

THE NEEDHAM RESEARCH INSTITUTE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NEEDHAM RESEARCH INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

CHARITY INFORMATION

Charity Registration Number

311459

Trustees:

Professor Martin Jones (Chairman)
Lord Broers ScD, FRS, FREng
Dr Christopher Hughes
Professor Liu Dun (resigned 11.5.23)
Mr Stephen Perry
Professor Roel Sterckx
Mr Michael Womack
Ms Elizabeth Wright
Dr Mary Augusta Brazelton
Dr Imre Galambos
Dr Charles Harpum
Ms Katie Lee

Members of the Finance Committee:

Professor Martin Jones (Chairman)
Dr Christopher Hughes
Mr Michael Womack
Ms Elizabeth Wright
Professor Roel Sterckx
Director and Bursar in attendance

Members of the Management Committee:

Professor Jianjun Mei (Chairman)
Ms Susan Bennett
Mr John Moffett
Dr Christopher Jagger

Members of the Publications Board:

Professor Jianjun Mei (Chairman)
Ms Susan Bennett
Mr John Moffett
Dr Christopher Jagger

Principal Officers:

Director:

Professor Jianjun Mei

Bursar:

Dr Christopher Jagger

Librarian:

Mr John Moffett

Administrative Manager:

Ms Susan Bennett

Principal Office Address:

8 Sylvester Road
Cambridge
CB3 9AF

Auditors:

Prentis & Co LLP
Chartered Accountants & Statutory Auditors
115C Milton Road
Cambridge
CB4 1XE

Bankers and Deposit Holders:

National Westminster Bank plc
23 Market Street
Cambridge
CB2 3PA

Quilter Cheviot Limited
Senator House
85 Queen Victoria Street
London
EC4V 4AB

Solicitors:

King & Co
St. Andrews House
St. Andrews Street
Cambridge
CB2 3DD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

TRUSTEES REPORT

The Trustees present their report and financial statements for the year ended 30th September 2023.

The financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

The Needham Research Institute, formerly titled “The East Asian History of Science Trust” is situated at 8, Sylvester Road, Cambridge CB3 9AF. Charity Registration No. 311459.

The names of the Trustees serving during the financial year 1st October 2022 to 30th September 2023 and serving on the date which this report was approved are given on the contents page.

Professor Jianjun Mei is the Director of the Institute and responsible for its day-to-day management. The names of the Institute’s staff are given on the contents page.

OBJECTIVES AND ACTIVITIES

PURPOSES OF THE TRUST AS SET OUT IN THE GOVERNING DOCUMENT

Building on the foundation laid by the work of the late Dr Joseph Needham, the Institute seeks to facilitate, promote and develop academic research, publication and teaching of the highest possible standard in the fields of the history of science, technology and medicine in East Asia.

Beyond the purely academic sphere, it also seeks to raise public awareness of those aspects of its work that are of wider significance for human progress. Through the pursuit of those goals it aims to exploit and further develop its role as the world’s leading international centre for research in its field. It seeks closer and mutually beneficial cooperation with Cambridge University whilst maintaining its present autonomy as an independent charitable Foundation.

MAIN ACTIVITIES UNDERTAKEN IN RELATION TO THOSE PURPOSES

The restrictions imposed as a result of the Corona Virus Pandemic have finally come to an end. The Institute aims to ensure the successful completion of the ‘Science and Civilisation in China’ project. Twenty-five volumes have been published and work is proceeding on a further three volumes in the series; in addition, seventeen volumes have been published in the Monograph Series and work is continuing on a number of others. The Institute also publishes a less formal ‘Working Papers’ Series.

The Institute has an active programme of Research Fellowships and Studentships which is largely funded by grants from several outside Foundations and which enables scholars from East Asia and elsewhere to study at the Institute. It also organises workshops and conferences with major academic organisations in and outside the UK. It runs regular academic seminars during the University term.

The Institute also hosts scholars and academics during the year, allowing them access to its diverse library and catalogue of works and publications in the fields of the history of science, technology and medicine in East Asia.

TRUSTEES REGARD TO THE CHARITY COMMISSION’S GUIDANCE ON PUBLIC BENEFIT

The Institute and its Library offers scholars facilities for research and writing unrivalled by any other academic institution in its field. In addition to its collection of monographs, the Library subscribes to a wide selection of journals, many of which are Chinese publications rarely available elsewhere in Europe. The Library also houses the archives of the late Dr Needham relating to his research in the field he established. A 3-year project (2019–2022) funded by the Wellcome Trust is currently being carried out on these archives to make them more accessible to researchers. Digitised research materials are freely available on the Cambridge University Digital Library.

All this material is described and catalogued electronically, and may be searched online for no fee. Any person with a serious interest in the subjects covered by the Institute is welcome to use its facilities without charge. In cases where scholars are sufficiently well funded, the Institute will accept a contribution to its overheads, but this is not an absolute condition for use of its facilities.

In addition to maintaining the Institute’s facilities and facilitating access to them, the Trustees encourage the Director to play an active role in making a wider public aware of the area with which it deals. The Director has delivered public lectures Overseas. The Director has been appointed ‘Director of Research’ by The McDonald Institute for Archaeological Research in University of Cambridge.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

TRUSTEES REPORT

ACHIEVEMENTS AND PERFORMANCE

SUMMARY OF THE MAIN ACHIEVEMENTS OF THE TRUST

During the period of October 2022-September 2023, the fellowship programmes, such as Independent School Foundation (ISF) Fellowship, Lloyd-Dan David (LDD) Fellowship, Li Foundation Fellowship, Ho Peng Yoke (HPY) Fellowships, Jing Brand Fellowships, Soon-Young Kim (SYK) awards, and the Sino-British Fellowship Trust (SBFT) award were in operation.

The Independent Schools Foundation (ISF) Fellowship programme established in October 2013 resumed its physical operation in Cambridge for three weeks in June-July 2023 under the supervision of Dr. Jenny Jingyi Zhao, who took this fellowship position on a three-year contract in February 2021, and has been working as a Research Fellow at the Institute since then. She was promoted to a Senior Research Fellow position in October 2022. She also holds a Joseph Needham Visiting Fellowship at Clare Hall.

