

# RSA

21st century enlightenment

## **IMPACT REPORT 2015**

**(including Trustees' Annual Report & Financial Statements for  
the year ended 31 March 2015)**

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## **ADMINISTRATION**

### **Patron**

Her Majesty The Queen

### **President**

Her Royal Highness The Princess Royal

### **Trustees**

Vikki Heywood, CBE (Chairman)  
Dr Suzy Walton (Deputy Chairman)  
Hanif Virji (Treasurer)  
Sarah Ebanja (Treasurer)  
Irene Campbell  
Tony Cohen  
Jackie Elliman  
Peter Fell  
Don Pinchbeck  
Clive Grinyer  
Keith Read, CBE  
Andy Gibson (until November 2014)  
Keith Horsfall (appointed November 2014)

### **Constitution**

The RSA is a charity governed by a Royal Charter (RC000523). It is registered under the Charities Act 2011 – Registration Number 212424  
The RSA is also registered in Scotland – Registration Number SC037784

### **Auditors**

haysmacintyre, 26 Red Lion Square,  
London WC1R 4AG

### **Bankers**

Coutts & Co  
440 The Strand, London WC2R 0QS

### **Pension consultants**

Foster Denovo Limited  
2 Hamm Moor Lane, Weybridge, Surrey KT15  
2SA

### **Executive team**

Matthew Taylor (Chief Executive)  
Carol Jackson (Chief Operating Officer)  
Adam Lent (Director of ARC - until April 2015)  
Rowan Conway (Director of Research and Innovation - from March 2015)  
Nina Bolognesi (Director of External Affairs)  
Oliver Reichardt (Director of Fellowship)

### **Principal office**

8 John Adam Street, London WC2N 6EZ

### **Solicitors**

Bates Wells & Braithwaite, 2-6 Cannon Street,  
London EC4M 6YH

### **Surveyors and property consultants**

MHBC, 4 St Pauls Churchyard,  
London EC4M 8AY

### **Investment managers**

Cazenove Capital Management Ltd, 12  
Moorgate, London EC2R 6DA

## CHAIRMAN'S STATEMENT

I was very clear when I first took up the role of Chairman that the Board wanted the RSA to have real influence and impact in the world, in line with our aim of 21<sup>st</sup> century enlightenment: enriching society through ideas and action.

2014/15 has been a strong year for the organisation and in particular I would like to highlight two research projects. Firstly, our City Growth Commission which demonstrated a new level of influence for the RSA. The Commission was an expansive programme of work focused on bringing more power to local communities via fiscal devolution and governance of city regions. It had significant policy impact and the Prime Minister credited the RSA for our "first class" final report. Measuring influence can be complex but in the weeks following the Commission's recommendations - Greater Manchester and Sheffield and Leeds City Regions secured devolution deals. Secondly, The Power of Small reported on the recent boom in self-employment, an area of great interest for many RSA Fellows. Our research revealed that the self-employed earn a quarter less than typical workers and are ill prepared to deal with 'income shocks' caused by an illness or late payment. We have campaigned for the government to take steps in order to improve their living standards – including, in particular, changes to National Insurance, Universal Credit, pensions and maternity pay. I'm glad to say our recommendation that the Treasury abolishes class two national insurance contributions for the self-employed was agreed by the Chancellor and featured in his latest budget.

Media coverage for our work has been extensive including numerous mentions in the *Financial Times*, *Evening Standard*, *Guardian*, *Telegraph* (amongst others) plus BBC TV and radio panel debates, documentaries and breakfast news slots.

We are also increasingly ensuring that our ideas and research have global relevance and this year the RSA has been averaging 8.8 million per month social media impressions.

This is an emergent strategy for the RSA. Our Student Design Awards have extensive international reach and with the appointment of our new Global Director we are confident that more of our work will reach audiences around the world.

In my Chairman's statement last year, I wrote that the Board had been working with senior staff on a robust strategic review, to build on and develop the identity and the vision of the RSA.

The remit for this review was to increase the RSA's impact and influence by clarifying its focus and as a result facilitating greater synergy between the Society's different functions. One of the major reforms was the development of an approach we call harnessing the Power to Create. This approach now acts as a methodology for all our work as we focus on enhancing human creativity. Whether we are looking at pupils, public service professionals, or policy makers we will be consistent and ambitious about the contexts and methods which best enable people to tap into their individual and collective creative potential.

Across the charity sector, there is rightly an increased emphasis on impact, particularly in relation to funding. In response to this, the RSA is working to ensure that our programmes are explicitly focused on the improvements we want to achieve in the world and the most effective ways of exerting influence to deliver measurable, beneficial, impact. Three teams have been formed to work across our newly defined key areas: Public Services & Communities, Economy, Enterprise & Manufacturing and Creative Learning & Development. These areas were selected by the RSA Board, the Executive Team, the Fellowship and the staff, informed by the Society's existing knowledge and expertise, prior achievements, reputation and how they fit with the RSA's charitable objectives. In each of these three areas we have pledged that approaches to design, behavioural change, organisational change and utilising Fellowship knowledge and networks will be our priority.

It is important that all staff, Fellows and the RSA Board are engaged in and advised on this new way of working. I am pleased to report that the work of the Fellowship Council goes from strength to strength. Elections were held this year for Trustees, new Regional Chairs and Fellowship Council representatives; the turnout for these elections increased by 25%. We are working to review our bylaws and procedures to ensure that in future this figure increases even more.

The RSA team with Trustee and Fellow advice and support has embarked on a radical and ambitious process of change. By the time of my next Chairman's report, we will have learnt a great deal about our new focus and approach.

Finally, I would like to thank the Trustee Board and Fellowship Council who have volunteered their time to provide strategic guidance, challenge and support to the RSA Executive and staff. I am personally very grateful for the insight and dedication they bring to their roles. In particular I would like to thank departing Trustee Andy Gibson for all his help and support.

**Vikki Heywood CBE**  
**Chairman of the RSA**

## **CHIEF EXECUTIVE'S INTRODUCTION**

For the RSA 2014/15 was a year of achievements and ground-laying. In terms of achievements some were incremental and some headline-grabbing. It was good to see Fellowship numbers on an upward curve because we are much clearer about what we expect of Fellows and what Fellows can expect from us. Our events programme and online content continues to be globally renowned. ARC increased its rate of output and we established a strong profile in areas ranging from self-employment to creative learning. An important strength of the RSA's approach is that we range from interventions like the City Growth Commission, aimed very explicitly and successfully, at high level leaders and policy makers, to on the ground innovation in our work on community wellbeing in 'whole person recovery' and through our strong connection with RSA Academies and its growing network of successful Academy schools.

In addition – after pulling out all the stops - our hard-working team delivered a superb website backed by a much stronger IT infrastructure. The challenge for us going forward having completed the substantial capital investment is to ensure we fully exploit the new capabilities we now have available to us.

Vikki Heywood, the Chairman of our committed and insightful Board, has written in this report about the outcomes of the RSA strategic review but I want to use my remaining words to look forward to the two key challenges we face next year.

First, we are working in new ways to maximise our impact. In each of our areas of work - public services and communities, economy, enterprise and manufacturing, and creativity, learning and development - we have developed a set of ambitious change aims. A key goal is to develop projects which can both deliver impact towards these change aims and bring to bear all the different resources of the RSA. Our best projects should combine our global ideas platform (events, on-line content, Journal), our research and innovation and our network of Fellows. Combining these resources, the RSA has the potential to develop uniquely powerful projects.

Second, we need to show concretely that Fellowship engagement can increase the RSA's charitable impact. Over the last six years, with full support of the Trustees, we have steadily increased our investment in Fellowship both through more staff working in the field and through investment in initiatives like the Catalyst Fund (seed corn funding for Fellow led projects) and our successful Engage events (which enable Fellows to pitch their ideas to each other). For this investment to continue we need to show how engagement is not only positive and enjoyable but is also making us a more impactful organisation. In this way we hope to persuade our partners that investing in Fellowship engagement is the way to get the most out of working with the RSA.

This is my eighth year as RSA Chief Executive. It is incumbent on me to ask ever more self critically whether I am continuing to improve the RSA. I am proud of the progress so far and deeply grateful to the Trustees, Fellows and colleagues who have made that progress possible. Looking forward to 2015/16 the hardest and most exciting tests are still to come.

**Matthew Taylor**  
**Chief Executive**

## **RSA MISSION AND PURPOSE**

The RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) mission is to enrich society through ideas and action. We believe that all human beings have the capacity for creativity that can be mobilised to deliver a better future for all. We call this a 21st century enlightenment.

### **Our History**

The Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) was founded in 1754 as the Society for the encouragement of Arts, Manufacture and Commerce. It was granted a Royal Charter in 1847, and the right to use the term Royal in its name by King Edward VII in 1908.

Our charitable objectives are: *'The encouragement of the Arts Manufactures and Commerce ..... by the advancement of education in and the encouragement and conduct of research into the sustainable context within which the said Arts Manufactures and Commerce may prosper and to make such research findings available to the public'*

The RSA was founded by Williams Shipley, a skilled artist, social reformer and inventor who hoped that the Society would become a centre for intellectual advancements in the areas of arts and sciences. This was based on the idea of using 'premiums' to support improvements in the liberal arts and sciences, and to stimulate enterprise and innovation for the common good. Premiums were cash prizes, awarded for merit.

In the 260 years since our foundation we have applied our mission to challenges and causes as diverse as agricultural innovation, public safety and sanitation, the education of girls, vocational skills, environmental conservation and corporate governance. The RSA was also the driving force behind the Great Exhibition of 1851. Our prize winning journal was first published in 1852 and in 1914 members of the RSA became Fellows who could use the FRSA designation.

Throughout its history the RSA has adapted to the changing climate and new challenges. Through our modern programme of events, research, innovation and Fellowship engagement the RSA continues to create networks and opportunities for people to collaborate and create real world impact.

### **Our Purpose**

The RSA is unique. We are a 260 year old enlightenment organisation which combines a global platform for ideas (150 million have watched RSA lectures on line around the world over the last 5 years and our website and social media presence is sector leading), a wide ranging and innovative research and development team and a growing and increasingly engaged Fellowship of 27,000 socially concerned professionals based primarily in the UK but growing internationally.

This enables the RSA to craft distinctive and powerful models of change combining the world's best ideas, our own research and practical experimentation and citizen mobilisation.

In 2014/15 we worked in the three broad areas set out below.

### **Public Services & Communities**

From its very origins in the eighteenth century and through the nineteenth century the RSA has been concerned with the social, economic and democratic context in which arts, manufactures and commerce can thrive. For example, projects focused on issues of public safety, trade policy, urban infrastructure, education and public sanitation. In those days the state was much smaller so innovation in these areas was not expressly focused on what we today call public services. Thus as

the state grew in the nineteenth and twentieth century the pursuit of the RSA's mission has necessarily involved a refocusing on public policy and working with national and local governments.

Also, the modern state has undergone a sustained unbundling. "Public services" are increasingly delivered through hybrid models or consortiums of the "public" and "private", from Government bodies to private companies, social enterprises and charities to community-owned businesses and employee-owned "mutuals".

It is in this context that, in accordance with its objects, the RSA is engaging with public services. In the present day austerity, an ageing population and shifting consumer demands make this a challenging time for those delivering and using public services. On the other hand, new technologies and the emerging 'social economy' make this a period of potentially great innovation. We believe the key to addressing the challenges lies in a shift in power to people and communities so that they can better meet their social and economic needs and aspirations.

## **Learning and Development**

The RSA has throughout its history been at the forefront of education development realising that the Arts, Manufacturing and Commerce require skilled individuals to flourish.

The Society became the first organisation to offer vocational qualifications on a national basis. These exams were specifically for the benefit of the working class, the education of which was considered fundamental to the nation's economic prosperity. The exams became the prototype for many later schemes, leading the way for the Oxford and Cambridge 'locals' and the University of London's public examinations.

Today growing complexity and unpredictability mean our economy and society demand ever greater creativity from workers and citizens. Differing levels of confidence, inequalities of wealth and varying skills mean not all individuals are equally able to meet this challenge. We call this the 'creativity gap'.

We believe that education systems should be geared more clearly towards equipping people with the power to create. We are convinced that people of every age can learn to develop their creative capacities both as a means to raising attainment and broader outcomes, and as an important end in itself. Through our programme of research and innovation, we aim to transform public, professional and political understanding and attitudes, so that families, schools, workplaces and other learning institutions prioritise and generate creative capacities. We do this in conjunction with RSA Academies which are central to our ambitions providing a partnership in which to explore our research.

