depreciation (£)	Support costs (£)	Total 2020 (£)	2019 Total (£)
Costs of generating funds						
Fundraising	120,564	374,331	-	274,933	769,828	501,390
Venue hire	907,600	312,949	-	715,781	1,936,330	1,737,268
Publications	128,013	102,160	-	77,094	307,267	275,433
Investment managers' fees	13,345	-	-	-	13,345	40,878
Total costs of generating funds	1,169,522	789,440	-	1,067,808	3,026,770	2,554,969
Charitable activities						
Grants awards and activities						
<i>Research programmes</i>						
Early-career fellowships	15,249,981	296,280	-	104,375	15,650,636	14,361,645
Mid-career fellowships	3,185,601	73,536	-	22,105	3,281,242	3,739,083
Senior research fellowships	517,376	-	-	18,595	535,971	576,659
Newton fellowships	1,680,851	40,083	-	9,883	1,730,817	1,949,692
Small research grants	2,607,797	40,814	-	39,749	2,688,360	2,817,045
Rising stars awards	-	-	-	-	-	402,400
Excellence kitemark	205,577	4,734	-	1,423	211,734	261,973
Policy engagement	773,869	1,093,120	-	215,164	2,082,153	1,682,565
Communications & public engagement	795,729	1,225,560	-	249,137	2,270,426	1,799,167
Future of the Corporation	214,444	75,106	-	-	289,550	256,973
International programmes						
International challenges	1,200,000	51,622	-	30,738	1,282,360	1,435,641
British International Research Institutes	4,189,073	96,699	-	29,069	4,314,841	4,412,479
Sustainable Development Programme (BEIS)	4,046,000	88,290	-	51,710	4,186,000	3,033,411
Urban Infrastructures of Well-Being (BEIS)	2,887,645	75,479	-	104,521	3,067,645	2,966,608
Education and Learning in Crises (BEIS)	670,000	24,241	-	25,759	720,000	-
Early-Career Research (BEIS)	2,301,582	72,971	-	17,029	2,391,582	-
Heritage, Dignity & Violence (BEIS)	2,100,000	55,938	-	44,062	2,200,000	-
Youth Futures (BEIS)	2,880,000	40,800	-	79,200	3,000,000	-
Visiting Fellowships (BEIS)	-	-	-	-	-	777,553
Global Professorships (BEIS)	3,750,000	140,903	-	79,097	3,970,000	1,470,000
Newton Fund	704,474	51,979	-	11,819	768,272	2,510,829
Knowledge Symposium (BEIS)	18,014	-	-	-	18,014	-
Early Childhood Development (BEIS)	2,213,512	66,735	-	75,265	2,355,512	919,487
DfID Early childhood Development	21,227	-	-	-	21,227	880,718
DfID Anti-Corruption Programme	-	-	-	-	-	202,732
DfID Modern Slavery	-	-	-	-	-	1,078,400
Other grants, prizes & lectures	99,885	-	-	13,851	113,736	113,985
Property, equipment & conservation	333,387	29,928	252,576	38,395	654,286	598,963
Total charitable activities	52,646,024	3,644,818	252,576	1,260,946	57,804,364	48,248,008
Total expenditure	53,815,546	4,434,258	252,576	2,328,754	60,831,134	50,802,977

Grants Paid To Institutions

as at 31 March 2020

The 50 largest total payments to single institutions in 2019/20 and the total payments made to them in 2018/19 were as follows:

Institution	2020 (£)	2019 (£)
University of Oxford	5,842,865	4,661,993
University College London	2,768,743	2,514,369
University of Cambridge	2,624,629	2,190,697
King's College London	2,068,779	1,546,374
University of Edinburgh	1,515,043	1,320,270
Queen Mary, University of London	1,476,614	717,002
London School of Economics	1,404,944	1,387,461
University of Leeds	1,378,041	732,673
University of Birmingham	1,143,951	643,290
University of Warwick	1,083,102	870,071
University of Sheffield	1,080,284	717,337
University of Exeter	1,010,393	934,417
University of York	985,171	575,479
British School at Rome	941,808	1,099,515
University of Glasgow	904,463	737,903
University of Sussex	881,191	777,098
University of East Anglia	861,077	684,731
University of Essex	817,675	600,365
Royal Holloway, University of London	750,764	570,395
School of Oriental and African Studies	673,032	1,000,632
University of Bristol	666,285	696,001
Newcastle University	661,165	448,392
University of Nottingham	654,951	748,049
University of Bath	651,992	161,777
British School at Athens	651,875	776,012
University of Kent	606,530	693,299
Durham University	602,237	658,542
University of St Andrews	577,102	282,708
British Institute of Eastern Africa	571,828	608,088
British Institute of Archaeology at Ankara	570,465	659,153
London School of Hygiene	561,925	104,729
Loughborough University	549,043	515,289
Manchester University	529,675	643,079
Council for British Research in the Levant	508,119	739,171
Coventry University	490,238	423,327

