

SOCIETY OF CHEMICAL INDUSTRY

2023

SCI[®] ANNUAL REPORT & ACCOUNTS

CHARITY
REGISTRATION
NO. 206883





The SCI[®] Community

where science meets business

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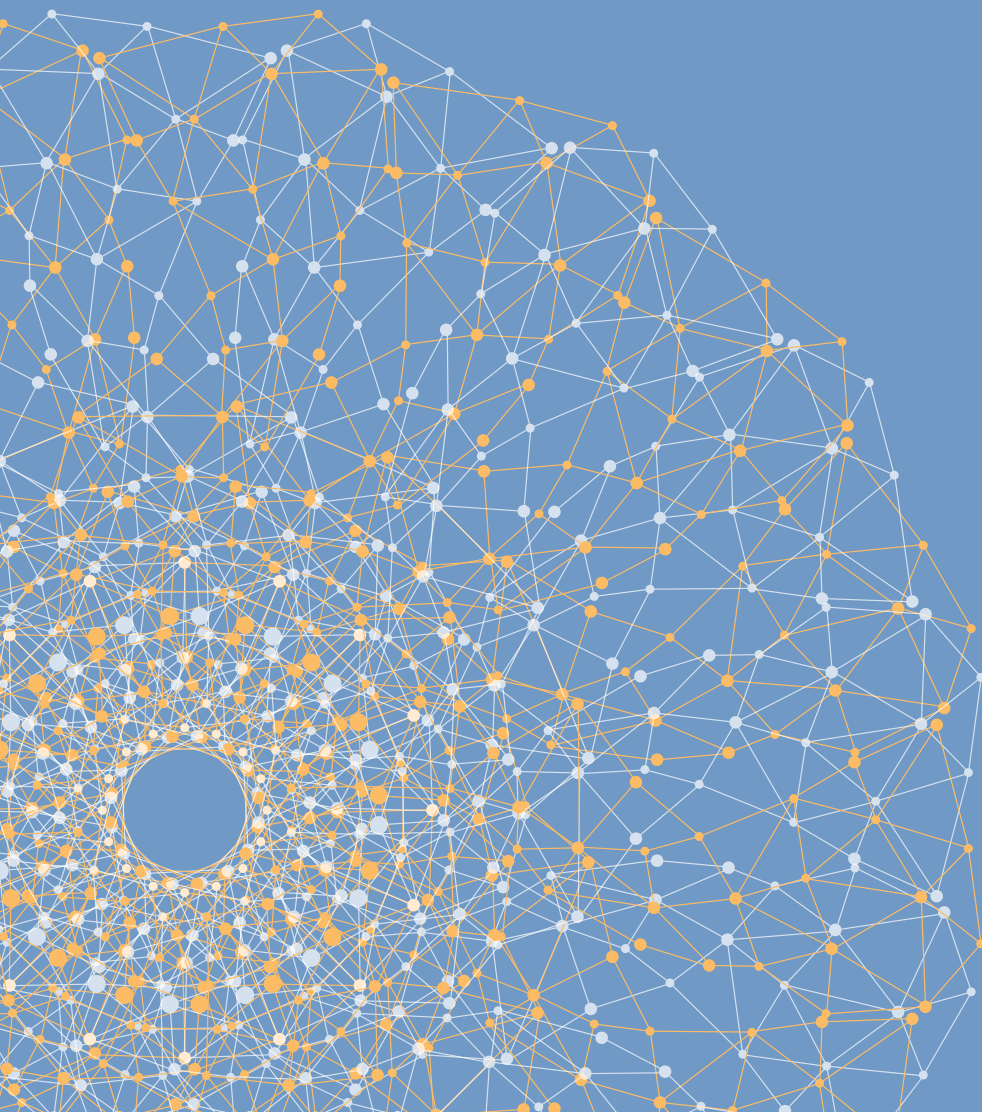
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2023

SCI[®] ANNUAL
REPORT &
ACCOUNTS

SOCIETY OF CHEMICAL INDUSTRY

REPORTS



WHERE SCIENCE MEETS BUSINESS

REFERENCE & ADMINISTRATIVE INFORMATION



TRUSTEES

Mr H Swan *Chairman*
 Ms C Frankish *Honorary Treasurer*
 Dr D Allen
 Dr B Alston
 Dr N Challoner
 Mr J Compton
 Dr C Crowhurst
 Dr G Fowler
 Dr J Hague
 Prof R Jones
 Dr G Mackey
 Dr S Malik
 Dr K Matthews
 Dr J Parker
 Dr E Rowsell
 Dr J Sheridan
 Dr S Skerratt
 Prof A Waterhouse
 Dr T Wood

No.

CHARITY REGISTRATION NUMBER

206883



AUDITOR

Buzzacott LLP
 130 Wood Street
 London EC2V 6DL



INVESTMENT MANAGER

Quilter Cheviot Investment Management
 1 Kingsway
 London WC2B 6AN



BANKERS

HSBC Bank plc
 The Peak 333
 Vauxhall Bridge Road
 London SW1V 1EJ



CHIEF EXECUTIVE OFFICER

Ms S E Todd



PRINCIPAL OFFICE

14-15 Belgrave Square
 London
 SW1X 8PS



SOLICITORS

Stone King LLP
 16 St John's Lane
 London EC1M 4BS

WHERE SCIENCE MEETS BUSINESS

TRUSTEES' REPORT

The trustees present their statutory report together with the audited accounts of the Society of Chemical Industry ("SCI®" or "the Society") for the year ended 31 December 2023. The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 31 of the attached accounts and comply with the charity's governing document, 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 United Kingdom and Republic of Ireland (FRS 102).

A NOTE FROM THE CHAIRMAN

I am delighted to report a strong year in 2023. SCI® activities continue to expand and champion the cause of scientific solutions to the big societal challenges facing us today. The Board signed off a new strategy that reinforces our commitment to delivering on our unique charitable purpose and we look forward to the future with hope and optimism.

Harry Swan *Chair of the Board of Trustees*

OBJECTIVES & ACTIVITIES

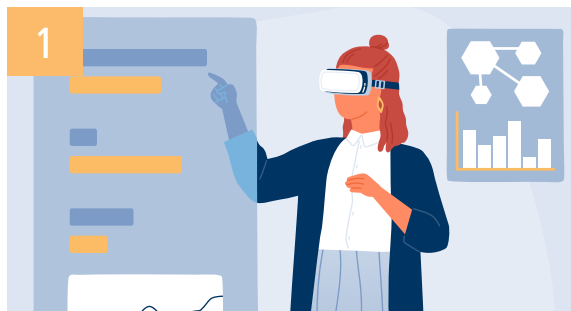
SCI® was established in 1881 by forward thinking scientists, inventors and entrepreneurs to help support and accelerate the rate of adoption of chemistry and related science into industry for the benefit of society. During its 143 years SCI®'s community has developed a multitude of new products and processes across a wide range of industry sectors, from new medicines to new materials, bringing extensive benefits to society.

Operating as an international membership organisation, SCI® connects industry with academia, government and other key stakeholders to come together to solve some of the biggest global challenges facing society, whether that is developing scientific solutions to Climate Change or Health and Wellbeing issues. By harnessing its unique networks novel solutions are developed, new entrepreneurial businesses are supported, and ideas are developed into reality.

SCI®'s is a unique community, being multidisciplinary, bringing together people from different disciplines, businesses and backgrounds. A wide range of industry sectors are represented, including agrifood, energy and materials, pharmaceutical and consumer products. Members range from C suite and Heads of R&D and Innovation to marketing and business development professionals, patent lawyers and a wide range of scientists and engineers. Academics include chemists, biochemists, biologists, horticulturalists, environmental scientists, digital scientists and engineers.



SCI®'s current strategy has focussed on SCI® committing to:



1 ACCELERATING INNOVATION

Helping to promote and support the acceleration of emerging technologies into industry for the benefit of society through the translation of knowledge via conferences, publications and by building communities.



2 SUPPORTING THE NEXT GENERATION

Providing valuable resources for members including gaining new knowledge, personal development and training, and support to build new networks.

3 RECOGNISING & REWARDING EXCELLENCE IN INNOVATION

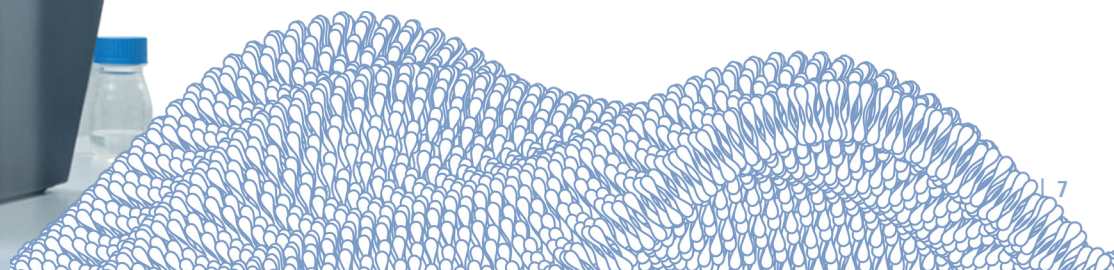
Recognising individuals or teams who show leadership in innovation or who excel in the application of science.

4 PUBLIC OUTREACH

Engaging the public in the benefits of the application of science via events, publications, C&I magazine, SCIBlog, and the SCITalks Public Lecture Programme.



In formulating the Society's aims and in planning the work of the charity, the trustees confirm that they have had due regard to the general guidance published by the Charity Commission on public benefit.



YEAR IN REVIEW

2023 has been a strong year as the organisation has stabilised after the covid pandemic, with income across all areas strong throughout the year. Membership has continued to grow and is now in its seventh consecutive year of growth. Publishing operations have been strengthened throughout the year, and SCI[®] launched a Manifesto for science and innovation in the UK.