Dr. Arthur Harris took his LDD fellowship position on a three-year contract in October 2021, and has been working as a Postdoctoral Fellow at the Institute since then. His fellowship tenure will end in September 2024.

The Li Foundation Fellow (2022-2023), Dr. Huang Huang, Lecturer at Anhui University, completed her research visit to the Institute during October 2022-June 2023. Dr. Derek Kramer, Li Foundation Fellow (USA) for the year 2022-23, completed his research visit in Cambridge during January-July 2023. Dr. Brian Lander, Assistant Professor at Brown University, completed his research stay at our Institute during October-December 2022.

Dr. Jose Canton-Alvarez, the HPY Fellow (2022-2023), completed his 6-month fellowship tenure in June 2023. Dr. Flavia Xi Fang, another HPY Fellow (2022-2023), completed her 12-month fellowship tenure in September 2023.

Professor Zhao Guozhuang of Southwest University, a Jing Brand Fellow (the first Tianyoude Fellow) for the year of 2020-21, completed his visit to the Institute during October 2022-July 2023. Professor Zhang Changping of Wuhan University, a Jing Brand fellow for 2020-21, conducted his research visit to the Institute during May-October 2023. Dr. Huang Yijie, who was awarded a 12-month Jing Brand scholarship for 2022-23, completed her research stay at the Institute during May-November 2023. Dr. Li Minghui of the Central China Normal University, a Jing Brand Fellow for 2022-23, completed her research work in Cambridge in January-July 2023. Professor Li Xinsheng of Southeast University, a Jing Brand Fellow for 2022-23, carried out his fellowship tenure during July-December 2023.

Dr. Erling Agoey of the University of Oslo was initially awarded a 6-month SYK fellowship for 2022-23 and this award was then extended to 12 months. He completed his 12-month fellowship tenure in September 2023.

Dr. Zou Guisen of the Guangxi University for Nationalities, a SBFT Fellow for 2020-21, completed his six-month fellowship tenure during January-July 2023.

The Institute also hosted visits for a few months from the following scholars:

Professor Li Haijing, CSC scholar, Zhejiang University of Water Resources and Electric Power, 2022.08-2023.08;

Dr. Li Na, CSC scholar, Nanjing Forestry University, 2022.09-2023.09;

Dr. Stephen Whiteman, visiting scholar, Courtauld Institute of Art, 2022.09-2022.12;

Ms. Yu Jia, PhD student of the HPS, University of Cambridge, 2022.09-2023.09;

Dr. Li Wanwan, Visiting scholar, Xiamen University, 2023.03-06;

Dr. Mao Dan, visiting scholar, Shanghai Jiaotong University, 2023.06-09;

Professor Gao Yan, visiting scholar, University of Heidelberg, 2023.08-09;

Wang Yao, visiting student, Tianjin University, 2023.08-09;

To celebrate Professor Lloyd's 90th birthday, the Institute organised a one-day workshop as well as an evening reception on 25th January 2023. Over 30 participants from the NRI, the University and beyond contributed to the stimulating discussions and exchanges.

On 22nd -23rd June 2023, Dr. Flavia Xi Fang (HPY Fellow) and Dr. Avital Rom (FAMES, former HPY Fellow) jointly organized the workshop entitled "*Body, Space and Spirit: The Sensorium in Chinese History*" in the K. P. Tin Hall at the NRI. Dozens of scholars from the UK, Canada, the US, Hong Kong, Israel, France, and Netherland participated in the workshop.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

TRUSTEES REPORT

During the period 27th June – 14th July 2023, 10 students from the ISF Academy, Hong Kong completed their study visit to the Institute. Dr. Malcolm Pritchard (Head of the ISF), Diana Ibarra (Director of the Shuyuan) and 4 other members of staff joined the visit, which marks the resumption of the annual ISF visit to Cambridge under a long-term program of cooperation between NRI and ISF after the Covid-19 pandemic.

On 21st July 2023, a farewell party was organized by Dr. Flavia Fang and Daniel Sheridan in the K.P. Tin Hall at NRI to honour Professor Imre Galambos, who was moving to Zhejiang University for three years.

The Institute organised twenty-four in-person seminars during the University Michaelmas, Lent and Easter terms from October 2022 to June 2023.

In the period of November 2022 - July 2023, the Director presented 9 lectures at the invitation of several universities or institutions. A lecture list is given here: 1) 12th October 2022, a lecture on '*Some Challenges in the Studies of Metallurgy in Bronze Age China*', McDonald Institute for Archaeological Research, University of Cambridge; 2) 23rd November 2022, a lecture on '*Archaeometallurgy in China: Three Challenging Issues*' to a virtual audience, Sichuan University; 3) 8th November 2022, a lecture for the postgraduate students (archaeological science), '*The First Qin Emperor's Water Birds: Manufacturing Techniques and Cultural Implications*', University of Cambridge; 4) 2nd February 2023, a lecture for the undergraduate students (world archaeology), '*The Development of Archaeology in China: Early Bronze Technology*', University of Cambridge; 5) 21st March 2023, a lecture on '*Three Mysteries of Bronze Age Metallurgy in China*', Independent School Foundation, Hong Kong; 6) 22nd March 2023, a lecture on '*Needham's Intellectual Heritage and Its Value in the Contemporary World*', Baptist University, Hong Kong; 7) On 12th September 2023, a lecture on '*Three unsolved problems in the study of early Chinese metallurgical history*', Shanghai Jiaotong University; 8) On 13th September 2023, a lecture on '*Joseph Needham and the Science and Civilisation in China*', Jiangsu University of Science and Technology; 9) 29th September 2023, a lecture on '*The Early Development of Metallurgy in China and its Connections with the Eurasian Steppe*', Jao Tsung-I Academy of Sinology, Baptist University.

On 23rd-24th March 2023, the Director and the Librarian attended the Needham Symposium entitled '*Needham's Dialogical Vision: Understanding Science as a Multi-Civilizational Outcome*', which was held at the Hong Kong University of Science and Technology.