Institution	2020 (£)	2019 (£)
Goldsmiths, University of London	465,185	354,555
University of Reading	450,843	561,209
Oxford Brookes University	410,021	201,474
Imperial College London	403,318	10,028
Institute of Development Studies	398,262	366,791
University of Liverpool	381,591	404,031
University of Hull	310,201	43,779
Liverpool John Moores University	291,894	187,788
Birkbeck University of London	279,232	182,877
Northumbria University	277,050	162,085
University of Portsmouth	265,598	111,626
Institute for Fiscal Studies	227,554	175,616
Nottingham Trent University	216,297	34,645
School of Advanced Study	211,099	162,672
University of Aberdeen	207,826	65,253

Analysis Of Total Grants Payable

Total amount of grants payable included in total charitable activities for the year is £50,203,077 (2019: £42,436,559).

	Grants to institutions (£)	Grants to individuals (£)	2020 Total (£)	Grants to institutions (£)	Grants to individuals (£)	2019 Total (£)
Fellowship	25,080,525	-	25,080,525	24,907,862	-	24,907,862
Small Grants	2,504,084	103,713	2,607,797	2,894,393	51,950	2,946,343
Overseas Research facilitation	4,189,073	-	4,189,073	4,463,958	-	4,463,958
Global & UK Challenges	5,237,034	-	5,237,034	4,221,517	-	4,221,517
Research Projects	13,088,648	-	13,088,648	5,579,674	-	5,579,674
Engagement Awards	-	-	-	317,205	-	317,205
	50,099,364	103,713	50,203,077	42,384,609	51,950	42,436,559

8.1

Governance Costs Included in Total Resources Expended

as at 31 March 2020

	2020 (£)	2019 (£)
External Audit	23,900	22,940
Internal Audit	8,834	11,417
Council and AGM travel	11,570	11,516
Staff costs	76,624	89,005
Support costs	57,644	60,122
Depreciation	272	272
	178,845	195,273

£21,883 (2019: £10,248) of the above governance costs were paid from unrestricted funds with the remainder being paid from restricted funds.

8.2

Support Costs

as at 31 March 2020

	Premises (£)	Support Services (£)	2020 Total (£)	2019 Total (£)
Raising funds	596,501	471,307	1,067,808	299,209
Charitable activities				
Investment in research	109,117	139,259	248,376	164,954
Speak up for humanities and social sciences	109,451	139,686	249,137	57,916
Inform and enrich debate	94,526	120,638	215,164	104,387
International engagement and collaboration	240,866	307,403	548,269	1,091,393
	1,150,461	1,178,293	2,328,754	1,717,859

Premises costs comprises the rent and running costs (maintenance and utilities) of Carlton House Terrace.

Support services comprises finance, IT, HR and other general administration overheads.

Support costs are allocated using area, full-time equivalent staffing and direct cost proportionality.

9

Staff Costs

as at 31 March 2020

	2020 (£)	2019 (£)
Salaries	3,418,201	2,865,962
Social security costs	367,205	308,488
Pension costs - SAUL	446,032	375,075
Other staff costs*	202,820	218,764
	4,434,258	3,768,289

*Other staff costs include severance payments of £120,500.

The average number of permanent employees (all administrative staff) during the year was 86 (2019: 72)

Remuneration of higher paid staff greater than £60,000 is:

Salary (£)	2020	2019
£60,000 – £70,000	-	1
£70,001 – £80,000	-	1
£80,001 – £90,000	3	2
£130,001 – £140,000	1	1

Total employer pension contributions for the higher paid staff above were £39,856 compared to £72,483 in 2018/19.

Total remuneration received by key management personnel for services during the year is £694,034 (2019: £604,817).

No Officer or Ordinary Member of the Council received any remuneration from the Academy for the year ended 31 March 2020 (2019: £Nil). Such members are reimbursed in respect of travel and other expenses necessarily incurred by them in the furtherance of the Academy's activities. During the year ended 31 March 2020 such reimbursement to 26 Council members (2019: 25) amounted to £11,081 (2019: £10,284).

10

Net Income After Charging

as at 31 March 2020

	2020 (£)	2019 (£)
Auditors		
Remuneration	23,900	22,940
Other services	2,358	1,659
Investment management fees	13,345	40,878
Operating leases		
Land and buildings	645,000	624,113

