

THE ROYAL ARCHAEOLOGICAL INSTITUTE

**COUNCIL REPORT AND
FINANCIAL STATEMENTS
31 DECEMBER 2018**

**SOMERBYS LIMITED
CHARTERED ACCOUNTANTS
30 NELSON STREET
LEICESTER LE1 7BA**

THE ROYAL ARCHAEOLOGICAL INSTITUTE

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YEAR ENDED 31 DECEMBER 2018

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CHARITY NUMBER: 226222

President	Mr Blaise Vyner
Vice-Presidents	Dr Mark Gardiner Dr Sara Lunt Professor Barbara Yorke Mr Paul Oldham
Honorary Secretary	Dr Pete Wilson
Honorary Treasurer	Dr Andrew Williams
Honorary Editor	Dr Lisa-Marie Shillito
Meetings Secretary	Mr Hedley Swain
Council Members	Full list given on page 8
Correspondence Address and registered address	c/o The Society of Antiquaries Burlington House Piccadilly London W1J 0BE
Bankers	Co-operative Bank plc PO Box 250 Delf House Southway Skelmersdale WN8 6WT CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Auditor	Somerbys Limited 30 Nelson Street Leicester LE1 7BA

**THE ANNUAL REPORT OF THE COUNCIL
YEAR ENDED 31 DECEMBER 2018**

The Council presents the statutory report with the accounts of The Royal Archaeological Institute for the year ended 31 December 2018.

The annual report and accounts are presented in the form of a Statement of Financial Activities, in order to comply with the *Statement of Recommended Practice for Charities: Accounting and Reporting by Charities* as issued by the Charity Commission in 2015 and comply with the requirements of the Charities Act 2011.

Structure, Governance and Management

The Institute was founded in 1844 and received its Royal Charter in 1961. This defines the nature and legal status of the Institute, which is responsible to the Privy Council for the conduct of its affairs. These include the holding of monthly lectures in London during the Season, which runs from October to May; short Spring and Autumn meetings and an Annual Summer Meeting of a week's duration when visits are paid to areas of archaeological and architectural interest in the British Isles and Europe. An annual conference and occasional seminars are also held on a variety of topics. The Institute publishes a journal and awards research and other grants annually.

The Institute is a Registered Charity - No. 226222 - and the registered address is c/o The Society of Antiquaries of London, Burlington House, Piccadilly, London, W1J 0BE.

The Institute's governing body is its Council, whose members are the council members of the Institute for the purposes of Institute legislation, and which is constituted as follows:

- The President, elected by the members in general meeting for a three-year term of office.
- Four Vice-Presidents, each elected by the members in general meeting for a five-year term of office.
- Twelve Ordinary Members, each elected by the members in general meeting for a four-year term of office.
- Four Honorary Officers (Secretary, Treasurer, Editor and Meetings Secretary) who are appointed by Council, are *ex officio* members of it, and who have no restriction on their term of office.

Council's work is supported by Editorial, Meetings and Research Committees. An Audit & Investment Committee provides oversight of the conduct of its financial affairs.

The members of the Council who served during the year are listed on page 8. The Institute gratefully recognises the support and assistance that all retiring members of Council have given during their period of office.

Aims

The aims and objectives of the Institute are as follows:

- (a) To examine, preserve and illustrate the ancient monuments, past history, manners, customs, arts and literature of Great Britain and Northern Ireland and other countries.
- (b) To publish the *Archaeological Journal*.
- (c) To contribute funds for the preservation of ancient monuments and promote research and archaeology through grant giving.
- (d) To run a lecture programme where papers are read and subjects discussed.
- (e) To hold meetings at archaeological sites.

Risk Management

The council members have a duty to identify and review the risks to which the Institute is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018**

Public Benefit

In meeting its aims and objectives the Society provides public benefit by advancing learning and education about archaeology at all levels, and through promoting knowledge of archaeology.

Council confirms that it has complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit.

Achievements and PerformancePublications

Volume 175 of the *Archaeological Journal* was published during the year. The Summer Meeting Report on the 2017 visit to Cork was published online as a supplement to the *Journal* Volume 175.

The digitised version of the *Archaeological Journal* Volumes 1 - 175 is currently available online to libraries, and to members through the RAI website.

Two Newsletters were published which, besides reporting on the Institute's activities, included short reports on research projects that had received awards from the Institute's research funds.