On 8th -10th September 2023, the Director visited Shanghai to attend the Pujiang Innovation Forum and to deliver a lecture on '*Needham's Question and the Significance of Mutual Learning among Civilizations*' to its sub-forum entitled 'Innovation Culture Forum'.

On 15th -17th September 2023, the Director participated in the international symposium on bronze civilization in the Yellow River region, which was organized by the Shanxi Museum in Taiyuan city, Shanxi Province.

On 20th September 2023, the Director attended a workshop on the early history of the Institute of Wood Industry, which was held at the Chinese Academy of Forestry Sciences in northwestern Beijing.

On 26th -28th September 2023, the Director participated in the international symposium on '*Sanxingdui and Bronze Age China*' in association with the exhibition entitled '*Gazing at Sanxingdui: New Archaeological Discoveries in Sichuan*', which was held at the Hong Kong Palace Museum.

REVIEW OF THE FINANCIAL POSITION AT THE END OF THE YEAR

Funds are invested to provide income to meet the day-to-day running of the Institute. They are split between the Endowment Funds, Restricted Funds (related to grants to expend for the purpose specified, these are shown in note 15 on page 20) and Unrestricted Funds. As at 30th September 2023 funds invested amounted to £14,758.859, (2022: £14,399,017).

The Principal funding sources of the Institute are its income from the investment portfolio, donations and grants from outside foundations, royalties, interest on deposit accounts and rent of No. 2 Sylvester Road. No. 2 Sylvester Road has been leased to Robinson College for fifteen years from 3rd May 2018.

A review of investment performance and the Institute's investment policy are detailed on page 4.

The Institute has a potential liability relating to the employees who are in the 'Universities Superannuation Scheme'. Note 14 and 20 to the accounts set out the basis of a provision that has been made of £31,717 (2022: £35,162).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

TRUSTEES REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

RESERVES POLICY

The Trustees have considered that the most appropriate policy is to maintain all surplus funds split between investments held with Quilter Cheviot and also a level of balances held as cash at bank sufficient to maintain the day to day costs of running and servicing the Institute.

This policy is kept under review, having regard to the level of funds available.

The Trustees' investment powers are governed by the Trust Deed which permits The Needham Research Institute to invest the monies of the Institute not immediately required for its purposes in such ways as the Institute shall in its absolute discretion think fit.

NATURE OF THE GOVERNING DOCUMENT

The Institute is an educational charity registered in England and subject to the provisions of the 1968 Trust Deed, as amended by Schemes of the Charity Commissioners dated 29th March 1988, 17th March 1992 and 27th November 2000.

THE BOARD OF TRUSTEES

The Trustees provide an appropriate mix of skills, diversity and experience; each is appointed for a term of five years by a resolution of the Trustees passed at a meeting and may be re-appointed for further terms in the same way.

The Trustees meet three times a year to receive reports from the Director, the Bursar through the Finance Committee and the Librarian. The Chairman and the Director are in close touch. All major decisions are referred to the Trustees.

The Trustees have given consideration to the major risks to which the Charity is exposed and have satisfied themselves that systems or procedures have been established in order to manage those risks.

The Institute has been moving towards a turnover of Trustees more consistent with Charity Commission guidelines.

RECRUITMENT OF NEW TRUSTEES

Newly appointed Trustees are given a full briefing and tour of the Institute soon after their appointment. All Trustees have been provided with the Charity Commission Investment Guidelines. The Chair of Trustees is elected annually at a formal meeting of the Trustees.

MANAGEMENT PERSONNEL REMUNERATION

The ultimate responsibility for the management of the Institute rests with the Trustees of the Needham Research Institute, and the day-to-day running of the Institute is overseen by a full-time salaried Director. He is supported by a full-time Librarian, a full-time Administrative Manager and a part-time Bursar, who together with the Director comprise the Management Committee of the Institute.

All Trustees give their time freely and no Trustee received any remuneration in the year. Details of Trustees' expenses are disclosed in note 8 to the financial statements.

The key officers of the Institute detailed above receive remuneration in line with those in similar positions within the University of Cambridge, and are accordingly remunerated in line with the University of Cambridge's pay scale. Officers receive the small "cost of living" salary increases awarded by the University of Cambridge.

PRINCIPAL RISKS AND UNCERTAINTIES

Internal controls over all forms of income, assets, commitment and expenditure continue to be refined to improve efficiency and effectiveness. Performance is monitored and appropriate management information is prepared and reviewed regularly by the management team and Trustees.

The Institute currently produces an annual budget and reports at Trustees meetings against that budget. The Trustees have delegated authority from the Board to ensure that an active risk management process is in place and forms part of The Needham Research Institute's ongoing organisation activity.

INVESTMENT POLICY AND PERFORMANCE

The Investment Portfolio continues to be managed by Quilter Cheviot Limited (now part of Old Mutual).

In the year to 30 September 2023, a total return of +5.8% was incurred. [-8.1% in 2022]

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

TRUSTEES REPORT

PLANS FOR FUTURE PERIODS

The Institute will seek to maximise its contribution to research, teaching and international relations, in its field, focusing principally on China but in the broader context of East Asia, and will take every opportunity to develop fruitful cooperation with the University of Cambridge in those areas, as well as with other institutions of research and higher learning world-wide.

Work will continue on the *Science and Civilisation in China* series and other publications including a planned *Science and Civilisation in Korea* series. Fundraising efforts will continue to increase the Institute's endowment, and to support fellowship programmes.

The annual "Needham Memorial Lecture", in collaboration with other institutions in Cambridge, has been established and will continue.