MEMBERSHIP

Membership numbers have continued their steady growth, with year on year increases over the last seven years, and membership income increasing by 64% from 2019.

During the year all existing corporate partners continued their support for SCI[®] and renewed their memberships and we were delighted to welcome Cargill, Sterling Pharma and P&G as new partners during the year. SCI[®]'s community of start-up and Small to Medium Enterprises (SMEs) also continues to grow with around 300 companies being active in the organisation.

SCI[®] now represents organisations with revenues in excess of \$400bn, with research and development investments amounting to over \$20bn per annum globally.

The membership continues to grow in diversity. Members range from early career to mid-career and C-suite, 31% are female and the average age of members is 47, down from previous years.

PUBLICATIONS

During the year significant restructuring of the global publishing portfolio was undertaken. A new Director of Publishing was appointed late 2022 and in 2023 a new contract with our publishing partner, Wiley was put in place. This arrangement facilitates the migration to open access of the main journals over the next few years and the transfer of strategic management of the journals to SCI[®]. Despite the changes in the scholarly publishing market SCI[®] sees the potential for growth and is investing in resources to support portfolio development.

Readership across all publications continues to grow, in particular in the digital media area. 2023 saw year-on-year increases in online visits to *C&I* (+27%) and the general news section of the website (+24%). Downloads of the Society's journals also increased by 7%.

CONFERENCES

2023 was a strong year for conferences with the face to face conferences being well attended, and the highest income levels for many years. Throughout the year, 44 events were held, across a range of topics covering our Societal Challenge areas of Climate and Planet, Health and Wellbeing and Sustainability.

PROPERTY

Income from property has seen continued growth back to higher than pre-covid levels. Income from both tenancy and room hire were both strong throughout the year, and 18% up on 2019 levels.

AWARDS: RECOGNISING EXCELLENCE IN INNOVATION

SCI[®] runs an extensive international Awards Programme, promoting and recognising excellence in innovation and industry. Scholarships and awards are presented to early and mid-career innovators from academia and industry, to support their personal development or to fund research.

During the year 165 awards were presented, including scholarships, fellowships and prizes to recipients in organisations across 12 countries. This was a 38% increase on 2022 (120 awards). 53% of award recipients were female and 47% male.

Our community is working to provide scientific solutions to the most difficult challenges facing society today, ranging across Climate and Planet, Sustainability and Health and Wellbeing.

CHARITABLE PURPOSE

As a charity SCI[®] is focussed on its charitable purpose and delivering impact for society. Our community is working to provide scientific solutions to the most difficult challenges facing society today, ranging across Climate and Planet, Sustainability and Health and Wellbeing. The SCI[®] community consists of the practitioners and leaders who are developing and then commercialising these new technologies.

ADDRESSING CLIMATE AND PLANET

SCI[®]'s communities continue to work on addressing the energy transition, developing new forms of energy such as hydrogen, new more carbon efficient materials and recycling technologies in the race to Net Zero. SCI[®] continues to

publish cutting edge translational research in these areas and run conferences showcasing emerging technologies.

ADDRESSING HEALTH AND WELLBEING

SCI®'s communities work on addressing a range of societal challenges across new therapies and treatments to address cancer and other major diseases. Health and sustainability of agriculture and food production is a key thematic area, as is new sustainable materials for a wide range of consumer products, the everyday products we use every day. Throughout the year SCI® published emerging research that could be applied in these areas and ran a range of conferences and events addressing how emerging technologies are being adopted by industry.

SUSTAINABILITY

During the 2023 strategy review, Sustainability was highlighted as an area of focus by our industry and academic members. A new Sustainability programme is in development and is being launched in 2024. Whilst technology is at the heart of this supply chains and businesses also need to be sustainable and a wholistic approach to Sustainability will be adopted by SCI®.

CONVENING COLLABORATIONS

Collaboration is a key underpin to accelerating scientific innovation and this was seen very clearly with the rapid development of the covid vaccines. One of SCI®'s roles is to convene communities across multidisciplinary boundaries so that ideas can be developed, and new alliances formed to work together to solve societal challenges.

Over the last six years SCI® has connected up over 1,500 companies with 800 universities to help accelerate science out of the lab and into industrial products for society.

FLUE TO CHEM

During 2023 a new collaboration consisting of 17 organisations – companies large and small, academia and innovation organisations, came together under a two-year programme to develop new chemical materials from carbon dioxide captured from flue gases. The programme is ground-breaking in that it is not only capturing the CO₂ but then converting it, through multiple steps, into materials for

everyday products. This is a complex project but the collaboration will demonstrate that it is possible to recycle carbon from flue gases into useful products for society. A further stage of development is anticipated to scale the technology to full scale production. The impact of this project will be demonstrate a completely renewable carbon system.

INVESTING IN THE NEXT GENERATION

SCI® continues to have a strong focus on supporting and developing early and mid-career members. Activities are aimed at educating and developing this critical group of future scientists, inventors and entrepreneurs. Events covered a wide range of technology areas as well as functional areas covered in various training programmes, such as developing and managing a commercial intellectual property portfolio. During the year all programmes, such as the Mentoring Programme, continued to operate.

PUBLIC OUTREACH

The SCITalks public lecture programme ran throughout 2023. The programme is an important part of SCI®'s outreach programme, helping to educate and engage the public on the importance of science and industry for society. Fascinating and well attended talks given included 'Building a waste-free world with seaweed', 'Lifecycle assessment: a solution to achieving sustainability goals' and 'Cultivated meat: from the field via cellular agriculture to the plate'.

DIVERSITY

SCI®'s charitable purpose is built on diversity. Collaboration, working across non-traditional boundaries and supporting others for a common purpose are at the heart of the organisation. SCI® strives to ensure that these values are operating in action within the organisation.

Over recent years we have sought to encourage a broadening of the age range of members within the organisation and encouraged gender diversity. The age demographic has moved over recent years as shown below and the representation of females in the Society has increased from 26.6% in 2016 to over 31% in 2023, with strong representation in the student member group, where 50% are female, as shown in Figure 1. The average age of members is 47 as shown in Figure 2 with increasing numbers of



younger members.

The Society encourages awards that support diversity and funds scholarships to assist those who are seeking to come back into the workplace, supports the Black in Chem programme, and has sought broader representation across its governance committees, including the Board of Trustees. The Society has also run a number of SCITalks as part of the Public Outreach programme focussing on equality, diversity and inclusion. We continue to focus on recognising and valuing diversity and on making SCI® a welcoming environment for all.

CONTRIBUTIONS FROM VOLUNTEERS

The Society continues to run a wide range of activities thanks to the incredible contribution of the many members and volunteers who support SCI®. We continue to recognise their important contribution and are grateful for their vision and passion, giving their time and expertise to the charity.

The Society has also run a number of SCITalks as part of the Public Outreach programme focussing on equality, diversity and inclusion.

FUTURE PLANS

SCI® STRATEGY

During the year SCI® developed and agreed a new strategy that will deliver our charitable objectives into the future. The previous strategic period of SCI® 2016 to 2021 focussed on developing the important underpins to accelerating innovation, such as establishing a strong membership base, ensuring a healthy governance structure and investing in new capabilities such as the digital infrastructure that is now in place. The new strategy builds on this base but is focussed on the practical interventions that are now needed to accelerate the pace of adoption of new technologies across targeted areas across Climate and Planet and Health and Wellbeing, with the addition of a new area for focus of regenerative agriculture recognising the importance of soil and the soil ecosystem.

Within the strategic aims the following areas were identified for focus:

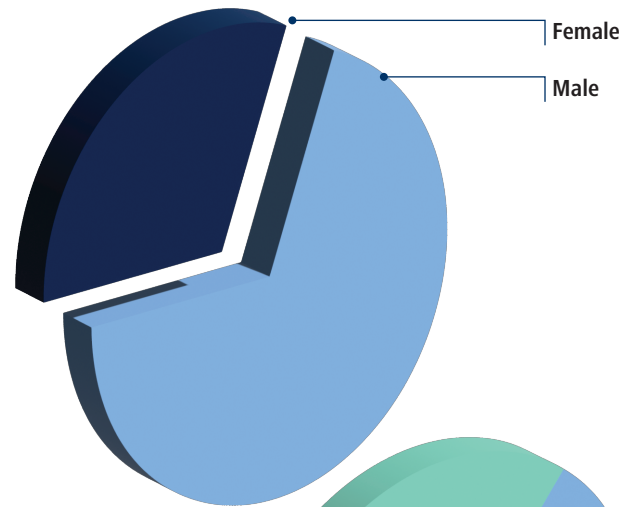
Climate and Planet

- Renewable Energy
- Sustainable Materials
- Regenerative Agriculture

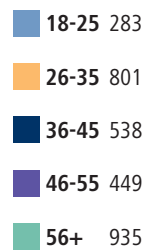
Health and Wellness

- Life Sciences
- Food
- Consumer Products

GENDER SPLIT 2023



MEMBERSHIP BY AGE GROUP 2023



GOVERNANCE, STRUCTURE & MANAGEMENT

CONSTITUTION

The Society of Chemical Industry was founded in 1881 and incorporated by Royal Charter in 1907. A copy of the Royal Charter, By-laws and Rules which governs the charity's activities may be obtained on request from the principal office at 14-15 Belgrave Square, London, SW1X 8PS or viewed on our website, www.soci.org. SCI® registered itself with the Charity Commission in 1962 (Charity Registration No 206883).

BOARD OF TRUSTEES

Overall responsibility for the affairs of the charity lies with its Board of Trustees ("the Board" or "BoT"). The following trustees were in office throughout the period of report and up to the date of approval of the annual report and accounts, except where shown:

EXECUTIVE MANAGEMENT

The Chief Executive is responsible to the Board for the efficient conduct of SCI®'s affairs in accordance with the Royal Charter, By-Laws and Rules and the delivery of the strategy and the day-to-day management of SCI®. The Chief Executive delegates to the line managers. Staff work to an operational plan and budget agreed with the Board, with progress reported to the trustees on a regular basis. The management and staff work within a framework of delegated authority.