Lectures

The following lectures were held at the Rooms of the Society of Antiquaries in Burlington House, London:

10 January

The archaeology of anarchy? Landscapes of war and status in 12th-century England
Professor Oliver Creighton

14 February

Knole unlocked: uncovering the hidden history of a great country house
Nathalie Cohen

14 March

The archaeology of large infrastructure projects: roads
Dr Stephen Sherlock

11 April

3 p.m. Presentations by post-graduate students from the University of Kent:
Andrew Bates, Caroline Farquhar and Philip Smither

5 p.m. Reconsidering W.J. Varley's Eddisbury: results from recent excavations and historic archive research
Richard Mason and Dr Rachel Pope

9 May: The President's lecture

Archaeologists at war, 1914–18
Professor Timothy Champion

10 October

Precinct and property: the archaeology of a later medieval monastery: Bordesley Abbey in the fifteenth and sixteenth centuries
Professor Grenville Astill

**THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018**

14 November

3 p.m. Early career lectures from Hull and Newcastle Universities:
Douglas Carr, Lesley Davidson and Zechariah Jinks-Fredrick

5 p.m. The excavation of a Middle Anglo-Saxon 'King's Enclosure' at Conington, Cambridgeshire
Richard Mortimer

12 December

Bringing a large legacy project to publication - the Neolithic and Bronze Age Udal, North Uist
Beverley Ballin Smith

During 2018, the Institute's world-class lectures continued to be made available online to Ordinary members.

Meetings

The **Spring Meeting** was based in Hereford. The President and Secretary were joined by twenty-six members and the Institute would like to thank Mr Tim Hoverd who led the meeting. The sites visited were Goodrich Castle, Longtown, Kilpeck Church, Hereford Cathedral and Mappa Mundi and Credenhill Fort.

The **Summer Meeting** was based in the Scilly Isles where members stayed at the historic Star Castle, staying overnight in Camborne on route. The Meetings Secretary, Mr Hedley Swain, led the meeting with the President and thirty-one members in attendance. Members visited sites on St Mary's, Tresco, and St Martin's, and the Institute's grateful thanks go to Mr Jonathan Coad, Mr Chas Sawyer of Scilly Walks and Dr Heather Sebire.

The **Autumn Meeting** was held in London where members visited the newly displayed Mithraeum, the City of London Art Gallery including Roman amphitheatre remains and the Museum of London. Mr Hedley Swain led the meeting and thirty-one members attended. The Institute would like to thank Mr Michael Tetreau and Ms Sophie Jackson of MOLA for their guiding at the Mithraeum.

The **Institute's 2018 conference**, Thames Discovery Programme Foreshore Forum with the Royal Archaeological Institute, was held in London at University College London. One hundred delegates attended this successful conference. The programme was organised by Mr Elliott Wragg from the Thames Discovery Programme. The conference programme included papers by Elliott Wragg, Martin Hatton, Melvyn Dresner, Nathalie Cohen, Helen Johnston, Joshua Frost, Theresa O'Mahony Stella Bickelman, Sadie Watson, Stuart Wyatt, Jane Sidell, Suzanne Taylor, Samantha Brummage, Claire Millington, Damian Goodburn, Jon Cotton, Gustav Milne, Martin Bell, Tom Dawson, José Manuel Matés Luque, Sarah Miller and Mark Beattie-Edwards. Mr Elliott Wragg is to be thanked for organising an excellent conference.

**THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018**

Research Grants

Research grants totalling £17,005 were awarded in 2018, as follows:

Dr Gavin Simpson	Dendrochronology of furniture at St Peter, Lanehan, Notts	£1,200
Ian Parker Heath	Radbourne: The search for the Old Hall	£800
Marcus Jecock	Hanging Grimston Community Archaeology Project excavations	£1,000
Dr Michael Stratigos and Dr Derek Hamilton	At the Water's Edge: Early Iron Age settlement patterns in central Scotland	£3,220
Paul Gething	Geophysical survey and field-walking across the later prehistoric landscape of the Bradford Kaims, Northumberland	£1,000
Prof. Richard Bradley	Excavations at Copt Howe, Cumbria	£2,500
Dr Rachel Pope	Illustrating Eddisbury: A re-evaluation of W.J. Varley's 1936-38 excavations	£4,725
Dr Vicki Cummings	Tombs of the North	£2,560

The grant for 'Dendrochronology of furniture at St Peter, Lanehan, Notts' included a contribution of £1,000 from the Tony Clark Memorial Fund. The grant for 'Hanging Grimston Community Archaeology Project excavations' included a contribution of £750 from the Bunnell Lewis Research Fund. The grant for 'Tombs of the North' included a £1,000 donation in memory of Paul Ashbee.