11

Comparative Statement of Financial Activity 2018/19

	General Funds	Designated Funds	Restricted Funds	Endowment Funds	2019 Funds
	£	£	£	£	£
Income and endowments from					
Donations and legacies	-	225,410	4,000	531,910	761,320
Charitable activities					
Grants receivable	-	5,200	47,441,018	-	47,446,218
Other trading activities					
Funds generated	2,642,978	241,422	-	-	2,884,400
Investment income	25,488	277,353	249,821	-	552,662
Other income	-	-	191,005	-	191,005
Total income	2,668,466	749,385	47,885,844	531,910	51,835,605
Expenditure on					
Cost of raising funds	1,737,268	792,709	24,992	-	2,554,969
Charitable activities					
Grant awards and activities	-	496,533	47,751,475	-	48,248,008
Total expenditure	1,737,268	1,289,242	47,776,467	-	50,802,977
Net income/(expenditure) before net gains on investments	931,198	(539,857)	109,377	531,910	1,032,628
Net (losses)/gains on investments	-	273,403	-	246,263	519,666
Net income/(expenditure)	931,198	(266,454)	109,377	778,173	1,552,294
Transfers between funds	(931,198)	922,476	8,722	-	-
Net movement in funds	-	656,022	118,099	778,173	1,552,294
Fund balances brought forward at 1 April 2018	200,000	24,057,805	3,268,050	8,177,793	35,703,648
Total funds carried forward at 31 March 2019	200,000	24,713,827	3,386,149	8,955,966	37,255,942

12

Tangible Fixed Assets – Group and Academy

as at 31 March 2020

	Long Leasehold	Leasehold Improvements	Assets Under Course of Construction	Furniture and Equipment	Leased Assets	Total
Cost	£	£	£	£	£	£
At 1 April 2019	14,000,000	4,440,061	350,905	44,741	50,439	18,886,146
Additions	-	-	662,280	-	-	662,280
Disposals	-	-	-	-	-	-
At 31 March 2020	14,000,000	4,440,061	1,013,185	44,741	50,439	19,548,426
Depreciation						
At 1 April 2019	112,000	2,983,232	-	-	27,742	3,122,974
Charge for the year	112,000	121,540	-	8,948	10,088	252,576
Disposals	-	-	-	-	-	-
At 31 March 2020	224,000	3,104,772	-	8,948	37,830	3,375,550
Net book value						
At 31 March 2020	13,776,000	1,335,289	1,013,185	35,793	12,609	16,172,876
At 31 March 2019	13,888,000	1,456,829	350,905	44,741	22,697	15,763,172

Assets Under Construction relates to the project at 10-11 Carlton House Terrace where the existing basement space will be transformed into an intellectual hub, complete with a 200+ seat auditorium, exhibition and networking space and media suite. The asset will be transferred to Leasehold and Improvements and depreciated upon its completion.

13

Investments – Group and Academy

as at 31 March 2020

	2020 (£)	2019 (£)		
Valuation at 1 April	18,217,862	17,166,286		
Additions	759,325	531,910		
Disposals	(758,336)	-		
Net (losses)/gains in market value	(2,136,307)	519,666		
Total investments	16,082,544	18,217,862		
Cash at bank held within investments	84,147	94,421		
Valuation at 31 March	16,166,691	18,312,283		
Total historic cost at 31 March	15,562,974	15,562,974		
The valuation at 31 March comprises:	UK (£)	Overseas (£)	Total 2020 (£)	Total 2019 (£)
Bonds	3,181,643	-	3,181,643	3,596,699
Equities and cash	5,604,364	7,380,684	12,985,048	14,715,584
	8,786,007	7,380,684	16,166,691	18,312,283

The Academy has invested £10 in the share capital of its wholly owned subsidiary.

14

Clio Enterprises Ltd: Venue Hire

as at 31 March 2020

The wholly owned trading subsidiary, Clio Enterprises Ltd, was incorporated in the United Kingdom on 7 April 2011 (company registration number: 07595846) and operates the hospitality activities of the Academy. It donates all of its profits to the Academy by gift aid. As such, no corporation tax is payable. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2020 (£)	2019 (£)
Turnover	3,194,105	3,330,122
Cost of sales and administration costs	(2,546,790)	(2,426,253)
Interest receivable	2,185	1,842
Net profit	649,500	905,711
Amount gift aided to the Academy	(649,500)	(905,711)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	1,139,797	1,068,901
Current liabilities	(1,139,787)	(1,068,891)
Shareholder's funds/total net assets	10	10

The above results are shown in the consolidated statement of financial activities net of intra-group trading.

15

Debtors

as at 31 March 2020

	Group 2020 (£)	Group 2019 (£)	Academy 2020 (£)	Academy 2019 (£)
Debtors	135,639	197,394	50,033	16,434
Amounts due from subsidiary	-	-	947,969	686,358
Prepayment and accrued income	2,443,364	1,677,136	2,437,082	1,668,985
Recoverable VAT	20,263	25,359	20,263	25,359
	2,599,266	1,899,889	3,455,347	2,397,136

16

Creditors: Amounts Falling Due Within One Year

as at 31 March 2020

	Group 2020 (£)	Group 2019 (£)	Academy 2020 (£)	Academy 2019 (£)
Other creditors	343,086	608,746	250,857	358,583
Grants and awards	578,409	660,699	578,409	660,699
Accruals	938,448	824,577	933,788	819,581
Deferred income	320,834	126,700	225,905	974
	2,180,777	2,220,722	1,988,959	1,839,837
Lease obligation included in creditors	19,850	18,969	19,850	18,969
Grant and awards included within creditors				
Grants and awards allocated, not yet paid comprise:				
Early-career fellowships			105,220	167,626
Newton fellowships			51,481	231,935
Small research grants			355,717	94,434
International engagement			65,991	166,704
			578,409	660,699
Deferred income				
At 1 April	126,700	142,967	974	7,224
Taken to income in the year	(126,700)	(142,967)	-	(6,250)
Taken to deferred income in the year	320,834	126,700	224,931	-
At 31 March	320,834	126,700	225,905	974
Deferred income is split as below:				
Amount falling due within one year (see above)	320,834	126,700	225,905	974
Amount falling due after one year	-	-	-	-
	320,834	126,700	225,905	974