GOVERNANCE STRUCTURE AND MANAGEMENT

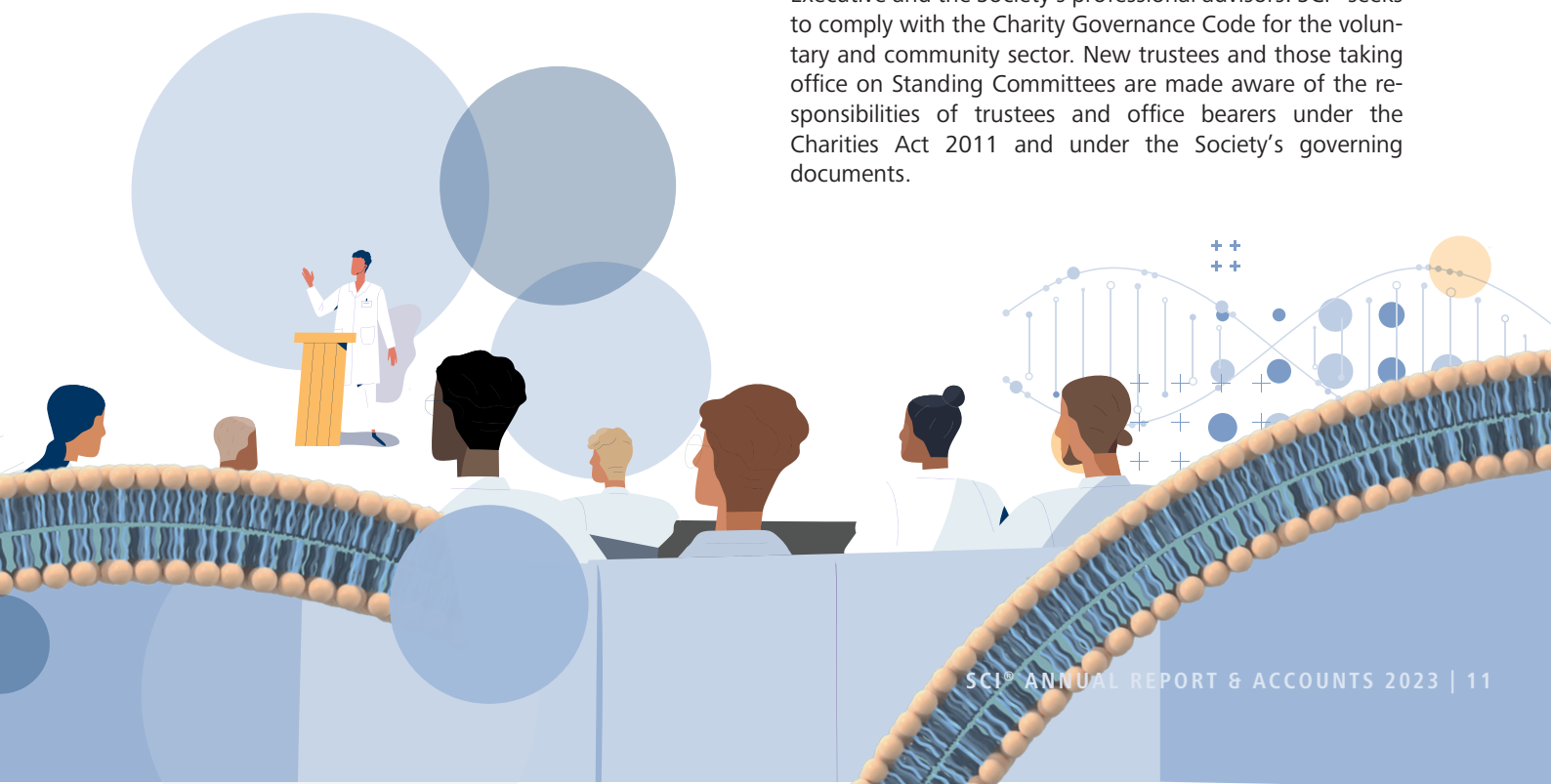
SCI® is governed by the Board of Trustees, supported by governance committees, to provide advice and support to the Board and the CEO on aspects of the Society. Authority is delegated to the Chief Executive and her team to manage the strategy and operations of the Society. The trustees consider that they, together with the Chief Executive, comprise the key management personnel of the charity in charge of directing and running the operations of the charity.

BOARD OF TRUSTEES

TABLE 1

TRUSTEE	APPOINTED/RESIGNED
Mr H Swan (Chair)	
Ms C Frankish (Honorary Treasurer)	
Dr D Allen	
Dr B Alston	
Ms L Bruce-Gardyne	Resigned July 2023
Dr N Challoner	
Dr J Compton	Appointed September 2023
Dr C Crowhurst	
Dr G Fowler	
Dr J Hague	
Prof R Jones	
Dr G Mackey	
Dr S Malik	
Dr K Matthews	
Dr J Parker	
Dr E Rowsell	Appointed July 2023
Dr J Sheridan	
Prof J Sweeney	Resigned July 2023
Dr A Walker	Resigned July 2023
Prof A Waterhouse	

Trustees are kept up-to-date with best practice standards and developments in governance through the Chief Executive and the Society's professional advisors. SCI® seeks to comply with the Charity Governance Code for the voluntary and community sector. New trustees and those taking office on Standing Committees are made aware of the responsibilities of trustees and office bearers under the Charities Act 2011 and under the Society's governing documents.



Members are elected to governance committees via an annual election process. Co-opted positions are used to attract trustees with skills and talent to complement the trustees elected by the membership of the Society. Trustees are not remunerated for their services to the charity.

SCI® pursues an overall policy of transparency and clear communication. Minutes are taken at all meetings and actions documented. SCI® communicates with its community through a range of publications, such as *C&I*, electronic newsletters, via the website and social media.

TRADING SUBSIDIARY

SCI® owns and controls a wholly owned subsidiary company, SCI® Business Limited (Company Registration Number 02994541). It undertakes trading activities, which are ancil-

lary to, but not part of, SCI®'s core activities, and donates the annual profits to SCI® in the form of a Gift Aid donation. The accounts accompanying the annual report are consolidated and incorporate the financial results and year end position of both SCI® and its wholly owned subsidiary.

SCI® communicates with its community through a range of publications, such as *C&I*, electronic newsletters, via the website and social media.

STANDING COMMITTEES AND SUB-COMMITTEES

The Board is supported by one Standing Committee and five Sub-Committees, which advise on specific aspects of SCI®'s work. The Chairs of each are also members of the Board of Trustees.

Finance and Investments Advisory Committee (FIAC)

FIAC is a Standing Committee and advises the Board on all financial matters relating to the Society including investments, reserves and IT policies and property.

Membership Committee (MC)

The Membership Committee advises the Board and the Chief Executive on ways and means of enhancing the value of SCI® membership from the members' perspective.

Publications Committee (PC)

The Publications Committee advises on SCI® publishing strategies.

Careers Committee (CC)

The Careers Committee advises on services to support careers members of SCI®. The CC also manages the College of Scholars and oversees key awards.

Senior Appointments and Remuneration Committee (SARC)

SARC's role is to appoint the Chief Executive and to approve overall pay increases for staff.

Nominations Committee (NC)

The Nominations Committee has the remit to oversee and strengthen the process of appointment or election of members to governance positions.



FINANCIAL REVIEW

RESULTS FOR THE YEAR

Total income for the year amounted to £3,840k (2022 – £2,921k). The principal funding sources were: publications £1,862k (2022 – £1,745k), conferences £583k (2022 – £188k), investment income £272k (2022 – £235k), income from letting and licensing of premises £604k (2022 – £424k), commercial trading operations £172k (2022 – £116k); and member subscriptions of £240k (2022 – £197k).

Total expenditure for the year amounted to £3,862k (2022 – £3,234k). Of the expenditure incurred in the year, £3,642k (2022 – £3,073k) representing 94% (2022 – 95%) of the total expenditure incurred, was spent on charitable activities, which includes directly attributable costs, project costs and overhead costs supporting core charitable objectives.

Other expenditure incurred of £220k (2022 – £161k) was in respect of trading activities, letting and hiring of premises and investment management.

The net expenditure for the year before investment gains and losses was therefore £22k (2022 – net expenditure of £313k).

After accounting for the net changes generated on the re-valuation and disposal of listed investments of £648k (2022 – losses of £1,213k), the charity's overall funds increased by £626k (2022 – decreased by £1,526k).

The Society's wholly-owned trading subsidiary, SCI® Business Limited, reported a profit before Gift Aid donations of £72k (2022 – £42k). The profit earned was payable to the parent charity under Gift Aid in order to assist in meeting its objectives.

Total income for the year amounted to £3,840k

FUNDRAISING

The Society does not currently engage in traditional forms of fundraising activity such as collections or appeals, and as such, the trustees do not consider it necessary at the moment for the Society to adopt any particular code of practice in this area. However, the Society has conducted an initial scoping exercise in the area of fundraising, incorporating process, procedure, governance and compliance. No complaints have been received by the Society in relation to fundraising.

INVESTMENT POLICY AND PERFORMANCE

All funds of the Society not immediately required to be used or applied for the ordinary purposes of, or in carry-

SCI®'s TOTAL INCOME 2023



1,862k	Publications
604k	Letting and licensing premises
272k	Investments
583k	Conferences
240k	Member subscriptions
172k	Commercial trading operations

ing out the objects of, the Society and any property held by the Society, subject to the terms of any trust, may be invested by the Board of Trustees on behalf of the Society in any permitted investment.

The Board may appoint and terminate the appointment of investment managers upon such terms and conditions as they may from time to time determine, except that no person should be appointed as investment manager unless authorised for this purpose in accordance with the Financial Services Act 2010 or any statutory modification thereof or replacement thereof.