## **Economy, Design & Manufacturing**

The world's economy is undergoing enormous change. New technologies, business models and aspirations are making the creativity of organisations, workers and even consumers more central to our future wealth. At the same time our challenges only seem to be growing. Resources are increasingly scarce. Inequality and poverty are an ongoing cause of human misery and the consequences of rapid technological change are great but unpredictable.

The RSA has historically driven change in the Arts, Manufacturing and Commerce through the provision of public lectures and awards, leading to widespread innovation from the Great Exhibition in 1851, lectures covering vast subjects such as steam, music and architecture.

Challenges previously championed by the RSA include a method for clean chimneys without employing children whose inventor, George Smart, received the Society's Gold Medal in 1805. Similarly in 1866 the Society began to look at innovative ways to preserve and import food. This came in response to a serious food supply problem due to rapid population growth in the 1860s.



More recently in 1936 the RSA founded the Faculty of the Royal Designers for Industry. The distinction 'Royal Designer for Industry' was to encourage a high standard of industrial design and to enhance the status of designers. It was inspired by the work of the Industrial Arts Committee founded in 1917. The distinction of RDI is still bestowed to this day and regarded as one of the highest honours to be obtained in the United Kingdom in the field of Industrial Design.

Today we believe that such creativity continues to underpin commercial progress in Arts, Manufacturing and Commerce which can still be used to address our biggest social and environmental challenges. We seek to release the power to create of as many people and organisations as possible to build a sustainable, fair and dynamic economy.

### **Cross – cutting Competencies**

The RSA has also developed a set of cross cutting competencies: our work on *organisational change* has led to partnerships with the Police Federation, the BMA, the Metropolitan Police and several local authorities, our expertise in *design* is reflected in our prestigious Student Design Awards, our hosting of the Royal Designers for Industry and our emphasis on service design as a component of public policy, our expertise in *human development* has seen us range from practical behaviour-change work with banks and energy companies to much wider ranging explorations into cognition and spirituality.

Underpinning all our work is our mission of promoting 21<sup>st</sup> century enlightenment through ideas and action and our core values are represented today by the idea of the 'Power to Create', which we define as expanding the capacity of all citizens to live rewarding and creative lives.

## **RSA STRATEGIC REVIEW: THE POWER TO CREATE 2015-2018**

Like all charities, the RSA needs to ensure that it remains relevant and true to its charitable objectives. To this end, over the last few years, we have undertaken a process of strategic inquiry, development and change. This process was externally focused and looked at the global and national drivers of change, the state of the markets we operate in, our potential collaborators and competitors, and the technological landscape

In 2012 we clarified our modern mission, focus and values to ensure the most effective delivery of our charitable objectives:

*'21st century enlightenment: enriching society through ideas and action' (the RSA mission).*

We then embarked on a strategic review, which helped us – working with fellows – to define our future. At the heart of this was the objective of increasing the RSA's impact and influence.

Our focus on impact led to an account of the current approach which we call The Power to Create

*"The RSA believes all should have the freedom and power to turn their ideas into reality."*

This resonates strongly with our historical emphasis on opening up the process of innovation to all. The 21st century is presenting us with challenges of increasing scale and complexity yet, just as creativity is in ever-greater demand; a vast resource of creative potential remains untapped. We believe that this potential can be released through new ideas, new forms of leadership and new institutions that champion individual and collaborative creativity.

We identified three areas of priority, (please see below) which were selected on the basis of the RSA's existing knowledge and expertise, history, reputation, values and our commitment to impact.

The RSA will focus our networks, expertise and offline and online presence on the people and the institutions most able to bring about the change that we want. Our influence will be amplified by engaging with our unique network of Fellows, in the UK and internationally, who share our passion for change and by utilizing our expertise in areas such as design, organizational development and behavioral change, adding a new perspective to old problems. Everyone who works for the RSA will understand the impact that the RSA is aiming for, the importance of their role and its contribution, and the RSA will ensure that they have the tools and skills necessary to succeed.

## Public Service & Communities

*Our aim is to help bring about a shift in power to people and communities so that they can better meet their social and economic needs and aspirations.*

- To demonstrate how the UK's cities and metro regions can develop and implement broad strategies to capitalise on the assets of their citizens, enterprises, and communities
- To develop practical models and a new philosophy for public service delivery, showing how open, innovative institutions and a relational approach can release the creative capacity of people and communities
- To test methods of design and delivery that tap into the collaborative economy and social networks, demonstrating their impact on community enterprise, productivity, and wellbeing

*Our long-term impact will be devolving power in metro regions to benefit each of these groups.*

*Our long-term impact will be proven new models for public service design and delivery being adopted and used by communities and institutions.*

*Our long-term impact will be communities strengthened by the creative capacity of their citizens*

## Economy, Enterprise and Manufacturing

*Unlocking creativity to enable sustainable and inclusive, dynamic economy.*

- To ensure that circularity – the complete recovery and reuse of all materials involved in the production process – is a powerful source of creative thinking among policy makers, companies and citizens
- To promote the fabrication of goods by a wide range of small companies and individuals, as an increasingly important and valued aspect of the making economy, in the UK and beyond
- To shape an economy that values responsible, socially inclusive creativity will be an idea that has gained traction and which has led to practical changes in the economy

*Our long-term impact will influence design and designers upstream, ripple through the wider economy, and help more people think and act like designers to challenge and adapt products and services on a wider scale*

*Our long-term impact will be to build the community of small-scale manufacturers, helping them to be more collaborative, networked and impactful, leading in turn to distributed manufacturing becoming an increasingly important feature of the economy and society*

*Our long-term impact will be understanding what a responsible, socially inclusive, creative economy looks like, and by championing it, changing the debate on what a 21<sup>st</sup> Century economy should be, leading to a more fulfilling and fair economic society*

## Creative Learning & Development

*Our aim is to close the creativity gap: leading an approach to learning and development that enables everyone regardless of background to generate original, valuable ideas and make them happen.*

- To contribute to narrowing attainment gaps and broadening outcomes, by improving the creative capacities of learners. *Our long-term impact will be the creation of a driving force in the community of schools, colleges, youth clubs, workplaces who test ideas for development of learners' creative capacities and influence wider practice*
- To champion the development of creative educators through professional development and learning, so that they have the capacities, motivation and opportunities to practice disciplined innovation, inquiry and design thinking *Our long-term impact will result in at least three practical innovations making a demonstrable impact on developing the creative capacities of educators and low-income earners, with the potential to scale up to national or global programmes*
- To lead a re-engineering of institutions and systems (including accountability levers) to increase the capacity for innovation and a sustained focus on creative teaching and learning as part of a wider culture of inquiry, design and disciplined innovation. *Our long-term impact will result in the RSA's model of change contributing to an improved public understanding of the creativity gap and will help drive the encouragement of creativity.*

## Cross cutting priorities and competencies

In addition to these three thematic areas our Corporate Development Team focusses on a set of cross cutting priorities and competencies:

- *A global strategy, which aims to increase our insight, influence and impact by working internationally with our partners and fellows.*
- *A design methodology, which mobilises our Student Design Awards (SDA) and the Royal Designers for Industry (RDIs) and our insights into service design to help develop a distinctive RSA methodology.*
- *Organisational change expertise which enables us to identify and work on the organisational dimension of change.*
- *Behavioral change insights which inform all our work but are particularly focused on understanding the foundation of human creativity.*

## **ACTION & RESEARCH CENTRE**

It has been a strong year for the Action & Research Centre (ARC), with 44 reports published, over 73 events held, and 314 blogs posted.

The City Growth Commission was ARC's flagship project in 2014, demonstrating a new pinnacle of influence. The Commission was an ambitious programme focused on fiscal devolution and governance of city regions, which had significant policy and media impact and the Prime Minister David Cameron credited the RSA for the "first class" final report.

One measure of impact is influence:

- Greater Manchester, Sheffield, and Leeds City Regions secured devolution deals in the weeks following the City Growth Commission;
- Recommendations from our Academies Commission were included in Labour Party proposals for education;
- A 10-minute Rule Bill was put forward to the House of Commons, which set out a 'Right to Learn' based on the work of our Open Public Service Network;
- RSA work on self-employment called for abolition of Class 2 NICs, which was subsequently agreed to by George Osborne in his 2015 budget;
- Media exposure grew exponentially with coverage in the *Financial Times*, *Evening Standard*, *Guardian*, *Telegraph*, BBC TV and radio panel debates, documentaries, and breakfast news slots.

ARC's income continued to grow in 2014/15, raising £2.8m through the RSA, charitable trusts and foundations, and corporate and statutory funding partners. This includes £0.8m secured in consultancy contracts through the RSA's trading arm, RSA Shipley Enterprises Ltd. Below is a more detailed account of 2014/15 activity and impact broken down by key theme.

## **RSA Strategic Review**

The end of 2014/15 saw ARC restructure its activity within the new RSA Strategic Plan. ARC underwent a structural review, aligning itself under three key theme teams: Public Services & Communities, Enterprise, Design & Manufacturing, and Learning & Creativity. The three themes were formally approved by the Board in March 2015 and renamed as Public Services & Communities, Economy, Enterprise & Manufacturing and Creative Learning & Development.

Each team has its own individual strategic plan and change objectives for 2015-2018.

The Strategic Review also led to the creation of an ARC Development team to draw together the cross-cutting themes of Organisational Change, Design and Behaviour Change within the Social Brain Centre and lead on our consultancy projects through RSA Shipley Ltd, and the international work of RSA Global.

## **PUBLIC SERVICES & COMMUNITIES**

Our concept of 'social productivity' (that public services interventions should be judged by the degree to which they enable people to meet their own needs individually and collectively) has been influential and has been applied by several local authorities. The final report of our City Growth Commission, chaired by Jim O'Neill, was welcomed on its day of publication by all three major Party leaders and contributed to the major shift in Government policy represented by the Northern Powerhouse and a wider commitment to new freedoms and responsibilities for city regions. We are now working with cities and counties to explore the readiness of local leaders for the new challenges and opportunities coming their way.

The key aims during 2014/15 were:

- Innovation in governance, service design, organisational change, and civic engagement.
- Enabling people to take an active role in solving problems in their own communities.

Highlights of how these aims were met include:

### **The City Growth Commission**

This was an ambitious and highly influential programme of research and engagement, including:

- evidence hearings;
- seminars;
- party conference events; and
- research reports on skills, transport and connectivity; fiscal devolution and governance; and the role of universities in driving local economic growth.

These reports were well received by city leaders, Whitehall officials, and national politicians. The Commission's final recommendations, *Unleashing Metro Growth* (October 2014) represented the culmination of the RSA's influencing campaign, with significant policy and media impact. Credit came from David Cameron, the Prime Minister, and George Osborne, the Chancellor of the Exchequer, for the quality of the report and policy initiatives like the Northern Powerhouse. With three cities securing devolution deals, the City Growth Commission continued to have impact beyond its 12-month term of inquiry. Coverage included of the Commission included RSA representatives appearing on two BBC TV panel debates and giving evidence to the Permanent Secretaries Group in the Cabinet Office, and the Political and Constitutional Reform Committee. The Commission was credited for shaping the terms of the debate and, by setting out a definitive economic case for change, ensuring the policy idea moved from rhetoric to reality.

### **Open Public Services Network ('OPSN')**

OPSN is a programme of work dedicated to exploring the role of data in improving outcomes and accountability by empowering public service users. Funded by Leeds City Council, the OPSN report *Lack of Options: How pupils' academic choices are affected by where they live* was published in February 2015. Looking at how pupils' access to GCSE subjects varies across England, it concentrated mainly on sciences and languages, and concluded that access to these subjects was linked to the degree of deprivation in local authorities. OPSN's data was trailed on the BBC's website. In March 2015, Chris Skidmore MP (former Chair, Education Select Committee) introduced a 10-minute Rule Bill to the House of Commons, setting out a 'Right to Learn' on the basis of OPSN's work.

## **Channelling Talent**

This short film explored how social networks shape the economy of a creative community. Accompanied by a short report, *Channelling Talent* explored how networks influence success, using recognition and reward in the music industry as an example. Research investigated how differing levels of trust impacted on participation in skills networks, with new technologies and business models both enabling and constraining an individual's power to create.

Recommendations targeted key institutions like music colleges, with initiatives designed to overcome elements of social exclusion evident in this part of the creative economy. The University of Manchester mapped the ways networks evolved and the research looked at what role talent played in this. The film attracted over 3,000 views on YouTube, and was used to launch a new playlist on the RSA's YouTube Channel, 'RSA Insights', that now provides a home for ARC-generated content.