The NRI Friendship Association was established in Beijing on 9th June 2018. It has raised funds to be added to the Ho Peng Yoke Fellowship and will continue to do so.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing a Trustees' Report and 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 and Wales requires the Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

This report was approved by the Board of Trustees and signed on its behalf, on

1-3-24



PROFESSOR MARTIN JONES
CHAIRMAN OF TRUSTEES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

OPINION

We have audited the financial statements of The Needham Research Institute for the year ended 30th September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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 charity's affairs as at 30th September 2023, 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 OF 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 charity 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 the provisions available for small entities, in the circumstances set out in note 9 to the financial statements, 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

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

Our opinion on the financial statements does not cover the other information and 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 Trustees' Report and, in doing so, consider whether the Trustees' Report 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

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 Trustees' Report; or
- sufficient accounting records have not been kept; or
- the 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 Trustees' responsibilities statement set out on page 5, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

THE EXTENT TO WHICH OUR PROCEDURES ARE CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and those charged with governance of the charity. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We have considered the nature of the industry and sector, control environment, laws and regulations and business performance of the charity. Laws and regulations considered included, but were not limited to the Charities Act 2011, FRS102, Charity SORP and UK taxation legislation.

We have enquired with the management in regards to their own assessment of the risks of irregularities, including fraud. We also enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

We obtained relevant documentation and representations in order to form an opinion on potential irregularities, including fraud.

We considered the opportunities and incentives that may exist within the organisation for fraud.

Based on this understanding, we designed specific audit procedures to identify instances of non-compliance with laws and regulations, including obtaining additional corroborative evidence as required. Examples of procedures included reviewing large and unusual transactions, reviewing large and unexpected variances, reviewing journal entries and reviewing relevant legal correspondence.

There are inherent limitations in the audit procedures described above, not least as sampling is used under International Auditing Standards, therefore not all transactions are reviewed. Therefore, there is a risk we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulations. The risk of not detecting a material misstatement due to fraud is also higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery, collusion, omission or intentional misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE NEEDHAM RESEARCH INSTITUTE

This report is made solely to the 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.



PRENTIS & CO LLP
CHARTERED ACCOUNTANTS
& STATUTORY AUDITORS
115c Milton Road
Cambridge
CB4 1XE

14th March 2024.

Prentis & Co LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

STATEMENT OF FINANCIAL ACTIVITIES

Notes	2023			2022				
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
INCOME FROM:								
Donations and legacies	365	61,520	-	61,885	150	33,347	-	33,497
Charitable activities	5,500	170,386	-	175,886	11,160	94,850	-	106,010
Investments	87,040	56,255	266,118	409,413	47,109	60,642	291,326	399,077
Other income	18,818	-	-	18,818	12,267	-	-	12,267
TOTAL INCOME	111,723	288,161	266,118	666,002	70,686	188,839	291,326	550,851
EXPENDITURE ON:								
Charitable activities	426,683	269,023	16,770	712,476	411,036	200,057	16,770	627,863
TOTAL EXPENDITURE	426,683	269,023	16,770	712,476	411,036	200,057	16,770	627,863
Net income/(expenditure) before gains on investments	(314,960)	19,138	249,348	(46,474)	(340,350)	(11,218)	274,556	(77,012)
Net (losses)/gains on investments	126,174	64,140	234,323	424,637	(370,801)	(273,185)	(1,062,078)	(1,706,064)
NET INCOME/(EXPENDITURE)	(188,786)	83,278	483,671	378,163	(711,151)	(284,403)	(787,522)	(1,783,076)
Transfers between funds	277,363	(11,245)	(266,118)	-	310,889	(19,563)	(291,326)	-
NET MOVEMENT IN FUNDS	88,577	72,033	217,553	378,163	(400,262)	(303,966)	(1,078,848)	(1,783,076)
RECONCILIATION OF FUNDS								
Total funds brought forward	3,667,744	2,289,287	9,754,618	15,711,649	4,068,006	2,593,253	10,833,466	17,494,725
Total funds carried forward	3,756,321	2,361,320	9,972,171	16,089,812	3,667,744	2,289,287	9,754,618	15,711,649

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 12 to 25 form part of these financial statements.

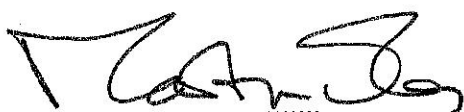
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

BALANCE SHEET

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		1,085,036		1,100,940
Investments	11		14,758,859		14,399,017
TOTAL FIXED ASSETS			<u>15,843,895</u>		<u>15,499,957</u>
CURRENT ASSETS					
Debtors	12	87,729		53,600	
Cash at bank and in hand		220,923		225,324	
TOTAL CURRENT ASSETS		<u>308,652</u>		<u>278,924</u>	
LIABILITIES:					
Creditors: Amounts falling due within one year	13		<u>(31,018)</u>		<u>(32,070)</u>
NET CURRENT ASSETS			<u>277,634</u>		<u>246,854</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Provisions for liabilities and charges	14		(31,717)		(35,162)
TOTAL NET ASSETS	18		<u>16,089,812</u>		<u>15,711,649</u>
THE FUNDS OF THE CHARITY:					
Restricted funds	15		2,361,320		2,289,287
Endowment funds	16		9,972,171		9,754,618
Unrestricted funds:					
Designated funds	17	76,025		75,132	
Other charitable funds	17	3,680,296	3,756,321	3,592,612	3,667,744
TOTAL CHARITY FUNDS	18		<u>16,089,812</u>		<u>15,711,649</u>

The financial statements were approved by the Trustees at its meeting on and signed on its behalf by

1-3-24



PROFESSOR MARTIN JONES
CHAIRMAN OF TRUSTEES

The notes on pages 12 to 25 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

STATEMENT OF CASH FLOWS

	Notes	2023 Total Funds £	2022 Total Funds £
Cash flows from operating activities:			
<i>Net cash provided by (used in) operating activities</i>	19	(473,343)	(484,005)
Cash flows from investing activities:			
Investment income		409,413	399,077
Purchase of tangible fixed assets		(5,266)	(1,669)
Purchase of investments		(2,607,087)	(2,364,907)
Proceeds from investments		2,145,987	2,942,870
<i>Net cash provided by (used in) investing activities</i>		(56,953)	975,371
<i>Change in cash and cash equivalents in the year</i>		(530,296)	491,366
Cash and cash equivalents brought forward		873,030	381,664
Cash and cash equivalents carried forward	19	342,734	873,030

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Needham Research Institute meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy notes.

(b) ASSESSMENT OF GOING CONCERN

The trustees consider that there are no material uncertainties about the Institute's ability to continue as a going concern.