The Institute made donations of £1,250 to the library of the Society of Antiquaries of London, where members have reading rights, and of £600 to the Young Archaeologists' Club section of the Council for British Archaeology.

The RAI Master's Dissertation Prize

The RAI Tony Baggs undergraduate dissertation prize, covering years 2017 and 2018, had been awarded to Louise Moffett from Queen's University Belfast for her dissertation, *The Late Medieval Parish Churches of Counties Antrim and Londonderry*.

Cheney Bursaries

There were no Cheney Bursaries granted in 2018.

THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

Membership

Council regrets to note the deaths of four members during the year, of whom one was a Life member two were Ordinary members and one was an Associate member. Eight members resigned: one Life member, six Ordinary members and one Associate member. As a result of the review of the membership roll, past members were removed from the membership list due to non-payment: twenty-six Ordinary members and eight Student members. Thirty-six new members were elected: one Life member, fifteen Ordinary members, four Associate members and sixteen Student members. Seven of the new Student members are sponsored by the RAI.

	<u>2018</u>	<u>2017</u>
Life members	97	98
Ordinary members	510	529
Associate members	75	73
Student members (under 26 years of age)	27	19
Individual members	709	719

Financial Review

The Statement of Financial Activities shows net incoming resources of £8,766 (2017: £18,119) before losses on investments.

The Institute maintained its scrutiny of administration and governance costs during the year, and is also very grateful to Somerbys for having held its charges for some of their services.

The Institute's net assets as at 31 December 2018 are £1,197,733 (2017: £1,213,590), which are more than sufficient to meet its obligations.

In 2018 the Council continued to monitor carefully the performance of its invested funds managed by CCLA, The total assets had been proportioned between different fund types which would provide an ambitious, but not stretching, annual yield, and growth in the long-term value of the investments to be equal to but not greater than inflation. Council was satisfied with the income achieved.

A member of the Audit and Investment Committee attended a CCLA seminar on briefing for trustees.

Risk Policy

Council receives an annual report from the Audit and Investment Committee. The most recent, received in March 2018, highlighted the following (action taken in italics):

- Officer and committee membership to be carefully chosen – *appointment of new President and committee members successful*
- New Reviews Editor to be supported – *achieved*
- Website security and appearance updated – *achieved*
- Appeal to younger members – *in progress*
- Review of publishing contract – *review, negotiation and agreement reached*
- Insurance to be reviewed – *outcome to be submitted to A & I February 2019.*

**THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018**

Reserves Policy

Council's policy is to retain sufficient resources to enable it to carry out its charitable activities from a sound financial base and to achieve its long-term objectives. Capital, in the form of fixed asset investments, is maintained with a view to generating as much investment income as is possible as part of incoming resources to meet charitable expenditure year by year, in line with its investment policy.

Reserves at 31 December 2018 amounted to £1,197,733 and of this £1,161,573 represented investments and tangible assets held to generate income to carry out the charitable objectives. Free reserves, the amount of unrestricted net current assets, totalled £28,712.

Investment Policy

The Institute's primary investment objective is to monitor the performance of the Investment Manager with the aim of generating an agreed and ambitious income stream, and of maintaining the value of total investment funds equal, over the long-term, to the inflation rate. Reports on the Institute's portfolio are received quarterly, an annual meeting takes place between a representative of the CCLA and the Audit and Investment Committee and ad hoc assistance is readily available throughout the year.

Plans for the future

The Institute plans to publish online Part 2 of Volume 176 of the *Archaeological Journal* in the Summer of 2019 (having achieved publication of Part 1 online in November 2018), and to continue to publish newsletters in Spring and Autumn.

Lectures will continue to take place on a monthly basis, from January to May and October to December, and the RAI's annual conference, Recent Work on the Roman North-East, would be held in partnership with the Roman Society and based at Senate House, University College London from 29 November to 1 December. Professors Ian Haynes and Martin Millett, with the Honorary Secretary, are organising the panel of speakers.

Three meetings will be held through the year. The Spring meeting will be in Peterborough and the Fens in May, the Summer meeting in Dumfries and Galloway in July and the Autumn meeting in Reading in October.