## **Transitions**

The Transitions project was a major RSA feasibility study in collaboration with HMP Everthorpe, a public prison in East Yorkshire. Through an action research programme, the project analysed the feasibility of a 'Transitions Park' social enterprise on the site, which would work with the prison to provide resettlement services, employment, training, and skills development. The feasibility study is now complete and the research has been a catalyst for the development of a Community Interest Company, which continues to work with the prison.

## **Social Mirror**

An RSA feasibility study into social prescribing was completed, working with a variety of stakeholders to explore the efficacy of Social Mirror, a wellbeing survey app developed with funding from the Nominet Trust.

## **Whole Person Recovery**

2014 was the penultimate year for this four-year action research project exploring co-production in a substance misuse recovery service in West Kent. The team met all its Payment by Results (PBR) targets, and will report on its findings in 2015.

## **Socially Productive Places**

Held in early April 2014 and funded by British Land, this conference brought together a diverse range of built environment stakeholders, including developers and construction firms alongside community groups and public sector executives. Aiming to define leading practice in how to develop socially productive places, it focused on both the planning system as well as the development industry as a whole. A follow-up, magazine-style report was aimed at senior decision-makers and was downloaded over 1,500 times within six weeks of launch. The project's insights were also included in the City Growth Commission's connectivity and infrastructure report, *Connected Cities: The link to growth* (July 2014).

## **ENTERPRISE, DESIGN & MANUFACTURING**

The RSA's current focus includes high profile and influential work on the rise of small business, an innovative and very practical design-led project working with industry on the principles of the circular economy, and a project exploring the scale and potential of the growing makers' movement. Our next step under this theme will be to widen our work to instigate a public debate about goals for the 2030 economy.

The key aims during 2014/15 were:

- Understanding and promoting entrepreneurship.
- Promoting sustainable and innovative forms of design and manufacture.
- Fostering the next generation of socially responsible designers.

Highlights of how these aims were met include:

### **Self-employment**

Funded by a range of different partners, including Etsy and the Joseph Rowntree Foundation, this key project series sought to explore why more people are turning to self-employment, what this means for our economy and society, and how these people can be supported to achieve their potential. Alongside the 30 blogs posted on self-employment and related issues, research reports included:

- Salvation in a Start-up – the causes and consequences of the rise in self-employment;
- Breaking the Mould – how online marketplaces are changing the nature of business;
- Everyday Employers – how behavioural insights might be used to stimulate growth among the self-employed;
- Boosting the Living Standards of the Self-employed – ways to improve the personal and financial wellbeing of the self-employed.

The RSA hosted a Self-employment Summit in early 2015, and leading speakers, including Geoff Mulgan, Will Hutton and Vicky Pryce, examined the self-employment boom. Media coverage from this event included: BBC News and BBC Breakfast; a Radio 4 programme on freelancers, created by Peter Day and featuring RSA staff and research content; print media and blog posts including the *Guardian*, *Financial Times*, and *Evening Standard*.

Resulting influence included:

- meeting political advisers to promote policy ideas (including advisers to David Cameron, the Prime Minister);
- an invitation from the Department of Work and Pensions to join Lord Young's youth enterprise Universal Credit self-employment expert group to contribute to help development of their policy; and
- being one of a number of voices that called for abolition of Class 2 NICs, which the Chancellor agreed to in the 2015 budget.



## The Great Recovery

The Great Recovery programme focused on thought leadership and advocacy in order to influence design and manufacturing practice toward the practice of circularity. It received renewed funding from Innovate UK in 2014/15, as well as delivering consultancy work with Zero Waste Scotland and collaboration with SITA UK. The RSA Innovation Hub at the City FabLab in London opened, aiming to influence design and manufacturing practice through direct contact with a fabrication space that deploys additive manufacturing and 3D Printing machinery. The series of 'Fab Fridays' explored circularity in practice with designers. The team met with political advisers in two government ministries and the Innovation Hub was visited by Dan Rogerson, Minister for Resource Management. Delivering a range of events and design residencies, the programme received media coverage in *El Mundo*, and the *Guardian*.

## Student Design Awards

The RSA Student Design Awards (SDA) grew in reach and participation in 2014/15, with a 19% increase in entries, totalling 777 students from 30 countries. Over 3,000 students at over 45 universities and colleges in the UK and abroad attended talks promoting the SDA programme in autumn 2014 about design for social good. A report celebrating the remarkable 90 year history of the RSA Student Design Awards and its future was published in March 2015, to great acclaim. 2014 saw several new sponsors and collaborators, including the Eden Project, which sponsored *Invisible You*, an extremely popular brief about the human microbiome.

## Royal Designers for Industry

In 2014, four new Royal Designers and one Honorary Royal Designer were accepted into the Faculty:

- **Fernando Gutiérrez RDI**, for raising awareness of challenging social and political issues through design, and for promoting the visual arts in the international cultural sector;
- **Richard Rogers RDI**, for his pioneering and influential approach to urban design and improving the quality of public spaces to create thriving and resilient cities;
- **Helen Storey RDI**, for pushing the boundaries of fashion and design, and making challenging scientific concepts accessible to the public;
- **Neil Thomas RDI**, for excellence and innovation in structural design, and for sustained ingenuity as a structural engineer in collaborations to create ground-breaking public art; and
- **Gilles Clément Honorary RDI**, for his creative and progressive application of ecology and science to sustainable landscape design.

The Royal Designers under the current Master, Malcolm Garrett RDI, continue to strengthen the links between the activities of the Faculty and the RSA, with a particular focus on the contribution Royal Designers can make to the RSA Academies. Introducing professional designers to schools nurtures creative thinking, multi-disciplinary approaches to problem solving, and practical ways to manage innovation. Increasingly sought after in the workplace, these skills will become more critical in the global creative economy.

## **LEARNING AND CREATIVITY**

We work with local authorities, schools and with FE and HE institutions and we have increasingly strong international links (OECD, international schools movement) and through our partner RSAA sponsor a successful family of seven Academy schools in the West Midlands.

The key aims during 2014/15 were:

- Seek to realize the potential of all learners by understanding and enhancing human creativity.
- Raise educational attainment through school improvement and creative teaching.
- Promote arts and creativity.

Highlights of how these aims were met include:

### **RSA Academies 'RSAA'**

The RSA's partnership with RSA Academies continued throughout 2014-15, bringing unparalleled opportunities for partnership and collaboration. RSAA, a separate partner charity and an umbrella trust for a group of Academies in the West Midlands, continues to be co-located at RSA House and the RSA provides financial support through a grant.

The RSAA family now encompasses five schools, with a further two primary schools due to join in 2015. The RSAA approach to school improvement through school-to-school support has continued to prove effective. Ofsted inspections demonstrated considerable improvements in Arrow Vale RSA Academy (now 'outstanding') and Ipsley CE RSA Academy (now 'good'), and the RSA and RSAA have worked together to support the professional development of teachers at all stages of their careers. This has been boosted by DFE approval of an RSAA Teaching School Alliance, whose work this year has included co-ordinating a national project to strengthen teachers' research and development. In addition to RSA-initiated projects such as the 'Manual of Modern Making' 3D printing program, Fellows' involvement in RSAA has been varied, including mentoring (Broadening Horizons programme), leading sessions on the Year 8 Student Leadership programme, and working with Arrow Vale RSA Academy to secure Artsmark Gold.

### **BERA Inquiry and Research Rich Schools**

May 2014 saw the RSA and British Educational Research Association (BERA) launch its final report on the role of research in teacher education, setting out 10 principles and 20 recommendations to build capacity for research-rich schools in a self-improving education system, and based on an extended programme of professional learning that spans initial training and induction and continues throughout teachers' professional careers. The Initial Teacher Training recommendation was included in The Carter Review's proposals to the Department of Education. In December 2014, RSA and the RSAA through the RSAA Teaching School Alliance was commissioned by the National College of Teaching and Leadership to co-ordinate a collaborative project with 14 other alliances across the country, to develop a framework and make practical suggestions on how research can best be developed, expanded, and embedded within schools and wider partnerships.

## **Licensed to Create**

In summer 2014, prompted partly by the Shadow Secretary of State for Education's suggestion that a new teacher licensing scheme in England could become a key lever for improvement, 11 leading education thinkers were commissioned to write essays on improving teacher quality. Asked to both respond to the licensing idea and consider the role of teacher creativity and innovation in raising quality, contributors included Dylan Wiliam, RSA teacher Lorna Owen, the OECD's Tracey Burns, and Conservative MP Charlotte Green. The RSA's introduction included five policy proposals for England, centred around the new concept of giving teachers a 'licence to create'. The accompanying animation, designed for a global audience, has been watched by over 20,000 people. The key message – bringing design thinking into the heart of teacher development – continues to gain traction, and will be taken further by the RSAA teaching school alliance.

## **Pupil Design Awards**

2014 saw the pilot of the Pupil Design Awards ('PDAs') with RSAA. Jumping off from the Student Design Awards, the PDAs gave 300 students aged 12-18 the chance to learn and apply their design skills to real life issues and problems by responding to one of four briefs. Pupils were mentored by a previous SDA winner, and submissions were judged by a panel including Royal Designer for Industry Robin Levien and *Design Week* Editor Angus Montgomery. Winners were announced at the RSAA Arts Day in July. Following positive feedback from students, teachers, mentors, and judges, the programme will be repeated in 2015, with the aim of initiating a national programme from 2016. The RSA believes that design learning and thinking should be at the heart of every young person's education, and that extending the RSA Student Design Awards to a younger audience could be a great way to help schools to inspire new generations of great British designers.

## **RSA SHIPLEY ENTERPRISES LTD**

RSA Shipley Enterprises Ltd (RSA Shipley) is a commercial trading subsidiary of the RSA. Set up in 2013, all profits are contributed to the RSA as a charitable donation.

Through RSA Shipley, the RSA advises its partners on how to adapt to changes in society, government, environment, the economy, and technology. This activity is independent and is grounded in the values of collaborative endeavour so that all can pursue their creative potential. It is of primary benefit to the partner and is therefore intended to earn a surplus for the RSA. However, the work is often of public interest, and allows the RSA to develop core competencies around its charitable objectives. The work also contributes towards the RSA's key areas of work. Two consultancy projects of note are:

### **The British Medical Association (BMA)**

Faced with a rapidly changing healthcare structure in the UK and an organisational need to adapt to meet this new environment, the BMA commissioned RSA Shipley to undertake a major member consultation exercise, which led to a set of recommendations to improve internal structures in support of member voice. Through an open online consultation, focus groups, and a regional engagement exercise, the consultation engaged hundreds of members at every level of the organisation. The recommendations formed a key part of the BMA's ongoing transformation programme, and a core commitment was agreed by BMA Council to support members' voice in the workplace and throughout the changing health service, with a view to improving the service for patients and members alike.

### **The Metropolitan Police**

With a view to understanding their perspective on how London's policing will need to evolve over the next decade, RSA Shipley was commissioned by the Metropolitan Police Service to undertake a major consultation of its leadership cadre. Conducted over the course of three days and involving hundreds of senior officers, the commission also involved a follow-up internal consultation with the wider workforce. Key to the work was investigating how the Metropolitan Police could work more closely with London's communities, public and private stakeholders, and decision-makers to maintain a safer city even in a challenging public finance context. A thematic report and analysis was prepared for internal consideration. The second phase was launched by the Metropolitan Police Commissioner at the RSA in February 2015, and RSA Shipley has widened the consultation to include external stakeholders. The next report is due in summer 2015.

## RSA GLOBAL

2014/15 has been a year of reflection, analysis and learning, with the new Director of RSA Global joining in September 2014 to provide a fresh perspective and a pragmatic operational plan to realise the RSA's ambition of increasing its global presence and global impact. The RSA's global reach, through its 2,500 Fellows in 88 countries, 41 RSA Connectors, two international affiliates, and global success in its online presence and breadth of research topics has resulted in a number of international achievements this year.