(c) INCOME RECOGNITION

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the money and the amounts can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donations and legacies:

Donations, are recognised when the Institute has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Grant income:

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Investment income:

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

(d) EXPENDITURE AND IRRECOVERABLE VAT

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the following expenditure headings as follows:

Raising funds:

Costs of raising funds comprise the costs of seeking and applying for grants and costs associated with the seeking and arranging of licence fee agreements.

Charitable activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the institute and their associated support costs. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Governance costs include all expenditure not directly related to the charitable activity or fundraising ventures. This includes an appropriate proportion of costs of staff salaries for administration staff and audit fees.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

(e) TANGIBLE FIXED ASSETS

The charity has a policy of capitalising fixed assets with a cost in excess of £100. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

8 Sylvester Road (Long leasehold)	- over the period of the lease (97 years)
Fixtures and fittings	- 10 years straight line
Equipment	- 4 years straight line

(f) INVESTMENTS FIXED ASSETS

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 charity 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 or sub sectors.

(g) REALISED GAINS AND LOSSES

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(h) DEBTORS

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

(i) CREDITORS

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(j) PENSIONS

The Institute participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the Second State Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The Institute also participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS). The scheme is a defined benefit scheme which is externally funded and is also contracted out of the State Second Pension (S2P). The fund is valued every three years by a professionally qualified independent actuary, with the actuary reviewing the progress of the scheme in the intervening years.

The Cambridge University Assistants' Contributory Pension Scheme, provides benefits based on final pensionable salary and contributions are made into a defined contribution scheme under the stakeholder rules. The Institute's contributions to this scheme are charged to the Statement of Financial Activities as they are incurred.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

2.	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Donations	365	60,270	-	60,635
	Gift Aid	-	1,250	-	1,250
		<u>365</u>	<u>61,520</u>	<u>-</u>	<u>61,885</u>
	INCOME FROM DONATIONS AND LEGACIES FOR THE YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Donations	150	32,097	-	32,247
	Gift Aid	-	1,250	-	1,250
		<u>150</u>	<u>33,347</u>	<u>-</u>	<u>33,497</u>
3.	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Grants	5,500	170,386	-	175,886
	INCOME FROM CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Grants	11,160	94,850	-	106,010
4.	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Interest receivable	13,032	2,319	-	15,351
	Dividends receivable	37,034	53,936	266,118	357,088
	Rents receivable (No 2 Sylvester Road)	36,974	-	-	36,974
		<u>87,040</u>	<u>56,255</u>	<u>266,118</u>	<u>409,413</u>
	INCOME FROM INVESTMENTS YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Interest receivable	-	-	-	-
	Dividends receivable	12,955	60,642	291,326	364,923
	Rents receivable (No 2 Sylvester Road)	34,154	-	-	34,154
		<u>47,109</u>	<u>60,642</u>	<u>291,326</u>	<u>399,077</u>
5.	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Royalties	16,257	-	-	16,257
	Sundry	2,561	-	-	2,561
		<u>18,818</u>	<u>-</u>	<u>-</u>	<u>18,818</u>
	INCOME FROM OTHER YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Royalties	3,506	-	-	3,506
	Sundry	8,761	-	-	8,761
		<u>12,267</u>	<u>-</u>	<u>-</u>	<u>12,267</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Academic and related costs	208,700	251,437	-	460,137
	Establishment costs	70,572	-	16,770	87,342
	Office and support costs	139,540	17,582	-	157,122
	Governance costs	7,871	4	-	7,875
		<u>426,683</u>	<u>269,023</u>	<u>16,770</u>	<u>712,476</u>
	ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £
	Academic and related costs				
	Salaries (academic)	105,451	90,025	-	195,476
	Salaries (librarian)	70,561	23,020	-	93,581
	Research grants	-	121,800	-	121,800
	Books and publications	13,761	4,317	-	18,078
	Travel and accommodation	4,626	10,790	-	15,416
	Computer costs	5,113	885	-	5,998
	Telephone, postage and photocopying	3,472	-	-	3,472
	Other (incl. lecture and exhibition expenses)	5,716	600	-	6,316
		<u>208,700</u>	<u>251,437</u>	<u>-</u>	<u>460,137</u>
	Establishment costs				
	Rates	14,388	-	-	14,388
	Insurance	9,532	-	-	9,532
	Repairs and maintenance	14,303	-	-	14,303
	Water, light and heat	13,689	-	-	13,689
	Cleaning	10,113	-	-	10,113
	Gardening and grounds	8,547	-	-	8,547
	Depreciation	-	-	16,770	16,770
		<u>70,572</u>	<u>-</u>	<u>16,770</u>	<u>87,342</u>
	Office and support costs				
	Other salaries	74,111	-	-	74,111
	Depreciation	4,400	-	-	4,400
	Printing and stationery	5,256	1,534	-	6,790
	Events	173	6,156	-	6,329
	Investment broker charges	55,600	9,892	-	65,492
		<u>139,540</u>	<u>17,582</u>	<u>-</u>	<u>157,122</u>
	Governance costs				
	Audit and accountancy	7,833	-	-	7,833
	Other legal and professional fees	38	4	-	42
		<u>7,871</u>	<u>4</u>	<u>-</u>	<u>7,875</u>
		<u>426,683</u>	<u>269,023</u>	<u>16,770</u>	<u>712,476</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

