

# The British Academy Annual Report of the Trustees and Financial Statements

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For the year ended 31st March 2021





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CARLTON HOUSE  
TERRACE SW1  
CITY OF WESTMINSTER

# Trustees and Principal Advisers

## Council

as at date of signing

## President

Professor Sir David Cannadine

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Professor Sally Shuttleworth	Treasurer (appointed 23 July 2020)
Professor Dominic Abrams	Vice President, Social Sciences (retired 23 July 2020)
Professor Conor Gearty	Vice President, Social Sciences (appointed 23 July 2020)
Professor Simon Goldhill	Foreign Secretary
Professor Aditi Lahiri	Vice President, Humanities
Professor Simon Swain	Vice President, Research and Higher Education Policy
Revd Professor Diarmaid MacCulloch Kt	Vice President, Public Engagement
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Professor Julian Birkinshaw (retired 23 July 2020)	Professor Chakravarthi Ram-Prasad
Professor Joanna Bourke	Professor Ingrid De Smet (appointed 23 July 2020)
Professor Dauvit Bron (appointed 23 July 2020)	Professor Nicolas Sims-Williams (retired 23 July 2020)
Professor Stella Bruzzi (retired 23 July 2020)	Professor Annette Volting
Professor Eleanor Dickey (retired 23 July 2020)	Professor Sarah Whatmore
Professor Jane Humphries	Professor Bencie Woll (appointed 23 July 2020)
Professor Andrew Hurrell (appointed 23 July 2020)	

## Senior Management Team

Chief Executive	Hetan Shah
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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

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**Custodian**  
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# Trustees' Report for the Year Ended 31 March 2021

## Foreword

Professor Sir David Cannadine, President

This is the story of an exceptional year, and of an organisation that overcame the unprecedented challenges of the global pandemic to deliver what may well have been its most significant and influential work to date.

It was a year when the mission and purpose of the British Academy came into sharper focus, as we sought to mobilise the knowledge and insights of the disciplines we champion and represent to help make sense of our stricken world and to begin to shape a better future.

By definition, COVID-19 has been a medical emergency and a public health issue; but it soon became abundantly clear that the humanities and social sciences would be of vital importance in understanding how life had changed while the pandemic raged – and how life will need to change further as we begin to move beyond it and try to build back better.

As this report makes plain, the Academy responded to these challenges – and opportunities – with energy, alacrity, creativity and commitment – not only delivering our 'business as usual', but also upscaling and expanding our activities.

New funding schemes, international partnerships and policy programmes were only some of the innovations during this period. We moved all our public engagement activities online, reaching a greater and more global audience than ever before.

And at the request of the government's Chief Scientific Advisor, Sir Patrick Vallance, we delivered the most important piece of public work the Academy has ever undertaken, examining the impact of COVID-19 on society, which has been widely discussed and rightly praised.

The Academy has never been busier, but the many activities outlined in this report have been delivered entirely virtually – not from our building in Central London but from a vast array of bedroom desks and kitchen tables across the UK and beyond.

This report is a tribute to the hard work and exemplary dedication of our staff, our Fellows and our funded researchers who, in the most trying times and testing of circumstances, have laboured tirelessly and devotedly.

It has been a great and unparalleled honour to have been the Academy's President, and I am both proud and delighted to be handing over to my successor, Professor Julia Black, an organisation that has not just endured the challenges of Covid, but has thrived and engaged as never before.



David Cannadine

# Introduction

It was just weeks after I took up the post of Chief Executive on 24 February last year that we all began to work from home, and we have been a virtual organisation ever since.

It has been a difficult year for so many people and the Academy has sought to play its part in trying to help. Researchers have faced unprecedented pressures from the pandemic as well as various uncertainties in the policy landscape including whether the eventual association with Horizon would go ahead; funding cuts to ODA funded international research, and precarious contracts for many early career researchers. We have sought to feed into the policy environment to make the case for investing in research in general and show the value of the SHAPE (social science, humanities and arts) disciplines in particular. In the meantime we have tried to increase the support we have given to our funded researchers, as well as supporting many new research projects.

More widely the pandemic has had huge societal impacts. We have worked hard to cast light on these through our Covid Decade review, including putting forward practical ways forward for policymakers, civil society and business to help strengthen society. Other Academy policy projects are focused on how to strengthen community resilience and the role of purposeful business. We have also been thinking about global matters including bringing together insights from our disciplines on climate change in the run up to the COP26 summit.

Alongside this we have maintained our continuous public engagement through a wide variety of digital events including weekly '10 Minute Talks'. We have also taken advantage of a vacant building and refurbished the office spaces in our building to make them fit for purpose.

This summer, we say farewell to our President, Professor Sir David Cannadine, who did not expect to deliver his last year in the role largely from a laptop but has, despite this, remained an ever-present source of unwavering support, wise counsel and infinite positivity. David has been an exceptional President, and it is because of his leadership that the Academy has developed into the outward-facing, relevant and impactful organisation that it is today.

Our incoming President, Professor Julia Black, will benefit enormously from all that David has done, and she and I and our staff will work together to build on his legacy and ensure the Academy continues to go from strength to strength.

As we look ahead, the Academy is coming to the end of its current strategy which runs until 2022 and so we will be undergoing a strategic review. This will be an opportunity for us to consider the fast-changing landscape. The UK and the world face a wide variety of challenges from how to achieve inclusive prosperity to managing new technologies. What is the role that the British Academy can play, in partnership with government, business, civil society and the research community, to help create a brighter future? How can we work in a way that genuinely contributes to equality, diversity and inclusion rather than just virtue signals? The humanities and social sciences will be critical for humanity in the years ahead, and the forthcoming strategic review will help clarify how the British Academy can play its part. As part of this process, we will be talking with all our stakeholders about what they think we should be focusing on.

Let me end by taking this opportunity to thank the Academy's staff, Fellows and partners for all the support you have given me in my first year in post.



Hetan Shah  
Chief Executive



# Aims and Objectives

The Academy's Strategic Plan, which runs to 2022, centres around five key aims:

- 1.** *To speak up for the humanities and the social sciences*

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- 2.** *To invest in the very best researchers and research*

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- 3.** *To inform and enrich debate around society's greatest questions*

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- 4.** *To ensure sustained international engagement and collaboration*

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- 5.** *To make the most of the Academy's assets to secure the Academy for the future*



# Achievements

## Staff

In March 2020, the Academy moved to home working in accordance with Government guidelines. Staff were provided with equipment including laptops and seats, funding for desks and chairs and a regular allowance to cover additional domestic expenses such as electricity and heating. A staff consultation was launched in March 2021 to gather views on how we work in the future in order to provide a framework that maximises the benefits of both virtual and in-person working.

Work continued to progress the Academy's People Strategy, published this year, including an external review of our pay, benefits and grading structure – benchmarked against the market – and a new approach to developing performance. We also launched a new series of initiatives to support staff wellbeing, including mental health training and funded access to counselling and other support via MYNDUP, a new wellbeing support service. 100% of staff using this service have reported feeling more confident, motivated and productive, and less anxious.

In December 2020, we agreed a set of new workplace values to guide how we work together and with others: Collaboration, Creativity, Empathy, Excellence, Integrity, Resilience and Respect. Our recent staff survey had a 95% response rate, and a 77% engagement score (compared with 73% in 2019).

## The Fellowship

86 new Fellows joined our Fellowship, including 52 new UK-based Fellows, 30 overseas academics joining our Corresponding Fellowship and four new Honorary Fellows. Specialisms in this year's cohort include forensic anthropology, biostatistics, postcolonial and decolonial studies and Viking studies.

Our Fellowship now stands at 1400 and comprises the world's leading minds in the humanities and social sciences. Current Fellows include the classicist Professor Dame Mary Beard, the economist Professor Sir Partha Dasgupta, political scientist Professor Sir John Curtice, literary theorist and novelist Professor Dame Marina Warner and philosopher Professor Baroness Onora O'Neill, while current honorary Fellows include Baroness Brenda Hale, Graca Machel, Professor Gary Younge and Mary Robinson.

This year, the Fellows held their twice-yearly meetings of Sections virtually, which led to increased attendance and participation in elections. We intend to continue to offer the opportunity for Fellows to take part virtually as well as physically from now on.

**Professor Timothy Whitmarsh FBA (Faculty of Classics, University of Cambridge), elected to the Fellowship in 2020:**

*“I have owed much, along the way, to the British Academy, who funded my postgraduate studies and awarded me a Mid-Career Fellowship in 2012-2013, which allowed me to write my book *Battling the Gods*. I am now greatly honoured, and genuinely humbled, to have been elected a Fellow.”*

## Equality, Diversity and Inclusion

In June 2020, Council considered an independent review of each of our three roles: an independent fellowship of world-leading scholars and researchers; a funding body that supports new research, nationally and internationally; and a forum for debate and engagement – a voice that champions the humanities and social sciences.

It agreed that the Academy must focus on bringing about real change in equality, diversity and inclusion at the institution, as well as playing a leadership role for our disciplines in addressing under-representation in the wider sector. In response, the Academy has drawn up an EDI action plan and initiated a number of workstreams which will address all the areas covered in the review:

- The Fellowship
- Leadership, strategy and governance
- Workforce
- Research funding
- Policy
- Public activities, events and publications
- Development and partnerships
- Data monitoring and benchmarking

As well as developing a series of recommendations for long-term and sustainable change, these workstreams have also undertaken some immediate initiatives, including:

- Reviewing the accessibility of our events and website and introducing the use of automatic subtitling for video events
- Publishing a new EDI workforce statement, making clear our commitment to creating a diverse and inclusive working environment, promoting equal opportunity and addressing under-representation
- Trialling anonymised recruitment procedures to mitigate any unconscious bias in our selection processes
- Commissioning a full accessibility audit of the building at Carlton House Terrace
- Organising a series of ‘lunch and learn’ all-staff sessions on different aspects of diversity and inclusion

### **President-Elect Professor Julia Black FBA:**

*“We will...bake equality, diversity and inclusion into our strategy, goals, governance, and ways of working, developing an Academy that is accessible to people from all walks of life and at different stages in their career. In order to promote excellence, we need to ensure we are not missing out on pools of expertise that have been overlooked. This extends to diversity of subject areas, mindsets and views as well as backgrounds.”*

*To speak  
up for the  
humanities  
and social  
sciences*

# To speak up for the humanities and social sciences

The Academy has been at the heart of discussion, debate and policy and strategy-setting in higher education and the future of academic research in the UK and internationally. This has included:

- Responding to a range of government consultations and select committee inquiries, including on Open Access, the future of the social sciences PhD, and the regulation of quality and standards in higher education
- Highlighting the needs of our community around issues such as the UK's withdrawal from the EU and the impact of the decision to reduce Official Development Assistance (ODA) spending
- Contributing to the development of Government policies and strategies for academic research, including the R&D Roadmap and the creation of a new research funding agency, to be known as the Advanced Research and Invention Agency

## Case Study

Our advice on the challenges to fair grading inherent in study of languages, including small cohorts and the presence of native speakers was cited by the exam regulator Ofqual as they sought to find ways to ensure young people could be awarded qualifications in the exceptional circumstances of summer 2020.

We have continued to develop the evidence and the arguments that articulate the value of our subjects to policy makers and to prospective students and their influencers in order to shore up the pipeline. We have published:

- Evidence to show that graduates in the arts, humanities and social sciences are just as employable as their counterparts in STEM subjects, fuel some of the fastest-growing sectors in the UK and enjoy rewarding careers in a wide range of sectors.
- A series of case studies celebrating the diverse career pathways of doctoral graduates and early career researchers and guidance on good practice in careers advice for postgraduate students.
- A template for use by learned societies and subject associations to provide advice for prospective humanities and social science students. This has been used by the Society for the History of War and Theology and Religious Studies UK, among others.

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

*“Previous studies suggest that individuals will need to manage frequent change and high uncertainty if they are to thrive in the labour market of the future. This timely report from the British Academy reviews the many ways in which a Humanities and Social Sciences education equips young people to do so. Consistent with this, it 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.”*

We have supported the development of SHAPE – Social Sciences, Humanities and the Arts for People and the Economy – a new collective name for our disciplines. We have used the term liberally across our own materials and worked with other organisations to promote the concept to the SHAPE community, with over 360 individuals and organisations on board.

We have developed our role in monitoring the health of the disciplines, working with the academic community to analyse trends, highlight best practice and identify areas of concern, including regional cold spots.