Three pieces of international research stood out in 2014/15:

- A policy memo was produced as part of the Next American Economy project, for US-based think tank The Roosevelt Institute. *12 design principles for creative capacity-building schools*, explores how school systems can be best designed to develop students' creative capacities during their formative education years, so that young people are better equipped to success in the 21<sup>st</sup> century economy.
- The Social Brain report, *Everyone starts with an A: Applying behavioural insight to narrow the socioeconomic attainment gap in education*, was produced in German (Schüler richtig motivieren: Wie verhaltenswissenschaftliche Erkenntnisse im Bildungsbereich genutzt werden können); this was the first RSA report published in a language other than English.
- A thought-leadership paper for the European Council of International Schools, *Third Culture Schools: international schools as creative catalysts for a new global education system*, reimagines the leadership role international schools could play in bridging an often polarised education world to support improved learning outcomes for all.
- The RSA was invited to speak at a range of international events, including:
  - The 10th International Fab Lab Conference, about maker spaces in Spain;
  - UN Habitat's World Cities Day for the Government of Bogota, about the future of cities in Colombia;
  - World Innovation Summit for Education (WISE), about innovation in the United Arab Emirates;
  - Brilliant Minds Festival 2015, about the Power to Create in Mexico;
  - The Italian Association of Teachers and Managers' International Conference on curriculum innovation and experience of RSA Academies in Italy; and
  - European Council of International Schools' (ECIS) annual leadership conference, about catalysing creativity through the Power to Create in Belgium.
- The final recommendations of City Growth Commission *Unleashing Metro Growth* report was translated into Spanish by the Government of Bogota, and a summary of RSA report *Everyone Starts with an A* was published in Brazilian Portuguese.
- The RSA Student Design Awards (SDAs) continued to attract significant international interest with entries from 30 countries, and the SDAs continue to be piloted in the United States and Finland, but no longer operates in Malaysia as of 2014/15.
- Communications to international Fellows continue to be improved, with a dedicated, global newsletter, and a feature in the RSA *Journal*. RSA Connectors remain committed and ready to grow the RSA in their local areas.

## **FELLOWSHIP**

William Shipley, the RSA's founder, wanted to engage 'Members from all Ranks, Professions and Trades' in 'Undertakings for Public Good'. The RSA continues to develop on this premise. The Fellowship plays a central role in the organisation, from choosing Trustees, engaging with our work, to meeting up and sharing ideas.

The RSA aims to be a fertile environment where Fellows can engage with each other, develop ideas, and offer practical support to each other. As Matthew Taylor states in his introduction – by this time next year we are aiming to demonstrate not only that our Fellows are central to our charitable impact but that this engagement is making RSA projects more powerful.

A notable barrier to Fellow engagement and an ongoing concern for Fellows, has been the difficulty in finding and contacting other Fellows. The launch of the new website this year means that Fellows can now search for other Fellows with similar interests, or who live nearby, as well as contact them directly.

The Fellowship survey was completed by 29 per cent of Fellows, giving important information on Fellows' views, with many of the recommendations being acted on. Due to its success, the survey will be repeated annually. A smaller survey was also undertaken, looking specifically at Fellows' views of the House. Fellows were clear that they wanted a larger café, more informal meeting spaces, and a review of House opening hours. These responses are being incorporated into a wider piece of work looking at the use of RSA House.

The Fellowship grew strongly, with a net increase of 698 Fellows over the course of the year, meaning the total Fellowship at year-end was 26,776.

## **RSA Strategic Review**

One of the outcomes of the RSA Strategic Review, and key to the 2015-2018 business plan, is to better utilise the expertise, skills, and influence of Fellows to help achieve the RSA's aims. This is something that many Fellows have long called for and, if done successfully, will substantially increase the RSA's impact. To ensure that the RSA achieves this, a new Project Engagement Team was formed towards the end of 2014/15, with the purpose of engaging Fellows better in the work of the RSA. The team is still in the early stages of making this a reality, but good progress is already being made in trialling how best to engage Fellows in a way Fellows want, whilst also ensuring that a real difference is made.

In addition, the Fellows' projects with most potential that fall within the RSA's key themes will be better supported. Many Fellows contribute to the key themes through their own activities, and the RSA can play a valuable role in supporting those contributions. The RSA aims to have a range of both staff-led and Fellow-led projects.

## **Regional events**

Fellows across the UK have worked hard during 2014/15 to support the mission and aims of the RSA. There was an increased turnout for elections to the Fellowship Council (an advisory body responsible for engaging Fellows in the work of the RSA) in 2014, and as part of a two-year election cycle, new development plans are being created by the 14 Regions/Nations teams, setting out their aims and objectives for the next two years. Each team produced an annual report to assess achievements over the previous year, valuable for sharing good practice and ongoing learning between Regions/Nations.

The Fellowship Council met four times during the past year, providing valuable feedback to staff and Trustees, sharing good practice, and discussing Fellow involvement in the organisation. The Fellowship Council elects two Trustees of the RSA as well as three members of the Nominations Panel. Fellowship Councillors sat on the panel for our Fellowship grant scheme, Catalyst, and the House Development Committee, looking at the uses of RSA House. A review of the working groups of the previous council was carried out with the result that task and finish groups were deemed more effective. Two groups focusing on the Fellowship Survey and the new website were formed, with recommendations given to RSA staff.

Over 160 regional events were organised by Fellows and RSA staff during the past year, with over 7,000 people signing up to attend. The Engage series provided a mix of structured networking and highlighting RSA and local project activity. Other initiatives supported by the team included the Centenary Young Fellows scheme, celebrating 100 years of RSA Fellowship. Several regions have developed this approach by establishing bursary schemes to support a younger Fellowship.

Other highlights included the new London region introducing a greater mix of thematic and social networks, Yorkshire and North East regions enabling two research articles, 'Measuring Your Social Impact: Community Food Projects in Action' and 'BALTIC: Garage'. The most popular regional events now attract over 200 participants.

### **Centenary Young Fellows (CYF)**

In September 2014 the RSA launched the Centenary Young Fellows scheme, aiming to ensure young people have a role developing the RSA for the future. The scheme also gives young people access to networks where they can make a difference, opportunities to develop their skills, and enabling them to contribute towards tackling the social challenges important to them, which support the work of the RSA. The event brought nearly 200 people together, including existing Fellows and sponsors of the scheme, and over 100 young people joined the Fellowship. The Centenary Young Fellows scheme will run for the next two years.

### **North West Annual Conference**

The North West region held its third major conference in October 2014 in Manchester, focusing on 'Power to Create', and explored new thinking around empowering and encouraging people to become active participants in creating the world in which they want to live. In addition to talks and networking, the conference featured a student design competition on designing a sustainable work space using the circular economy. Shortlisted students presented their ideas before a prestigious panel and an audience of 200 participants. Organised by Manchester Fellows, the event was supported and delivered in collaboration with Manchester Metropolitan University, University of Manchester, Corridor Manchester, Bruntwood, and The Sheila Bird Group.

### **RSA Catalyst and Kickstarter (Grants and Crowdfunding)**

RSA Catalyst continues to be a popular element of the Fellowship offer, with a total of 131 applications for Catalyst Grants and the Crowdfunding 'Kickstarter' support programme. Last year Catalyst supported 24 new Fellow-led social enterprises with grants of up to £2,000, and awarded eight former winners additional funding of up to £5,000.

The RSA supported 20 crowdfunding campaigns to completion in the past 12 months, with a further six supported campaigns due to launch. The RSA's incubation workshops and cross-promotion to Fellowship ensures that campaigns on RSA Kickstarter are twice as likely to succeed as the average Kickstarter campaign.

Operationally, the administration of Catalyst has been improved. Grants and their impact can now be more efficiently tracked on the RSA database, and the effect of Catalyst support on Fellowship retention and activity can be monitored. The grant criteria has been updated in line with the RSA's key themes, and the £5,000 grant will be replaced with a £10,000 grant to encourage more ambitious projects to apply, and increase Catalyst grant impact.

Examples of Catalyst funding during 2014/15 have included:

- **The Secret Pillow Project:** empowering women by giving them the outlet and resources to make their own choices, by training women in South India's poorest rural communities to manufacture blankets that turn into pillows. They gain new manufacturing skills, employment, and enhanced wellbeing while providing a novel and practical product for customers: "Catalyst grants and support for my RSA Kickstarter campaign were key to my pilot's success; this impacted directly on our 200 Secret Pillow Producers, who collectively earned over £12,000 and have become empowered, asking me what's next..." Fritha Vincent, Founder
- **Bad Idea CIC:** an accredited programme teaching young school years' students how to nurture their ideas for entrepreneurial business, Bad Idea CIC received Catalyst grant awards and crowdfunding support, and the RSA's support will help Bad Idea CIC to grow, scaling the project up, to reach beyond Glasgow and become nationwide with the launch of their app later this year.

## **Project Engagement**

The newly-formed Project Engagement Team has a two-fold objective: to increase the impact of the RSA by harnessing the skills, expertise and enthusiasm of RSA Fellows, and to support and scale up Fellow-led projects in order to bring about real world change in the RSA's key themes.

The first year of work will involve testing various approaches, measuring and evaluating them to better understand what is most effective. To date, the team have trialled a range of techniques, including:

- Fellows' input into draft RSA reports;
- Bespoke pre-event meetings for Fellows;
- Working with our Action and Research Centre to create specific actions which Fellows can use to take forward our research.

In addition, supporting a Fellow's idea about school governors supporting creativity has led to the creation of a network of school governors, who will help shape this work, become champions for it, and put the RSA's research into action.



## EXTERNAL AFFAIRS

As part of the Strategic Review the External Affairs team has started exploring how the RSA's ideas platform can strengthen the society's capacity to develop its own ideas in line with our newly identified key areas of work. This will involve developing a clearer distinction between the ideas to which the RSA gives a platform and the RSA's own work, and will lead to a deepening understanding amongst Fellows, stakeholders groups, and the wider public of the RSA's mission and impact.

This will enable the RSA to create new spaces, dialogues, and connections. It will mean a more explicit focus for RSA platforms as a springboard for ideas first floated in lectures, online innovations, the Journal or commissioned pamphlets leading to wider debate, engagement, and action to enable RSA ideas to become the source for the best enlightenment thinking in the world.

### Ideas Platform

The RSA public events platform continues to set the global standard for contemporary enlightenment thinking, by hosting internationally influential public speakers on the ideas and forces shaping our world today, and into the future. There were a total of 19,285 registered attendees in 2014/15.

The programme focuses strongly on the contribution that the platform could make to the development and dissemination of original RSA research. An increasing number of events are emerging directly from the work of the cross-organisational groups in new economic thinking, creative learning, and the design and implementation of innovative public policy and practice.

Highlights from the 2014-15 programme have included a new series of events to support the RSA 'Seven Dimensions of Climate Change' research project. These events are designed to move beyond the conventional academic and policy discourse on climate change. By emphasising creative formats and introducing new voices, they aim to offer fresh perspectives on, and elicit new responses to humanity's gravest challenge. New formats have included a comedy gig, a spoken word performance evening, an event featuring 'next generation' voices, and a public speaking competition involving RSA Academies.

Our event series seeking out the spiritual roots of public life helped develop much of the thinking of the report *Spiritualise: Revitalising spirituality to address 21st century challenges*, and revealed a rich set of insights on the self, love, death, body and soul from philosophers, theologians and public figures, including Iain McGilchrist, Will Self, Stephen Cave, Madeleine Bunting, Elizabeth Oldfield, and Deborah Baum.

The RSA Self-employment Summit gathered an impressive array of speakers to reflect on the rapid recent rise in self-employment, and to open up honest critical debate about what this means for the world of work, and the implications for the economy, productivity and growth. Delegates and contributors included entrepreneurs, microbusiness owners, economists, commentators, politicians, and speakers. The summit featured a 'day-in the life' conversation session led by BBC global business editor Peter Day and several participants, including the project lead Ben Dello, were interviewed at the event and featured in a resulting BBC Radio4 and World Service In Business broadcast dedicated to the issue.

Individual event highlights over the year have included the high-profile public launch of the findings of the City Growth Commission; the Student Design Awards' 90th anniversary evening with SDA alumnus Apple designer Richard Howarth, and a special Jonathan Ive video message; Jos de Blok's Albert Medal Lecture on valuing humanity above bureaucracy; and Matthew Taylor's 'Power to Create' Lecture and animated RSA Short which, together, powerfully articulated and communicated the RSA's new world view.

Our partner sponsors this year helped us forge new relationships, reach new audiences, and exceed our fundraising target, and included Google, Etsy, Accenture, Pearson, Sky, the Environment Agency, and the Health Foundation.

RSA Events continue to have substantial and growing global online impact, spreading 21<sup>st</sup> century enlightenment thinking to almost half a million subscribers weekly, which makes us, by a significant margin, the UK's most popular non-profit YouTube channel.