17

Creditors: Amounts Falling Due After More Than One Year

as at 31 March 2020

	Group 2020 (£)	Group 2019 (£)	Academy 2020 (£)	Academy 2019 (£)
Lease obligation	-	19,850	-	19,850
Deferred income	-	-	-	-
Total amount falling due after more than one year	-	19,850	-	19,850

Net Movement in Funds

	Balance 1 April 2019 (£)	Income (£)	Resources Expended (£)	Transfers (£)	Net realised /unrealised losses (£)	Balance 31 March 2020 (£)
Permanent Endowment Funds						
Rose Mary Crawshay	36,133	-	-	-	(4,214)	31,919
Edward Ullendorff	121,093	-	-	-	(14,123)	106,970
Webster	467,249	-	-	-	(54,496)	412,753
Total Permanent Endowment Funds	624,475	-	-	-	(72,833)	551,642
Expendable Endowment Funds						
Elisabeth Barker	498,327	-	-	-	(58,120)	440,207
Browning	199,044	-	-	-	(23,215)	175,829
Caton Thompson	199,922	-	-	-	(23,317)	176,605
Neil Ker	454,546	-	-	-	(53,014)	401,532
Leopold Shweich	256,614	-	-	-	(29,929)	226,685
Stenton	552,625	-	-	-	(64,453)	488,172
Albert Reckitt	2,301,595	-	-	-	(268,438)	2,033,157
Stein Arnold	255,271	-	-	-	(29,772)	225,499
Thank Offering to Britain	1,226,605	-	-	-	(143,060)	1,083,545
ST Lee	300,729	-	-	-	(35,074)	265,655
Marc Fitch	585,617	-	-	-	(68,301)	517,316
Other	1,500,596	-	-	-	(175,005)	1,325,591
Total Expendable Endowment Funds	8,331,491	-	-	-	(971,698)	7,359,793
Total Endowment funds	8,955,966	-	-	-	(1,044,531)	7,911,435
Restricted Income Funds						
Investment funds						
Elisabeth Barker	16,300	16,376	(17,520)	-	-	15,156
Browning	13,776	6,541	(6,291)	-	-	14,026
Caton Thompson	16,016	6,570	(6,319)	-	-	16,267
Neil Ker	67,446	14,987	(10,097)	1,500	-	73,836
Leopold Shweich	115,322	9,437	(7,605)	-	-	117,154
Stenton	86,104	18,573	(14,728)	-	-	89,949
Albert Reckitt	128,676	75,636	(74,697)	-	-	129,615
Stein Arnold	20,824	8,389	(10,039)	-	-	19,174
Thank Offering to Britain	157,006	40,309	(48,335)	-	-	148,980
ST Lee	45,687	9,883	(9,742)	-	-	45,828
Marc Fitch	21	19,245	(18,511)	-	-	755
Other	261,560	69,830	(31,972)	-	-	299,418
	928,738	295,776	(255,856)	1,500	-	970,158

18.1

Net Movement in Funds (Continued)