- With partners the British Council, Arts and Humanities Research Council, Universities UK and the Association of School and College Leaders, we put forward a first of its kind strategy to government to boost language learning after a dramatic fall in take-up over recent years.
- The strategy is the first UK-wide languages initiative in a generation and sets out short and medium-term actions for schools, colleges, universities, employers and others. Over 150 people from the languages education community attended the launch webinar, and our proposal for additional funding to keep small group learning viable post-16 has been taken up by the All-Party Parliamentary Group for Modern Languages.
- In an unprecedented joint statement with the American Academy of Arts and Sciences, the Australian Academy of the Humanities, the Academy of the Social Sciences in Australia and the Royal Society of Canada, the Academy highlighted the importance of language skills in international cooperation especially during global crises such as the pandemic.
- Our report into Management and Business Studies showed that the field has huge potential to drive positive long-term social change outside of academia owing to its continuing popularity, diversity and success in addressing social and environmental issues. One in six undergraduates and one in five postgraduates in the UK is currently enrolled in courses in business and management. BMS also has the second highest proportion of students from minority ethnic backgrounds across the SHAPE disciplines, at 20%.

We took the humanities and social sciences into people's homes, pivoting our in-person events online and expanding our digital offerings to showcase the ideas of our disciplines and the people behind them. This included:

- World-leading academics swapping the lectern for the virtual stage. New innovations included the '10-Minute Talks' series, with 42 talks recorded and combined views of over 60,000.
- Working in partnership with festivals and other organisations including Being Human, the Royal Society and the British Museum to deliver online events.
- Developing new digital content such as 'Shelfies' where funded researchers talked through the books that had inspired them in their academic journey so far.
- Continuing our blog series, including 'What is?', which has now been read more than 220,000 times.
- Introducing a new newsletter, 'Read, Watch, Listen', which now has almost 10,000 subscribers.
- The continual improvement of our website, including online donations and better navigation between pages about our Fellows, policy projects and events.

**Case Study**

We took our flagship public engagement festival – the Summer Showcase – online, with a mix of live and on-demand content bringing to life research in inventive and engaging ways. Activity included baking a pie fit for the royal court of King George III, tracing the history of the keyboard in a tour of unusual vintage typewriters and brewing authentic Arabian coffee while listening to stories of refugee home making.

**Event attendee:**

*“Very much enjoyed it, thank you and really appreciate that it was free. Would never have attended an event like this had it meant travelling to London and buying a ticket.”*

- We continued to showcase the very best scholarship in our disciplines via our suite of prizes and medals. This included:
- The awarding of long-running medals and prizes, including the Kenyon Medal for the field of classical studies and archaeology, the Serena Medal in Italian Studies and the Neil and Saras Smith Medal for linguistics.
- The President’s Medal was awarded to the writer Margaret Atwood in recognition of her outstanding contributions to literature and for inspiring decades of scholarship in the humanities and social sciences with her novels and poetry and their exploration of issues such as gender, faith, politics, ecology and more.
- The British Academy’s book prize for global cultural understanding received a record number of entries. A partnership with the London Review of Books helped us to reach a wider audience, and the winner – Professor Hazel V Carby for her book ‘Imperial Intimacies: A Tale of Two Islands’ – featured on Radio 4’s The World Tonight.

**Margaret Atwood:**

*“It is a great honour to accept the British Academy President’s Medal. The Academy’s role in the promotion, development and funding of scholarship in the literary and social sciences is much needed when facts and truth in public policy are under assault.”*

A large, stylized number '2' graphic in a lighter shade of blue, positioned on the left side of the page. It is composed of two main curved shapes: a top loop and a bottom tail that curves back up to meet the loop.

*To invest  
in the very  
best  
researchers  
and research*

# To invest in the very best researchers and research

We continued to support the very best researchers and emerging ideas in our subjects through our flagship schemes and by introducing new funding streams. During the course of the year there were 1,874 live awards across all research and international funding schemes. This year's round of awards supports research in areas ranging from the UK's European diplomacy to the transition to farming in the Mesolithic period, from adolescence in Medieval Europe to the impact of violent conflict on youth in Sudan, to law and regulation in the emerging 'femtech' industry. We have awarded:

- 36 new Postdoctoral Fellowships and continued support for 213 ongoing Fellows
- 26 Mid-Career Fellowships and continued support for 38 ongoing Fellows
- 10 Senior Research Fellowships and continued support for 9 ongoing Fellows
- 6 new BA/Wolfson Fellowships and continued support for 6 ongoing Fellows
- 13 new Newton International Fellowships and continued support for 36 ongoing Fellows
- 295 new Small Research Grants through two rounds of competition
- 56 new Special Research Grants aimed at addressing the health, social, economic and cultural consequences of the global health crisis by supporting excellence in humanities and social sciences scholarship
- 8 APEX grants, for interdisciplinary research

Thanks to generous additional funding awarded by BEIS, the Academy was able to offer costed extensions to 106 Postdoctoral Fellows, Mid-Career Fellows and Newton International Fellows whose awards were nearly about to come to an end, and for whom the effects of the COVID-19 pandemic were most immediately being felt. A further 87 Postdoctoral Fellows are expected to benefit similarly in 2021. The Leverhulme Trust also generously funded extensions for five Senior Research Fellows.



## Case Study

The APEX awards are jointly managed by the Academy with the Royal Society and Royal Academy of Engineering with support from the Leverhulme Trust, and offer established independent researchers, with a strong track record in their respective area, an exciting opportunity to pursue genuine interdisciplinary and curiosity-driven research to benefit wider society. This year's awards will explore issues such as sustainable conservation, energy efficiency and ethics in care. For the first time, an additional £10,000 was made available to support public engagement activity related to their research.



**Case Study**

We launched a Special Research Grant for researchers examining the impact of COVID-19. Fifty-six researchers at 40 institutions across every region of the UK, and two independent researchers, received funding, with projects looking at topics such as the impact of COVID-19 on LGBTQ+ young adults, the experiences of home care and voluntary support given at home and the nexus between social capital and the impact of the virus.

We announced a new research and policy collaboration with **the Nuffield Foundation** to award over £500,000 in policy-focused research funding to identify practical solutions to increase the cohesion and resilience of local communities in the UK. Grants will be awarded in 2021, will last for up to two years, and will be supported by an active programme of policy synthesis led by the Academy.

**Professor Ash Amin FBA, Trustee of the Nuffield Foundation:**

*“This exciting and timely collaboration between the Nuffield Foundation and the British Academy will help to yield new insights on what makes some local communities stronger, more cohesive and more resilient than others and will in turn lay the groundwork for a range of practical solutions for improving the strength and resilience of any community.”*

Wellcome and the Academy launched a major initiative to support research and researchers exploring human and animal health and wellbeing. Wellcome are providing £4m over seven years for research and events, including Small Research Grants, academic conferences, publications and health policy workshops.

**Dan O’Connor, Head of Humanities and Social Science at Wellcome:**


*“The humanities and social sciences are absolutely essential to Wellcome’s vision of creative, curiosity-driven research that provides us with the insights and innovations necessary to meet society’s most pressing health challenges. Wellcome is delighted to partner with the British Academy in this new funding initiative, which is one of our largest ever investments in humanities and social science.”*

We opened up the Journal of the British Academy for submissions from any researcher funded by the British Academy. Previously, the Journal mainly published articles on an invitation-only basis. Our Publishing programme also included:

- 5 Monographs by Postdoctoral Fellows
- 7 Proceedings of the British Academy following the British Academy Conference scheme
- 8 Academy Research Projects

We engaged with the implementation of the sector-wide concordats on researcher development and research integrity, with the Wellcome Trust's Reimagining Research Culture initiative, and with UK Research and Innovation (UKRI) reviews of equality, diversity and inclusion, and bullying and harassment in research and innovation environments.

We brought together research managers and administrators from HEIs across the UK to take part in a virtual discussion of the Academy's research funding programmes generally, as well as more specific discussions of our developing early career researcher offer; equality, diversity and inclusion; and our developing interactions with research offices going forward. This was delivered in partnership with the Association of Research Managers and Administrators (ARMA). Additionally, virtual visits to universities, including the University of Lincoln, continued our direct engagement.



*To inform  
and enrich  
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# To inform and enrich debate around society's greatest questions

We have mobilised the insights and expertise of our Fellows and award-holders to help shape the policy response to COVID-19. This has included:

- The Shape the Future policy initiative, which involved over 250 academics and specialists from policy and civil society, representing the full breadth of our disciplines, and included 20 workshops each examining a different policy challenge related to COVID-19.
- Policy briefings arising from these workshops such as lessons for recovery from disaster contexts around the world, how to hold elections safely and democratically during a pandemic and what factors make a community more vulnerable to COVID-19. This was formative in the setting up of the SAGE ethnic minorities sub-group.
- Reports jointly published with DELVE – a multi-disciplinary group convened by the Royal Society – on the impact on the economy and for the SET-C (Science in Emergencies Tasking: COVID-19) group on tackling vaccine hesitancy and wearing of face masks.
- A new partnership with the Social Science Research Council and the FCDO's Science and Innovation Network USA to explore the factors affecting vaccine hesitancy within local communities in the UK and US and to develop policy proposals for addressing them.
- In partnership with the other national academies, regular 'Ask the Experts' events for parliamentarians featuring Academy Fellows on topics such as vaccine hesitancy, 're-opening society' and vaccine safety, with on average over 60 MPs, Peers, members of the devolved administrations and local government figures in attendance.
- Invitations to Academy policy staff to take part in the prestigious Cabinet Office Policy School as experts and offer advice on COVID-19 recovery policy proposals.

## **From a House of Lords debate on building an inclusive society post pandemic:**

*"The British Academy, in another very timely and powerful report, said that 'the pandemic has exposed, exacerbated and solidified existing inequalities in society.'"*  
Baroness Andrews

*"The British Academy's impressive review highlights seven strategic goals for policymakers, which deserve serious consideration....it is a comprehensive and joined-up approach which will require a different mindset and a major shift in local and central government relationships, in the way resources are allocated and in how we engage communities rather than setting them apart by negative narratives and divisive policies."*  
Baroness Prashar

Photo: Raul Arboleda/AFP via Getty Images



### Case Study

Having been asked in September 2020 by the Government Chief Scientific Adviser, Sir Patrick Vallance, to investigate and report on the long-term societal impacts of COVID-19, the Academy published its two reports, *Understanding the COVID decade* and *Shaping the COVID decade*, on 23 March to a flurry of positive media coverage as well as great interest and engagement from the UK governments and other key stakeholders.

Since publication of the reports, the Academy has held a number of meetings and dedicated briefing sessions to disseminate the findings to stakeholders, including with all central government departmental Permanent Secretaries, the entire network of departmental Chief Scientific Advisors, the Cabinet Office COVID Taskforce, the launch of the World Bank's Future of Government initiative, the Welsh Government, the COVID-19 National Core Studies programme leads, and Prospect Trade Union. A public engagement event was held on 14 April, chaired by Professor Christina Boswell FBA, and a development event was held for Trusts and Foundations on 28 April, following a pre-launch event for major donors on 22 March. In addition, the Academy provided a special briefing paper for the House of Lords debate on 'building an inclusive society post-pandemic'. Several blogs and articles on aspects of the report have been authored by both Fellows and Academy staff and published in a range of places, including *Civil Service World*, *LSE*, *IPPO*, and *Cities Today*.

### Case Study

In July 2020, the Royal Society and the British Academy jointly published a rapid review of evidence showing that adherence to face mask rules could help to prevent the spread of COVID-19 infection. The review, by Professor Melinda Mills FBA, was submitted to the Royal Society's SET-C group and helped to inform government decisions to make face mask-wearing mandatory in a greater number of public spaces last July.



Photo: Raul Arboleda/AFP via Getty Images

### Case Study

The Academy piloted a set of ‘SHAPE sustainability impact projects’ in collaboration with Students Organising for Sustainability UK (SOS-UK) and students and staff at Bangor University, the University of East Anglia, and Manchester Metropolitan University. These projects brought students, academic staff and local communities together to demonstrate the relevance and impact of SHAPE disciplines in tackling environmental, social and economic sustainability challenges. The breadth of involvement from across SHAPE disciplines has been highly commended by the Fellows and other experts involved and was deemed incredibly exciting and inspiring to the students. After presenting the outcomes at the AdvanceHE annual conference, many universities have declared interest in taking part in the future.