### **Journal**

The RSA continues to publish its award-winning quarterly journal which is distributed to all Fellows as well as free subscriptions provided to leading academic institutions. This year the journal covered diverse topics including employment with articles on shifting labour landscapes, the effects of automation on work in the digital age and the changing approaches in government to policy formation. The first journal of 2015, in line with the newly adopted Strategic Review, concentrates on one theme, design, and its importance to societal challenges.

### **Website**

Over the past year, the RSA has made radical improvements to upgrade and unify our digital presence. We launched our new website, which is responsive, visually-rich and more clearly navigable. Better functionality has been introduced – especially for Fellows –with messaging, Fellows' search, and a personal dashboard called MyRSA. At the heart of this new approach is a behavioural and data-centric view of our users, helping the RSA to understand what content users value, and how they seek to get more involved with the RSA's work.

Social media is central to engagement, and this year the RSA have reached just over 105 million impressions on social media, averaging 8.8 million per month (up 27% from the previous year). The number of Facebook followers has increased by 15% (68,000) and Twitter is up to 64,700 followers (15% increase). Subscribers on YouTube have also increased by 15% (470,000).

The digital team will continue to focus on driving forward community, collaboration, and engagement functions, including content marketing, community management, marketing automation, and social media.

## **RSA HOUSE AND RSA ADELPHI ENTERPRISES LTD**

RSA House combines Georgian splendour with high quality contemporary design. Designed by Robert Adam, for over 260 years this historic building has been home to some of the most creative thinkers, dedicated to shaping the future through ideas and action. Now, the venue plays host to the RSA's exciting and well-attended lecture programme, is a physical focus of activity for RSA Fellows, acts as a popular hospitality venue, and also houses the offices of the RSA and its trading subsidiaries.

The RSA's trading subsidiary, RSA Adelphi Enterprises Ltd ('RSA Adelphi'), with its catering partner Harbour & Jones Limited, operates RSA House as a hospitality venue with a unique mix of 10 rooms. These include the Georgian splendour of the Great Room, including the celebrated paintings 'The Progress of Human Knowledge' by James Barry, the 18<sup>th</sup> century brickwork of the Vaults, previously a riverside warehouse, and the Durham Street Auditorium which preserves an 18<sup>th</sup> century cobbled street down to the Thames. RSA Adelphi provides income to the Society. This enables funds to be raised for the upkeep of the John Adam Street buildings, and to contribute to the work of the charity.

The high standards of the hospitality operation were recognised in 2014 as it was voted number 4 in *Event Magazine's* Top 20 Venues and by its appearance on the shortlist for a number of other awards: Small Venue of the Year, Best Wedding Venue at the Wedding Industry Awards, and Front of House Team of the Year at the Food Service Catey's awards. The Vaults Restaurant continues to receive very positive feedback and in 2014 won the Top Table Diners Choice award again. During 2014/15, the financial contribution of RSA Adelphi to the overheads of the RSA remained level at £0.7m.

Work continues to ensure that RSA House reflects the activities of the RSA, and this year saw the addition of unique designs from the prestigious Royal Designers for Industry to the walls of the Vaults restaurant. The House Development Committee was also formed to explore how the RSA further develops the commercial returns from RSA House, whilst ensuring that the building embodies the RSA brand.

A building of this size and age requires ongoing maintenance and development to ensure it is fit for purpose. Refurbishment of the second floor of RSA House provided a flexible hot-desking environment for the Action and Research team, promoting collaboration and proving a cost-effective use of space. Improved IT facilities include portable, mobile and wireless technology to support the open and flexible working environment, whilst many of the core business applications used at the RSA have moved into the cloud environment.

## OUR THANKS

Financial support is crucial in helping the RSA attain its goals. All Fellows support the RSA through their annual Fellowship fee, and by otherwise being involved in our work. The RSA would like to extend very special thanks to the following for their generous support in the last financial year. It is thanks to these donations that we can continue to make progress.

The following individuals and organisations made financial contributions of £1,000 or more in the Financial Year 2014/15.

### Corporate Supporters

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Manchester City Council  
NESTA  
Reuters Institute for the Study of Journalism  
Save the Children UK  
Technology Strategy Board (now Innovate UK)  
The Health Foundation  
United Church Schools Trust  
Zero Waste Scotland Ltd

We also extend our sincere thanks to those supporters who wish to remain anonymous.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Board of Trustees is the governing body of the RSA and consists of up to 12 members, of whom five are directly elected to the Board by the Fellowship, two are elected by the Fellowship Council from within their number, and up to five Fellows are appointed by the Board. Trustees are elected or appointed for a three-year term, and may serve a second three-year term, save Fellowship Council Trustees who serve for the currency of the Fellowship Council. The Board met six times during 2014/15, as well as for an additional annual away day. The Executive Team attends all Board meetings.

The Board has established three committees, each with specific terms of reference and functions delegated by the Board and with a Trustee appointed by the Board as Chairman: Audit and Risk (which has two external members), Nominations, and Remuneration. The Chief Executive and Chief Operating Officer attend all committee meetings. The external auditors attend one meeting a year of the Audit and Risk committee.

The Board appoints the directors of the RSA's two trading subsidiaries, RSA Adelphi Enterprises Ltd, and RSA Shipley Enterprises Ltd. They also monitor the companies' performance. The directors of the subsidiaries meet as necessary.

### **Statement of Trustees' Responsibilities**

The law applicable to charities in England and Wales and Scotland requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its position at the year's end. In preparing these financial statements, the Trustees should follow best practice, and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The charity's Trustees are responsible for keeping accounting records in respect of the charity, which are sufficient to show and explain all the charity's transactions, and which are such as to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to ensure the accounts comply with the Charities Act 2011. The Trustees are responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention of detection of fraud and other irregularities.

## Fellowship Representation

An important part of the governance of the RSA's relationship with its Fellows is the Fellowship Council. The Fellowship Council comprises 35 elected, and 5 co-opted Fellows to represent the interests of Fellows within the RSA. The 35 elected Fellows include 14 Regional/National Chairs, 14 Fellowship Councillors elected by local Fellows in their home regions, and 7 'at large' Fellowship Councillors elected by the whole of the Fellowship to represent particular interests or skills. The Regional/National Chair and the Fellowship Councillor for a region/nation have flexibility to decide on how to develop a team structure that will suit their particular area. The Fellowship Council elects two representatives to the Board of Trustees, and the terms of reference specify that at least one of the representatives would be either the Chair or the Deputy Chair of the Fellowship Council. The members of the Fellowship Council during 2014/15 have been as set out below (there was an election for a new Council in October 2014):

<b>RSA Regions</b>	<b>Chairs of Region</b>	<b>Councillors of Regions</b>
East Midlands	Peter Robinson (to Oct 2014) Jeanne Booth (from Oct 2014)	Ruth Jindal (to Oct 2014) Rick Hall (from Oct 2014)
East of England	Malcom Noble	Suzanna Pickering (to Oct 2014) Tim Smith (from Oct 2014)
Ireland	Denis Stewart (to Oct 2014) Christopher McCracken (from Oct 2014)	Suzanne Lyle (to Oct 2014) John McMullan (from Oct 2014)
London	Susan Bennett (acting) (to Oct 2014) Philippa Holland (from Oct 2014)	Anette Thorup (from Oct 2014)
North East	Pauline Moger (from Oct 2014) Jan Portillo (to Oct 2014)	Bill Gibbon
North West	Rob Hyde (from Oct 2014) Lilian Barton (to Oct 2014)	Erinma Ochu (to Oct 2014) Stephen Parry (from Oct 2014)
Scotland	John Naylor (to Oct 2014) Ann Packard (from Oct 2014)	Tanya Hine
South Central	Maurizio Fantato (from Oct 2014) Tony Hoskins (to Oct 2014)	Bethan Michael (to Oct 2014) Greg Slay (from Oct 2014)
South East	Irene Campbell (Fellowship Council Chair) (to Oct 2014) Ann Henricson (from Oct 2014)	Mark Hadley (to Oct 2014) Irene Campbell (Fellowship Council Chair) (from Oct 2014)
South West	Nicholas Parker (to 2014) Ed Whitelaw (from Oct 2014)	Phillippa Rose
Wales	Andrew Board (to Oct 2014) Wiard Sterk (Fellowship Council Vice-Chair) (from Oct 2014)	Kathy Seddon (from Oct 2014) Wiard Sterk (Fellowship Council Vice-Chair) (to Oct 2014)
West of England	David Punter (to Oct 2014) Ted Fowler (from Oct 2014)	Allan Bosley
West Midlands	Keith Horsfall	Lorna Prescott
Yorkshire	Pam Warhurst	Jackie Goodman
<b>At Large Councillors</b>	Erinma Ochu (from Oct 2014) Kath Davies (from Oct 2014) Steve Coles Kerrie Howard (from Oct 2014) Chris Luffingham (from Oct 2014) Nick Parker (from Oct 2014)	Francesca Wakefield (from Oct 2014) Eric Woodcock (from Oct 2014) Dan Stanley (from Oct 2014) Megan Clatworthy (from Oct 2014) Alex Newberry (from Oct 2013) Pooran Wynczyk

The RSA really appreciates the huge commitment of time and energy given to the charity by its Fellows, and in particular, those who have served on the Fellowship Council.

## **Risk Management**

A full risk assessment is undertaken in order to identify the major risks to which the RSA is exposed under the following headings:

- ARC;
- Fellowship;
- Public Profile/Brand;
- Financial/Operations;
- Fundraising;
- Commercial/House;
- Governance; and
- Associated Ventures.

The risk register summarises potential risks which have been assessed, by their likelihood and potential impact. Controls have been identified to limit each of these risks. The risk register is reviewed regularly by the Audit and Risk Committee.

## **Statement of Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Society. The RSA's object, as laid down in our Charter, is *'The encouragement of the Arts Manufactures and Commerce... by the advancement of education in and the encouragement and conduct of research into the sustainable context within which the said Arts Manufactures and Commerce may prosper and to make such research findings available to the public'*.

This Impact Report describes the benefits of the RSA's activities which relate directly to the RSA's aims and objectives:

- The extensive lectures programme is available to the public free of charge, both through in-person attendance and by accessing RSA content through the website in various formats;
- The results of the RSA's research are broad ranging and are disseminated free of charge to all interested parties;
- Funding is offered for innovative new projects through RSA Catalyst;
- Innovation and creativity is encouraged through the RSA Student Design awards;
- The RSA's "hands-on" projects, such as those in education, drugs recovery and building communities, have direct charitable benefit;
- The RSA Fellowship is also diverse, engaged and influential, and its work, which is given voluntarily, contributes to the capacity of the Society to pursue its charitable objectives.

The Trustees review the activities of the Society against its aims on an ongoing basis and are satisfied that all activities continue to be related to those aims. No specific issues of detriment or harm have been identified. Ultimately, wider society will benefit from the charity's activities, and this is considered to be within the spirit of the RSA charter. The RSA operates throughout the whole of the United Kingdom and, through the website and around 2,500 Fellows abroad, around the world. Benefits are not confined to any particular group and the wider benefits of the RSA's activities are intended to include the public.

The Trustees confirm that in planning the activities of the RSA they have given careful consideration to the Charity Commission's general guidance on public benefit.

## Environmental Policy

Trustees regard the minimisation of the RSA's impact on the environment as one of its important management tasks. The Society's Environmental Policy is available on the RSA's website ([www.thersa.org/about-us/environmental-policy](http://www.thersa.org/about-us/environmental-policy)) and practices described under Sustainability ([www.thersa.org/house/sustainability](http://www.thersa.org/house/sustainability)). The key performance indicators for our environmental data in 2014/15 are set out below and this will be updated every year.

	Electricity (KwH)	Gas (KwH)	Water (ltrs)	Total energy carbon emissions (tonnes CO2)
Energy	716,424	305,344	2,841,000	<b>434</b>
% recycled energy	88.65	N/a	N/a	N/a
Inc/(dec) on 2013/14	-14%	-22%	4%	-4%
	Mini Cabs (mls)	Trains (mls)	Flights (mls)	Total air & road travel carbon emissions (tonnes CO2)
Travel	839	123,364	46,622	23
Inc/(dec) on 2013/14	-25%	-11%	-20%	<b>-4%</b>
	Total m2 of building	Per m2 (tonnes CO2 per m2)	Total building carbon emissions (tonnes CO2)	
Building carbon emissions	4,598	0.0987	<b>457</b>	
Inc/(dec) on 2013/14	0%	-5%	<b>-4%</b>	
	General & kitchen waste	White paper usage in reams	Glass recycling	
Usage	11,800	240	36,000	
% recycled	54%	100%	100%	
Inc/(dec) on 2013/14	18%	-81%	-6%	

Changes continue to be made to improve the environmental standing of the RSA. The second floor refurbishment and the creation of the hot-desk environment enables staff to work via laptops and WiFi rather than a cabled system. LED lighting with sensor controls controls the level of lighting. The new environment has allowed the reduction of printers and now all staff print to one photocopier.