6.	EXPENDITURE ON: CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Academic and related costs	190,333	183,725	-	374,058
	Establishment costs	67,725	-	16,770	84,495
	Office and support costs	146,201	16,332	-	162,533
	Governance costs	6,777	-	-	6,777
		411,036	200,057	16,770	627,863
	ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £
	Academic and related costs				
	Salaries (academic)	98,302	83,376	-	181,678
	Salaries (librarian)	68,119	34,998	-	103,117
	Research grants	-	41,500	-	41,500
	Books and publications	5,299	1,088	-	6,387
	Travel and accommodation	5,157	1,269	-	6,426
	Computer costs	8,791	5,213	-	14,004
	Telephone, postage and photocopying	2,996	-	-	2,996
	Other (incl. lecture and exhibition expenses)	1,669	16,281	-	17,950
		190,333	183,725	-	374,058
	Establishment costs				
	Rates	12,185	-	-	12,185
	Insurance	9,609	-	-	9,609
	Repairs and maintenance	19,255	-	-	19,255
	Water, light and heat	9,727	-	-	9,727
	Cleaning	8,522	-	-	8,522
	Gardening and grounds	8,427	-	-	8,427
	Depreciation	-	-	16,770	16,770
		67,725	-	16,770	84,495
	Office and support costs				
	Other salaries	72,059	-	-	72,059
	Depreciation	10,120	-	-	10,120
	Printing and stationery	1,795	430	-	2,225
	Events	6,849	1,707	-	8,556
	Investment broker charges	55,381	14,195	-	69,576
	Foreign exchange gain	(3)	-	-	(3)
		146,201	16,332	-	162,533
	Governance costs				
	Audit and accountancy	6,533	-	-	6,533
	Other legal and professional fees	244	-	-	244
		6,777	-	-	6,777
		411,036	200,057	16,770	627,863

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

7.	NET INCOME FOR THE YEAR	2023	2022
	This is stated after charging:	£	£
	Auditors remuneration	7,833	6,533
	- external audit		
	- non audit services	-	-
	Depreciation of tangible fixed assets	21,170	26,890

MANAGEMENT THREAT IN RELATION TO NON-AUDIT SERVICES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

8.	ANALYSIS OF STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL	2023	2022
		£	£
	Salaries and wages	266,305	258,151
	Social security costs	28,581	28,912
	Pension contributions	75,744	76,864
		<u>370,630</u>	<u>363,927</u>

The pension contributions shown above include amounts relevant to the inclusion of the pension provision shown in note 14 to the financial statements as required following the introduction of FRS 102.

The total number of employees whose total salaries exceeded £60,000 is as follows:	2023	2022
£60,000 - £70,000	0	1
£70,000 - £80,000	1	0

The average number of staff employed, analysed by function, employed during the year were:

	2023	2022
	Number	Number
Academic	5	6
Administration	3	3
Establishment	1	1
	<u>9</u>	<u>10</u>

The above numbers do not include Trustees who are not permitted to receive remuneration for their duties.

Related party transactions in the year were £Nil (2022: £Nil)

No expenses were reimbursed to the Trustees, but a total of £35 was paid by the Institute for Trustees to attend meetings (2022: £Nil).

9. TAXATION

As a charity, The Needham Research Institute is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the year.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

10.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2023	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2022	1,626,664	70,813	23,425	1,720,902
	Additions	-	-	5,266	5,266
	Balance at 30th September 2023	<u>1,626,664</u>	<u>70,813</u>	<u>28,691</u>	<u>1,726,168</u>
	DEPRECIATION				
	Balance at 1st October 2022	536,558	63,110	20,294	619,962
	Charge for the year	16,770	1,537	2,863	21,170
	Balance at 30th September 2023	<u>553,328</u>	<u>64,647</u>	<u>23,157</u>	<u>641,132</u>
	NET BOOK VALUE as at 30th September 2023	<u>1,073,336</u>	<u>6,166</u>	<u>5,534</u>	<u>1,085,036</u>
10.	TANGIBLE FIXED ASSETS YEAR ENDED 30TH SEPTEMBER 2022	Long Leasehold £	Fixtures & Fittings £	Equipment & Software £	Total £
	COST				
	Balance at 1st October 2021	1,626,664	70,813	28,422	1,725,899
	Additions	-	-	1,669	1,669
	Disposals	-	-	(6,666)	(6,666)
	Balance at 30th September 2022	<u>1,626,664</u>	<u>70,813</u>	<u>23,425</u>	<u>1,720,902</u>
	DEPRECIATION				
	Balance at 1st October 2021	519,788	57,395	22,555	599,738
	Charge for the year	16,770	5,715	4,405	26,890
	Eliminated in disposal	-	-	(6,666)	(6,666)
	Balance at 30th September 2022	<u>536,558</u>	<u>63,110</u>	<u>20,294</u>	<u>619,962</u>
	NET BOOK VALUE as at 30th September 2022	<u>1,090,106</u>	<u>7,703</u>	<u>3,131</u>	<u>1,100,940</u>
11.	INVESTMENT FIXED ASSETS	2023		2022	
		Cost	Market Value	Cost	Market Value
		£	£	£	£
	Investment properties - long leasehold	111,548	1,200,000	111,548	1,200,000
	Listed investments	10,755,379	13,437,048	9,631,066	12,551,311
	Capital account	121,811	121,811	647,706	647,706
		<u>10,988,738</u>	<u>14,758,859</u>	<u>10,390,320</u>	<u>14,399,017</u>
	Market value at 1st October		13,751,311		16,035,338
	Listed investments acquired		2,607,087		2,364,907
	Listed investments disposed		(2,145,987)		(2,942,870)
	Realised (losses)/gains		(28,894)		(564,714)
	Gains/(losses) on revaluations at 30th September		453,531		(1,141,350)
	Market value at 30th September		<u>14,637,048</u>		<u>13,751,311</u>
	The long leasehold of 2 Sylvester Road was valued by the Westley & Huff on the basis of its market value being £1,200,000.				
	Listed investments have been valued at the prices as shown on recognised exchanges.				
	No listed investment, excluding cash balances, made up more than 5% of the portfolio.				
12.	DEBTORS			2023	2022
	Due within one year:			£	£
	Prepayments and accrued income			1,790	5,234
	Other debtors			85,939	48,366
				<u>87,729</u>	<u>53,600</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

13.	CREDITORS	2023	2022
	Due within one year:	£	£
	Trade creditors	-	55
	Accruals and deferred income	28,269	29,990
	Deposit held	2,749	2,025
		<u>31,018</u>	<u>32,070</u>
14.	PROVISIONS FOR LIABILITIES		2023
			£
	Balance at 1st October 2022		35,162
	Provision identified in the year		-
	Movement in provision		(3,445)
	Balance at 30th September 2023		<u>31,717</u>
	PROVISIONS FOR LIABILITIES		2022
			£
	Balance at 1st October 2021		38,442
	Provision identified in the year		-
	Movement in provision		(3,280)
	Balance at 30th September 2022		<u>35,162</u>

The introduction of FRS 102 necessitates the inclusion of a provision to account for the full liability of any pension deficit catch up plan. The liability is based on the additional expected payments required over the life of the catch up plan, allowing for discounting rates and changes in future contributions.