### Larissa Kennedy, SOS-UK and NUS President:

*“The SHAPE Sustainability Impact projects provide an amazing opportunity to bring together students and academics from arts, humanities and social sciences, to take action for climate change and social justice.”*

We have worked with our Fellowship and research community to identify the big issues of our time where the humanities and social sciences are well-placed to offer insight, knowledge and expertise and get these issues onto the policy agenda. Interventions include:

- The Future of the Corporation programme moved into its third phase focused on engagement and application. Two virtual Purpose Summits (see below) highlighted the extent of support for the programme’s findings and a series of Purpose Labs hosted in partnership with the Bank of England and the Financial Reporting Council among others, have created a foundation for developing a coherent framework to apply the findings.
- A report, with the Faith and Belief Forum and thinktank Theos, to identify the contributions made by faith and non-religious belief groups to communities and social cohesion.
- The paper series Reframing Childhood has attracted over 10,000 unique views and over 500 people have attended panel debates aimed at discussing the papers, as part of the Academy’s Childhood Policy Programme, which has attracted a highly-engaged network of hundreds of researchers, policymakers and practitioners working on issues relating to children and childhood.
- A roundtable for the Chief Executive of the Food Standards Agency with Fellows providing advice on regulatory culture and risk communications.

**Case Study**

The two Future of the Corporation 'Purpose Summits' demonstrated the extent of mainstream support for the notion of purposeful business being put forward by the programme with 39 high-profile speakers, more than 7,000 engagements from around the world and extensive media coverage. The first summit focused on the role of business. The 22 world-leading speakers included UN Climate Envoy and former Governor of the Bank of England Mark Carney, three MPs including Shadow Chancellor Anneliese Dodds MP, and nine leading CEOs from the likes of Unilever, Microsoft, Merck, Siemens and SSE. The second summit brought attention to the importance of a clear policy agenda for purposeful business. The 17 high-profile speakers included two front-bench MPs, two members of the House of Lords, three Fellows of the British Academy, and leaders with experience in the US, UK, Europe, Africa and Asia. They included former US Vice-President Al Gore, Director of the LSE Baroness Minouche Shafik, Treasury Minister Jesse Norman MP and CEO of Belu Water Natalie Campbell.

Former US Vice-President Al Gore expressed his support for the Future of the Corporation definition of corporate purpose both in print in the FT and in person at the second Summit. Microsoft CEO Satya Nadella said of the same definition at the first Summit: "I absolutely find it a massively clarifying definition". Rt Hon Ed Miliband MP, also speaking at the summit and writing in the FT, expressed his support, saying: "businesses see the pursuit of purpose as the best means of long-term value creation". The Summits were well-covered in the media including in the FT, the Times, Sky News, Radio 4 Today, Fortune magazine, TIME, CityAM, The Spectator and Pioneers Post as well as on social media.

**Al Gore at the Principles for Purposeful Business at the Purpose Summit in February:**

*"I love the new definition of purpose – 'to produce profitable solutions to the problems of people and planet, and not to profit from producing problems for people or planet.' – well said, well written, your work could not have come at a better moment."*

*To ensure  
sustained  
international  
engagement  
and  
collaboration*



# To ensure sustained international engagement and collaboration

The Academy's international engagement delivers a wide range of collaborative research, including curiosity-driven research, interdisciplinary expertise, and policy-led work on major global challenges.

This year we have continued to deliver international programmes bringing together scholars from different disciplines and countries. These programmes have supported 325 projects in the last five years, involving 901 academics from 108 countries. This has included:

- 49 new interdisciplinary research projects through the GCRF Humanities and Social Sciences Tackling Global Challenges programme to explore challenges faced in the Global South, involving researchers based in 33 different institutions in the UK and 66 in the Global South. Research will examine issues such as how flooding impacts on the livelihoods of those living in the Central Highlands of Vietnam; how violent conflict impacts upon the abuse and misuse of prescription and non-prescription medicine in the Middle East and North Africa (MENA) region; the psychological adaptation of young people to climate change risks in the Pacific Islands; slavery and child labour in the Democratic Republic of Congo and a study of intelligence, cyber operations and digital information warfare.
- 10 Global Professors from six different countries including Ghana, Germany and Australia.
- The inaugural Jordan-UK El Hassan bin Talal Research Chair in Sustainability (EHRCS) in partnership with the Royal Scientific Society of Jordan.
- Seven international interdisciplinary projects focused on the intersection of technology, nature and humanity, supporting collaborative research on topics such as climate change and ecosystem disruption, water management infrastructure, and urban refugees and mass displacement.
- 31 new writing workshops in 23 different countries across Asia, Africa, Latin America and the Middle East to further collaborative links between researchers in the UK and in the Global South, and promote the uptake of research emanating from the Global South in academic journals.



## Case Study

The British Academy, in partnership with the Foreign, Commonwealth & Development Office, this year launched a funding call designed to address a shortage of evidence and research capacity on education in contexts of conflict and crisis in the Global South. The funding will support bilateral research chairs who will work to develop both Global South research and institutional capacity, and will support the creation of research environments and cultures in education research that will outlast the life of the programme.

We highlighted the significant impact on research funding of the decision to reduce the UK's Official Development Assistance (ODA) spending from 0.7% to 0.5% of Gross National Income (GNI). We were pleased that the Academy did not need to reduce or terminate any existing awards but, in common with all in the research community who have received these funds, there will be no new awards in 21/22. The Academy, working with the other UK National Academies, raised significant concerns with the impact of this reduction to the government's Secretary of State for Foreign, Commonwealth & Development Affairs.

**Professor Simon Goldhill FBA, British Academy Foreign Secretary:**

*“The scale of the reductions to ODA research... will have a devastating impact on the immensely valuable research that funds such as GCRF have supported in recent years. It will affect the improvement that such funding has spearheaded in our research culture and equity, as well as posing very real challenges to researchers' livelihoods and to the UK's international reputation.*

*The Academy will continue to press hard and at the highest levels for ODA research funding to be reinstated to ensure that the exceptional potential it has to deliver change, is realised.”*

The Academy continues its range of international engagement activities despite the pandemic having a major impact on international mobility this year. This has included:

- 16 collaborative international projects flowing from the Academy's first virtual sandpits on just transitions, what is a good city, and global (dis)order
- 15 seed funding awards for international early career researcher collaborations between scholars in the UK, Netherlands and Canada on the topics of the Anthropocene and security
- Working to support the case for the UK's association with Horizon Europe and the implementation of association with a series of webinars for prospective applicants to the European Research Council
- A briefing and further follow up with the announcement of the Turing scheme on the importance of Erasmus to UK students
- Roundtables with the Foreign, Commonwealth & Development Office on global order, and democracy and protests
- A seminar with Dr Sada Mire, Assistant Professor, University of Leiden, as part of the Global Perspectives series, exploring how rituals promote peace in the Horn of Africa
- A new series of monthly virtual seminars where award holders share works in progress for comment and critique amongst other award holders and Academy Fellows
- An essay collection on experiences of violence worldwide considering a range of topics from global governmental inaction over the 'shadow pandemic' of gender-based violence, to the ways in which the climate crisis is leading to increasing violence and conflict worldwide



Photo: Beata Zawrzel/NurPhoto via Getty Images

### Case Study

The Academy has developed a programme of activity to explore the human and social dimensions to the climate crisis ahead of COP26, with activities including:

- Briefings on climate litigation, transition to zero-carbon economies and young people and climate change
- Events involving Mary Robinson in conversation with Nick Stern FBA and Mark Carney with President-Elect Julia Black FBA in partnership with the British Museum
- A joint roundtable with the Royal Society on land use transitions

### Attendee, ERC Webinar:

*“This was the best session I’ve been to on ERC grant writing – the format was excellent and the speakers were all absolute dynamite.... We found it tremendously useful and energising, and has given us some great ideas about how we could carry on some of the approaches to group feedback etc. you implemented here within our own institution... It’s such a rare experience to get time with such a brilliant group of panellists.”*

### Attendee, Early Career Knowledge Frontiers Symposia:

*“The Symposium was very stimulating and the format provided a great opportunity to reflect more critically on my own research agenda. I would definitely recommend the Symposia to others.”*

## British International Research Institutes (BIRIs)

All of the British International Research Institutes (BIRIs) have responded to the COVID-19 pandemic over the last 12 months by extending their reach worldwide to engage with new audiences using a wide range of digital tools and processes including online talks, lectures and webinars, social media and a bi-monthly newsletter which can be signed up to via the British Academy's website.

Despite the challenging circumstances of the past year, the BIRIs have formed over 20 new partnerships with UK institutions and over 60 new partnerships with non-UK institutions. Here are a few highlights from the last year:

- The British Institute at Ankara (BIAA) was awarded a “Knowledge Frontiers” grant from the BA of £200,000 for their ‘Water in Istanbul’ project
- The British Institute in Eastern Africa (BIEA) led on a major 18-month project funded by The Aliph Foundation to reopen community museums in Sudan
- The British Institute of Persian Studies (BIPS) completed the transfer of more than 10,000 cultural pieces from their archive to the National Museum of Iran
- The British School at Athens (BSA) is hosting a large consortium training project for the next generation of early career researchers in archaeological sciences over the next three years which is funded by Horizon 2020
- The British School at Rome (BSR) was awarded a BA Small Research Grant to facilitate a new research partnership with Cambridge University for ‘Going Underground: Reassessing the Italian church interior as an artistic context via non-invasive technology’
- The Council for British Research in the Levant (CBRL) received two seed grants from the BA’s “Knowledge Frontiers Symposium – Belonging” to foster two new partnerships in Israel and Palestine
- The Society for Libyan Studies (SLS) worked closely with the University of Leicester on an ongoing project to restore, establish, catalogue and house their physical archive

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



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

Like so many organisations, the Academy switched to remote working just ahead of the first lockdown in March 2020. Crucially, we were in a solid position to do so having already migrated to Office 365. All staff were equipped with devices and over 90% of them were issued with Microsoft Surface laptops. The IT team swiftly established a channel to provide quick response to queries.

IT also quickly adopted virtual meeting software, supporting teams across the Academy with hosting not only internal meetings but also the pivot to external meetings and public events across multiple virtual platforms.

While the building was empty, the Academy undertook much-needed refurbishment of the second and third floor offices to address several issues in the existing working spaces. The working environment – including acoustics, lighting and furniture – has been improved, additional facilities have been provided and technological infrastructure has been updated to support working flexibly and collaboratively. The renovations have also incorporated new storage for the Academy’s archives and collection of books, and a rehang of artwork is underway.

The Academy’s venue hire company, Clio Enterprises Limited, was, like all in the hospitality industry, significantly impacted by the pandemic. The team worked hard to ensure that it was Covid-safe to open and now holds both the Meeting Industry Associations’ AIMSecure accreditation as well as VisitBritain’s “We’re Good to Go” mark.

Despite a significant drop in usual levels of business, the team developed new products such as ‘micro weddings’ and facilities for hybrid meetings and a virtual event studio. Filming and photography continued to be an important source of income when permitted with clients such as major retailers, media companies and fashion and editorial shoots.

The Academy has secured a range of funding from external organisations this year. This has included new partnerships with the Wellcome Trust (£4m over the next seven years) and Future of the Corporation (£1m). A number of our long-time supporters of the Small Research Grant Programme – the Sino-British Fellowship Trust, the Honor Frost Foundation and the British Accounting and Finance Association – have generously agreed to renew their partnerships with the Academy for a further three years.

The annual President’s Appeal was sent to Fellows in November, for the first time by email, launching a new giving mechanism through the Academy’s website. In addition to this, for the first time, attendees at the Academy’s free events have been invited to make a voluntary donation when booking online.

The team’s engagement with supporters continued over the last year through five online events and the introduction of a new newsletter. Despite the disruption to in-person contact over the last year, we have been able to maintain close relationships with many stakeholders, introduce new people to the Academy and re-engage with past-donors.

# Looking ahead

In response to a range of drivers, including the changing needs of our research community and government stated ambitions for research and for the UK's place in the world, the following set of core ambitions will guide our work for the year ahead:

- Supporting excellence in research and innovation in SHAPE subjects to maintain and strengthen the UK's position in research
- Embedding a consideration of Equality, Diversity and Inclusion into all we do
- Providing strategic and global leadership to strengthen the UK's place in the world through research
- Building skills and capacity for the current and next generation to support regional and place-based outcomes and prosperity
- Enabling knowledge synthesis, exchange, translation and brokering to strengthen economies, societies and cultures
- Making the most of the Academy's assets to secure the Academy for the future

The Academy's Fellowship is central to this plan, and as well as helping to support and inform all our activities, it will continue to oversee our work through our governance mechanisms including our Council and committees.