Under delegated authority from the Board of Trustees, administration of the funds of the Society, subject to the overall authority of the Board, are overseen by the Finance, Investments and Audit Committee ("FIAC"). FIAC members take advice on the investment portfolio

£3,840k



In 2023, SCI® income was £3,840k



£3,862k

2023 total expenditure amounted to £3,862k was spent on charitable activities.



£1,862k

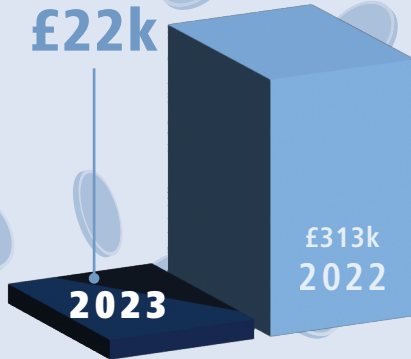
In 2023 total publication revenue was £1,862k.



£604k

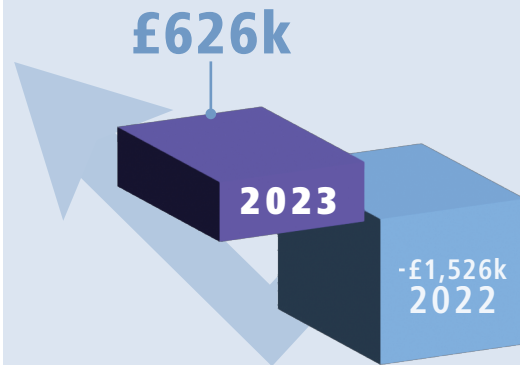
In 2023 total revenue income from lettings and room hire was £604k.

£22k



The net expenditure for the year before investment gains and losses was £22k.

£626k



The charity's overall funds increased by £626k

and performance from an independent advisor, Quilter Cheviot Investment Management, who are also responsible for the management of the charity's investments. They assist the Committee to review the investment policy, asset reallocation and risk level. The Committee last reviewed SCI's investment policy in late 2018. The overall policy is for a broadly moderate risk appetite, with balanced expectations of income and gains.

The market value of investments at 31 December 2023 was £7,785k compared with £7,178k at 31 December 2022.

Income from listed investments during the year amounted to £228k (2022 – £234k) representing an income yield of approximately 3.18% (2022 – 2.78%). The net gains on the listed investments in 2023 were £648k (2022 – losses of £1,213k). The total return on the portfolio for the year to 31 December 2023 was 11.9% compared with the benchmark return of 7.5% as per the published ARC Steady Growth Charity Index (2022: -12.1% vs -10.2%).

Surplus cash is held in deposit accounts with the Society's bankers, HSBC.

RESERVES POLICY AND FINANCIAL POSITION

Part of the charity's net assets is represented by the net book value of SCI's interest in its tangible fixed assets. The availability of these assets is essential to the day-to-day work of the charity and as such, the value of these assets cannot be regarded as funds that would be realisable with ease, in order to meet future contingencies. As such, an amount equal to the net book value of the tangible fixed assets has been separated from the charity's general funds and held as a separate designated fund. At the year end, the balance on this fund was £4,033k (2022 – £4,219k).

At 31 December 2023, funds totalling £2,450k (2022 – £2,195k) comprised restricted funds that must be applied in accordance with the wishes of the donor.

FIAC has considered SCI's free reserves requirements and advised on the same to the charity's Board. Free reserves comprise the general funds of the Society, excluding designated and restricted funds. When setting the reserves policy, FIAC and the Board have given consideration to the following:

- Funds being employed to invest in the infrastructure of SCI, especially regarding a continued programme of systems development.
- A prudent fiscal policy being adopted in order to ensure funds are not unduly depleted during a period where additional investment is required.
- A desire to ensure the Society preserves the value of its capital in line with the long-term rate of inflation. In July 2008 FIAC agreed to maintain a minimum level of free reserves (i.e. unrestricted general funds which

£7,785k

The market value of investments at
31 December 2023.

£272k

Income from listed investments during 2023.

£648k

The net gains on the listed investments in 2023.

11.9%

The total return on the portfolio for the
year to 31 December 2023.

£4,033k

The year end, the balance of the
separate designated fund.

£2,450k

At 31 December 2023, funds totalling
£2,450k comprised restricted funds that
must be applied in accordance with the
wishes of the donor.

are freely available for application towards the general charitable objectives of the charity) at £6m. The RPI inflation adjusted value in 2023 is £10.5m based on an inflation rate of 75.1% over the past fourteen and a half years.

- A significant proportion of the Society's net assets are represented by listed investments. Such assets are subject to fluctuations in market value due to the inherent 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. As such, the reserve requirement needs to take account of an element of unpredictability.

At 31 December 2023, the charity held free reserves totalling £7.055m (2022 – £6.498m). While the actual level of free reserves is below the desired level, the trustees are satisfied with the level of free reserves, taking into account the significant investment in the infrastructure in 2019 and the disruption associated with the COVID pandemic. A review of the reserves is under way and will be completed in 2024.

GOING CONCERN

There is a reasonable expectation that the Society of Chemical Industry has adequate resources to continue in operational existence for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue operating as a going concern. In making this decision, the trustees have taken into consideration the risks and uncertainties arising from the Coronavirus pandemic and conclude that the charity can sustain its operations for a

period of at least twelve months from date of signing these accounts. Consequently, the financial statements have therefore been prepared on the basis that the charity remains a going concern.

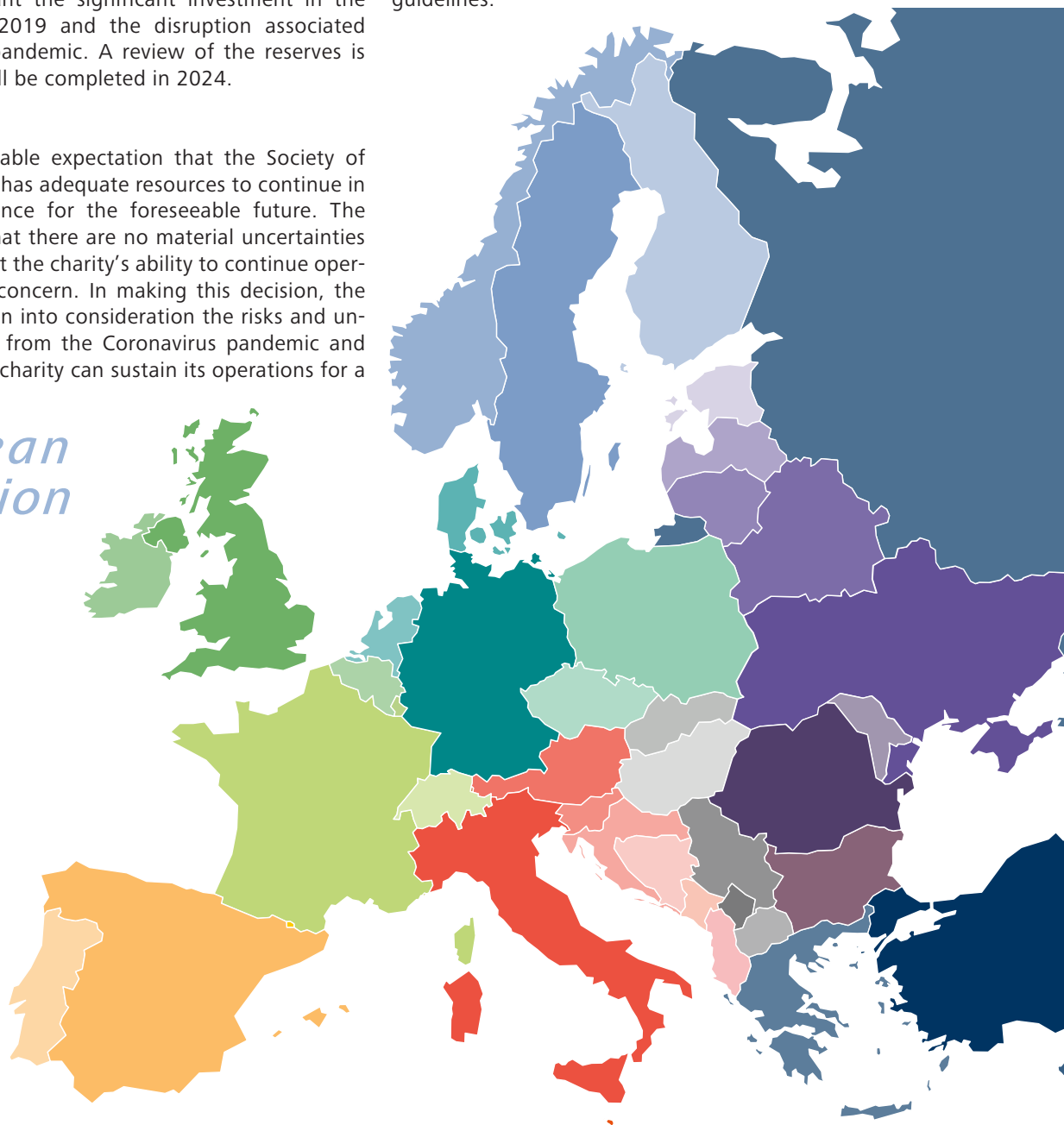
RELATED ENTITIES

During 2019 SCI® established two Dutch legal entities to support and promote SCI's activities in Europe post Brexit. SCI® Europe B.V. (registration no. 860729813) and Stichting SCI® Europe (860729795) were both registered on 16th December 2019 and remained dormant to 31 December 2023.

FUNDS HELD AS CUSTODIAN TRUSTEE

The Society acts as Custodian Trustee for the SCI® Benevolent Fund and Rideal Trust. The financial results of these two charities are consolidated into SCI's accounts and full accounts for the trust funds are produced in note 22 in compliance with Charity Commission guidelines.