Page 2 of 2

	Balance 1 April 2019 (£)	Income (£)	Resources Expended (£)	Transfers (£)	Net realised /unrealised losses (£)	Balance 31 March 2020 (£)
Non Investment Funds						
BEIS Grant	-	27,000,000	(27,000,000)	-	-	-
Academy Other Support	-	-	(86,772)	86,772	-	-
BEIS Urban Infrastructures of Well-Being	7,645	3,060,000	(3,067,645)	-	-	-
BEIS Early Childhood Development	105,513	2,250,000	(2,355,513)	-	-	-
DfID Early Childhood Development	21,227	-	(21,227)	-	-	-
BEIS Sustainable Development Programme	-	4,186,000	(4,186,000)	-	-	-
BEIS Education and Learning in Crises	-	720,000	(720,000)	-	-	-
BEIS Early-Career Research Network	-	2,440,000	(2,391,582)	-	-	48,418
BEIS Heritage, Dignity & Violence	-	2,200,000	(2,200,000)	-	-	-
BEIS Youth Futures	-	3,000,000	(3,000,000)	-	-	-
BEIS Knowledge Symposia	-	18,014	(18,014)	-	-	-
BEIS Global Research Talent	20	9,227,885	(9,227,885)	-	-	20
Newton Fund	-	768,271	(768,271)	-	-	-
Leverhulme Trust	190,343	890,397	(768,199)	-	-	312,541
Wolfson Foundation	211,284	502,227	(329,304)	-	-	384,207
Future of the Corporation	311,913	115,233	(289,551)	-	-	137,595
Other	329,069	417,707	(358,018)	(144,923)	-	243,835
CHC Property	1,280,397	-	(107,446)	-	-	1,172,951
	2,457,411	56,795,734	(56,895,427)	(58,151)	-	2,299,567
Total Restricted Income Funds	3,386,149	57,091,510	(57,151,283)	(56,651)	-	3,269,725
Unrestricted Funds						
General funds	200,000	2,604,055	(1,936,330)	(667,725)	-	200,000
Designated Funds						
Academy Development Fund (ADF)	10,337,494	696,416	(1,298,553)	724,376	(1,090,786)	9,368,947
Property-ADF	176,435	-	(14,094)	-	-	162,341
BEIS Carlton House Terrace	13,888,000	-	(112,000)	-	-	13,776,000
Research fund	184	31,796	(11,607)	-	-	20,373
Publications	61,714	304,040	(307,267)	-	-	58,487
External redecoration, repairs & maintenance	250,000	-	-	-	-	250,000
	24,713,827	1,032,252	(1,743,521)	724,376	(1,090,786)	23,636,148
Total Unrestricted Funds	24,913,827	3,636,307	(3,679,851)	56,651	(1,090,786)	23,836,148
Total Funds	37,255,942	60,727,817	(60,831,134)	-	(2,135,317)	35,017,308

18.2

Net Movement in Funds – Prior Year Comparative

Page 1 of 2

	Balance 1 April 2018 (£)	Income (£)	Resources Expended (£)	Transfers (£)	Net realised /unrealised gains (£)	Balance 31 March 2019 (£)
Permanent Endowment Funds						
Rose Mary Crawshay	35,077	-	-	-	1,056	36,133
Edward Ullendorff	117,553	-	-	-	3,540	121,093
Webster	453,590	-	-	-	13,659	467,249
Total Permanent Endowment Funds	606,220	-	-	-	18,255	624,475
Expendable Endowment Funds						
Elisabeth Barker	483,759	-	-	-	14,568	498,327
Browning	193,225	-	-	-	5,819	199,044
Caton Thompson	194,078	-	-	-	5,844	199,922
Neil Ker	441,258	-	-	-	13,288	454,546
Leopold Shweich	249,112	-	-	-	7,502	256,614
Stenton	536,470	-	-	-	16,155	552,625
Albert Reckitt	2,234,312	-	-	-	67,283	2,301,595
Stein Arnold	247,809	-	-	-	7,462	255,271
Thanks Offering	1,190,747	-	-	-	35,858	1,226,605
ST Lee	291,938	-	-	-	8,791	300,729
Marc Fitch	568,498	-	-	-	17,119	585,617
Other	940,367	531,910	-	-	28,319	1,500,596
Total Expendable Endowment Funds	7,571,573	531,910	-	-	228,008	8,331,491
Total Endowment Funds	8,177,793	531,910	-	-	246,263	8,955,966
Restricted Income Funds						
Investment funds						
Elisabeth Barker	8,876	14,778	(7,354)	-	-	16,300
Browning	14,085	5,903	(6,212)	-	-	13,776
Caton Thompson	16,326	5,929	(6,239)	-	-	16,016
Neil Ker	60,788	13,480	(6,822)	-	-	67,446
Leopold Shweich	111,126	10,406	(6,210)	-	-	115,322
Webster	62,453	13,857	(12,590)	-	-	63,720
Stenton	85,223	16,518	(12,137)	-	-	89,604
Albert Reckitt	132,255	68,255	(71,834)	-	-	128,676
Stein Arnold	19,440	7,570	(6,186)	-	-	20,824
Thanks Offering	138,725	36,376	(18,095)	-	-	157,006
ST Lee	43,001	8,918	(6,232)	-	-	45,687
Marc Fitch	238	17,367	(17,584)	-	-	21
Other	193,926	33,390	(32,976)	-	-	194,340
	886,462	252,747	(210,471)	-	-	928,738

18.2

Net Movement in Funds – Prior Year Comparative (Continued)