In July 2021 we will also have a change of President, with Professor Sir David Cannadine coming to the end of his four-year term, and the beginning of the presidency of Professor Julia Black CBE. The Academy will be coming to the end of its five-year strategic plan which runs until 2022, and so we expect to begin a strategic review at the start of Professor Black's presidency. 2022 will also be the Academy's 120<sup>th</sup> anniversary, and we will find opportunities to mark this throughout that year.

# Financial Review

## Results for the Year

The financial statements for 2020-21, report another year of expansion for the Academy with traditional funding streams continuing and new funding streams added. Total income for the Academy, increased by 3.8% on the prior year from £60.7m to £63.0m. Total expenditure increased by 4.1% from £60.8m to £63.3m 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 £27.5m of the Academy's total income of £63.0m coming in the form of recurrent 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 £16.6m through the Global Challenges Research Fund, £10.7m under the Investment in Research Talent Fund, £4.1m on Costed Extensions for award holders impacted by the COVID-19 pandemic and £0.5m 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 £4.4m. Spend on ongoing international programmes totalled £23.1m, including Global Professorships £6.5m, Global Challenges £3.0m, Cities and Infrastructure £3.0m, Youth Futures £3.0m, Early Career Research £2.3m, Early Childhood Development £2.3m, Heritage, Dignity and Violence £2.2m, and Education and Learning in Crisis £0.9m.

Group accounts were again prepared for the Academy and its wholly owned subsidiary, Clio Enterprises Limited ("Clio"). Trading activity conducted through, Clio, for the first time in its history resulted in a loss of £0.35m. This loss can be directly attributed to the impact of COVID-19 and but for careful planning could have been far greater.

Other than the reporting period as impacted by COVID-19, 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's General Fund
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

Net expenditure before investment gains and losses totalled £0.3m, an increase of £0.2m on 2020-21. This can be attributed to the impact of COVID-19 upon the trading subsidiary. Without the loss an almost break even position would have been achieved.



The group's total reserves amounted to £38.8m as at 31 March 2021, an increase of £3.8m on the year before. This increase can be largely attributed to the gain in the market value of our investment portfolio which following the initial impact of the COVID-19 pandemic has grown handsomely. Cash balances have seen a decrease during the past two years as a result of the refurbishment works to our premises 10-11 Carlton House Terrace, but effectively have been transferred to fixed assets due to the capitalisation of costs.

# Funds and Reserves

## Unrestricted Funds

A review of the Academy unrestricted reserves was undertaken at the Balance Sheet date, in order to obtain a clearer sense of the Free Reserves of the Academy and better reflect the nature of general and designated funds. As a result, existing designations were updated to reflect the strategic objectives of the Academy, with the creation of new designated funds and the removal of expired or no longer required designations.

### **General Fund**

This is now the Academy's principal unrestricted fund, providing liquidity and contingency funds in the event of a significant shortfall in income. The balance has largely been transferred from the Academy Development Fund which historically was funded by philanthropic donations and Fellows' subscriptions along with investment income and growth in investment capital.

### **The Academy Development Fund (ADF)**

Historically, this fund was the Academy's principal unrestricted fund, its purpose to allow the Academy to take new initiatives at its unfettered discretion. Following a recent review of unrestricted funds, £6.4m has been transferred to the Academy's General Fund, leaving a balance of £3m for strategic investment. This fund will be used to invest in the delivery of new impactful charitable activities and funding of major projects, strengthening the Academy in the long term.

### **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 £13.7m as at 31st March 2021 and is being written down over the life of the 125-year lease, which has 122 years remaining.

### **Other Designated Funds**

Other designated funds include the Research Fund contributes to the Academy's Small Research Grants programme and funds set aside for operational expenses such as building repairs, decorations and IT systems. These funds total £0.4m at 31st March 2021 (£0.4m at 31st March 2020).

## 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 £0.7m at 31 March 2021. 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 2021 is £9.2m (£7.4m at 31st March 2020).

### **Restricted Income Funds**

These funds include balances of £1.2m held for all the Academy programmes funded by the Government and other grant making bodies. Of the remaining £2.3m at 31st March 2021, £1.1m is represented by the Carlton House Terrace property fund and £1.2m 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 objectives.

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 31st March 2021, £20.2m is held in tracker funds managed by BlackRock Advisors (UK) Ltd. Investment funds managed by BlackRock provided a return of 2.3 per cent for the year 2020-21 having been impacted by the COVID-19 pandemic.

## Reserves Policy

The Group's total Unrestricted Funds are £25.5m at 31st March 2021. As noted above, the Academy's primary unrestricted fund is now the General Fund, a fund providing liquidity and contingency funds in the event of a significant shortfall in core funding.

Total Unrestricted Funds less Fixed Assets and Designated Funds are considered to be the reserves the Academy is free to spend – its free reserves. These amount to £6.0m as of 31 March 2021. Free Reserves as at 31 March 2020 stood at £8.8m and were calculated as total Unrestricted Funds less Unrestricted Fixed Assets. This method has now been updated to the above method following the review of Unrestricted funds. 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 £5.5m, which is broadly equivalent to operational expenditure for ten months.

## 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 ongoing COVID-19 pandemic.

The ongoing impact of the pandemic has been evident in the delay in receiving formal notification of the BEIS core grant letter for the 2021-22 financial year. While this immediate uncertainty has been alleviated by the receipt of a letter of comfort from BEIS guaranteeing core funding of £40.4m for 2021-22, 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 from BEIS will continue beyond the end of the next financial year. It is however recognised that the significant reduction in the Official Development Assistance (ODA) element of BEIS funding announced for 2021-22 may take some time to be reversed. However in all circumstances, sensitivities continue to forecast a high level of cash and investment reserves for the foreseeable future.

Financial forecasts for the 2021-22 financial year have been prepared on the assumption that our room hiring trading activity operated through the Academy's trading subsidiary, Clio resumes and gathers pace as pandemic lockdown restrictions ease. Wedding and filming bookings have already made a strong return, with corporate client trade expected to rise from Autumn onwards. Efforts are continuing to minimise operational costs where possible although marketing investment continues in order to attract future business. Clio transfers all its profits to the Academy, meaning it holds no reserves of its own. In light of Clio's trading performance during a difficult year, Clio has reported a deficit of 2020-21 and has therefore been unable to subsidise the Academy's operational expenditure nor add any capital to the Academy's General Fund. Instead, Clio is 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 again return to surplus in future years as trading conditions improve. Hence, the Trustees expect to provide all necessary financial support to Clio for the foreseeable future.

The current economic circumstances have created a degree of financial uncertainty. However, on the basis that BEIS funding has been secured until at least 31 March 2022, Clio's trading activities are expected to improve and given the strength of the Academy's balance sheet, the Trustees do not consider there to be a material uncertainty in relation to the going concern basis applied to the preparation of these financial Statements.

After making appropriate enquiries, which include the review of financial forecasts for the period ended 31 March 2023 and beyond, a sensitivity analysis and the consideration of the nature and extent of the matters identified above, the Academy's Council, as Trustees, 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 3.

The Academy was established by Royal Charter in 1902. It is a private, independent, self-governing corporation, composed of approximately 1,100 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 endeavours 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 who 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 managements 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, who are accountable to the Trustees.

The charity is registered with the Fundraising Regulator and follows its guidance and standards in order 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'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 and advises on policy and process.

A Strategic Risk Register is maintained by the Head of Fellowship Engagement and Governance working with the Senior Management Team. 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
- Business Continuity
- Data
- Retention and motivation of staff, risk to continuity from key staff
- Fellowship risks including engagement
- Inadequate controls on awards and use of funds
- Risks associated with a significant building redevelopment project

A range of controls and mitigations are 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 recently undertook a review of our risk management policy and processes and delivered a series risk workshops to relevant staff in 2020-21.

A further risk at present is the COVID-19 pandemic. A principal risk associated with the outbreak is its impact on the ability of the trading subsidiary, Clio Enterprises Limited, to generate profits and support the Academy, as already outlined within earlier sections of this report. In mitigation to the risk, we are instigating measures to allow a safe return to business when Government advice permits, which includes maintaining social distance rules, increased hygiene and cleaning procedures and limiting the number of events and guests into the building at once.

### **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 15 June 2021

Professor Sally Shuttleworth, FBA  
*Treasurer*

15 June 2021



# 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 on the financial statements

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 2021 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.

We have audited the financial statements of The British Academy ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 March 2021 which comprise the (consolidated) statement of financial activities, the parent charity's statement of financial activities, the consolidated and parent charity balance sheets, 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).

## 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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

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

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and charity and the industry in which it operates, we identified that the principal laws and regulations that directly affect the financial statements to be relevant charities acts in the UK and Ireland. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the group and charity are subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, data protection and health and safety legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

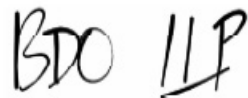
- We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Statement of Recommended Practice for Accounting Reporting by Charities (SORP FRS 102), The Health and Safety at Work Act 1974, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the charity is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes and correspondences with HMRC and the various charity regulators;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to depreciation and grant commitments; and
- In addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments; testing the application of cut-off and revenue recognition, particularly around grant income, donations and membership subscriptions, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 stylized and slanted to the right.

BDO LLP  
Statutory Auditor  
London,  
United Kingdom

Date: 21 July 2021

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).

# *Financial Statements*

for the Year ended 31 March 2021

2021



# Consolidated Statement of Financial Activities

Year ended 31 March 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Funds	2020 Funds
		£	£	£	£	£
<b>Income and endowments from</b>						
Donations and legacies	3	314,076	45,150	-	359,226	324,608
<b>Charitable activities</b>						
Grants receivable	4	2,000	61,321,546	-	61,323,546	56,644,129
<b>Other trading activities</b>						
Trading funds generated	5	585,293	902	-	586,195	2,889,870
Investment income	6	237,424	209,373	15,693	462,490	619,878
Other income	7	282,318	17,946	-	300,264	249,332
<b>Total income</b>		<b>1,421,111</b>	<b>61,594,917</b>	<b>15,693</b>	<b>63,031,721</b>	<b>60,727,817</b>
<b>Expenditure on</b>						
Raising funds	8	1,454,414	13,043	-	1,467,457	3,026,770
<b>Charitable activities</b>						
Grants and awards	9	260,943	61,617,267	2,359	61,880,569	57,804,364
<b>Total expenditure</b>		<b>1,715,357</b>	<b>61,630,310</b>	<b>2,359</b>	<b>63,348,026</b>	<b>60,831,134</b>
<b>Net expenditure before gains/ (losses) on investments</b>		<b>(294,246)</b>	<b>(35,393)</b>	<b>13,334</b>	<b>(316,305)</b>	<b>(103,317)</b>
Net gains/(losses) on investments	14	2,090,236	-	2,001,596	4,091,832	(2,135,317)
<b>Net income/(expenditure)</b>		<b>1,795,990</b>	<b>(35,393)</b>	<b>2,014,930</b>	<b>3,775,527</b>	<b>(2,238,634)</b>
Transfers between funds	19	(100,253)	100,253	-	-	-
<b>Net movement in funds</b>		<b>1,695,737</b>	<b>64,860</b>	<b>2,014,930</b>	<b>3,775,527</b>	<b>(2,238,634)</b>
Fund balances brought forward at 1 April 2020		23,836,148	3,269,725	7,911,435	35,017,308	37,255,942
<b>Total funds carried forward at 31 March 2021</b>		<b>25,531,885</b>	<b>3,334,585</b>	<b>9,926,365</b>	<b>38,792,835</b>	<b>35,017,308</b>

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 52 to 84 form part of these accounts.