Due to increased costs for 100% 'bright white' recycled paper, a review was undertaken of differing printer requirements, resulting in provision of two types of paper. For internal printing, a 100% recycled paper is provided, with no additives and better environmental impact, resulting in the 81% drop in usage of the 'bright white' paper. Minimal external printing requires provision of that slightly better quality but still FSC accredited paper.

The RSA's waste carrier, First Mile, has recycled 250kg, saving one tree. A methodical lighting review of RSA House is underway, changing to LED or low-energy where possible. Listed building status leaves the RSA unable to replace its windows, but a systematic repair program has been undertaken.

Purchasing policies continue to be reviewed regularly, and refurbishment and maintenance takes environmental improvements into account on an ongoing basis.



## FINANCIAL REVIEW

### Overview

We are reporting a small loss on *Net incoming resources before other recognised gains and losses* for the year of £0.2m. This compares with a surplus in 2014 of £0.1m. The deficit of £0.2m is before an unrealised profit on investment assets of £0.8m as compared with £1.2m in 2014. The resultant *Net movement of funds* is a surplus of £0.6m compared with a surplus of £1.3m last year.

### Incoming Resources

*Total incoming resources* increased by £0.5m from £9.7m to £10.2m. The RSA's principal funding sources are its Fellows, trading through RSA House and consultancy work, income generated from a wide range of sources for ARC projects, including grants and sponsorship, fundraising, and investment income.

Under *voluntary income*, Fellowship donations rose from £4.2m to £4.5m. The year closed with a total of 26,775 Fellows, an increase of just under 700 on the previous year. The trend is positive with further net growth in numbers forecast for 2015/16. In addition, over 80 per cent of Fellows pay their subscriptions under Gift Aid, a very high proportion of those eligible to pay in this way, and contributing a significant proportion of our Fellowship income.

Other donations and legacies were £157k and included a final payment of £46k from the estate of Mrs Philippa Rakusen; a generous legacy for which we are very grateful. The total was £0.4m below last year when we benefited from a significant legacy from Mrs Muriel Latter.

*Activities for generating funds* includes the trading activities of RSA Adelphi Enterprises Limited (RSA Adelphi) and RSA Shipley Enterprises Limited (RSA Shipley). RSA Adelphi operates all the function spaces within John Adam Street, providing accommodation for business meetings, social events and weddings. The outcome for 2014/15 was sales of £2.2m and a contribution to the RSA's overheads of £0.7m; both in line with the result for 2013/14. This was the first year of full trading for our new trading company, RSA Shipley, which offers consultancy services focussed primarily in the RSA's main areas of research. The company achieved sales of £0.8m versus £0.1m last year and a contribution to overheads of £0.3m. The profits of each trading company are given back to the RSA under Gift Aid. *Investment income* includes income on funds invested and rental income from our two investment properties and rose marginally to £0.6m whilst funds for *regional and network activities* remained broadly level.

*Incoming resources from charitable activities* fell marginally from £2.1m last year to £2.0m this year. External funding for our *Programme of projects* delivered through ARC was £0.1m ahead of last year at £1.9m and came from a range of funding sources. Funds raised for *Lectures and events* fell by £0.1m to £0.1m.

### Investments

Most of the RSA's funds are invested either in the Society's House in John Adam Street or in securities. During the year, £0.2m was withdrawn from investment funds to pay for the final stages of the IT infrastructure project and refurbishment of some of the staff areas of RSA House. This was offset by an increase of £0.8m in the market value of investment funds. The investment managers, Schrodgers, are targeted to achieve an ongoing annualised return of 6.5 per cent and with a maximum risk to capital in any one year of 7 per cent.

Investment assets also include £2.4m invested in freehold property of which £1.9m relates to two properties acquired through legacies, located in south west London, which are currently rented out.

## Resources Expended

*Total resources expended* increased to £10.4m from £9.6m with the increase being mainly within *Trading activities* (£0.9m), reflecting the development of RSA Shipley, offset by a small reduction in charitable expenditure, primarily in the *Program of lectures and events*. Charitable expenditure represents 86 per cent of total expenditure (excluding trading operations) in line with the percentage for the previous year.

The *Cost of generating funds* increased from £3.5m to £4.4m, reflecting the growth of RSA Shipley. *Net Voluntary income* fell from £3.9m to £3.7m reflecting the lower level of legacy income this year, though net Fellowship income increased from £3.5m to £3.7m.

*Net incoming resources available for charitable application* fell from £6.3m to £5.9m whilst resources expended on our *Charitable activities* fell marginally from £6.2m to £6.1m, largely due to a reduction in expenditure on the program of events and lectures.

*Governance costs* remained level and include the expenses associated with Trustee Board meetings, the AGM, Trustee elections, maintaining our constitution, external audit and a proportion of core executive management time.

## Reserves Policy

The Trustees have adopted a reserves policy which they consider appropriate, in order to ensure the continuing ability of the RSA to meet its objectives and obligations. Investment returns are required to fund the charitable activities; the policy also seeks to maintain an acceptable ratio between the 'free reserves'<sup>1</sup> and the level of 'unrestricted cash expenditure'<sup>2</sup>. There are two designated reserves: a designated fixed asset reserve to highlight the extent to which unrestricted funds are invested in the property in John Adam Street and are therefore not available to meet short or medium term funding needs and a designated legacy reserve of £1.0m for those legacies received by the RSA which, whilst technically unrestricted, include clear preferences expressed by the legators as to how the funds might be utilised.

This year our unrestricted funds total £13.1m compared to £13.0m last year; of this sum, £7.9m (2014- £7.5m) is the designated fixed asset reserve and £1.0m is the designated legacy reserve, leaving a balance of £4.2m, a decrease of £0.3m from £4.5m last year.

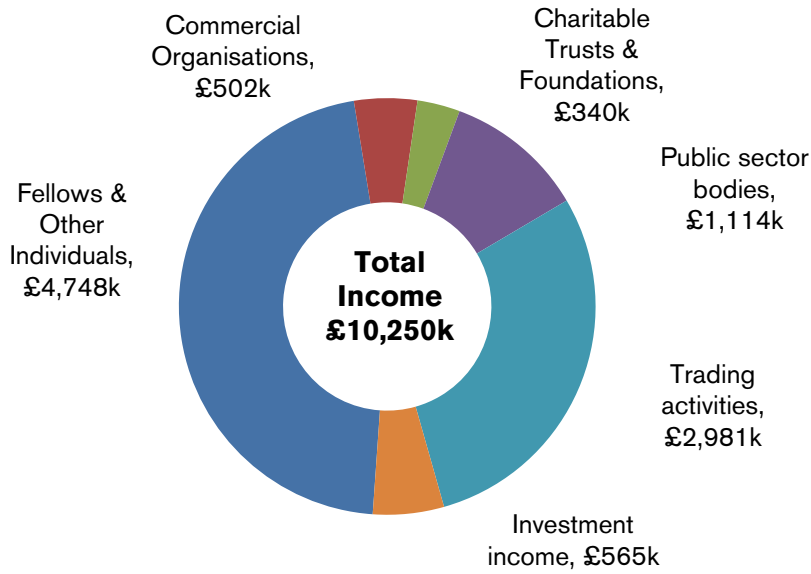
The Trustees have reviewed the reserves policy in the light of the current economic environment, future investment requirements (primarily in RSA House) and guidance from the Charity Commission and have agreed to maintain the target for free reserves at three months' unrestricted cash expenditure. It is believed that three months is a realistic assessment of the time taken to make necessary adjustments should the RSA suffer a major change in its financial position. This year, our cover position is 6.7 months compared with 7.1 months last year. The drop in cover largely reflects the higher level of activity this year. The Trustees believe the position is healthy given the current economic uncertainty and future investment plans but will continue to review the appropriateness of this ratio as the economic and political situation evolves.

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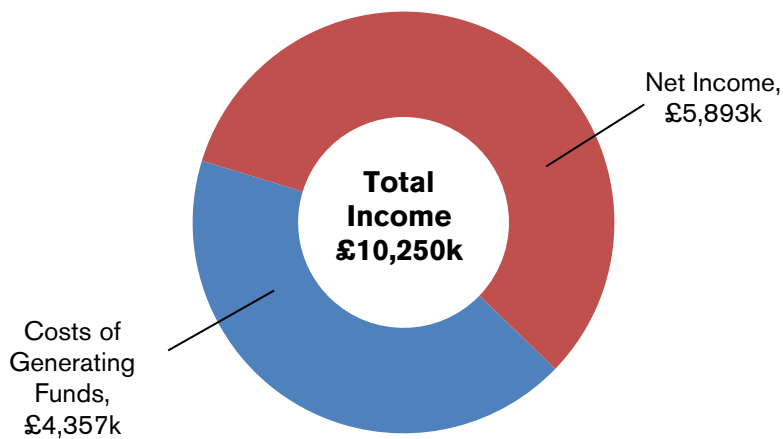
<sup>1</sup> 'Free reserves' are defined as unrestricted funds plus the Vaults appeal fund, plus unexpended Shipley income funds less the tangible fixed assets and the designated legacy reserve.

<sup>2</sup> 'Unrestricted cash expenditure' represents the operating costs for the year less the charge for depreciation and less the direct costs of hospitality which would not be incurred if activities ceased.

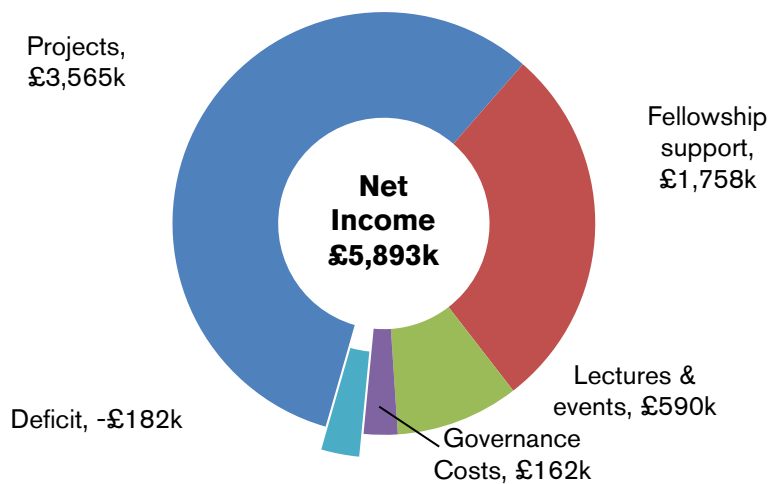
### Where our income comes from



### Cost of generating income



### How we used net income



## **Independent Auditors' Report to the Trustees of the RSA (the Royal Society for the Encouragement of Arts, Manufactures and Commerce)**

We have audited the consolidated financial statements of the RSA (Royal Society for the Encouragement of Arts, Manufactures and Commerce) for the year ended 31 March 2015 which comprise the consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. 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.