European expansion



SCI® BENEVOLENT FUND

The object of SCI®'s Benevolent Fund is to provide financial relief to persons who are or have been members of the Society and to their spouses, children and dependents and to the widows/widowers, children and dependents of deceased members. The assets as at 31 December 2023 are investments, which amounted to £145k.

THE RIDEAL TRUST

The object of the Rideal Trust is the general advancement of chemical science and, in particular, branches relating to chemisorption, colloid science, interface science, catalysis and related topics. The Trust is jointly administered by SCI® and the Royal Society of Chemistry. The activities of the Trust directly support the overall object of the Society which is to advance the science of applied chemistry and related sciences for the public benefit by providing information, granting bursaries, awards etc. The assets as at 31 December 2023 are investments, which amounted to £18k.

RISK MANAGEMENT

The trustees operate a system of risk management through FIAC, the Executive, and the Board of Trustees. A Risk Register is in place and is regularly reviewed throughout the year by FIAC, the Executive and BoT.

The trustees regularly review the high-level risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate exposure to the major risks.

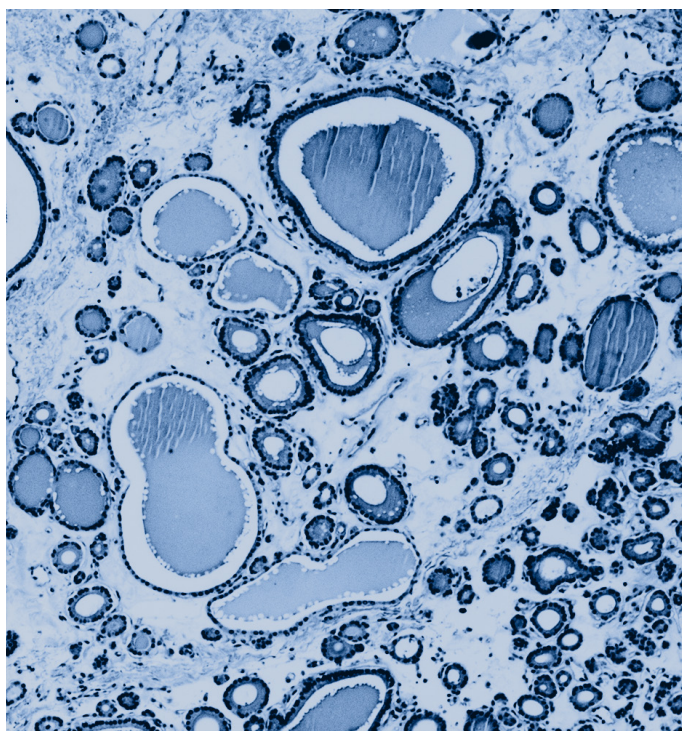
The main risks to the Society continue to be market related – in particular from the potential impact of open access on publishing income and the potential volatility in the investment earnings. The potential loss of income from publishing is managed by having programmes in place to deliver income growth and appropriate agreements with the publishing partner. The investments are reviewed by FIAC regularly against benchmarks to determine the effectiveness of the investment strategy, which can then be modified if required.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' report and accounts 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 accounts for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and the group for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);



Sir Eric Keightley Rideal

Credit: NPC, by Hills & Saunders, Creative Commons



- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation. The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity and the group’s constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and the group and financial information included on the charity and the group’s website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.



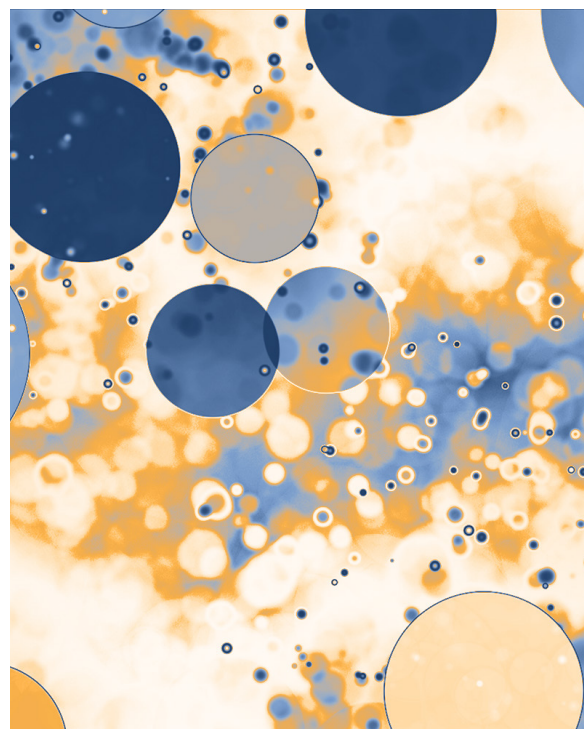
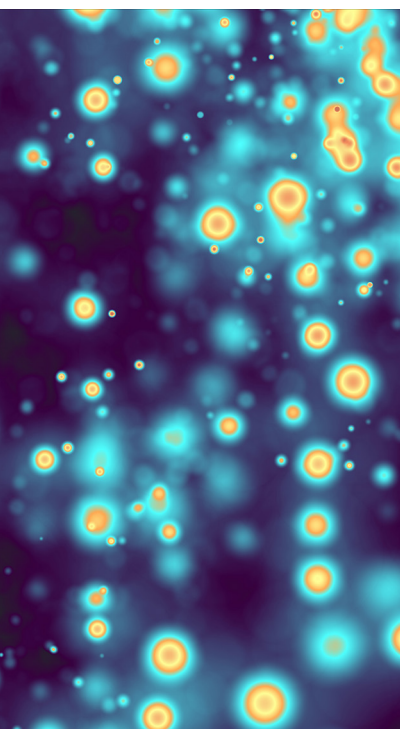
Chloe Frankish

Approved by the trustees and signed on their behalf by:

Chloe Frankish

Honorary Treasurer

Approved by the Board of Trustees on: 16 May 2024



WHERE SCIENCE MEETS BUSINESS

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members and trustees of Society of Chemical Industry

OPINION

We have audited the accounts of Society of Chemical Industry (the 'parent charity') including its subsidiary (collectively the 'group') for the year ended 31 December 2023 which comprise the group statement of financial activities, group and parent charity balance sheets, group statement of cash flows, the principal accounting policies and notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of their income and expenditure 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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon.

Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

Irregularities, including fraud, are instances of non-compli-



How the audit was considered capable of detecting irregularities including fraud.

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

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, 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 United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and
- We assessed the extent of compliance with the laws and

regulations identified above through making enquiries of key management and review of minutes of trustees' meetings.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing accounts disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and



- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. 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 as-

sume 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.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

Buzzacott LLP
 Statutory Auditor
 130 Wood Street
 London
 EC2V 6DL



Date: 25 October 2024

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



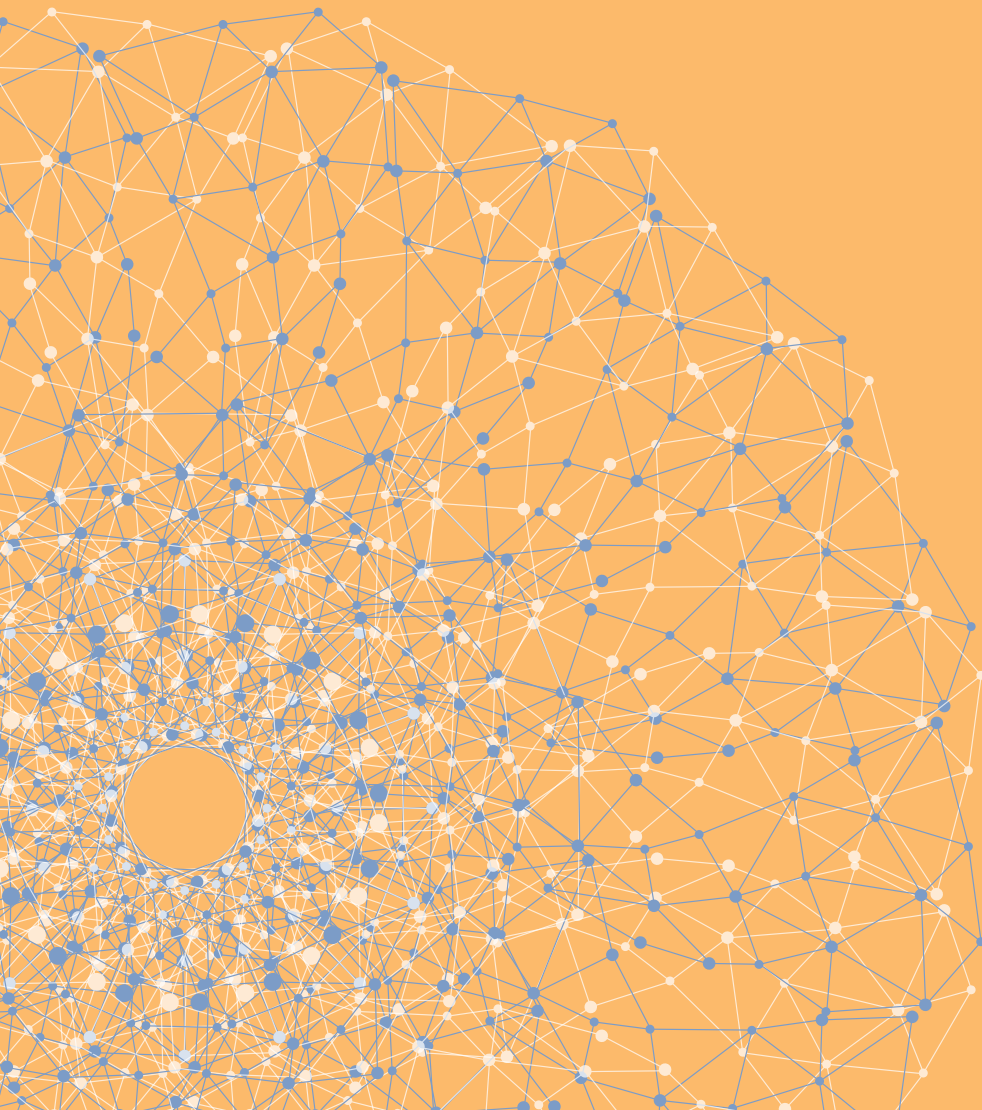
2023

SCI® ANNUAL
REPORT &
ACCOUNTS

SOCIETY OF CHEMICAL INDUSTRY

SOCIETY OF CHEMICAL INDUSTRY

ACCOUNTS



WHERE SCIENCE MEETS BUSINESS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year to
31 December
2023

		Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Income from:							
Charitable activities	2	2,685	77	2,762	2,130	–	2,130
Other trading activities	3	776	–	776	540	–	540
Investments	4	214	58	272	179	56	235
Other income		30	–	30	16	–	16
Total income		3,705	135	3,840	2,865	56	2,921
Expenditure							
Raising funds	5	220	–	220	161	–	161
Charitable activities	6	3,547	95	3,642	3,086	(13)	3,073
Total expenditure		3,767	95	3,862	3,247	(13)	3,234
Net (expenditure) income before gains and losses on investments and transfers							
		(62)	40	(22)	(382)	69	(313)
Transfers		(50)	50	–	–	–	–
Net (expenditure) income before gains and losses on investments							
		(112)	90	(22)	(382)	69	(313)
Net gains (losses) on the revaluation and disposal of listed investments	13	483	165	648	(922)	(291)	(1,213)
Net income (expenditure) and net movement in funds							
	10	371	255	626	(1,304)	(222)	(1,526)
Reconciliation of funds:							
Fund balances brought forward at 1 January		10,717	2,195	12,912	12,021	2,417	14,438
Fund balances carried forward at 31 December		11,088	2,450	13,538	10,717	2,195	12,912

All of the group's activities derived from continuing operations during the above two financial periods.

The group has no recognised gains and losses other than those shown in the consolidated statement of financial activities.

WHERE SCIENCE MEETS BUSINESS

BALANCE SHEETS

31 December 2023

	Notes	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets					
Tangible assets	12	4,033	4,219	4,033	4,219
Investments	13	7,785	7,178	7,785	7,178
		11,818	11,397	11,818	11,397
Current assets					
Debtors	14	1,581	1,135	1,736	1,226
Cash at bank and in hand		1,278	1,240	1,104	1,133
		2,859	2,375	2,840	2,359
Creditors: amounts falling due within one year		(1,004)	(681)	(985)	(665)
Net current assets		1,855	1,694	1,855	1,694
Total assets less current liabilities		13,673	13,091	13,673	13,091
Creditors: amounts falling due after more than one year	16	(135)	(179)	(135)	(179)
Total net assets		13,538	12,912	13,538	12,912
The funds of the group and charity:					
Unrestricted funds					
Designated funds	17	4,033	4,219	4,033	4,219
General funds		7,055	6,498	7,055	6,498
		11,088	10,717	11,088	10,717
Restricted funds	18	2,450	2,195	2,450	2,195
		13,538	12,912	13,538	12,912

Approved by the trustees and signed on their behalf by:



Honorary Treasurer

Approved by the Board of Trustees on: 16 May 2024

WHERE SCIENCE MEETS BUSINESS

CONSOLIDATED STATEMENT OF CASH FLOWS

Year to
31 December
2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash (used in) operating activities	A	(111)	(387)
Cash flows from investing activities:			
Investment income		272	235
Purchase of tangible fixed assets		(162)	(182)
Proceeds from the disposal of investments		1,715	1,090
Purchase of investments		(1,567)	(1,050)
Net cash provided by investing activities		258	93
Change in cash and cash equivalents in the year		147	(294)
Cash and cash equivalents at 1 January	B	1,238	1,531
Cash and cash equivalents at 31 December	B	1,385	1,238

A Reconciliation of net income to net cash (used in) operating activities

	Notes	2023 £'000	2022 £'000
Net (expenditure) income (as per the statement of financial activities)		626	(1,526)
Adjustments for:			
Depreciation charge		344	348
Loss on the disposal of fixed assets		6	–
(Gains) losses on investments		(648)	1,214
Investment income		(272)	(235)
(Increase) in debtors		(446)	(208)
Increase in creditors		279	20
Net cash (used in) operating activities		(111)	(387)

B Analysis of changes in cash and cash equivalents

	Notes	2023 £'000	2022 £'000
Cash at bank and in hand		1,278	1,240
Cash held by investment managers		107	(2)
Total cash and cash equivalents		1,385	1,238

WHERE SCIENCE MEETS BUSINESS

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

BASIS OF PREPARATION

These accounts have been prepared for the year to 31 December 2023 with comparative information in respect of the year to 31 December 2022. They are presented in sterling and are rounded to the nearest thousand pounds.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with 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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

BASIS OF CONSOLIDATION

The consolidated statement of financial activities and group balance sheet consolidate the results of SCI® and its wholly owned subsidiary company, SCI® Business Limited, groups and applicable trust funds, made up at the balance sheet date. The results are consolidated on a line-by-line basis.

The results of all the groups were fully incorporated into the Society's accounts with the exception of the Macro Group which is jointly administered with the Royal Society of Chemistry.

The charity is taking advantage of the concession to only provide a consolidated statement of financial activities and income and expenditure account as permitted by the Charities SORP FRS 102. No separate statement of financial activities has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the accounts requires the trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- the assumptions adopted by the trustees and management in determining the value of any designations required from the charity's general unrestricted funds;
- the basis on which support costs have been allocated across expenditure headings; and
- assessing future income and expenditure flows for the purpose of assessing going concern (see below).

ASSESSMENT OF GOING CONCERN

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2024, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

INCOME RECOGNITION

Income is recognised in the period in which the charity and the group have entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. It excludes VAT where charged.

Income is deferred only when the charity and the group has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income comprises donations, legacies, grants, income from charitable activities including conferences and events, publications and membership subscription; income from other trading activities including the letting and licensing

of the charity's premises; and investment income and interest receivable.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. 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.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grant funding is recognised as and when the work is completed and the grant conditions are fulfilled.

Income from conferences and events are recognised in the financial period in which the conference or event was hosted.

Income from publications and royalties are recognised in the period in which the royalties were accrued or the publications sold.

Annual membership subscriptions are recognised as income on an accruals basis applicable to the membership period, and part of the subscription applicable to the following year is carried forward as deferred income. Life membership can be purchased based on 10 years standing and aged 60 or over on a sliding scale, depending on age. To reflect the costs of providing future membership benefits to such members, a provision is calculated multiplying the annual membership subscription by the estimated number of years that the benefits will be provided for each life member.

Income derived from the letting and licensing of the charity's premises, is recognised in the period to which the letting or licencing relates. Rent free period income is recognised as a deferred debtor which is written down over the lease period or the lease break clause date, whichever is earlier.

Life membership can be purchased based on 10 years standing and aged 60 or over on a sliding scale, depending on age.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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



EXPENDITURE RECOGNITION

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity and the group to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Irrecoverable input VAT is included in the expenditure. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity and the group. This includes the fees payable to the investment manager in connection with the management of the charity's listed investments, the costs in connection with the management and upkeep of the charity's premises, and other direct costs associated with the charity's other trading activities.
- Expenditure on charitable activities comprises expenditure in support of the charity and the group's primary charitable purposes as described in the trustees' report. This includes the costs associated with the servicing of members, costs in connection with hosting events and conferences for the Society's beneficiaries, costs associated with the production of publications, grants and awards to individuals for endeavour in the fields of science, engineering and technology as well as bursaries and scholarships.

Grants are awarded from various restricted funds by the Early Careers Committee to successful applicants. Each fund has its own particular criteria. They are accounted for in the statement of financial activities in the year in which they are awarded.

Expenditure on charitable activities includes both costs which can be directly attributed to the four key activities as well as an allocation of shared support costs (see below).

ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity and the group it is necessary to provide support in the form of a finance function, IT and human resources function, and facilities management support.

Furthermore, support costs include governance costs. These comprise the costs involving the public accountability of the charity and the group (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs including governance costs are allocated to

the various categories of charitable expenditure on an appropriate basis such as the number of staff serviced in each area, floor space, or in proportion to direct costs. The basis of allocation is further explained in note 8 to the accounts.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing less than £1,000 are not capitalised unless part of a wider project, and are written off in the year of purchase.

Tangible fixed assets which are capitalised are included at cost (including any incidental expenses of acquisition), stated at cost less accumulated 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:

	Long leasehold property by equal instalments over the life of the lease
	Leasehold improvements ten to twenty years on cost
	Furniture, IT & other equipment three to five years on cost

Assets under the course of construction are not depreciated until the asset is complete and available for use. The property is subject to an annual impairment review.

INVESTMENTS

Listed 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.

As noted above, the main form of financial risk faced by the charity and the group 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.

The Society's investment in its wholly owned trading subsidiary is included in the charity balance sheet at cost.

DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

CASH AT BANK AND IN HAND

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

CREDITORS AND PROVISIONS

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity and the group anticipate it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

FUND ACCOUNTING

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes or projects.

Unrestricted general funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objectives.

LEASED ASSETS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities in equal annual amounts over the lease term.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange

ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to income and expenditure through the statement of financial activities.

TAXATION

SCI® is a UK registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

SCI® Business Limited passes all its taxable profits as Gift Aid to the Society in accordance with an agreed Deed of Covenant.

CUSTODIAN ARRANGEMENTS

The Society acts as Custodian Trustee for the SCI® Benevolent Fund and Rideal Trust. The financial results of these two charities are consolidated into SCI's accounts and full accounts for the trust funds are produced in note 22 in compliance with Charity Commission guidelines.