# Statement of Financial Activities of the Academy

Year ended 31 March 2021

	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Funds	2020 Funds
	£	£	£	£	£
<b>Income and endowments from</b>					
Donations and legacies	314,076	45,150	-	359,226	324,608
Qualifying charitable donation	-	-	-	-	649,500
<b>Charitable activities</b>					
Grants receivable	2,000	61,321,546	-	61,323,546	56,644,129
<b>Other trading activities</b>					
Publications	333,514	902		334,416	304,040
Investment income	237,259	209,373	15,693	462,325	619,878
Other income	282,318	17,946	-	300,264	249,332
<b>Total income</b>	<b>1,169,167</b>	<b>61,594,917</b>	<b>15,693</b>	<b>62,779,777</b>	<b>58,791,487</b>
<b>Expenditure on raising funds</b>					
Fundraising	536,424	-	-	536,424	769,828
Publications	312,418	-	-	312,418	307,267
Investment management fees	13,621	12,134	909	26,664	13,345
<b>Charitable activities</b>					
Grants and awards	260,943	61,618,176	1,450	61,880,569	57,804,364
<b>Total expenditure</b>	<b>1,123,406</b>	<b>61,630,310</b>	<b>2,359</b>	<b>62,756,075</b>	<b>58,894,804</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>	<b>45,761</b>	<b>(35,393)</b>	<b>13,334</b>	<b>23,702</b>	<b>(103,317)</b>
Net gains/(losses) on investments	2,090,236	-	2,001,596	4,091,832	(2,135,317)
<b>Net income/(expenditure)</b>	<b>2,135,997</b>	<b>(35,393)</b>	<b>2,014,930</b>	<b>4,115,534</b>	<b>(2,238,634)</b>
Transfers between funds	(100,253)	100,253	-	-	-
<b>Net movement in funds</b>	<b>2,035,744</b>	<b>64,860</b>	<b>2,014,930</b>	<b>4,115,534</b>	<b>(2,238,634)</b>
Fund balances brought forward at 1 April 2020	23,836,148	3,269,725	7,911,435	35,017,308	37,255,942
<b>Total funds carried forward at 31 March 2021</b>	<b>25,871,892</b>	<b>3,334,585</b>	<b>9,926,365</b>	<b>39,132,842</b>	<b>35,017,308</b>

# Consolidated and Academy Balance Sheets

as at 31 March 2021

	Notes	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
<b>Fixed Assets</b>					
Tangible assets	13	17,193,220	16,172,876	17,193,220	16,172,876
Investments	14,15	20,234,656	16,166,691	20,234,666	16,166,701
		<b>37,427,876</b>	<b>32,339,567</b>	<b>37,427,886</b>	<b>32,339,577</b>
<b>Current Assets</b>					
Debtors	16	5,826,951	2,599,266	6,465,174	3,455,347
Cash at bank and in hand		1,601,260	2,259,252	1,216,185	1,211,343
		<b>7,428,211</b>	<b>4,858,518</b>	<b>7,681,359</b>	<b>4,666,690</b>
<b>Creditors</b>					
Amount falling due within one year	17	(6,025,720)	(2,180,777)	(5,938,871)	(1,988,959)
<b>Net Current Assets</b>		<b>1,402,491</b>	<b>2,677,741</b>	<b>1,742,488</b>	<b>2,677,731</b>
<b>Creditors</b>					
Amounts falling due after more than one year	18	(37,532)	-	(37,532)	-
<b>Net Assets</b>		<b>38,792,835</b>	<b>35,017,308</b>	<b>39,132,842</b>	<b>35,017,308</b>
Represented by:					
Endowment funds	19	9,926,365	7,911,435	9,926,365	7,911,435
Restricted funds	19	3,334,585	3,269,725	3,334,585	3,269,725
Unrestricted funds	19	25,531,885	23,836,148	25,871,892	23,836,148
<b>Total Funds</b>		<b>38,792,835</b>	<b>35,017,308</b>	<b>39,132,842</b>	<b>35,017,308</b>

The notes, on pages 52 to 84 form part of these accounts.

The Financial Statements on pages 48 to 84 were approved and authorised for issue on 15 June 2021 and signed by:



Professor Sally Shuttleworth  
Treasurer



Hetan Shah  
Chief Executive and Secretary

# Consolidated Statement of Cash Flows

as at 31 March 2021

	2021 £	2020 £	
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
Net income/(expenditure) for the reporting period	3,775,527	(2,238,634)	
Depreciation charges	250,976	252,576	
(Gains)/losses on investments	(4,091,832)	2,136,307	
Purchase of property, plant and equipment	(1,281,408)	(662,280)	
Loss on disposal of property, plant and equipment	10,088	-	
Investment Income	(462,490)	(619,878)	
(Increase) in debtors	(3,227,684)	(699,377)	
Increase/(decrease) in creditors	3,897,082	(39,395)	
<b>Net cash outflow from operating activities</b>	<b>(1,129,741)</b>	<b>(1,870,681)</b>	
<b>Statement of cash flows</b>			
<b>Net cash outflow from operating activities</b>	<b>(1,129,741)</b>	<b>(1,870,681)</b>	
Cash flows from financing activities			
Returns on investments	462,490	619,878	
Financial investment	-	(989)	
Finance lease payments	(14,607)	(20,400)	
<b>Net cash used in financing activities</b>	<b>(681,858)</b>	<b>(1,272,192)</b>	
<b>Reconciliation of net cash flow</b>			
Change in cash and cash equivalents	(681,858)	(1,272,192)	
Cash and liquid resources at 1 April 2020	2,343,399	3,615,591	
<b>Cash and liquid resources at 31 March 2021</b>	<b>1,661,541</b>	<b>2,343,399</b>	
<b>Notes to Cash flow statement</b>			
<b>Note (i) Gross cash flows</b>			
<b>Financial investment</b>			
Payments to acquire investments	(378,398)	(759,325)	
Receipts from sales of investments	378,398	758,336	
	-	<b>(989)</b>	
<b>Note (ii) Analysis of change in net funds</b>			
	<b>At 1 April 2020 £</b>	<b>Cash flows £</b>	<b>At 31 March 2021 £</b>
Cash at bank and in hand	2,259,252	(657,992)	1,601,260
Cash held with investment managers	84,147	(23,866)	60,281
	<b>2,343,399</b>	<b>(681,858)</b>	<b>1,661,541</b>

The notes, on pages 52 to 84 form part of these accounts.

# Notes to the Accounts

# 1

## Accounting Policies

as at 31 March 2021

### A. Basis of preparation of the accounts

The Annual Report, incorporating the financial statements for the year ended 31 March 2021, 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.

#### Going Concern

The ongoing impact of the pandemic has been evident in the delay in receiving formal notification of the BEIS core grant letter for the 2021-22 financial year. While this immediate uncertainty has been alleviated by the receipt of a letter of comfort from BEIS guaranteeing core funding of £40.4m for 2021-22, 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 from BEIS will continue beyond the end of the next financial year. It is however recognised that the significant reduction in the Official Development Assistance (ODA) element of BEIS funding announced for 2021-22 may take some time to be reversed. However in all circumstances, sensitivities continue to forecast a high level of cash and investment reserves for the foreseeable future.

Financial forecasts for the 2021-22 financial year have been prepared on the assumption that our room hiring trading activity operated through the Academy's trading subsidiary, Clio resumes and gathers pace as pandemic lockdown restrictions ease. Wedding and filming bookings have already made a strong return, with corporate client trade expected to rise from Autumn onwards. Efforts are continuing to minimise operational costs where possible although marketing investment continues in order to attract future business. Clio transfers all its profits to the Academy, meaning it holds no reserves of its own. In light of Clio's trading performance during a difficult year, Clio has reported a deficit of 2020-21 and has therefore been unable to subsidise the Academy's operational expenditure nor add any capital to

the Academy's General Fund. Instead, Clio is 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 again return to surplus in future years as trading conditions improve. Hence, the Trustees expect to provide all necessary financial support to Clio for the foreseeable future.

The current economic circumstances have created a degree of financial uncertainty. However, on the basis that BEIS funding has been secured until at least 31 March 2022, Clio's trading activities are expected to improve and given the strength of the Academy's balance sheet, the Trustees do not consider there to be a material uncertainty in relation to the going concern basis applied to the preparation of these financial Statements.

After making appropriate enquiries, which include the review of financial forecasts for the period ended 31 March 2023 and beyond, a sensitivity analysis and the consideration of the nature and extent of the matters identified above, the Academy's Council, as Trustees, 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 charity alone are not prepared, as the notes to consolidated financial statements identify the charity's 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, subscriptions and associated gift aid.
- Grants receivable are recognised when entitlement to the grant is confirmed. 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.
- Publishing 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.

- Expenditure on raising funds includes costs incurred in generating income through fundraising, trading activities, publishing and investments.
- Expenditure on 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. Returned grants are accounted for on receipt and deducted from expenditure.
- 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 on a straight line basis over its expected useful life, as follows:

- Furniture and equipment – over five years
- Leasehold Improvements depreciation is calculated on their major components and is charged on a straight-line basis over their expected useful economic lives as shown below:
  - Structure – 50 years
  - Bathrooms – 30 years
  - Kitchens – 20 years
  - Windows and Doors – 30 years
  - Mechanical Systems – 30 years
- Long leasehold – over the lease term
- Assets under construction – no charge until the asset is complete and in use
- 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 2021, the estimated value of stocks of publications not included in the balance sheet, due to being deemed immaterial, was £83,954 (2020: £87,014), 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. The next scheme valuation up to 31 March 2020 is expected to be published at the end of June 2021.

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 19.

**Unrestricted Funds** are those which are available for use at the Council's discretion, primarily to provide liquidity and a contingency in the event of a funding shortfall but can also be used in 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 19.

**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 as a result of the COVID-19 pandemic, made a loss during the year, resulting in no corporation tax liability on the subsidiary. Historically, qualifying donations of all taxable profit are made 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 2021

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.

An accounting policy for component accounting within leasehold improvements has been established (see note 1(f)).

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 2021

	Unrestricted £	Restricted £	Endowment £	2021 Total £	Unrestricted £	Restricted £	Endowment £	2020 Total £
Donations	202,376	45,150	-	247,526	78,420	50	-	78,470
Legacies	-	-	-	-	30,000	100,000	-	130,000
Subscriptions *	111,700	-	-	111,700	116,138	-	-	116,138
<b>Total</b>	<b>314,076</b>	<b>45,150</b>	<b>-</b>	<b>359,226</b>	<b>224,558</b>	<b>100,050</b>	<b>-</b>	<b>324,608</b>

\* Subscriptions are gift aided



## 4

Grants  
Receivable

as at 31 March 2021

	2021 £	2020 £
Department for Business, Energy & Industrial Strategy: Main Grant	27,526,500	27,000,000
Department for Business, Energy & Industrial Strategy: Costed Extensions	4,100,000	-
Department for Business, Energy & Industrial Strategy: Global Challenges Res. Fund	16,618,893	17,856,000
Department for Business, Energy & Industrial Strategy: Global Research Talent	10,662,568	9,227,885
Department for Business, Energy & Industrial Strategy: Newton Fund	529,156	768,271
Department for Business, Energy & Industrial Strategy: Knowledge Symposium	35,729	18,014
Foreign, Commonwealth & Development Office: Education Research in Conflict & Crisis	20,000	-
Leverhulme Trust	1,042,174	890,397
Wolfson Foundation	328,522	502,227
Wellcome Trust	221,640	-
Other grants	238,364	381,335
	<b>61,323,546</b>	<b>56,644,129</b>

Grants receivable is split between unrestricted and restricted funds. £2,000 (2020: £nil) pertain to unrestricted funds and £61,321,546 (2020: £56,644,129) pertain to restricted funds.