### **Respective Responsibilities of Trustees and Auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 29, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the Audit of the Financial Statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the Financial Statements**

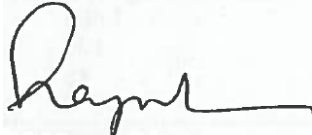
In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 March 2015 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

## Matters on which we are required to Report by Exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the parent charity's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



haysmacintyre  
Statutory Auditor

6 July 2015

26 Red Lion Square  
London  
WC1R 4AG

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

## Group Statement of Financial Activities for the year ended 31 March 2015

	<i>Notes</i>	<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>	<i>Total</i>
		<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>2015</i>	<i>2014</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Incoming resources</b>	<b>2</b>					
<b>Incoming resources from generated funds</b>						
Voluntary income						
Fellowship donations		4,462	-	-	4,462	4,225
Other donations & legacies		157	-	-	157	601
Other sources		55	-	-	55	52
Activities for generating funds						
Trading income		2,981	-	-	2,981	2,223
Investment income		131	434	-	565	542
<b>Incoming resources from charitable activities</b>						
Program of projects		91	1,794	-	1,885	1,817
Program of lectures & events		75	25	-	100	219
Regional & network activities		-	45	-	45	51
<b>Other income</b>		-	-	-	-	-
<b>Total incoming resources</b>		<b>7,952</b>	<b>2,298</b>	<b>-</b>	<b>10,250</b>	<b>9,730</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income						
Fellowship administration		766	-	-	766	764
Fundraising costs		174	-	-	174	179
Other		-	48	-	48	48
Costs of activities for generating funds						
Trading activities		3,332	-	-	3,332	2,441
Investment management costs		19	3	15	37	21
<b>Net incoming resources available for charitable application</b>		<b>3,661</b>	<b>2,247</b>	<b>(15)</b>	<b>5,893</b>	<b>6,277</b>
Program of projects		1,179	2,386	-	3,565	3,538
Program of lectures & events		573	17	-	590	672
Fellowship support		1,758	-	-	1,758	1,781
<b>Governance costs</b>		<b>162</b>	<b>-</b>	<b>-</b>	<b>162</b>	<b>164</b>
<b>Total charitable expenditure</b>		<b>3,672</b>	<b>2,403</b>	<b>-</b>	<b>6,075</b>	<b>6,155</b>
<b>Total resources expended</b>	<b>3</b>	<b>7,963</b>	<b>2,454</b>	<b>15</b>	<b>10,432</b>	<b>9,608</b>
<b>Net outgoing/(incoming) resources before transfers</b>		<b>(11)</b>	<b>(156)</b>	<b>(15)</b>	<b>(182)</b>	<b>122</b>
Gross transfers between funds		(69)	69	-	-	-
<b>Net outgoing/(incoming) resources before other recognised gains and losses</b>		<b>(80)</b>	<b>(87)</b>	<b>(15)</b>	<b>(182)</b>	<b>122</b>
Gains/(losses) on investment assets		119	381	310	810	1,221
<b>Net movement of funds</b>		<b>39</b>	<b>294</b>	<b>295</b>	<b>628</b>	<b>1,343</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		13,016	2,394	10,359	25,769	24,426
<b>Total funds carried forward</b>		<b>13,055</b>	<b>2,688</b>	<b>10,654</b>	<b>26,397</b>	<b>25,769</b>

All incoming and outgoing resources derive from continuing operations. The Group has no gains and losses other than those recognised in this Statement of Financial Activities.

The accompanying notes form part of these financial statements.

## Group and Charity Balance Sheets as at 31 March 2015

	<i>Notes</i>	<i>Group 2015 £'000</i>	<i>Group 2014 £'000</i>	<i>RSA 2015 £'000</i>	<i>RSA 2014 £'000</i>
<b>Fixed assets</b>					
Tangible fixed assets	7	9,346	9,252	9,346	9,252
Investments	8	17,141	16,504	17,141	16,504
		<b>26,487</b>	<b>25,756</b>	<b>26,487</b>	<b>25,756</b>
<b>Current assets</b>					
Debtors	9	1,804	1,823	1,587	1,668
Short term deposits and cash at bank		638	1,051	571	832
		<b>2,442</b>	<b>2,874</b>	<b>2,158</b>	<b>2,500</b>
<b>Creditors: amounts falling due within one year</b>	10	(1,366)	(1,735)	(1,082)	(1,361)
<b>Net current assets</b>		<b>1,076</b>	<b>1,139</b>	<b>1,076</b>	<b>1,139</b>
<b>Total assets less current liabilities</b>		<b>27,563</b>	<b>26,895</b>	<b>27,563</b>	<b>26,895</b>
<b>Creditors: amounts falling due after more than one year</b>					
Deferred life Fellowship income		(1,166)	(1,126)	(1,166)	(1,126)
<b>Total assets less liabilities</b>		<b>26,397</b>	<b>25,769</b>	<b>26,397</b>	<b>25,769</b>
<b>Unrestricted income funds</b>	11	13,055	13,016	13,055	13,016
<b>Restricted income funds</b>	11	2,688	2,394	2,688	2,394
<b>Endowment funds</b>	11	10,654	10,359	10,654	10,359
<b>Total funds</b>		<b>26,397</b>	<b>25,769</b>	<b>26,397</b>	<b>25,769</b>

The Financial Statements were approved by the Board of Trustees on 6th July 2015 and were signed on its behalf by:



**Vikki Heywood**  
Chair



**Hanif Virji**  
Treasurer

The accompanying notes form part of these financial statements.

## Group Cash Flow Statement for the year ended 31 March 2015

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net incoming/(outgoing) resources from operating activities</b>	(416)	(89)
<b>Returns on investments and servicing of finance</b>	565	542
<b>Capital expenditure and financial investment</b>	(562)	(368)
<b>Decrease/(increase) in cash</b>	<b>(413)</b>	<b>85</b>

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of net incoming resources to net cash outflow/(inflow) from operating activities</b>		
Net outgoing/(incoming) resources for the year	(182)	122
Interest received and income from investments	(565)	(542)
Depreciation charges	641	620
(Decrease)/Increase in debtors	19	(632)
Decrease/(Increase) in creditors	(329)	343
<b>Net cash outflow/(inflow) from operating activities</b>	<b>(416)</b>	<b>(89)</b>

### Reconciliation of capital expenditure and financial investment

Payments to acquire tangible fixed assets	(735)	(555)
Withdrawals from investments	173	187
<b>Capital expenditure and financial investment</b>	<b>(562)</b>	<b>(368)</b>

### Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	638	85
	1,051	966
<b>Net funds at 31 March 2015</b>	<b>1,689</b>	<b>1,051</b>

### Analysis of changes in net funds

	<b>1 April</b>	<b>Cash</b>	<b>31 March</b>
	<b>2014</b>	<b>Flows</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash at bank</b>	1,051	(413)	638
	<b>1,051</b>	<b>(413)</b>	<b>638</b>

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements 31 March 2015

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with the Charities Act 2011, applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of certain tangible fixed assets and the inclusion of fixed asset investments at market value; and follow the recommendations of Statement of Recommended Practice: "Accounting and Reporting by Charities" issued in March 2005.

The group financial statements comprise those of the RSA and its wholly owned subsidiaries, RSA Adelphi Enterprises Limited and RSA Shipley Enterprises Limited. The results of the subsidiaries are consolidated on a line by line basis.

#### *Incoming resources*

All incoming resources are accounted for on a receivable basis, with income relating to specific periods apportioned over the accounting periods to which it relates. Fellows' life subscriptions are accounted for over a period of twelve years from receipt. Restricted income is used in accordance with specific restrictions imposed by donors.

#### *Resources expended*

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. Expenditure incurred on support departments is apportioned to the activity area based on the appropriate driver, such as headcount or floorspace.

#### *Operating Leases*

Lease expenses under are recognised as "operating leases" relating to capital equipment which RSA does not own. The annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental costs of acquisition. Tangible fixed assets are stated at cost with the exception of certain pictures, books and antiques which are stated at 1919 valuation and are not depreciated. These items are not considered heritage assets as defined in FRS 30.

Freehold premises:	200 years from 1978
Building improvements:	between 10 and 40 years
Furniture and fittings (includes computer equipment):	between 3 and 6.5 years

## Notes to the Financial Statements 31 March 2015

### *Investments*

Investment assets are included in the Balance Sheet at market value. Unrealised gains and losses on revaluation and realised gains and losses on disposal are taken to the Statement of Financial Activities and dealt with in the relevant fund.

### *Funds*

Unrestricted funds may be spent in accordance with the RSA's charitable objects at the discretion of the Trustees. A designated fixed asset reserve has been created to highlight the value of unrestricted funds tied up in fixed assets, and a designated legacy reserve to identify legacy receipts where there is an expectation to honour the wishes of the legator in the way that we spend the monies received.

Restricted funds arise from specific grants for individual projects, appeal receipts for specific purposes and income derived from endowment funds which must be used for restricted charitable purposes.

The capital of permanent endowment funds is required to be retained in perpetuity, while the income must be used for restricted charitable purposes. The capital of expendable endowments may be used in specific circumstances, while the income must be used for restricted charitable purposes. The capital element of expendable endowments is adjusted annually to ensure its value remains constant in real terms.

### *Pension costs*

For Group Personal Pension schemes the amount charged to the Group Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Notes to the Financial Statements 31 March 2015 continued

### 2. Incoming resources

#### 2015

	<i>Voluntary Income</i>	<i>Activities for generating funds</i>	<i>Investment income</i>	<i>Program of Projects</i>	<i>Program of Lectures &amp; events</i>	<i>Regional and network activities</i>	<i>Other income</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fellowship	4,462	-	-	-	-	-	-	4,462
Donations & legacies (individuals)	157	-	-	47	-	-	-	204
Commercial organisations	-	-	-	380	75	-	-	455
Charitable trusts & foundations	-	-	-	315	25	-	-	340
Public sector bodies	-	-	-	1,114	-	-	-	1,114
Trading activities	-	2,981	-	-	-	-	-	2,981
Fees income	55	-	-	29	-	45	-	129
Dividends, interest & rent income	-	-	565	-	-	-	-	565
	<b>4,674</b>	<b>2,981</b>	<b>565</b>	<b>1,885</b>	<b>100</b>	<b>45</b>	<b>-</b>	<b>10,250</b>

#### 2014

	<i>Voluntary Income</i>	<i>Activities for generating funds</i>	<i>Investment income</i>	<i>Program of Projects</i>	<i>Program of Lectures &amp; events</i>	<i>Regional and network activities</i>	<i>Other income</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Fellowship	4,225	-	-	-	-	-	-	4,225
Donations & legacies (individuals)	601	-	-	53	-	-	-	654
Commercial organisations	4	-	-	205	169	-	-	378
Charitable trusts & foundations	-	-	-	530	50	-	-	580
Public sector bodies	-	-	-	995	-	-	-	995
Trading activities	-	2,223	-	-	-	-	-	2,223
Fees income	48	-	-	34	-	51	-	133
Dividends, interest & rent income	-	-	542	-	-	-	-	542
	<b>4,878</b>	<b>2,223</b>	<b>542</b>	<b>1,817</b>	<b>219</b>	<b>51</b>	<b>-</b>	<b>9,730</b>

Voluntary income includes Fellowship dues, unrestricted donations and legacies, fee income generated by the CEO, Journal and library.

Activities for generating funds comprises the income generated through the trading subsidiaries, RSA Adelphi Enterprises Ltd and RSA Shipley Enterprises Ltd.

From RSA Adelphi Enterprises Ltd., for the hire of conference rooms and the provision of catering services, £2,133k (2014- £2,096k). It also includes the first full year's income generated through RSA Shipley Enterprises Ltd from the provision of consultancy services, £848k (6mths in 2014- £127k).

Programs of projects and lectures & events comprise all funding received towards supporting these particular charitable activities.

Regional and network activities comprises all funding received towards supporting Fellowship networks and the income generated by RSA Regional Committees.

## Notes to the Financial Statements 31 March 2015 continued

### 3. Resources expended

	<i>Direct costs - Staff Cost £'000</i>	<i>Direct costs - Other £'000</i>	<i>Apportioned support costs £'000</i>	<i>2015 Total £'000</i>	<i>2014 Total £'000</i>
<b>Costs of generating voluntary income:</b>					
Fellowship administration	258	125	383	766	<b>764</b>
Fundraising costs	14	79	81	174	<b>179</b>
Other	-	48	-	48	<b>48</b>
<b>Cost of activities for generating funds</b>	<b>1,138</b>	<b>900</b>	<b>1,294</b>	<b>3,332</b>	<b>2,441</b>
<b>Investment management fees</b>	-	37	-	37	<b>21</b>
<b>Charitable activities:</b>					
Program of Projects	1,521	1,128	916	3,565	<b>3,538</b>
Program of Lectures & events	234	34	322	590	<b>672</b>
Fellowship support	720	511	527	1,758	<b>1,781</b>
<b>Governance Costs</b>	162	-	-	162	<b>164</b>
	<b>4,047</b>	<b>2,862</b>	<b>3,523</b>	<b>10,432</b>	<b>9,608</b>

Direct costs are allocated to categories of activity as follows:

Cost of Generating Voluntary income comprises the cost of recruiting to and administering our Fellowship and unrestricted fundraising.

Cost of activities for generating funds comprises the costs associated with the hire of conference rooms, the provision of catering services and with the provision of consultancy services.

Investment management costs comprises fees charged by investment managers.

Program of projects and lectures & events comprise the costs of performing these charitable activities.