The Institute will continue to award annual research grants and also its Master's and Undergraduate Dissertation Prizes in alternate years and, in 2019 the Masters Dissertation Prize will be judged. The Institute will also continue to work with other bodies to promote the British Archaeological Awards.

The website will advertise all of these events and awards and will include a synopsis of lecture contents, and host these lectures online for the benefit of Ordinary members.

All of these activities will be promoted through social media.

During 2019 the Institute proposes to develop its activities by:

- continuing to improve its web and social media presence in order to provide a widely-visible point of contact both with members and the wider public. It will continue to present its lectures online via the website.
- working with its commercial publishing partner to maintain the high standards of the *Archaeological Journal*, and to maximise its marketing potential, and to remain aware of the challenges of "open access" publication.
- exploring with Council the best projects to support with funds realised by cessation of publication of a Summer Meeting Report
- supporting the publication of the proceedings of the RAI Conferences on 'The Neolithic in the North' and 'The Arras Culture' by an external partner.

THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

Statement of the Council's responsibilities in respect of the preparation of financial statements

The Council Members are 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).

The law applicable to charities in England & Wales and the Institute's Royal Charter requires the Council to prepare financial statements for each financial year, which are required by law to give a true and fair view of the state of affairs of the Institute at the year-end and of the surplus or deficit of the Institute for that period. In preparing these financial statements, the Council is required to:

- > select suitable accounting policies and then apply them consistently;
- > observe the methods and principles of the Charities SORP 2015 (FRS 102);
- > make judgements and estimates that are reasonable and prudent;
- > state whether the applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in operation.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enables it to ensure that the financial statements comply with the requirements of the Royal Charter and Statutes and the Charities Act 2011. It is also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

President

Professor Timothy Champion (E) (R) (A) (M)
 Mr Blaise Vyner (E) (R) (A) (M)

Retired 9 May 2018
 Elected 9 May 2018

Council members Elected/Retired/Resigned

Mr William Britnell (Vice-President) (R) (E)
 Mr Paul Oldham (Vice-President) (A)
 Dr Mark Gardiner (Vice-President)
 Dr Sara Lunt (Vice-President)
 Professor Barbara Yorke (Vice-President)
 Dr Stephen Sherlock (R) (M)
 Dr Eileen Wilkes (R)
 Ms Nathalie Cohen (M)
 Dr Steven Ashby
 Professor John Collis
 Mrs Henrietta Quinnell
 Mr Roy Porter
 Ms Kathryn Stubbs (M)
 Mr Robin Daniels
 Mr David Altoft
 Dr Adrian Olivier
 Dr Andrew Seaman
 Dr Hugh Willmott

Retired 9 May 2018
 Elected 9 May 2018

Retired 9 May 2018
 Retired 9 May 2018
 Resigned May 2018
 Resigned August 2018
 Elected 9 May 2018
 Elected 9 May 2018
 Elected 9 May 2018

**THE ANNUAL REPORT OF THE COUNCIL (CONTINUED)
YEAR ENDED 31 DECEMBER 2018**

Officers

Dr Pete Wilson
Dr Andrew Williams
Dr Lisa-Marie Shillito
Mr Hedley Swain

Position

Honorary Secretary
Honorary Treasurer
Honorary Editor
Meetings Secretary

In addition to the above, the following served throughout the year:

Ms Sharon Gerber
Ms Katherine Barclay
Dr Kate Waddington
Dr Andy Valdez-Tullett
Ms Caroline Raison

Administrator
Newsletter Editor
Reviews Editor (Retired 9 May 2018)
Reviews Editor (Elected 9 May 2018)
Assistant Meetings Secretary

The following members of the Institute also served on committees:

Ms Maureen Amory (A)
Dr Brendan O'Connor (A)
Professor Helena Hamerow (A)
Dr Andrew David (R; *Tony Clark Award*)
Dr Alex Gibson (R)
Mr Paul Bidwell (R)
Dr Stephen Sherlock (R) (M)
Mrs Vivienne Coad (E)
Dr Margaret Nieke (E)
Dr Sian Rees (E)
Professor Anthony Quiney (M)
Ms Janette Booth (M)

(E): Member of Editorial Committee
(A): Member of Audit & Investment
(M): Member of Meetings Committee
(R): Member of Research Committee

Approved and signed on behalf of Council on 19 March 2019.