## 5

Trading Funds  
Generated

as at 31 March 2021

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Generated income						
Venue hire	251,779	-	251,779	2,585,830	-	2,585,830
Publishing	333,514	902	334,416	304,040	-	304,040
<b>Total generated income</b>	<b>585,293</b>	<b>902</b>	<b>586,195</b>	<b>2,889,870</b>	<b>-</b>	<b>2,889,870</b>
Cost of raising funds						
Venue hire	591,951	-	591,951	1,936,330	-	1,936,330
Publishing	312,418	-	312,418	307,267	-	307,267
<b>Total cost of raising funds</b>	<b>904,369</b>	<b>-</b>	<b>904,369</b>	<b>2,243,597</b>	<b>-</b>	<b>2,243,597</b>

## 6

Investment  
Income

as at 31 March 2021

	Unrestricted £	Restricted £	Endowment 2021 £	Total £	Unrestricted £	Restricted £	Endowment 2020 £	Total £
Investment income	235,036	209,373	15,693	460,102	307,343	294,310	-	601,653
Bank interest	2,388	-	-	2,388	18,225	-	-	18,225
	<b>237,424</b>	<b>209,373</b>	<b>15,693</b>	<b>462,490</b>	<b>325,568</b>	<b>294,310</b>	-	<b>619,878</b>
UK								
Bonds	54,374	48,437	3,631	106,442	65,190	62,419	-	127,609
Equities	80,382	71,599	5,367	157,348	128,075	122,652	-	250,727
Bank and deposit interest	2,388	-	-	2,388	18,225	-	-	18,225
	<b>137,144</b>	<b>120,036</b>	<b>8,998</b>	<b>266,178</b>	<b>211,490</b>	<b>185,071</b>	-	<b>396,561</b>
Overseas equities	100,280	89,337	6,695	196,312	114,078	109,239	-	223,317
	<b>237,424</b>	<b>209,373</b>	<b>15,693</b>	<b>462,490</b>	<b>325,568</b>	<b>294,310</b>	-	<b>619,878</b>

## 7

Other  
Income

as at 31 March 2021

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
UK Border Agency	275,700	-	275,700	196,311	24,539	220,850
Conferences	-	-	-	-	14,444	14,444
Sundry income	6,618	3,947	10,565	-	-	-
Recharged costs	-	13,999	13,999	-	-	-
Bank interest	-	-	-	-	14,038	14,038
	<b>282,318</b>	<b>17,946</b>	<b>300,264</b>	<b>196,311</b>	<b>53,021</b>	<b>249,332</b>

## 8

Expenditure on  
Raising Funds

as at 31 March 2021

	<b>Direct Costs £</b>	<b>Staff Costs £</b>	<b>Support Costs £</b>	<b>2021 Total £</b>
Fundraising	37,863	324,744	173,817	536,424
Venue hire	91,027	188,746	312,178	591,951
Publishing	175,655	81,433	55,330	312,418
Investment manager fees	26,664	-	-	26,664
<b>Total</b>	<b>331,209</b>	<b>594,923</b>	<b>541,325</b>	<b>1,467,457</b>

as at 31 March 2020

	<b>Direct Costs £</b>	<b>Staff Costs £</b>	<b>Support Costs £</b>	<b>2020 Total £</b>
Fundraising	120,564	374,331	274,933	769,828
Venue hire	907,600	312,949	715,781	1,936,330
Publishing	128,013	102,160	77,094	307,267
Investment manager fees	13,345	-	-	13,345
<b>Total</b>	<b>1,169,522</b>	<b>789,440</b>	<b>1,067,808</b>	<b>3,026,770</b>

# *Expenditure on Charitable Activities*

Expenditure on charitable activities was £61,880,569 (2020: £57,804,364) of which £260,943 pertained to unrestricted funds (2020: £660,102), £2,359 to endowment funds (2020: £nil) and £61,617,267 to restricted funds (2020: £57,144,262).

Year ended 31 March 2021

## 9

# Expenditure on Charitable Activities

Year ended 31 March 2021

	Direct costs Grants & Awards £	Direct Costs Other £	Staff Costs £	Depre- ciation £	Support costs £	2021 Total £
<b>Charitable activities</b>						
<b>Grants awards and activities</b>						
Research programmes						
Early career fellowships	17,919,225	270	284,017	-	89,362	18,292,874
Mid career fellowships	3,938,071	-	79,551	-	20,194	4,037,816
Senior research fellowships	490,880	-	-	-	22,970	513,850
Newton fellowships	1,358,026	-	30,231	-	7,674	1,395,931
Small research grants	2,750,236	-	77,952	-	31,902	2,860,090
Excellence kitemark	202,997	-	4,874	-	1,237	209,108
Policy engagement	268,440	475,590	1,314,195	-	268,459	2,326,684
Communications & Public engagement	-	707,005	1,345,340	-	275,524	2,327,869
Future of the corporation	-	45,812	70,211	-	-	116,023
<b>International programmes</b>						
International challenges	1,200,626	-	40,109	-	21,979	1,262,714
British International Research Institutes	4,114,618	156,070	102,534	-	26,029	4,399,251
Sustainable Development Programme (BEIS)	2,837,325	2,100	93,912	-	56,088	2,989,425
Urban Infrastructures of Well-Being (BEIS)	2,687,061	152,021	100,825	-	49,175	2,989,082
Education and Learning in Crises (BEIS)	830,000	-	24,354	-	25,646	880,000
Early Career Research (BEIS)	2,199,320	21,066	32,657	-	57,343	2,310,386
Heritage, Dignity & Violence (BEIS)	2,100,000	-	49,164	-	50,836	2,200,000
Youth Futures (BEIS)	2,880,000	-	55,921	-	64,079	3,000,000
Global Professorships (BEIS)	6,250,000	-	136,856	-	93,144	6,480,000
Newton Fund (BEIS)	478,884	13	44,010	-	6,249	529,156
Knowledge Symposium (BEIS)	-	35,729	-	-	-	35,729
Early Childhood Development (BEIS)	2,108,000	-	57,924	-	84,076	2,250,000
Education Research in Conflict & Crisis (FCDO)	-	1,000	13,716	-	5,284	20,000
Other grants, prizes & lectures	-	48,424	-	-	14,427	62,851
Depreciation	-	-	-	250,976	-	250,976
Property, Equipment & Conservation etc.	-	55,713	31,481	-	53,560	140,754
<b>Total</b>	<b>54,613,709</b>	<b>1,700,813</b>	<b>3,989,834</b>	<b>250,976</b>	<b>1,325,237</b>	<b>61,880,569</b>

## 9

# Expenditure on Charitable Activities – Prior Year Comparative

as at 31 March 2020

	Direct costs Grants & Awards £	Direct Costs Other £	Staff Costs £	Depre- ciation £	Support costs £	2020 Total £
<b>Charitable activities</b>						
<b>Grants awards and activities</b>						
Research programmes						
Early career fellowships	15,229,067	20,914	296,280	-	104,375	15,650,636
Mid career fellowships	3,185,601	-	73,536	-	22,105	3,281,242
Senior research fellowships	517,376	-	-	-	18,595	535,971
Newton fellowships	1,680,851	-	40,083	-	9,883	1,730,817
Small research grants	2,607,797	-	40,814	-	39,749	2,688,360
Excellence kitemark	205,577	-	4,734	-	1,423	211,734
Policy engagement	76,302	697,567	1,093,120	-	215,164	2,082,153
Communications & Public engagement	-	795,729	1,225,560	-	249,137	2,270,426
Future of the corporation	-	214,444	75,106	-	-	289,550
<b>International programmes</b>						
International challenges	1,200,000	-	51,622	-	30,738	1,282,360
British International Research Institutes	4,009,003	180,070	96,699	-	29,069	4,314,841
Sustainable Development Programme (BEIS)	4,046,000	-	88,290	-	51,710	4,186,000
Urban Infrastructures of Well-Being (BEIS)	2,811,635	76,010	75,479	-	104,521	3,067,645
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
Global Professorships (BEIS)	3,750,000	-	140,903	-	79,097	3,970,000
Newton Fund (BEIS)	704,474	-	51,979	-	11,819	768,272
Knowledge Symposium (BEIS)	-	18,014	-	-	-	18,014
Early Childhood Development (BEIS)	2,213,512	-	66,735	-	75,265	2,355,512
DfID Early Childhood Development	-	21,227	-	-	-	21,227
Other grants, prizes & lectures	14,300	85,585	-	-	13,851	113,736
Depreciation	-	-	-	252,576	-	252,576
Property, Equipment & Conservation etc.	-	333,387	29,928	-	38,395	401,710
<b>Total</b>	<b>50,203,077</b>	<b>2,442,947</b>	<b>3,644,818</b>	<b>252,576</b>	<b>1,260,946</b>	<b>57,804,364</b>

## 9

# Expenditure on Charitable Activities (continued)

## Analysis of Total Grants Payable

as at 31 March 2020

	<b>Grants to institutions £</b>	<b>Grants to individuals £</b>	<b>2021 Total £</b>	<b>Grants to institutions £</b>	<b>Grants to individuals £</b>	<b>2020 Total £</b>
Fellowships	29,956,202	-	29,956,202	24,362,895	-	24,362,895
Small grants	2,589,506	160,730	2,750,236	2,504,084	103,713	2,607,797
Overseas research facilitation	4,114,618	-	4,114,618	4,009,003	-	4,009,003
Global & UK challenges	4,785,275	-	4,785,275	5,322,302	-	5,322,302
Research projects	13,007,378	-	13,007,378	13,901,080	-	13,901,080
	<b>54,452,979</b>	<b>160,730</b>	<b>54,613,709</b>	<b>50,099,364</b>	<b>103,713</b>	<b>50,203,077</b>

9.1

# Support Costs

as at 31 March 2021

	Premises £	Support services £	Governance £	2021 Total £
<b>Raising funds</b>	340,137	151,886	49,302	541,325
<b>Total</b>	<b>340,137</b>	<b>151,886</b>	<b>49,302</b>	<b>541,325</b>
<b>Charitable activities</b>				
Investment in research	121,293	95,910	24,123	241,326
Speak up for Humanities and Social Sciences	138,482	109,500	27,542	275,524
Inform and enrich debate	134,931	106,692	26,836	268,459
International engagement and collaboration	271,374	214,582	53,972	539,928
<b>Total</b>	<b>666,080</b>	<b>526,684</b>	<b>132,473</b>	<b>1,325,237</b>
<b>Total support costs</b>	<b>1,006,217</b>	<b>678,570</b>	<b>181,775</b>	<b>1,866,562</b>

	Premises £	Support services £	Governance £	2020 Total £
<b>Raising funds</b>	596,501	399,771	71,536	1,067,808
<b>Total</b>	<b>596,501</b>	<b>399,771</b>	<b>71,536</b>	<b>1,067,808</b>
<b>Charitable activities</b>				
Investment in research	109,117	118,122	21,137	248,376
Speak up for Humanities and Social Sciences	109,451	118,484	21,202	249,137
Inform and enrich debate	94,526	102,327	18,311	215,164
International engagement and collaboration	240,866	260,744	46,659	548,269
<b>Total</b>	<b>553,960</b>	<b>599,677</b>	<b>107,309</b>	<b>1,260,946</b>
<b>Total support costs</b>	<b>1,150,461</b>	<b>999,448</b>	<b>178,845</b>	<b>2,328,754</b>

Premises costs comprises the rent and running costs (maintenance and utilities) of Carlton House Terrace. They are allocated across the directorates by floor space and the total area used.

Support services comprises finance, IT, HR, and other general administration overheads. They are allocated using area, full time equivalent staffing and direct cost proportionality.



## 9.2

# Grants Paid to Institutions

as at 31 March 2021

The 50 largest total payments to single institutions were as follows:

<b>Institution</b>	<b>2021 £</b>	<b>2020 £</b>
University of Oxford	6,283,345	5,842,865
University College London	2,882,332	2,768,743
University of Cambridge	2,683,808	2,624,629
King's College London	2,230,853	2,068,779
Queen Mary, University of London	1,945,071	1,476,614
University of Edinburgh	1,759,793	1,515,043
University of Warwick	1,571,551	1,083,102
University of Bristol	1,551,279	666,285
London School of Economics	1,255,306	1,404,944
British School at Rome	1,165,378	941,808
University of East Anglia	1,100,556	861,077
University of Sheffield	1,082,958	1,080,284
University of Exeter	1,075,985	1,010,393
University of Glasgow	1,020,350	904,463
University of York	988,036	985,171
Royal Holloway, University of London	878,268	750,764
University of St Andrews	868,456	577,102
School of Oriental and African Studies	819,007	673,032
University of Nottingham	797,945	654,951
University of Birmingham	797,564	1,143,951
British School at Athens	790,907	651,875
Council for British Research in the Levant	788,186	508,119
University of Leeds	774,727	1,378,041
Newcastle University	770,971	661,165
University of Sussex	764,353	881,191
British Institute at Ankara	748,974	570,465
Loughborough University	717,371	549,043
Durham University	713,118	602,237
Manchester University	698,260	529,675
British Institute of Eastern Africa	624,063	571,828
University of Reading	613,589	450,843
University of Liverpool	584,534	381,591
Institute of Development Studies	570,147	398,262
London School of Hygiene	554,190	561,925
Oxford Brookes University	541,686	410,021

<b>Institution</b>	<b>2021 £</b>	<b>2020 £</b>
University of Bath	509,148	651,992
Coventry University	508,797	490,238
University of Essex	497,680	817,675
Goldsmiths, University of London	468,528	465,185
Birkbeck University of London	434,648	279,232
University of Kent	420,977	606,530
Northumbria University	416,181	277,050
University of Hull	402,595	310,201
University of Aberdeen	340,266	207,826
Bath Spa University	328,942	152,966
International Institute for Environment & Development	299,204	104,877
University of Surrey	274,186	102,092
University of Huddersfield	272,725	96,166
Imperial College London	235,008	403,318
De Montfort University	227,101	23,583

## 10

Staff  
Costs

as at 31 March 2021

	2021 £	2020 £
Salaries	3,535,413	3,418,201
Social security costs	382,356	367,205
Pension costs – SAUL	522,308	446,032
Other staff costs*	144,680	202,820
<b>Total</b>	<b>4,584,757</b>	<b>4,434,258</b>

\*Other staff costs include severance payments of £nil (2020: £120,500).