The provision relates to the USS pension deficit recovery plan as mentioned in note 1 (j) to the financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS
YEAR ENDED 30TH SEPTEMBER 2023

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	69,537	96,891	(29,250)	-	(2,340)	134,838
c) Sino-British Fellowship Trust	24,788	1,349	(13,434)	-	-	12,703
d) SYK Fellowship Fund	628,784	17,025	(21,872)	19,411	(2,077)	641,271
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	5,415	-	-	-	-	5,415
g) Independent Schools Fund	-	56,910	(56,910)	-	-	-
h) Lloyd Dan David Fund	679,041	24,636	(40,352)	20,963	(3,712)	680,576
i) Jing Brand Fund (including Tianyoude grant)	155,832	54,219	(55,648)	4,811	(4,000)	155,214
j) Beijing Xingzhi	5,425	-	-	-	-	5,425
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
l) Ho Peng Yoke Fellowship	614,009	21,895	(26,118)	18,955	(2,319)	626,422
m) Wellcome Grant	-	15,236	(15,236)	-	-	-
n) Suyuan Grant	50,129	-	-	-	-	50,129
o) HK Trust	7,000	-	(10,203)	-	3,203	-
	<u>2,289,287</u>	<u>288,161</u>	<u>(269,023)</u>	<u>64,140</u>	<u>(11,245)</u>	<u>2,361,320</u>

Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is to support the CNRS Sphere Project.
- g) Fund is to support Independent Schools in research.
- h) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- i) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- j) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- k) Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- l) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- m) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- n) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- o) Fund was established for supporting our archival project.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

15. RESTRICTED FUNDS
YEAR ENDED 30TH SEPTEMBER 2022

	Balance B/Fwd £	Income £	Expenditure £	Revaluation Gains £	Transfers £	Balance C/Fwd £
a) SCC Fund (NSF)	14,037	-	-	-	-	14,037
b) Li Foundation Fund	36,729	44,201	(10,549)	-	(844)	69,537
c) Sino-British Fellowship Trust	24,788	-	-	-	-	24,788
d) SYK Fellowship Fund	704,129	19,090	(19,120)	(73,665)	(1,650)	628,784
e) Kim Foundation	27,883	-	-	-	-	27,883
f) CNRS Sphere Project	9,805	-	(3,991)	-	(399)	5,415
g) Independent Schools Fund	-	50,649	(50,649)	-	-	-
h) Lloyd Dan David Fund	773,430	26,113	(39,934)	(77,036)	(3,532)	679,041
i) Jing Brand Fund (including Tianyoude grant)	168,368	23,975	(7,399)	(25,112)	(4,000)	155,832
j) Beijing Xingzhi	5,425	-	-	-	-	5,425
k) Kan Wen Ma Fund (in memory of Prof Ma)	7,407	-	-	-	-	7,407
l) Ho Peng Yoke Fellowship	709,879	17,811	(15,232)	(97,372)	(1,077)	614,009
m) Wellcome Grant	61,180	-	(53,124)	-	(8,056)	-
n) Suiyuan Grant	50,193	-	(59)	-	(5)	50,129
o) HK Trust	-	7,000	-	-	-	7,000
	<u>2,593,253</u>	<u>188,839</u>	<u>(200,057)</u>	<u>(273,185)</u>	<u>(19,563)</u>	<u>2,289,287</u>

Purpose of funds:

- a) Fund is for research resulting in publications, mainly in the Science and Civilisation in China projects.
- b) Fund is to support research fellows.
- c) Fund is to support research fellows.
- d) Fund is to fund PhD students and Scholars.
- e) Fund is to support research in the history of science in modern East Asia.
- f) Fund is to support the CNRS Sphere Project.
- g) Fund is to support Independent Schools in research.
- h) Fund is established under a grant given by Lloyd Dan David for support for future fellows research.
- i) Fund is established under a grant given by The Jing Brand for support for future fellowships.
- j) Fund is established under a grant given by the Beijing Xingzhi Exploring Culture Communication Company for support for future scholarships.
- k) Fund is for the establishment of an annual lecture in memory of Professor K W Ma.
- l) Fund is for the establishment of a visiting Fellowship in memory of Professor Ho Peng Yoke.
- m) Fund to digitise and organise the extensive archives of Joseph and Dorothy Needham.
- n) Fund to support short term academic visits of Chinese scholars and small seminars related to research on the history of science and technology in China.
- o) Fund was established for supporting our archival project.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

16.	ENDOWMENT FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2023	£	£	£	£	£	£
	Building Fund	694,607	-	(10,650)	-	-	683,957
	Building Fund (South Wing)	447,836	-	(6,120)	-	-	441,716
	Endowment Fund	8,104,436	266,118	-	234,323	(266,118)	8,338,759
	Endowment Fund Library	21,850	-	-	-	-	21,850
	Joseph Needham Estate	485,889	-	-	-	-	485,889
		<u>9,754,618</u>	<u>266,118</u>	<u>(16,770)</u>	<u>234,323</u>	<u>(266,118)</u>	<u>9,972,171</u>

The building funds were provided for and expended on the erection of permanent premises for the Needham Research Institute and to house the East Asian History of Science Library.

The Endowment Fund exists to provide capital for investment which in turn will produce income sufficient in time to secure the continuing operation of the Institute.