Page 2 of 2

	Balance 1 April 2018 (£)	Income (£)	Resources Expended (£)	Transfers (£)	Net realised /unrealised gains (£)	Balance 31 March 2019 (£)
Non-investment funds						
BEIS Grant	-	27,000,000	(27,000,000)	-	-	-
Academy Other Support	-	-	(18,675)	18,675	-	-
DfID Anti Corruption	78,709	124,023	(202,732)	-	-	-
DfID Modern Slavery	20,300	1,058,100	(1,078,400)	-	-	-
BEIS Cities & Infrastructure	3	2,974,250	(2,966,608)	-	-	7,645
BEIS Early Childhood Development	25,000	1,000,000	(919,487)	-	-	105,513
DfID Early Childhood Development	27,477	874,468	(880,718)	-	-	21,227
BEIS Global Challenges	33,411	3,000,000	(3,033,411)	-	-	-
BEIS Global Research Talent	(21,954)	7,232,238	(7,210,264)	-	-	20
Newton Fund	-	2,510,829	(2,510,829)	-	-	-
Leverhulme Trust	251,830	770,544	(832,031)	-	-	190,343
Wolfson Foundation	192,468	250,000	(231,184)	-	-	211,284
Future of the Corporation	265,286	303,600	(256,973)	-	-	311,913
Other	121,215	535,045	(317,238)	(9,953)	-	329,069
CHC Property	1,387,843	-	(107,446)	-	-	1,280,397
	2,381,588	47,633,097	(47,565,996)	8,722	-	2,457,411
Total Restricted Income Funds	3,268,050	47,885,844	(47,776,467)	8,722	-	3,386,149
Unrestricted Funds						
General funds	200,000	2,668,466	(1,737,268)	(931,198)	-	200,000
Designated funds						
Academy Development Fund (ADF)	9,527,171	488,429	(873,985)	922,476	273,403	10,337,494
Property - ADF	190,529	-	(14,094)	-	-	176,435
BEIS Carlton House Terrace	14,000,000	-	(112,000)	-	-	13,888,000
Research fund	-	19,534	(19,350)	-	-	184
Publications	90,105	241,422	(269,813)	-	-	61,714
Repairs and external redecoration	250,000	-	-	-	-	250,000
	24,057,805	749,385	(1,289,242)	922,476	273,403	24,713,827
Total Unrestricted Funds	24,257,805	3,417,851	(3,026,510)	(8,722)	273,403	24,913,827
Total Funds	35,703,648	51,835,605	(50,802,977)	-	519,666	37,255,942

Net Movement in Funds (Continued)

as at 31 March 2020

Endowment Funds

Permanent endowment funds: represent capital funds which must be held permanently by the Academy. The purposes for which the income generated by these assets is to be applied are shown below:

Rose Mary Crawshay Fund: for historical or critical work of sufficient value on any subject connected with English Literature.

Edward Ullendorff Fund: for awarding achievement in the field of Semitic and Ethiopian languages and culture.

Webster Fund: for entertaining and representation overseas, and the better administration of the Academy

Expendable endowment funds represent capital funds which Trustees have the power to convert into income funds if there is a requirement to spend or apply the capital. The purposes for which the income generated by these assets is to be applied are shown for the funds below:

Elizabeth Barker Fund: supports studies in recent European history, particularly the history of central and eastern Europe.

Browning Fund: funds original research, or its publication, in the field of British history in the early modern period with particular reference to the 17th century.

Caton Thompson Fund: for the furtherance of archaeological research, whether in the field or in publication, by scholars selected preferably but not necessarily from the Fellows of the Academy.

Neil Ker Fund: supports the promotion of the study of Western medieval manuscripts, in particular those of British interest.

Leopold Schweich Fund: funds lectures, and their publication, on subjects relating to the archaeology, art, history, languages and literature of Ancient Civilisation with reference to Biblical Study.

Stenton Fund: supports three undertakings: Syllogue of Coins of the British Isles, the Seldon Society, and the Pipe Roll Society.

Albert Reckitt Fund: funds annual awards for the exploration and excavation of ancient sites and the preservation and exhibition of objects discovered, and the publication of results.

Stein Arnold Fund: funds research on the antiquities, historical geography, early history or arts in parts of Asia.

Thank Offering to Britain Fund: funds the equivalent of a Senior Research Fellowship.

S T Lee Fund: funds a visiting fellowship on a topic related to the humanities or social sciences.

Marc Fitch Fund: to further research in any area of humanities or social sciences and also fund fellowship allowing postdoctoral scholars to have three years to work on a major programme of research and gain teaching experience.

Donald Winch Fund: to support scholarly activity in the field of intellectual history which may include lectures, events, research funding and prizes.

Restricted Income Funds

Investment funds are those funds arising from income generated through investment of endowment funds. These funds are applied for the intended restricted purposes.

Non-investment funds are those arising from grants made by government, research foundations, philanthropic societies and funds supporting other activities:

BEIS Grant: This includes grant income and expenditure.

Academy Other Support Costs: represent BEIS activity support costs not covered by BEIS operational grant which have to be funded by the Academy's unrestricted funds. The subsidy for the year amounted to £86,772 (2019: £18,675).

BEIS Urban Infrastructures of Well-Being: supports interdisciplinary research that explores how formal and informal infrastructures interact to affect the well-being of people in cities across the Global South.

BEIS GCRF and DfID Early Childhood Education: supports research geared towards informing policy-making in the education and broader learning domain.

BEIS Sustainable Development Programme supports: researchers in the humanities and social sciences working on the UN's Sustainable Development Goals and generating evidence on the challenges and opportunities faced in developing countries

BEIS Education and Learning in Crises supports research: exploring the challenges of education and learning in contexts of conflict and protracted crises.