PRESIDENT

Mr Blaise Vyner

FOR COUNCIL

Dr Sara Lunt

HONORARY TREASURER

Dr Andrew Williams

FOR COUNCIL

Dr Stephen Sherlock

**INDEPENDENT AUDITORS' REPORT TO THE COUNCIL
YEAR ENDED 31 DECEMBER 2018**
-----**Opinion**

We have audited the financial statements of The Royal Archaeological Institute (the 'Institute') for the year ended 31 December 2018 which comprise a statement of financial activities, balance sheet, cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Institute's affairs as at 31 December 2018, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The council members are responsible for the other information. The other information comprises the information included in the council members' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE COUNCIL
YEAR ENDED 31 DECEMBER 2018**

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the council members' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of council members

As explained more fully in the council's responsibilities statement set out on page 8, the council members are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council members are responsible for assessing the Institute'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 council members either intend to liquidate the Institute 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 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.

**INDEPENDENT AUDITORS' REPORT TO THE COUNCIL
YEAR ENDED 31 DECEMBER 2018**

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- Conclude on the appropriateness of the council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the Institute's council members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Institute's council members 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 Institute and the Institute's council members as a body, for our audit work, for this report, or for the opinions we have formed.

SOMERBYS LIMITED

Chartered Accountants and Statutory Auditor

Date: 21 March 2019

30 Nelson Street
LEICESTER
LE1 7BA

Somerbys Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income and endowments from					
Donations & legacies:					
Donations, grants & legacies	2	125	1,310	1,435	9,714
Subscriptions		21,135	-	21,135	21,845
Gift aid on subscriptions		3,613	-	3,613	3,833
Other trading activities:					
Income from meetings	6	44,539	-	44,539	38,056
Sale of publications		24,169	-	24,169	26,959
Investments	3	43,680	1,041	44,721	43,525
Total income		137,261	2,351	139,612	143,932
Expenditure on:					
Raising funds:					
Publication of journal	4	10,250	810	11,060	13,846
Speakers	5	8,201	-	8,201	6,362
Expenditure on meetings	6	48,513	-	48,513	41,914
Membership printing & postage		6,737	-	6,737	5,568
Charitable activities:					
Grants and prizes	7	12,711	4,300	17,011	14,309
Subscriptions and donations		2,038	-	2,038	5,970
Administration costs	8	37,286	-	37,286	37,844
Total expenditure		125,736	5,110	130,846	125,813
Net income/ (expenditure) before gains and losses on investments		11,525	(2,759)	8,766	18,119
Net (losses)/gains on investments		(24,328)	(295)	(24,623)	72,286
Net income and net movement in funds		(12,803)	(3,054)	(15,857)	90,405
Reconciliation of funds:					
Total funds brought forward		1,175,922	37,668	1,213,590	1,123,185
Total funds carried forward		1,163,119	34,614	1,197,733	1,213,590

All income and expenditure derive from continuing activities.

**BALANCE SHEET
AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
Fixed assets			
Investments	10	1,161,573	1,186,196
Tangible assets	11	-	-
		<hr/>	<hr/>
		1,161,573	1,186,196
Current assets			
Debtors and prepayments	12	17,605	26,451
Short term deposits		27,526	13,220
Cash at bank and in hand		1,182	1,060
		<hr/>	<hr/>
		46,313	40,731
		<hr/>	<hr/>
Creditors: amounts falling due within one year	13	10,153	13,337
		<hr/>	<hr/>
Net current assets		36,160	27,394
		<hr/>	<hr/>
Net assets		1,197,733	1,213,590
		<hr/>	<hr/>
Represented by:			
Restricted funds	15	34,614	37,668
Unrestricted funds			
General funds		1,123,966	1,136,884
Designated funds	14	39,153	39,038
		<hr/>	<hr/>
		1,163,119	1,175,922
		<hr/>	<hr/>
		1,197,733	1,213,590
		<hr/>	<hr/>

These financial statements were approved on behalf of Council on 13 March 2019 and signed on its behalf by:-