ENDOWMENT FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2022	£	£	£	£	£	£
Building Fund	705,257	-	(10,650)	-	-	694,607
Building Fund (South Wing)	453,956	-	(6,120)	-	-	447,836
Endowment Fund	9,166,514	291,326	-	(1,062,078)	(291,326)	8,104,436
Endowment Fund Library	21,850	-	-	-	-	21,850
Joseph Needham Estate	485,889	-	-	-	-	485,889
	<u>10,833,466</u>	<u>291,326</u>	<u>(16,770)</u>	<u>(1,062,078)</u>	<u>(291,326)</u>	<u>9,754,618</u>

17.	UNRESTRICTED FUNDS	Balance			Revaluation		Balance
	YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
	SEPTEMBER 2023	£	£	£	£	£	£
	Designated funds:						
	Building repairs fund	23,622	-	-	-	4,000	27,622
	Computer and equipment fund	16,485	-	-	-	-	16,485
	Library Special Fund	35,025	-	(3,107)	-	-	31,918
		<u>75,132</u>	<u>-</u>	<u>(3,107)</u>	<u>-</u>	<u>4,000</u>	<u>76,025</u>
	Other charitable funds	<u>3,592,612</u>	<u>111,723</u>	<u>(423,576)</u>	<u>126,174</u>	<u>273,363</u>	<u>3,680,296</u>
		<u>3,667,744</u>	<u>111,723</u>	<u>(426,683)</u>	<u>126,174</u>	<u>277,363</u>	<u>3,756,321</u>

Purpose of designated funds:

The building repairs fund arises from amounts set aside towards major building maintenance.

The computer and equipment fund arises from amounts set aside towards the updating and replacement of computers and equipment.

The Library Special Fund arises from amounts set aside towards the purchase of books and publications for the Library.

UNRESTRICTED FUNDS	Balance			Revaluation		Balance
YEAR ENDED 30TH	B/Fwd.	Income	Expenditure	Gains	Transfers	C/Fwd.
SEPTEMBER 2022	£	£	£	£	£	£
Designated funds:						
Building repairs fund	32,000	-	(12,378)	-	4,000	23,622
Computer and equipment fund	21,429	-	(4,944)	-	-	16,485
Library Special Fund	38,090	-	(3,065)	-	-	35,025
	<u>91,519</u>	<u>-</u>	<u>(20,387)</u>	<u>-</u>	<u>4,000</u>	<u>75,132</u>
Other charitable funds	<u>3,976,487</u>	<u>70,686</u>	<u>(390,649)</u>	<u>(370,801)</u>	<u>306,889</u>	<u>3,592,612</u>
	<u>4,068,006</u>	<u>70,686</u>	<u>(411,036)</u>	<u>(370,801)</u>	<u>310,889</u>	<u>3,667,744</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2023	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	11,700	-	1,073,336	1,085,036
Investment fixed assets	3,662,230	2,229,260	8,867,369	14,758,859
Debtors	42,264	45,465	-	87,729
Cash at bank and in hand	100,389	89,068	31,466	220,923
Current liabilities	(28,545)	(2,473)	-	(31,018)
Provisions for liabilities	(31,717)	-	-	(31,717)
Net assets	<u>3,756,321</u>	<u>2,361,320</u>	<u>9,972,171</u>	<u>16,089,812</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 30TH SEPTEMBER 2022	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Fund balances at 30th September are represented by:.				
Tangible fixed assets	10,834	-	1,090,106	1,100,940
Investment fixed assets	3,505,024	2,260,946	8,633,047	14,399,017
Debtors	37,895	15,705	-	53,600
Cash at bank and in hand	178,624	15,235	31,465	225,324
Current liabilities	(29,471)	(2,599)	-	(32,070)
Provisions for liabilities	(35,162)	-	-	(35,162)
Net assets	<u>3,667,744</u>	<u>2,289,287</u>	<u>9,754,618</u>	<u>15,711,649</u>

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

	2023 £	2022 £
Net movement in funds	378,163	(1,783,076)
Add: Depreciation	21,170	26,890
Less: Investment income	(409,413)	(399,077)
Less: (Losses)/Gains on investments	(424,637)	1,706,064
Decrease/(increase) in debtors	(34,129)	(31,531)
Increase/(decrease) in creditors	(1,052)	5
Decrease in provisions	(3,445)	(3,280)
Net cash provided by (used in) operating activities	<u>(473,343)</u>	<u>(484,005)</u>

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash held under investments	121,811	647,706
Cash at bank	220,923	225,324
	<u>342,734</u>	<u>873,030</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

20. PENSIONS

(a) Universities Superannuation Scheme

The Institute participates in the Universities Superannuation Scheme (the scheme) with three active members. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to the individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Institute has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Institute recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Statement of Financial Activities.

The total cost charged to the Statement of Financial Activities for the Institute is £22,831 (2021/22: £21,785).

Since the Institute cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The latest available full actuarial valuation of the scheme was at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion.

The assets therefore were sufficient to cover 83% of the benefits which has accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2022/23	2021/22
Discount rate	5.49%	3.33%
Pensionable salary growth	5.00%	5.00%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 Valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at 65 are:

	2022/23	2021/22
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	23.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

PENSIONS(CONT.)

(b) Cambridge University Assistants' Contributory Pension Scheme

The Institute participates in the Cambridge University Assistants' Contributory Pension Scheme (CPS) which is a defined benefit scheme. The Institute's contributions are affected by a surplus or deficiency in the CPS but the Institute is unable to identify its share of the underlying assets and liabilities in the Scheme on a consistent and reasonable basis. The Institute therefore accounts for its contributions to the CPS as if it were a defined contribution scheme. It had six active members participating in the Scheme.

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of the Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by the schemes ceased to be contracted out of the State Second Pension.

Triennial valuation of the scheme

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme as at 31 July 2021. The results of valuation showed the actuarial value of the scheme's assets as £814m. These were sufficient to cover the scheme's past service liabilities of £738m; the scheme had a surplus of £76m and was 110% funded.

Since 1 August 2013 employer contributions have been set at 11.5% of pensionable pay for existing members at 31 December 2021 and 5.8% of pensionable pay (together with contributions at 5.0% to a separate defined contribution arrangement) for new entrants from 1 January 2013. On 1 August 2023, employer contributions will be adjusted to 14.1% of pensionable pay for existing members at 31 December 2022 and 7.6% of pensionable pay (together with contributions at 5% to a separate defined contribution arrangement) for new entrants from 1 January 2013. In addition, fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2023. These payments are subject to review at the next triennial valuation due as at 31 July 2024