The average number of permanent employees (all administrative staff) during the year was 85 (2020: 86).

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

Salary	2021	2020
£60,000 – £70,000	1	-
£80,001 – £90,000	4	3
£90,001 – £100,000	1	-
£130,001 – £140,000	-	1
£140,001 – £150,000	1	-

Total employer pension contributions for the higher paid staff above were £92,146 (2020: £39,856).

Total remuneration received by key management personnel for services during the year is £745,587 (2020: £694,034).

No Officer or Ordinary Member of the Council received any remuneration from the Academy for the year ended 31 March 2021 (2020: £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 2021 such reimbursement to 25 Council members (2020: 26) amounted to £Nil (2020: £11,081).

## 11

## Net Expenditure is After Charging

as at 31 March 2021

	2021 £	2020 £
Auditors		
Remuneration	28,000	23,900
Other services	2,434	2,358
Investment management fees	26,664	13,345
Operating leases		
Land and buildings	645,000	645,000

## 12

## Statement of Financial Activity Prior Year Comparative

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020 Funds £
<b>Income and endowments from</b>				
Donations and legacies	224,558	100,050	-	324,608
<b>Charitable activities</b>				
Grants receivable	-	56,644,129	-	56,644,129
<b>Other trading activities</b>				
Trading funds generated	2,889,870	-	-	2,889,870
Investment income	325,568	294,310	-	619,878
Other incoming resources	196,311	53,021	-	249,332
<b>Total income</b>	<b>3,636,307</b>	<b>57,091,510</b>	-	<b>60,727,817</b>
<b>Expenditure on</b>				
Raising funds	3,019,749	7,021	-	3,026,770
Charitable activities	660,102	57,144,262	-	57,804,364
<b>Total expenditure</b>	<b>3,679,851</b>	<b>57,151,283</b>	-	<b>60,831,134</b>
<b>Net expenditure before investment losses</b>	<b>(43,544)</b>	<b>(59,773)</b>	-	<b>(103,317)</b>
Net losses on investments	(1,090,786)	-	(1,044,531)	(2,135,317)
<b>Net expenditure</b>	<b>(1,134,330)</b>	<b>(59,773)</b>	<b>(1,044,531)</b>	<b>(2,238,634)</b>
Transfers between funds	56,651	(56,651)	-	-
<b>Net movement in funds</b>	<b>(1,077,679)</b>	<b>(116,424)</b>	<b>(1,044,531)</b>	<b>(2,238,634)</b>
<b>Fund balances brought forward at 1 April 2019</b>	<b>24,913,827</b>	<b>3,386,149</b>	<b>8,955,966</b>	<b>37,255,942</b>
<b>Total funds carried forward at 31 March 2020</b>	<b>23,836,148</b>	<b>3,269,725</b>	<b>7,911,435</b>	<b>35,017,308</b>

## 13

Tangible Fixed Assets –  
Group and Academy

as at 31 March 2021

	Long Leasehold	Leasehold Improvements	Assets Under Course of Construction	Furniture and Equipment	Leased Assets	Total
Cost	£	£	£	£	£	£
At 1 April 2020	14,000,000	4,440,061	1,013,185	44,741	50,439	19,548,426
Additions	-	1,058,583	18,901	164,151	39,773	1,281,408
Disposals	-	-	-	-	(50,439)	(50,439)
<b>At 31 March 2021</b>	<b>14,000,000</b>	<b>5,498,644</b>	<b>1,032,086</b>	<b>208,892</b>	<b>39,773</b>	<b>20,779,395</b>
<b>Depreciation</b>						
At 1 April 2020	224,000	3,104,772	-	8,948	37,830	3,375,550
Charge for the year	112,000	121,540	-	8,948	8,488	250,976
Disposals	-	-	-	-	(40,351)	(40,351)
<b>At 31 March 2021</b>	<b>336,000</b>	<b>3,226,312</b>	<b>-</b>	<b>17,896</b>	<b>5,967</b>	<b>3,586,175</b>
<b>Net book value</b>						
<b>At 31 March 2021</b>	<b>13,664,000</b>	<b>2,272,332</b>	<b>1,032,086</b>	<b>190,996</b>	<b>33,806</b>	<b>17,193,220</b>
At 31 March 2020	13,776,000	1,335,289	1,013,185	35,793	12,609	16,172,876

Assets Under Construction relates to the transformation project at 10-11 Carlton House Terrace and is split into two phases. Phase one is the refurbishment of staff offices on floors two and three and with phase two the transformation of the existing basement space into an intellectual hub, complete with a 200+ seat auditorium, exhibition and networking space and media suite.

## 14

# Investments – Group and Academy

as at 31 March 2021

	<b>2021</b>	<b>2020</b>		
	<b>£</b>	<b>£</b>		
At 1 April 2020	16,082,544	18,217,862		
Additions	378,398	759,325		
Disposals	(378,398)	(758,336)		
Net gains/(losses) on investments	4,091,832	(2,136,307)		
<b>Total investments</b>	<b>20,174,376</b>	<b>16,082,544</b>		
Cash at bank held within investments	60,281	84,147		
<b>At 31 March</b>	<b>20,234,656</b>	<b>16,166,691</b>		
<b>Historic cost of fixed interest and equities at 31 March</b>	<b>15,785,069</b>	<b>15,562,974</b>		
<b>Comprising</b>	<b>UK</b>	<b>Overseas</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bonds	3,591,657	-	3,591,657	3,181,643
Equities	7,153,840	9,428,878	16,582,718	12,900,901
Cash	60,281	-	60,281	84,147
<b>Total</b>	<b>10,805,778</b>	<b>9,428,878</b>	<b>20,234,656</b>	<b>16,166,691</b>

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

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## Clio Enterprises Ltd – Venue Hire

as at 31 March 2021

The wholly owned trading subsidiary Clio Enterprises Ltd was incorporated in the United Kingdom on 7 April 2011 (company registration number: 07595846) and handles the hospitality activity of the Academy. Historically, it donates all profits to the charity by gift aid and as a result, no corporation tax is payable. The results for 2020-21 have been impacted severely because of the COVID-19 pandemic, with financial assistance provided to the subsidiary to assist as a consequence. A summary of the trading results is shown below.

### The summary financial performance of the subsidiary alone is:

	2021 £	2020 £
Turnover	370,497	3,194,105
Cost of sales and administration costs	(710,670)	(2,546,790)
Interest receivable	166	2,185
<b>Net (loss)/profit</b>	<b>(340,007)</b>	<b>649,500</b>
Profit gifted to the charity	-	(649,500)
<b>Loss retained in the subsidiary</b>	<b>(340,007)</b>	-
The assets and liabilities of the subsidiary were:		
Current assets	399,988	1,139,797
Current liabilities	(739,985)	(1,139,787)
<b>Shareholder's (deficit)/funds / total net (liabilities)/assets</b>	<b>(339,997)</b>	<b>10</b>

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

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## Debtors

as at 31 March 2021

	<b>Group 2021</b> £	<b>Group 2020</b> £	<b>Academy 2021</b> £	<b>Academy 2020</b> £
Trade debtors	24,071	112,693	10,000	27,087
Staff loans	1,616	22,946	1,616	22,946
Amounts due from subsidiary	-	-	313,129	947,969
Short term loan due from subsidiary	-	-	340,007	-
Prepayments and accrued income	5,785,841	2,443,364	5,784,999	2,437,082
Recoverable VAT	15,423	20,263	15,423	20,263
<b>Total</b>	<b>5,826,951</b>	<b>2,599,266</b>	<b>6,465,174</b>	<b>3,455,347</b>

The loan from parent undertaking is in regard to a short-term loan provided as a result of the COVID-19 impact upon the trading results of the company. The loan is repayable as and when profits return to a more pre-pandemic level and cashflow allows. Interest is to be charged at a rate of the Bank of England Base rate plus one percent.



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## Creditors: Amounts falling due within one year

as at 31 March 2021

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Other creditors	357,925	323,236	357,385	231,007
Lease obligation	10,179	19,850	10,179	19,850
Grants and awards (see below)	4,273,919	578,409	4,273,919	578,409
Accruals	1,002,425	938,448	997,191	933,788
Deferred income	381,272	320,834	300,197	225,905
<b>Total</b>	<b>6,025,720</b>	<b>2,180,777</b>	<b>5,938,871</b>	<b>1,988,959</b>
<b>Grant and awards included within creditors</b>				
Grants and awards allocated, not yet paid comprise:				
Early career fellowships			3,194,264	105,220
Mid career fellowships			655,222	-
Newton fellowships			212,517	51,481
Small research grants			211,916	355,717
International engagement			-	65,991
<b>Total</b>			<b>4,273,919</b>	<b>578,409</b>
<b>Deferred income</b>				
At 1 April 2020	320,834	126,700	974	974
Taken to income in the year	(320,834)	(126,700)	-	-
Taken to deferred income in the year	381,272	320,834	299,223	224,931
<b>At 31 March 2021</b>	<b>381,272</b>	<b>320,834</b>	<b>300,197</b>	<b>225,905</b>
<b>Deferred income is split as below:</b>				
Amount falling due within one year (see above)	381,272	320,834	300,197	225,905
Amount falling due after one year	-	-	-	-
	<b>381,272</b>	<b>320,834</b>	<b>300,197</b>	<b>225,905</b>

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## Creditors: Amounts falling due after more than one year

as at 31 March 2021

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Lease obligation	37,532	-	37,532	-
Deferred income	-	-	-	-
<b>Total</b>	<b>37,532</b>	<b>-</b>	<b>37,532</b>	<b>-</b>

19

# Net Movement in Funds (Group and Academy)

as at 31 March 2021

	Balance 1st April 20 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance 31 March 21 £
<b>Permanent endowment funds – Academy &amp; Group</b>						
Rose Mary Crawshay	31,919	908	(767)	-	8,076	40,136
Edward Ullendorff	106,970	3,043	(328)	-	27,064	136,749
Webster	412,753	11,742	(1,264)	-	104,428	527,659
<b>Total permanent endowment funds</b>	<b>551,642</b>	<b>15,693</b>	<b>(2,359)</b>	<b>-</b>	<b>139,568</b>	<b>704,544</b>
<b>Expendable endowment funds – Academy &amp; Group</b>						
Elizabeth Barker	440,207	-	-	-	111,374	551,581
Neil Ker	401,532	-	-	-	101,589	503,121
Leopold Schweich	226,685	-	-	-	57,352	284,037
Stenton	488,172	-	-	-	123,510	611,682
Albert Reckitt	2,033,157	-	-	-	514,397	2,547,554
Stein Arnold	225,499	-	-	-	57,052	282,551
Thank Offering to Britain	1,083,545	-	-	-	274,141	1,357,686
S T Lee	265,655	-	-	-	67,212	332,867
Marc Fitch	517,316	-	-	-	130,883	648,199
Other	1,678,025	-	-	-	424,518	2,102,543
<b>Total expendable endowment funds</b>	<b>7,359,793</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,862,028</b>	<b>9,221,821</b>
<b>Total endowment funds</b>	<b>7,911,435</b>	<b>15,693</b>	<b>(2,359)</b>	<b>-</b>	<b>2,001,596</b>	<b>9,926,365</b>
<b>Restricted income funds – Academy &amp; Group investment funds</b>						
Elizabeth Barker	15,156	12,523	(12,474)	-	-	15,205
Neil Ker	73,836	11,573	(12,319)	-	-	73,090
Leopold Schweich	117,154	7,161	(694)	-	-	123,621
Stenton	89,949	14,078	(15,245)	-	-	88,782
Albert Reckitt	129,615	57,841	(66,138)	-	-	121,318
Stein Arnold	19,174	6,415	(4,465)	-	-	21,124
Thank Offering to Britain	148,980	30,825	(16,229)	-	-	163,576
S T Lee	45,828	7,558	(1,966)	-	-	51,420
Marc Fitch	755	14,717	(15,051)	-	-	421
Other	329,711	47,734	(18,488)	-	-	358,957
	<b>970,158</b>	<b>210,425</b>	<b>(163,069)</b>	<b>-</b>	<b>-</b>	<b>1,017,514</b>