BEIS Early-Career Research Network: supports the development and delivery of research led by early-career researchers, furthering collaborative links between researchers in the UK and the Global South. It provides early-career researchers opportunities to develop research partnerships on concrete global challenges and develop collaborative and equitable global south research agendas, as well as providing opportunities for mentoring and skills development in the global south.

BEIS Heritage, Dignity and Violence: funds research on sustainable peace and the prevention of violence broadly understood.

BEIS Youth Futures: aims to examine the contributions of young people to the UN's 2030 Agenda, bringing a youth lens to the global sustainable development challenges.

BEIS Global Research Talent Programme: provides awards to overseas researchers active at any career stage and in any discipline within the humanities and social sciences. These awards demonstrate the British Academy's profound commitment to international engagement and aim to strengthen the UK's research base in the humanities and social sciences.

Newton Fund: represents activity funded by BEIS aimed at promoting research and innovation capacity in developing countries.

Leverhulme Trust: funds seven awards which allow established scholars to undertake or complete programmes of sustained research for the duration of one year and supports small research grants in the humanities and social sciences.

Wolfson Foundation: funds four Research Professorship awards over a three-year period.

Future of the Corporation Programme: represents activity funded by individuals and trusts to address the purpose of business and what its role in society should be.

Other non-investment funds: funds to support a few small awards for research, publication and education related to the promotion of the humanities and social sciences.

CHT property: The Academy received capital grants from BEIS and the Wolfson Foundation to fund the expansion and refurbishment of the Academy at 10-11 Carlton House Terrace.

Unrestricted Funds

General Fund: a general purpose fund providing liquidity and contingency funds.

Designated funds have been set aside for the following purposes:

Academy Development Fund: the Academy is free to devote the income of this fund to whatever object it deems fit. The purpose of the fund is to enable the Academy to take new initiatives at its unfettered discretion. Proposals for the use of the fund are reviewed annually. There was a transfer of £724,376 into the fund at the year-end.

Academy Development Fund-Property: this fund reflects the contribution that the Academy Development Fund made towards the expansion and refurbishment of the Academy during the 10-11 Carlton House Terrace project in 2011.

BEIS Carlton House Terrace: the balance represents the net book value of the lease premium paid in respect of the 125 year lease on the Academy's premises at 10-11 Carlton House Terrace. The grant for this fund was initially treated as restricted due to its sole purpose being to secure the new lease. It was then transferred to designated funds once the condition was fulfilled by committing to the new lease.

Research Fund: to assist the revival of the Academy's Small Research Grants scheme.

Publications: this fund is to cover the estimated direct costs of publications work in progress for the year ahead and resulted in an overall reduction of the fund by £3,227.

Repairs and external redecoration fund: to cover certain repairs and maintenance relating to the building and funds set aside to enable the Academy to comply with its obligation, under its lease with the Crown Estate, to redecorate the exterior of its building every five years, beginning from 2019. There was no transfer into this fund this year. The fund stands at £250,000, which is considered sufficient although the reserve is reviewed annually.

19.1

Net Asset Funds

as at 31 March 2020

	Fixed assets (£)	Investments (£)	Net current assets (£)	Long term liabilities (£)	2020 Total assets (£)
Endowment	-	7,911,435	-	-	7,911,435
Restricted	1,185,557	-	2,084,168	-	3,269,725
Unrestricted: General	-	-	200,000	-	200,000
Unrestricted: Designated	14,987,319	8,255,256	393,573	-	23,636,148
	16,172,876	16,166,691	2,677,741	-	35,017,308

19.2

Net Asset Funds – Prior Year Comparative

as at 31 March 2019

	Fixed assets (£)	Investments (£)	Net current assets (£)	Long term liabilities (£)	2019 Total assets (£)
Endowment	-	8,955,966	-	-	8,955,966
Restricted	1,303,091	-	2,102,908	(19,850)	3,386,149
Unrestricted: General	-	-	200,000	-	200,000
Unrestricted: Designated	14,460,081	9,356,317	897,429	-	24,713,827
	15,763,172	18,312,283	3,200,337	(19,850)	37,255,942

20

Pension Scheme

as at 31 March 2020

General Description of the Pension Scheme

The Academy participates in SAUL, which is a centralised defined benefit scheme within the United Kingdom and contracted-out of the Second State Pension (prior to April 2016). SAUL is an independently managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on either a Final Salary basis or a Career Average Revalued Earnings (“CARE”) basis. Following a consultation with Members, the SAUL Final Salary Section closed from 31 March 2016 and all Members build up benefits on a CARE basis from 1 April 2016.

The Academy is not expected to be liable to SAUL for any other current participating employer’s obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The Technical Provisions deficit at the 31 March 2014 valuation was addressed by employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2018 (inclusive). The overall level of the Employers' contribution therefore, increased from 13% of Salaries to 16% of Salaries with effect from 1 April 2016 and the Employers also agreed that this contribution rate would be maintained until at least 31 March 2020, irrespective of SAUL's funding level. This contribution rate remains in effect as at the date of the audit report.