PRESIDENT
Mr Blaise Vyner

FOR COUNCIL
Dr Sara Lunt

HONORARY TREASURER
Dr Andrew Williams

FOR COUNCIL
Dr Stephen Sherlock

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flow from operating activities			
Cash generated from operations	21	(30,293)	(50,440)
Net cash flow from operating activities		<u>(30,293)</u>	<u>(50,440)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	-
Payments to acquire investments		-	-
Receipts from sales of investments		-	-
Interest received		24	11
Dividends received		44,697	43,514
Net cash flow from investing activities		<u>44,721</u>	<u>43,525</u>
Net decrease in cash and cash equivalent		14,428	(6,915)
Cash and cash equivalents at 1 January 2018		14,280	21,195
Cash and cash equivalents at 31 December 2018		<u>28,708</u>	<u>14,280</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,182	1,060
Short term deposits		27,526	13,220
Cash and cash equivalents at 31 December 2018		<u>28,708</u>	<u>14,280</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies

- (a) **General information and basis of preparation.** The Royal Archaeological Institute is a registered charity in England and Wales and its governing document is a Royal Charter dated 11 October 1961. The financial statements have been prepared on a going concern basis under the historical cost convention modified to include certain items at fair value. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice. The Institute constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Institute and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

- (b) **Income recognition.** With the exception of voluntary income arising from legacies, donations and gifts, all income is recognised once the Institute has entitlement to the income, it is probable that the income will be received, and the amount receivable can be measured reliably. Legacies are credited to the Statement of Financial Activities once the Institute has been notified of its entitlement to the income and the value of the legacy is capable of financial measurement. Donations and gifts are credited to the Statement of Financial Activities when they are receivable. Gifts are valued by the Council on the basis of their worth to the Institute.
- (c) **Expenditure** is accounted for on the accruals basis and has been classified under headings that aggregate all costs related to the category.
- (d) **Fixed asset investments** are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Institute does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Institute is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors.
- (e) **Current asset investments** are short term highlighting liquid investments and are held at your value. These include cash on deposit and cash equivalent with a maturity of less than one year.
- (f) **Stock.** No value is placed on the stocks of unsold publications due to the resale value being negligible.
- (g) **Tangible fixed assets** are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:
- Computer equipment - 33 1/3% per annum of cost.
- (h) **Debtors and creditors receivable / payable within one year** with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

- (i) **Funds structure.** General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objectives of the Institute.
Designated funds comprise unrestricted funds that have been set aside by the council members for particular purposes.
Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or have been raised by the Institute for particular purposes.

- (j) **Employee benefits.** When employees have rendered service to the Institute, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Institute operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable.

- (k) **Going concern.** The financial statements have been prepared on a going concern basis as the Council believe that no material uncertainties exist. The Council have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Institute to be able to continue as a going concern.

- (l) **Judgements and key sources of estimation uncertainty.** The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of the assets and liabilities within the next financial year are addressed below.

(i) *Useful economic lives of tangible assets:*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic levels and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for the useful economic lives for each class of assets.

2. Donations, grants and legacies

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
Donations and gifts	125	-	125	245
The Patron's Fund	-	-	-	2,500
William and Edith Oldham Charitable Trust	-	-	-	1,506
Contribution towards Archaeological Journal	-	-	-	4,463
Research Grant	-	-	-	1,000
Tony Baggs Prize	-	500	500	-
Publication grant Historic England	-	810	810	-
	£125	£1,310	£1,435	£9,714

Income from donations, grants and legacies in 2017 was £9,714 of which £9,469 was attributable to restricted funds and £245 were attributable to unrestricted funds.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

3 Investment income and interest receivable

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
Dividend income	43,656	1,041	44,697	43,514
Bank interest	24	-	24	11
	<u>£43,680</u>	<u>£1,041</u>	<u>£44,721</u>	<u>£43,525</u>

Income from investments in 2017 was £43,525 of which £1,028 was attributable to restricted funds and £42,497 was attributable to unrestricted funds.

4 Publication of journal

Expenditure on journals:				
Publications and other expenses	4,660	810	5,470	8,746
Editors' honoraria and expenses	5,590	-	5,590	5,100
	<u>£10,250</u>	<u>£810</u>	<u>£11,060</u>	<u>£13,846</u>

5 Speakers

Travelling, lecture room hire and accommodation	£8,201	-	£8,201	£6,362
	<u>£8,201</u>	<u>-</u>	<u>£8,201</u>	<u>£6,362</u>

6 Net meetings expenditure

Income from Meetings	(44,539)	-	(44,539)	(38,056)
Expenditure on meetings	45,813	-	45,813	40,164
Honoraria	2,700	-	2,700	1,750
	<u>£3,974</u>	<u>-</u>	<u>£3,974</u>	<u>£3,858</u>