	Balance 1st April 20 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance 31 March 21 £
<b>Non-investment funds</b>						
BEIS grant	-	27,526,500	(27,526,500)	-	-	-
Academy other support costs	-	-	(100,253)	100,253	-	-
BEIS grant – Costed Extensions	-	4,100,000	(4,100,000)	-	-	-
BEIS Urban Infrastructures of Well-Being	-	2,989,082	(2,989,082)	-	-	-
BEIS Early Childhood Development	-	2,250,000	(2,250,000)	-	-	-
BEIS Sustainable Development Programme	-	2,989,425	(2,989,425)	-	-	-
BEIS Education and Learning in Crises	-	880,000	(880,000)	-	-	-
BEIS Early Career Research	48,418	2,310,386	(2,310,386)	-	-	48,418
BEIS Heritage, Dignity & Violence	-	2,200,000	(2,200,000)	-	-	-
BEIS Youth Futures	-	3,000,000	(3,000,000)	-	-	-
BEIS Knowledge Symposium	-	35,729	(35,729)	-	-	-
BEIS Global Research Talent	20	10,662,568	(10,662,568)	-	-	20
BEIS Newton Fund	-	529,156	(529,156)	-	-	-
FCDO Education Research in Conflict & Crisis	-	20,000	(20,000)	-	-	-
Leverhulme Trust	312,541	1,042,174	(918,476)	-	-	436,239
Wolfson Foundation	384,207	328,522	(371,605)	-	-	341,124
Wellcome Trust	-	221,640	(221,640)	-	-	-
Future of the Corporation	137,595	124,862	(116,023)	(10,000)	-	136,434
Other	243,835	174,448	(138,952)	10,000	-	289,331
CHT property	1,172,951	-	(107,446)	-	-	1,065,505
	<b>2,299,567</b>	<b>61,384,492</b>	<b>(61,467,241)</b>	<b>100,253</b>	-	<b>2,317,071</b>
<b>Total restricted income funds</b>	<b>3,269,725</b>	<b>61,594,917</b>	<b>(61,630,310)</b>	<b>100,253</b>	-	<b>3,334,585</b>
<b>Unrestricted funds</b>						
General Funds – Academy	200,000	827,834	(678,528)	6,348,277	2,090,236	8,787,819
General Funds – Trading Subsidiary	-	251,945	(591,952)	-	-	(340,007)
<b>Designated funds – Academy &amp; Group</b>						
Academy Development Fund (ADF)	9,368,947	-	-	(6,368,947)	-	3,000,000
Property-ADF	162,341	-	(14,094)	-	-	148,247
BEIS Carlton House Terrace	13,776,000	-	(112,000)	-	-	13,664,000
Research Fund	20,373	7,818	(6,366)	-	-	21,825
Publications	58,487	333,514	(312,418)	(79,583)	-	-
External Redecoration, Repairs & Maintenance	250,000	-	-	-	-	250,000
<b>Total designated funds</b>	<b>23,636,148</b>	<b>341,332</b>	<b>(444,878)</b>	<b>(6,448,530)</b>	-	<b>17,084,073</b>
<b>Total unrestricted funds – Academy</b>	<b>23,836,148</b>	<b>1,169,166</b>	<b>(1,123,406)</b>	<b>(100,253)</b>	<b>2,090,236</b>	<b>25,871,892</b>
<b>Total unrestricted funds – Group</b>	<b>23,836,148</b>	<b>1,421,111</b>	<b>(1,715,358)</b>	<b>(100,253)</b>	<b>2,090,236</b>	<b>25,531,885</b>
<b>Total funds – Academy</b>	<b>35,017,308</b>	<b>62,779,777</b>	<b>(62,756,075)</b>	-	<b>4,091,832</b>	<b>39,132,842</b>
<b>Total funds – Group</b>	<b>35,017,308</b>	<b>63,031,721</b>	<b>(63,348,026)</b>	-	<b>4,091,832</b>	<b>38,792,835</b>

## 19

# Net Movement in Funds (continued)

## – Prior Year Comparative

	Balance 1st April 19 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance 31 March 20 £
<b>Permanent endowment funds</b>						
Rose Mary Crawshay	36,133	-	-	-	(4,214)	31,919
Edward Ullendorff	121,093	-	-	-	(14,123)	106,970
Webster	467,249	-	-	-	(54,496)	412,753
<b>Total permanent endowment funds</b>	<b>624,475</b>	-	-	-	<b>(72,833)</b>	<b>551,642</b>
<b>Expendable endowment funds</b>						
Elizabeth 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 Schweich	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
S T Lee	300,729	-	-	-	(35,074)	265,655
Marc Fitch	585,617	-	-	-	(68,301)	517,316
Other	1,500,596	-	-	-	(175,005)	1,325,591
<b>Total expendable endowment funds</b>	<b>8,331,491</b>	-	-	-	<b>(971,698)</b>	<b>7,359,793</b>
<b>Total endowment funds</b>	<b>8,955,966</b>	-	-	-	<b>(1,044,531)</b>	<b>7,911,435</b>
<b>Restricted income funds investment funds</b>						
Elizabeth 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 Schweich	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
S T 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
	<b>928,738</b>	<b>295,776</b>	<b>(255,856)</b>	<b>1,500</b>	-	<b>970,158</b>

	Balance 1st April 19 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance 31 March 20 £
<b>Non-investment funds</b>						
BEIS grant	-	27,000,000	(27,000,000)	-	-	-
Academy other support costs	-	-	(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	-	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 Symposium	-	18,014	(18,014)	-	-	-
BEIS Global Research Talent	20	9,227,885	(9,227,885)	-	-	20
BEIS 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
CHT property	1,280,397	-	(107,446)	-	-	1,172,951
	<b>2,457,411</b>	<b>56,795,734</b>	<b>(56,895,427)</b>	<b>(58,151)</b>	-	<b>2,299,567</b>
<b>Total restricted income funds</b>	<b>3,386,149</b>	<b>57,091,510</b>	<b>(57,151,283)</b>	<b>(56,651)</b>	-	<b>3,269,725</b>
<b>Unrestricted funds</b>						
General fund	200,000	2,604,055	(1,936,330)	(667,725)	-	200,000
<b>Designated funds</b>						
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, maintenance & repairs fund	250,000	-	-	-	-	250,000
<b>Total designated funds</b>	<b>24,713,827</b>	<b>1,032,252</b>	<b>(1,743,521)</b>	<b>724,376</b>	<b>(1,090,786)</b>	<b>23,636,148</b>
<b>Total unrestricted funds</b>	<b>24,913,827</b>	<b>3,636,307</b>	<b>(3,679,851)</b>	<b>56,651</b>	<b>(1,090,786)</b>	<b>23,836,148</b>
<b>Total funds</b>	<b>37,255,942</b>	<b>60,727,817</b>	<b>(60,831,134)</b>	-	<b>(2,135,317)</b>	<b>35,017,308</b>

## 19

# Net Movement in Funds (continued)

as at 31 March 2021

## 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.

**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.

Other restricted funds comprise monies received to fund separate restricted projects and activities such as research grants, lectures and prizes in line with our charitable activities and are held as separate individual funds in our accounts.

## 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. The balance represents the net book value of assets bought over the years.

**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.

**BEIS Grant Costed Extensions:** represent costed extensions to awards for researchers whose projects have had to be paused as a direct consequence of COVID-19, allowing them to complete their work as initially intended.

**BEIS Urban Infrastructure of Well-Being Programme:** funds interdisciplinary research projects that address the challenge of creating and maintaining sustainable and resilient cities in developing countries.

**BEIS Early Childhood Development Programme:** funds interdisciplinary research projects that will inform the policies and interventions that will transform the life chances and destinies of children in their early years in lower and middle income developing countries.

**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 & 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 Knowledge Symposia:** aim to enhance the skills and capabilities of early career researchers in the UK and overseas, and to encourage them to develop new international links and research partnerships.

**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.

**FCDO Education Research into Conflict & Crisis:** programme is a knowledge systems strengthening initiative in target regions that will support bilateral research chairs amongst other activities.

**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 and also up to six awards over a three year period to support early career researchers who show exceptional talent in both research and public engagements.

**Wellcome Trust:** represents activity to support the Academy's small research grant scheme in the humanities and social sciences, conference grants and workshops.

**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.

**OHT 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 in the event of a significant shortfall in core funding.

**Designated Funds** have been set aside for the following purposes:

**Academy Development Fund:** A fund to provide the delivery of new impactful charitable activities and funding of major projects, to strengthen the Academy for the longer terms.

**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 Academy's Small Research Grants scheme by providing one new award each year.

**External redecoration, repairs and maintenance fund:** To cover certain repairs and maintenance relating to the building, plus also sufficient funds to enable the Academy to comply with its obligation, under its lease with the Crown Estate, to redecorate the exterior of its building. Under the new lease this is to be carried out every five years beginning in 2019. The cost of this is now being treated as a provision within the accounts as opposed to a transfer of reserves.

**Transfers of Funds:** Transfers totalling £6,448,530 were made during the year. Of this £100,253 was made to restricted funds from the unrestricted General fund to subsidise BEIS activity support costs not covered by the BEIS operational grant.

Following an internal review of the Academy's unrestricted funds, £6,348,277 was transferred to the General fund to prioritise it as Academy's primary unrestricted fund providing liquidity and a contingency in the event of a funding shortfall. This amount was originally held within the Academy Development Fund, which is now to be used for more impactful charitable activities moving forward.



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## Net Asset Funds

as at 31 March 2021

	Fixed assets £	Investments £	Net current assets/(liabilities) £	Long term liabilities £	2021 Total assets £
Endowment	-	9,926,365	-	-	9,926,365
Restricted	1,065,501	-	2,306,616	(37,532)	3,334,585
Unrestricted	16,127,719	10,308,291	(904,125)	-	25,531,885
<b>Total</b>	<b>17,193,220</b>	<b>20,234,656</b>	<b>1,402,491</b>	<b>(37,532)</b>	<b>38,792,835</b>

The net liabilities within unrestricted funds are funded by investments, which could be realised to meet the net liabilities, should they fall due.

## Net Asset Funds Prior Year Comparative

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	14,987,319	8,255,256	593,573	-	23,836,148
<b>Total</b>	<b>16,172,876</b>	<b>16,166,691</b>	<b>2,677,741</b>	<b>-</b>	<b>35,017,308</b>

## 21

## Pension Scheme

as at 31 March 2021

### 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, with the next valuation of 31 March 2020 expected to be published at the end of June 2021, after the date of the audit report. 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 but is expected to be published at the end of June 2021, after the date of the audit report.

## 22

## Leases and Other Commitments

as at 31 March 2021

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

	<b>Land &amp; Buildings</b>	<b>Equipment</b>	<b>2021 Total £</b>	<b>Land &amp; Buildings</b>	<b>Equipment</b>	<b>2020 Total £</b>
Not later than 1 year	645,000	8,949	653,949	645,000	19,850	664,850
Later than 1 year but not later than 5 years	2,580,000	66,201	2,646,201	2,580,000	90,554	2,670,554
Later than 5 years	75,465,000	-	75,465,000	76,110,000	-	76,110,000

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 £149,515 (2020: £123,032) in respect of work in progress on publications.

## 23

## Contingent Liabilities

as at 31 March 2021

The Academy commits to multi-year grants funded from outside sources. Should those sources be withdrawn a contingent liability of £37.5m (2020: £47.2m) may arise. However, it is stated within the terms and conditions of individual awards that should Academy funding be withdrawn, the Academy are not legally obliged to fulfil the commitment.

## 24

## Related Party Transactions

as at 31 March 2021

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 (2020: £2,100).

Professor Julia Barrow is the chair of the English Episcopal Acta project which is an Academy Research Project. The project, of which she is not the award-holder, received a grant of £2,036 (2020: £2,112).

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 (2020: £50,000) in relation to the Future of the Corporation programme and an additional £55,000 (2020: £55,000) in relation to the Small Research Grants scheme.

# Donors

## Our friends and supporters

In 2020-21 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). The Academy would like to express its deepest gratitude to the organisations, individuals and Fellows who have donated over the past year. We are grateful for their continued support and that of the many anonymous donations that help fund important research and programmes across the humanities and social sciences.

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