FINANCIAL INSTRUMENTS

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets –

other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

**Cash at bank –**

classified as a basic financial instrument and is measured at face value.

**Financial liabilities –**

accruals and other creditors are financial instruments, and are measured at amortised cost.



WHERE SCIENCE MEETS BUSINESS

NOTES TO THE ACCOUNTS

1. CONTRIBUTIONS FROM VOLUNTEERS

Members of SCI, its trustees, committees and many other volunteers make major practical contributions to SCI's meetings, publications and other operations as well as to its overall governance. The trustees consider that there is no objective way of putting a financial value of this effort and therefore, in accordance with the guidance provided in the Charities SORP FRS 102, the value of volunteer time is not recognised in these accounts. However, Trustees wish to record their gratitude to these volunteers (and in many cases their employers) for this considerable and essential contribution.

2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds	
	2023 Total funds £'000	2022 Total funds £'000
Conferences	583	188
Publications	1,862	1,745
Members subscriptions	240	197
	2,685	2,130

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds	
	2023 Total funds £'000	2022 Total funds £'000
Commercial trading operations	172	116
Letting and licensing of premises	604	424
	776	540

4. INCOME FROM INVESTMENTS

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
Income from listed investments	170	58	228
Interest receivable	44	–	44
	214	58	272

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<i>Income from listed investments</i>	178	56	234
<i>Interest receivable</i>	1	–	1
	179	56	235

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted funds	
	2023 £'000	2022 £'000
Commercial trading costs	187	127
Investment management costs	33	34
	220	161

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
Conferences			
Direct costs	607	–	607
Support costs (note 8)	367	–	367
	974	–	974
Publications			
Direct costs	598	–	598
Support costs (note 8)	408	–	408
	1,006	–	1,006
Membership activities			
Direct costs	979	–	979
Support costs (note 8)	560	–	560
	1,539	–	1,539
Awards, bursaries and scholarships			
Grants payable (note 7)	–	19	19
Other direct costs	5	76	81
Support costs (note 8)	23	–	23
	28	95	123
	3,547	95	3,642

6. EXPENDITURE ON CHARITABLE ACTIVITIES (CONTINUED)

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
<i>Conferences</i>			
<i>Direct costs</i>	291	–	291
<i>Support costs (note 8)</i>	247	–	247
	538	–	538
<i>Publications</i>			
<i>Direct costs</i>	434	–	434
<i>Support costs (note 8)</i>	309	–	309
	743	–	743
<i>Membership activities</i>			
<i>Direct costs</i>	1,063	–	1,063
<i>Support costs (note 8)</i>	723	–	723
	1,786	–	1,786
<i>Awards, bursaries and scholarships</i>			
<i>Grants payable (note 7)</i>	–	(24)	(24)
<i>Other direct costs</i>	4	11	15
<i>Support costs (note 8)</i>	15	–	15
	19	(13)	6
	3,086	(13)	3,073

7. GRANTS PAYABLE

	2023 £'000	2022 £'000
Awards, bursaries and scholarships to individuals in the year	20	31
Drop of previous year provisions (awards not claimed)	(1)	(44)
	19	(13)

	2023 Number	2022 Number
Awards of £1,000 or more	6	13
Awards of up to £1,000	11	13
Total number of grants awarded	17	26

Grants which have been agreed internally, but for which no legal or constructive obligation existed at 31 December 2023 and thus not accrued in these accounts totalled £nil (2022 – £nil).

8. SUPPORT COSTS

	Basis of allocation	Conferences £'000	Publications £'000	Membership activities £'000	Awards, bursaries and scholarships £'000	Total 2023 £'000
Finance	Cost	149	146	240	6	541
IT and Human Resources	Head count	34	41	49	3	127
Executive Office	Head count	59	72	86	5	222
Facilities Management and Shared Premises	Floor space and head count	111	135	161	9	416
Governance costs (note 9)	Cost	14	14	24	–	52
		367	408	560	23	1,358

8. SUPPORT COSTS (CONTINUED)

	Basis of allocation	Conferences £'000	Publications £'000	Membership activities £'000	Awards, bursaries and scholarships £'000	Total 2022 £'000
<i>Finance</i>	<i>Cost</i>	82	123	301	(3)	503
<i>IT and Human Resources</i>	<i>Head count</i>	14	16	36	2	68
<i>Executive Office</i>	<i>Head count</i>	46	51	116	5	218
<i>Facilities Management and Shared Premises</i>	<i>Floor space and head count</i>	98	109	246	11	464
<i>Governance costs (note 9)</i>	<i>Cost</i>	7	10	24	–	41
		247	309	723	15	1,294

9. GOVERNANCE COSTS

	Unrestricted funds	
	2023 £'000	2022 £'000
Auditor's remuneration	21	19
Trustees' expenses	22	7
Legal and professional fees	1	–
AGM and annual review	8	15
	52	41

10. NET (EXPENDITURE) INCOME AND NET MOVEMENT IN FUNDS

This is stated after charging:

	2023 £'000	2022 £'000
Auditor's remuneration	21	19
Depreciation	344	348
Operating lease rentals	1	1

11. STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Staff costs during the year were as follows:

	2023 £'000	2022 £'000
Wages and salaries	1,427	1,337
Social security costs	134	119
Other pension costs	111	95
Other	18	14
	1,690	1,565

A salary sacrifice pension scheme was introduced during 2012 under which staff members can choose to sacrifice part of their gross salary. The amount sacrificed is paid into the individual's pension plan directly by SCI, together with the associated employer's national insurance saving.

11. STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

The average number of employees during the year, analysed by function, was as follows:

	2023 Number	2022 Number
Conferences support	6	4
Membership support	9	11
Publications support	7	5
Administration and support	12	11
	34	31

Of the total average monthly number of employees, 24 (2022 - 23) were full time and 10 were part time (2022 - 8). The number of employees whose remuneration was £60,000 or more were as follows:

	2023 Number	2022 Number
Between £60,000 - £70,000	3	3
Between £80,000 - £90,000	1	–
Between £110,000 - £120,000	–	1
Between £120,000 - £130,000	1	–
	5	4

The key management personnel of the charity in charge of directing and controlling the charity and the group on a day-to-day basis comprise the trustees and the Chief Executive Officer. The total remuneration (including employer's national insurance and employer pension contributions) and on-costs of the key management personnel for the year was £163,069 (2022 – £155,312). None of the trustees received any remuneration during the year (2022 – £nil).

12. TANGIBLE FIXED ASSETS

Group and charity	Long leasehold premises £'000	Leasehold improvements £'000	Assets in the course of construction £'000	Furniture, IT & other equipment £'000	Total £'000
Cost					
At 1 January 2023	3,400	2,379	56	1,672	7,507
Additions	–	3	59	100	162
Transfers	–	–	(12)	12	–
Disposals	–	–	(6)	(119)	(125)
At 31 December 2023	3,400	2,382	97	1,665	7,544
Depreciation					
At 1 January 2023	803	1,104	–	1,381	3,288
Charge for the year	26	149	–	169	344
Released on disposal	–	–	–	(121)	(121)
At 31 December 2023	829	1,253	–	1,429	3,511
Net book value					
At 31 December 2023	2,571	1,129	97	236	4,033
At 31 December 2022	2,597	1,275	56	291	4,219

13. INVESTMENTS

Group and charity	2023 £'000	2022 £'000
Listed investments at market value		
Market value at 1 January	7,178	8,433
Additions at cost	1,567	1,050
Disposal proceeds	(1,715)	(1,090)
Realised (losses) gains	(85)	(110)
Disposals at opening book value	(1,800)	(1,200)
Unrealised gains (losses)	733	(1,103)
Market value at 31 December	7,678	7,180
Cash held by investment manager for re-investment	107	(2)
	7,785	7,178
Historical cost of listed investments:	6,518	6,764

At 31 December, listed investment at market value comprised the following:

	2023 £'000	2022 £'000
Fixed income	1,344	1,066
Equities	5,594	4,970
Alternatives	740	1,144
	7,678	7,180

At 31 December 2023 listed investments included no individual holdings deemed material when compared with the overall portfolio valuation (including cash held by the investment manager) as of that date (2022 – no holdings deemed material).

Investment in subsidiary

SCI® owns 100% of the share capital of SCI® Business Limited, a company incorporated in England and Wales, Company Registration Number 02994541. The investment in the subsidiary is held at cost on the charity's balance sheet.

The main activities of the company are advertising in SCI®'s publications and the hiring of meeting rooms. The company donates all its taxable profits to SCI® under the Gift Aid scheme. The net assets of the subsidiary at 31 December 2023 are £100 represented in full by the share capital owned by SCI®.

A summary of the subsidiary's financial results for the year is provided on the next page.