7 Grants

Research grants	12,711	1,000	13,711	13,809
Tony Clark Memorial Fund Grants	-	1,300	1,300	-
Grants – Cheney Bursary	-	-	-	-
Prizes	-	500	500	500
Bunnell Lewis Fund Grants	-	1,500	1,500	-
	<u>£12,711</u>	<u>£4,300</u>	<u>£17,011</u>	<u>£14,309</u>

Grants payable in 2017 were £14,309 of which £500 was attributable to restricted funds and £13,809 were attributable to unrestricted funds.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

8 Administration costs	Unrestricted and Total 2018	2017
Salary and pensions costs	20,575	20,180
Office admin	1,408	1,394
Bank charges	1,113	966
Warehouse	-)	1,000
Computer equipment depreciation	-	135
Audit fees	4,020	3,600
Accountancy and bookkeeping	3,019	4,053
Travel	6,217	5,341
Room Hire	934	1,175
	£37,286	£37,844
	£37,286	£37,844
9 Staff costs and employee benefits		
The average monthly number of employees during the year was:		
Number of employees		
Current	1	1
Retired (receiving pension)	1	1
	2	2
	2	2
Employment costs		
Wages and salaries	20,275	20,013
Other pension costs	300	167
	£20,575	£20,180
	£20,575	£20,180
No employee received total employee benefits (excluding employer pension costs) of more than £60,000.		
10 Investments		
Listed investments	Total 2018	Total 2017
Market value at 1 January 2018	1,186,196	1,113,910
Less: Disposal at opening book value	-	-
Add: Acquisitions at cost	-	-
Net unrealised investment gains/(losses)	(24,623)	72,286
Net realised investment gains/(losses)	-	-
	£1,161,573	£1,186,196
	£1,161,573	£1,186,196
Historical cost at 31 December 2018	£995,364	£995,364
	£995,364	£995,364
	£995,364	£995,364

Listed investments held at 31 December 2018 comprised wholly of Charities Official Investment Funds.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

11 Tangible fixed assets		Computer Equipment
Cost:		
At 1 January 2018		5,523
Additions		-
		5,523
31 December 2018		5,523
Depreciation:		
At 1 January 2018		5,523
Charge for year		-
		5,523
31 December 2018		5,523
Net book value		
At 31 December 2018		-
		-
At 31 December 2017		-
12 Debtors and prepayments		2018
		2017
Prepayments	3,190	7,815
Accrued income	-	-
Other debtors	14,415	18,636
	£17,605	£26,451
	£17,605	£26,451
13 Accruals and deferred income		2018
		2017
Trade Creditors	5,017	8,160
Accruals	4,956	4,951
Social security	-	226
Deferred income	180	-
	£10,153	£13,337
	£10,153	£13,337

Deferred income of £180 (2017 - £nil) relates to funds received in the year to 31 December 2018, for the year ended 31 December 2019.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

14 **Designated funds**

The income funds of the Institute include designated funds comprising the following:

	Balance 01/01/2018	Incoming	Expenditure	Balance 31/12/2018
Mr Frank S Cheney	26,993	86	-	27,079
Life Membership	12,045	26	-	12,074
	<hr/>	<hr/>	<hr/>	<hr/>
	£39,038	£115	-	£39,153
	<hr/>	<hr/>	<hr/>	<hr/>
	Balance 01/01/2017	Incoming	Expenditure	Balance 31/12/2017
Mr Frank S Cheney	27,206	92	(305)	26,993
Life Membership	12,014	31	-	12,045
	<hr/>	<hr/>	<hr/>	<hr/>
	£39,220	£123	£(305)	£39,038
	<hr/>	<hr/>	<hr/>	<hr/>

The funds are held for the following purposes:

- | | | |
|-------------------|---|--|
| Mr Frank S Cheney | - | In 1996 Council applied a bequest from Mr Frank S Cheney as a designated fund to pay for attendance by students at meetings. Providing there is sufficient income, 3% of the COIF Fixed Interest income will be allocated to the Mr Frank S Cheney Fund. |
| Life Membership | - | Providing there is sufficient income, 1% of the COIF Fixed Interest income will be allocated to the Life Membership Fund. Receipts from Life Subscriptions to be applied in this way total £nil (2017: £nil). |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