The Trustee and the Employers have agreed that no further benefit changes or contribution increases were required at the 2017 valuation. The existence of a small surplus provides scope for the Trustee to consider whether a change to, or review of, SAUL's investment strategy and approach could address the Contribution Strain. It is anticipated that this review will have concluded prior to the next formal valuation, due at 31 March 2020, although at the date of the audit report, the next formal valuation had not been finalised.

21

Leases and Other Commitments

as at 31 March 2020

The Academy had the following lease commitments as at the balance sheet date:

	Land & Buildings	Equipment	2020 Total (£)	Land & Buildings	Equipment	2019 Total (£)
Not later than 1 year	-	19,850	19,850	-	19,850	19,850
Later than 1 year but not later than 5 years	-	90,554	90,554	-	52,325	52,325
Later than 5 years	79,335,000	-	79,335,000	79,980,000	-	79,980,000

The Academy is committed to a 125-year-long leasehold, for its premises 10-11 Carlton House Terrace with an annual rent of £645,000. The lease premium paid at the completion date of the lease is being written down over the useful economic life of the lease.

The Academy has commitments totalling £123,032 (2019: £87,811) in respect of work in progress on publications.

22

Contingent Liabilities

as at 31 March 2020

The Academy commits to multi-year grants funded from outside sources. Should those sources be withdrawn a contingent liability of £47.2m (2019: £44.3m) may arise.

23

Related Party Transactions

as at 31 March 2020

Professor Nicholas Sims-Williams continues to be Chair of the Corpus Inscriptionum Iranicarum which is an Academy Research Project. The project, of which he is not the award-holder, received a grant of £2,100.

Professor Julia Barrow is Chair of the English Episcopal Acta project, which is also an Academy Research Project. The project, of which she is not the award-holder, received a grant of £2,112.

Professor Diarmaid MacCulloch received a grant from the British Academy as Principal Investigator (Lead Applicant) through the British Academy/Leverhulme Small Research Grants scheme of £9,985.

Professor Julian Birkinshaw is also a board member of the Society for the Advancement of Management Studies (SAMS), which exists to advance management studies primarily in the UK and also overseas. SAMS provided funding to the Academy of £50,000 (2019: £150,000) in relation to the Future of the Corporation programme and an additional £55,000 (2019: £55,000) in relation to the Small Research Grants scheme.

24

Post Balance Sheet Events

as at 31 March 2020

The COVID-19 pandemic is likely to have a material impact on the financial results of Clio, the Academy's trading subsidiary.

Financial forecasts for the 2020-21 financial year have been prepared assuming our building will not re-open for external hire until September at the earliest and even then, at a reduced level of activity. While all efforts are being made to reduce operational costs where possible, no cost reductions are being implemented which are likely to impede the ability of Clio to restart its activities as soon as pandemic restrictions are relaxed. The financial forecasts suggest that Clio will be in a deficit position for 2020-21 and thus unable to subsidise Academy operational expenditure nor add any capital to the Academy's ADF. Instead it is expected that during this period, Clio will be reliant on support from the Academy to continue as a going concern. This support is justifiable on the basis that the Academy believes Clio will return to surplus in the following financial year as business begins a return to normal.

The impact of the pandemic on the Academy during 2019/20 is largely demonstrated by the investment loss at the year end date. The unrealised loss was primarily generated during March 2020 alone, however as at the end of May 2020, the value of the Academy's investment portfolio has recovered to an extent, increasing by 11%.

The operational impact on the Academy to date has been minimised as much as possible, with the principal effect being the closure of the Academy premises in line with Government guidance. Staff have been successful in adapting to remote working and currently there has been no material impact on the grant programmes in operation.

Friends and Supporters

In 2019/20, the Academy received its core funding grant from the Department for Business, Energy and Industrial Strategy (BEIS), with additional funding from the Department for International Development (DFID). Without this funding, much of the Academy's work would not be possible.

The Academy would also like to express its deepest gratitude to the organisations, individuals and Fellows who have donated over the past year, including generous legacies from Professors Michael and Saki Ruth Dockrill and Mr Michael Pegg. We are grateful for their continued support and that of the many anonymous donors that help fund important research and programmes across the humanities and social sciences.

In addition, we offer grateful thanks to the following donors:

Academy of Athens

Bates Wells

British Accounting & Finance Association

Bristol University Press

Cambridge University Press

Fondation Nestar

Federated Hermes International

John Armitage Charitable Trust

Journal of Moral Education Trust

The Leverhulme Trust

Lund Trust, a charitable fund of Peter Baldwin and Lisbet Rausing

Modern Humanities Research Association

Oxford University Press

Philosophy of Education Society of Great Britain

Sino-British Fellowship Trust

Sir Victor and Lady Blank

Society for the Advancement of Management Studies

SSE

The Wolfson Foundation

William Zachs

The British Academy
10–11 Carlton House Terrace,
London SW1Y 5AH

thebritishacademy.ac.uk
Registered charity no. 233176

Published July 2020

Design by Only