13. INVESTMENTS (CONTINUED)

	2023 £'000	2022 £'000
Sales		
Advertising in <i>Chemistry & Industry</i>	1	2
Room hire and associated services	171	114
	172	116
Other income		
Bank interest	1	–
	1	–
Costs (including SCI® service charges)		
Advertising in <i>Chemistry & Industry</i>	–	1
Room hire and associated services	96	63
Accounting and general administration	5	10
	101	74
Profit for the year before Gift Aid	72	42
Gift Aid to SCI	(72)	(42)
Net profit for the year	–	–

A summary of the subsidiary's financial position as at 31 December is provided below:

	2023 £'000	2022 £'000
Balance sheet		
Current assets	206	149
Current liabilities	(206)	(149)
Net assests	–	–
Represented by:		
Share Capital	–	–
Profit and loss account	–	–
	–	–

14. DEBTORS

	Publications £'000	Membership activities £'000	Awards, bursaries and scholarships £'000	Total 2022 £'000
Trade debtors	371	182	339	141
Amount due from subsidiary undertaking	–	–	187	133
Other debtors	83	27	83	27
Prepayments and accrued income	1,127	926	1,127	925
	1,581	1,135	1,736	1,226

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade creditors	85	120	82	118
Taxes and social security	73	62	73	62
Licensee rent deposits	33	–	33	–
Other creditors	468	223	452	209
Deferred income (see below)	345	276	345	276
	1,004	681	985	665

Deferred income

Deferred income relates to annual subscriptions received in advance from SCI's members, income from corporate partner agreements covering two years, rent invoiced in advance, income received in the year for conferences taking place next year and royalties relating to SCI's journals invoiced in advance. Movements on the deferred income balance during the year were as follows:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Deferred income at 1 January	276	227	276	227
Amounts released to income	(247)	(202)	(247)	(202)
Cash received in advance during the year	316	251	316	251
Deferred income at 31 December	345	276	345	276

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Licensee rent deposits	100	131	100	131
Membership income	14	23	14	23
Conference income	–	–	–	–
Life composition fees (see below)	21	25	21	25
	135	179	135	179

As at 31 December 2023 the charity held a total of £133,242 (2022 - £131,214) in eight separate Client Deposit Accounts at HSBC in relation to rent deposits. A deposit is legally required to be paid by each of SCI's tenants on the commencement of their rental lease and is used as protection against the potential default of rent payment. The deposits are repayable at the end of the relevant lease term.

The life composition fees are in respect of income received from members who have opted for life membership of the Society. A life membership payment is released into the accounts as income over a period of nine years.

17. DESIGNATED FUNDS

The income funds of the charity and the group include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Group and Charity	2023 £'000	2022 £'000
Tangible fixed assets fund		
At 1 January	4,219	4,385
Movement during the year	(186)	(166)
At 31 December	4,033	4,219

18. RESTRICTED FUNDS

The income funds of the charity include restricted funds comprising the following to be applied for specific purposes:

Group and charity	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Other gains, (losses) & transfers £'000	At 31 December 2023 £'000
A J Banks	365	10	(3)	28	400
Commemoration	105	3	–	7	115
Leverhulme Prize	4	1	–	10	15
Messel	104	3	(13)	48	142
Seligman	76	6	(5)	5	82
Benevolent	132	3	–	10	145
Rideal Trust	16	2	(2)	2	18
S P S Andrew	1,352	35	–	102	1,489
ISEC	41	1	–	3	45
Flue2Chem	–	71	(72)	–	(1)
	2,195	135	(95)	215	2,450

Group and charity	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Other gains, (losses) & transfers £'000	At 31 December 2023 £'000
A J Banks	410	9	(5)	(49)	365
Commemoration	122	3	(6)	(14)	105
Leverhulme Prize	5	–	–	(1)	4
Messel	120	3	(4)	(15)	104
Seligman	87	2	(3)	(10)	76
Benevolent	146	3	–	(17)	132
Rideal Trust	20	1	(2)	(3)	16
S P S Andrew	1,456	34	38	(176)	1,352
ISEC	51	1	(5)	(6)	41
	2,417	56	13	(291)	2,195

The main purpose of each fund is as follows:

- *A J Banks Fund* – supports research in the manufacture of foodstuffs and dissemination of science.
- *Commemoration Fund* – supports the advancement of public education in science according to the objectives of SCI.
- *Leverhulme Prize Fund* – distributes travel bursaries.
- *Messel Fund* – supports the advancement of scientific research and includes a permanent endowment fund of £97,000.
- *Seligman Fund* – assists current or former members of the Society who may be in financial need.
- *Benevolent Fund* – assists current or former members of the Society who may be in financial need.
- *Rideal Trust Fund* – is a fund jointly administered with the Royal Society of Chemistry, supporting the advancement of chemical science and colloids in particular.
- *S P S Andrew Fund* – is a fund for lectures and research into neglected science.
- *ISEC Fund* – is a restricted fund, relating to conferences on solvent extraction run by the International Committee for Solvent Extraction.
- *Flue2Chem* – this relates to grant funding received from Innovate UK (part of UKRI) for work to be carried out by the Society and associated parties on its behalf in relation to research into converting industrial waste gases into sustainable materials for consumer products.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total 2023 £'000
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	–	4,033	–	4,033
Investments	5,335	–	2,450	7,785
Current assets	2,859	–	–	2,859
Creditors: amounts falling due within one year	(1,004)	–	–	(1,004)
Creditors: amounts falling due after more than one year	(135)	–	–	(135)
	7,055	4,033	2,450	13,538

Group	General funds £'000	Designated funds £'000	Restricted funds £'000	Total 2022 £'000
<i>Fund balances at 31 December 2022 are represented by:</i>				
<i>Tangible fixed assets</i>	–	4,219	–	4,219
<i>Investments</i>	4,983	–	2,195	7,178
<i>Current assets</i>	2,375	–	–	2,375
<i>Creditors: amounts falling due within one year</i>	(681)	–	–	(681)
<i>Creditors: amounts falling due after more than one year</i>	(179)	–	–	(179)
	6,498	4,219	2,195	12,912

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Total 2023 £'000
Fund balances at 31 December 2023 are represented by:				
Tangible fixed assets	–	4,033	–	4,033
Investments	5,335	–	2,450	7,785
Current assets	2,840	–	–	2,840
Creditors: amounts falling due within one year	(985)	–	–	(985)
Creditors: amounts falling due after more than one year	(135)	–	–	(135)
	7,055	4,033	2,450	13,538

Charity	General funds £'000	Designated funds £'000	Restricted funds £'000	Total 2022 £'000
<i>Fund balances at 31 December 2022 are represented by:</i>				
<i>Tangible fixed assets</i>	–	4,219	–	4,219
<i>Investments</i>	4,983	–	2,195	7,178
<i>Current assets</i>	2,359	–	–	2,359
<i>Creditors: amounts falling due within one year</i>	(665)	–	–	(665)
<i>Creditors: amounts falling due after more than one year</i>	(179)	–	–	(179)
	6,498	4,219	2,195	12,912

The total unrealised gains as at 31 December included in the above constitute movements on revaluation of the charity's listed investments. Movements during the year were as follows:

	2023 £'000	2022 £'000
Reconciliation of movements in unrealised gains:		
Total unrealised gains at 1 January	416	1,390
(Less) add in respect to disposals in the year	(85)	(110)
(Less) add gains arising on revaluations in the year	829	(864)
Total unrealised gains at 31 December	1,160	416

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December the group and charity were committed to total future minimum lease payments under non-cancellable operating leases as follows:

	Office equipment	
	2023 £'000	2022 £'000
Within one year	–	–
Within two to five years	–	–
	–	–

21. RELATED PARTY TRANSACTIONS

SCI[®] Business Limited is a wholly owned subsidiary of SCI[®]. The subsidiary donates all profits to SCI[®] in the form of a Gift Aid donation (see note 13).

The accounts do not include disclosure of any further transactions between SCI[®] and SCI[®] Business Limited. By virtue of SCI[®] Business Limited being a wholly owned subsidiary undertaking of SCI[®], SCI[®] is exempt from the requirement to disclose such transactions under section 33.1A of FRS 102.

None of the trustees (or any persons connected with them) received any remuneration during the year, but five of them were reimbursed a total of £5,713 in expenses (2022 – eight were reimbursed £4,716) for travel and meeting costs, with a further £7,469 incurred directly by the Society.

All of the trustees are members of the Society and as such, pay an annual membership subscription. The trustees do not benefit from any discounts in the subscription rates set by the Society for all other members.

22. REGISTERED TRUSTEES FUNDS AND JOINT ACCOUNTS

The results of the two charities below are consolidated into SCI[®]'s accounts as restricted funds (see note 18).

SCI [®] Benevolent Fund	Registered Charity Number 277329
Rideal Trust	Registered Charity Number 271558

SCI[®] Benevolent Fund

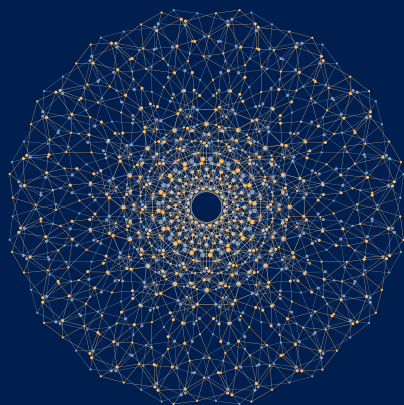
The object of SCI[®]'s Benevolent Fund is to provide financial relief to persons who are or have been members of the Society and to their spouses, children and dependents and to the widows/widowers, children and dependents of deceased members. The assets as at 31 December 2023 amounted to £145,000.

The Rideal Trust

The object of the Rideal Trust is the general advancement of chemical science and, in particular, branches relating to the chemisorption, colloid science, interface science, catalysis and related topics. The Trust is jointly administered by SCI[®] and the Royal Society of Chemistry. The activities of the Trust directly support the overall object of the Society which is to advance the science of applied chemistry and related sciences for the public benefit by providing information, granting bursaries, awards etc. The assets as at 31 December 2023 amounted to £18,000.

22. REGISTERED TRUSTEES FUNDS AND JOINT ACCOUNTS (CONTINUED)

	All resources are restricted by the Trust Deeds			
	Benevolent Fund		Rideal Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Statement of financial activities				
Donations	–	–	–	–
Investment income	3	3	2	1
Total income	3	3	2	1
Grants and awards	–	–	(2)	(2)
Other expenditure	–	–	–	–
Total expenditure	–	–	(2)	(2)
Net income	3	3	–	(1)
(Losses) Gains on investments	10	(17)	2	(3)
Income and movement in funds	13	(14)	2	(4)
Total funds brought forward	132	146	16	20
Total funds carried forward	145	132	18	16
Balance sheet				
Investments at market value	145	132	18	16
Total net assets	145	132	18	16



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