15 **Restricted funds**

The income funds of the Institute include restricted funds comprising special trusts and unexpended balances of grants held as funds to be applied for specific purposes, as follows:-

	Balance 01/01/2018	Incoming	Expenditure	Gains	Balance 31/12/2018
The Bunnell Lewis Research Fund	23,728	616	(1,500)	(505)	22,339
The Tony Clark Memorial Fund	12,940	425	(1,300)	210	12,275
Historic England	-	810	(810)	-	-
Research Grant	1,000	-	(1,000)	-	-
Tony Baggs Dissertation Prize	-	500	(500)	-	-
	<u>£37,668</u>	<u>£2,351</u>	<u>£(5,110)</u>	<u>£(295)</u>	<u>£34,614</u>
	Balance 01/01/2017	Incoming	Expenditure	Gains	Balance 31/12/2017
The Bunnell Lewis Research Fund	21,668	603	-	1,457	23,728
The Tony Clark Memorial Fund	12,738	425	(500)	277	12,940
Cotswold Archaeology	-	2,730	(2,730)	-	-
Historic England	-	1,733	(1,733)	-	-
William and Edith Oldham Charitable Trust	-	1,506	(1,506)	-	-
The Patron's Fund	-	2,500	(2,500)	-	-
Research Grant	-	-	-	-	1,000
	<u>£34,406</u>	<u>£10,497</u>	<u>£(8,969)</u>	<u>£1,734</u>	<u>£37,668</u>

The funds are held for the following purposes:-

Bunnell Lewis Research Fund	-	To be applied in the furtherance of Roman archaeological research.
Tony Clark Memorial Fund	-	To be applied to archaeological research with priority going to small organisations and individuals, with preference to projects in which archaeological prospecting and archaeomagnetic dating are significant components.
Patron's Fund and William and Edith Oldham Charitable Trust	-	To be applied to fund visits by local family groups to Caernarfon Castle and Holyrood Palace. A separate grant from the William and Edith Oldham Trust enabled the project to be extended to the site of Royal Eltham Palace.
Tony Baggs Fund	-	For the undergraduate dissertation award.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

15 **Restricted funds (continued)**

Research Grant	-	Grant for research purposes.
Cotswold Archaeology and Historic England	-	To be applied to Archaeological Journal.

16 **Analysis of net assets between funds**

	Unrestricted Funds	Restricted Funds	Total Funds
Fund balances at 31 December 2018 are represented by:			
Fixed assets	-	-	-
Fixed asset investments	1,134,407	27,166	1,161,573
Current assets	38,865	7,448	46,313
Current liabilities	(10,153)	-	(10,153)
	<hr/>	<hr/>	<hr/>
Total net assets	£1,163,119	£34,614	£1,197,733
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fund balances at 31 December 2017
are represented by:

Fixed assets	-	-	-
Fixed asset investments	1,160,182	26,014	1,186,196
Current assets	36,600	11,654	48,254
Current liabilities	(8,863)	-	(8,863)
	<hr/>	<hr/>	<hr/>
Total net assets	£1,175,922	£37,668	£1,213,590
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17. **Transfer between funds**

No transfers between funds were made in the year.

18. **Pension and other post-retirement benefits**

The Institute operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £300 (2017 - £167).

19. **Capital Commitments**

Contractual commitments for the acquisition of tangible fixed assets contracted for but not provided in the financial statements amounted to £nil (2017 - £nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2018

20. Council members' remuneration and related party transactions

No members of the Council received any remuneration in respect of their services as a member of the Council during the current or preceding year, although a sum totalling £5,922 (2017 - £5,082) was paid by way of travelling expenses to Council and Committee members during the year. Honoraria and expenses of £8,290 (2017 - £6,850) were paid to the Meetings Secretary, Assistant Meetings Secretary, Editor and Reviews Editor of the *Archaeological Journal*. No further related party transactions require disclosure.

21 Reconciliation of net income to net cash flow from operations

	2018	2017
Net income for year	(15,857)	90,405
Depreciation of tangible fixed assets	-	135
Loss on disposal of investments	-	-
Gains on investments	24,623	(72,286)
Investment income	(44,721)	(43,525)
(Increase)/decrease in debtors	8,846	(17,321)
(Decrease)/increase in creditors	(3,184)	(7,848)
	<hr/>	<hr/>
Net cash flow from operations	£(30,293)	£(50,440)
	<hr/> <hr/>	<hr/> <hr/>