Fellowship support comprises the costs of the Journal, Library, Fellowship Networks and the costs incurred by our regional committees.

Governance costs include the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, external audit and a proportion of core executive management time. The external audit fee was £26,708 (2014: £28,950). Fees paid to the auditors for non audit services were £875 (2014 £2,772).

Where expenditure cannot be directly allocated it represents support costs (see Analysis of Allocated Costs below) and is apportioned on a basis consistent with the use of resources, for example headcount or floor space.

Resources expended exclude the value of work contributed by Fellows to the activities of the RSA.

#### Analysis of Allocated Costs

	<i>Fellowship administration £'000</i>	<i>Fund raising costs £'000</i>	<i>Cost of activities for generating funds £'000</i>	<i>Program of projects £'000</i>	<i>Program of Lectures &amp; events £'000</i>	<i>Fellow ship support £'000</i>	<i>2015 Total £'000</i>	<i>2014 Total £'000</i>
Establishment & Depreciation	142	11	499	672	95	195	1,614	<b>1,542</b>
Executive Management	38	19	150	57	44	76	384	<b>351</b>
Finance	30	1	96	30	17	30	204	<b>230</b>
Human Resources	28	1	90	28	16	28	191	<b>129</b>
Information Technology	140	2	208	64	38	103	555	<b>412</b>
External communications	5	47	251	65	112	95	575	<b>546</b>
<b>2015 total</b>	<b>383</b>	<b>81</b>	<b>1,294</b>	<b>916</b>	<b>322</b>	<b>527</b>	<b>3,523</b>	<b>3,210</b>
<b>2014 total</b>	<b>315</b>	<b>77</b>	<b>902</b>	<b>1,064</b>	<b>294</b>	<b>558</b>	<b>3,210</b>	

## Notes to the Financial Statements 31 March 2015 continued

### 4. Trustee and staff costs

#### Trustees

Members of the Trustee Board and committees do not receive any remuneration for their services. Travel expenses were reimbursed to 7 (2014 - 4) Trustees amounted to £3,814 (2014 £5,519). Charitable funds have been used to buy indemnity insurance for Trustees at a cost of £8,056 (2014 £8,056).

#### Staff

The average number of staff employed during the year on a full time equivalent basis was 94 (2014 - 94). This was split across the organisation as follows:

	<b>2015</b>	<b>2014</b>
Cost of generating voluntary income	11	11
Program of projects	36	33
Program of Lectures & events	7	6
Fellowship support	12	13
Governance	1	1
Support departments	29	30
	<b>96</b>	<b>94</b>

\* Program of Projects include RSA staff also working to generate funds through Shipley Enterprises Ltd

The cost of these individuals was as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	3,659	3,468
Employer's National Insurance contributions	382	372
Pension contributions	284	244
	<b>4,325</b>	<b>4,084</b>
Agency Staff costs	264	251
<b>Total Staff Costs</b>	<b>4,589</b>	<b>4,335</b>

The number of employees who earned more than £60,000 during the year was as follows:

	<b>2015</b>	<b>2014</b>
£60,001 to £70,000	-	2
£70,001 to £80,000	3	1
£80,001 to £90,000	2	3
£120,001 to £130,000	1	1

The number of higher paid employees accruing pension benefits was:

	<b>2015</b>	<b>2014</b>
a) Defined contributions scheme		
- group personal pension	6	6

The total contributions paid by the RSA into the defined contribution scheme for higher paid employees was £51,023 (2014: £50,956).

## Notes to the Financial Statements 31 March 2015 continued

### 5. Grants /Awards Paid & Payable

	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>
Grant creditor at 1 April 2014	52	<b>58</b>
Grants approved before 31 March 2015 and payable within one year	203	<b>154</b>
Grants approved before 31 March 2015 and payable after one year	-	-
Grants paid during the year	(193)	<b>(160)</b>

#### Grant creditor at 31 March 2015

<b>62</b>	<b>52</b>
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#### Paid during year represented by:

Grants	Catalyst	38	<b>18</b>
Awards	Student Design Awards	24	<b>34</b>
		<b>62</b>	<b>52</b>

### 6. Operating Leases

At 31 March 2015, annual commitments under non-cancellable operating leases relating to equipment which will expire within the following periods were:

	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>
Within 1 year	11	<b>11</b>
Between 2-5 years	11	<b>11</b>

## Notes to the Financial Statements 31 March 2015 continued

### 7. Tangible fixed assets

	<i>Freehold premises</i>	<i>Building Improvements</i>	<i>Furniture &amp; fittings</i>	<i>Pictures, books &amp; antiques</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cost or valuation</b>					
At 1 April 2014	4,304	9,070	3,898	33	17,305
Transfers	-	-	-	-	-
Additions	-	263	472	-	735
Disposals	-	-	-	-	-
At 31 March 2015	<b>4,304</b>	<b>9,333</b>	<b>4,370</b>	<b>33</b>	<b>18,040</b>
<b>Depreciation</b>					
At 1 April 2014	698	4,211	3,144	-	8,053
Charge for the year	22	342	277	-	641
Disposals	-	-	-	-	-
At 31 March 2015	<b>720</b>	<b>4,553</b>	<b>3,421</b>	<b>-</b>	<b>8,694</b>
<b>Net book values</b>					
At 31 March 2015	<b>3,584</b>	<b>4,780</b>	<b>949</b>	<b>33</b>	<b>9,346</b>
At 1 April 2014	<b>3,606</b>	<b>4,859</b>	<b>754</b>	<b>33</b>	<b>9,252</b>

The freehold properties at 2, 4, 6 & 8 John Adam Street and 18 Adam Street are listed as historic buildings. They are referred to elsewhere throughout the accounts as '8 John Adam Street' and 'The House'. The RSA is required by law to maintain these properties in their present form in perpetuity. The value of the freehold premises represents the historical cost of acquiring the freeholds plus the cost of additions to the buildings. The trustees do not consider it practicable nor useful to undergo periodic valuations of the premises which would involve considerable expense for no obvious benefit to the charity. It is a requirement of United Kingdom Accounting Standards that freehold buildings should be depreciated over their estimated useful lives. To meet this requirement a notional life of 200 years was attributed to the premises in 1978, and depreciation is therefore charged on that basis.

Fixed assets are stated at cost with the exception of certain pictures, books and antiques which are stated at their 1919 valuation and are not depreciated.

### 8. Investment assets

#### Investments in Government and other listed securities and Charities Official Investment Funds at market values

<b>Analysis of investment assets</b>	<i>Unrestricted funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2015 Total</i>	<i>2014 Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
UK	1,882	756	4,059	6,697	<b>10,311</b>
Overseas	213	892	4,794	5,899	<b>1,211</b>
Alternative investments	338	242	1,300	1,880	<b>1,878</b>
Freehold property	2,004	59	320	2,383	<b>2,617</b>
Bank deposits	67	34	181	282	<b>487</b>
	<b>4,504</b>	<b>1,983</b>	<b>10,654</b>	<b>17,141</b>	<b>16,504</b>

Freehold property includes two London properties owned directly and rented out, both acquired through legacies, both are in South West London. One was valued in June 2014 at £1,375,000 (2013 £700,000, an unrealised gain of £675,000 recognised in the year, the previous valuation was in March 2010), the second is included at the October 2013 Valuation of £495,000 (2013 £430,000 based on February 2012 valuation, an unrealised gain of £65,000).

#### Analysis of movement of investment assets

	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investments at 1 April 2014	4,380	1,765	10,359	16,504	<b>15,470</b>
Net (withdrawals)/additions	5	(163)	(15)	(173)	<b>(187)</b>
Revaluation gain/(loss)	119	381	310	810	<b>1,221</b>
<b>Investments at 31 March 2015</b>	<b>4,504</b>	<b>1,983</b>	<b>10,654</b>	<b>17,141</b>	<b>16,504</b>

## Notes to the Financial Statements 31 March 2015 continued

### 9. Debtors

	<i>Group</i> <i>2015</i> <i>£'000</i>	<i>Group</i> <i>2014</i> <i>£'000</i>	<i>RSA</i> <i>2015</i> <i>£'000</i>	<i>RSA</i> <i>2014</i> <i>£'000</i>
Trade debtors	1,011	664	364	354
Prepayments and accrued income	665	1,131	641	1,300
Other debtors	128	28	114	14
Owed by RSA Adelphi \ RSA Shipley	-	-	468	-
	<b>1,804</b>	<b>1,823</b>	<b>1,587</b>	<b>1,668</b>

### 10. Creditors: amounts falling due within one year

	<i>Group</i> <i>2015</i> <i>£'000</i>	<i>Group</i> <i>2014</i> <i>£'000</i>	<i>RSA</i> <i>2015</i> <i>£'000</i>	<i>RSA</i> <i>2014</i> <i>£'000</i>
Trade creditors	515	526	441	524
Accruals	187	435	168	298
Deferred income	232	419	204	405
Other creditors	287	163	269	134
RSA Hospitality income received in advance	145	192	-	-
	<b>1,366</b>	<b>1,735</b>	<b>1,082</b>	<b>1,361</b>

Project deferred income relates to continuing work or to activities due to be undertaken in the coming year. The project deferred income which was brought forward from the previous year has been released in the current year.



## Notes to the Financial Statements 31 March 2015 continued

### 11. Funds

	<i>Balance</i>	<i>Income</i>	<i>Expended</i>	<i>Gain/(loss)</i>	<i>Transfers</i>	<i>Balance</i>
	<i>1 April 2014</i>					<i>31 March 2015</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Unrestricted funds</b>						
Designated fixed asset reserve	7,491	-	384	-	-	7,875
Designated legacy reserve	1,055	-	(35)	-	-	1,020
General reserve	4,470	7,952	(8,312)	119	(69)	4,160
	<b>13,016</b>	<b>7,952</b>	<b>(7,963)</b>	<b>119</b>	<b>(69)</b>	<b>13,055</b>
<b>Restricted income funds</b>						
Programs	-	1,796	(2,386)	-	590	0
Shingley Fund	1,559	400	(3)	370	(475)	1,851
Vaults appeal Fund	535	-	(48)	-	-	487
<u>Individual Trusts greater than £5,000:</u>						
Sir John Stratton Scholarship	36	2	-	2	-	40
Arts Congress / Fidelity Trust	30	1	-	2	-	33
Transitions Project	26	-	-	-	(26)	-
Edward Boyle Fund	24	3	-	1	-	28
Dick Onians Creativity Fund	19	-	-	-	-	19
Lord Bossom Trust	22	2	-	2	-	26
Betro Trust	19	1	-	2	-	22
Edward Squires Fund	17	3	-	0	-	20
Centenary Young Fellows	-	44	(4)	-	-	40
Student Design Awards	33	24	(13)	-	(20)	24
Reflection Riding Fund	14	1	-	1	-	16
Dick Onians Lecture Trust	9	1	-	-	-	10
Thomas Howard Trust	6	0	-	-	-	6
James Cranstoun Bequest	12	12	-	-	-	24
Trusts under £5k	33	8	-	1	-	42
	<b>2,394</b>	<b>2,298</b>	<b>(2,454)</b>	<b>381</b>	<b>69</b>	<b>2,688</b>
<b>Endowment funds</b>						
Shingley Expendable Endowment	9,633	-	(15)	240	-	9,858
<u>Individual Trusts greater than £10k:</u>						
James Cranstoun Bequest	288	-	-	28	-	316
Edward Squires Fund	78	-	-	7	-	85
Edward Boyle Fund	57	-	-	6	-	63
Angus Millar Trust	45	-	-	4	-	49
Sir John Stratton Scholarship	30	-	-	3	-	33
Dick Onians Lecture Trust	27	-	-	3	-	30
Lord Bossom Trust	27	-	-	3	-	30
Alfred Davies Bequest	14	-	-	1	-	15
Arts Congress / Fidelity Trust	11	-	-	1	-	12
R B Bennett Comm Prize	11	-	-	1	-	12
F Constable Lecture Fund	10	-	-	1	-	11
Joseph Paxton Memorial Fund	10	-	-	1	-	11
Sum of trusts less than £10k	118	-	-	11	-	129
	<b>10,359</b>	<b>-</b>	<b>(15)</b>	<b>310</b>	<b>-</b>	<b>10,654</b>
<b>Total Reserves</b>	<b>25,769</b>	<b>10,250</b>	<b>(10,432)</b>	<b>810</b>	<b>-</b>	<b>26,397</b>

## Notes to the Financial Statements 31 March 2015 continued

### b) Restricted income funds - movements in year

The restricted program of projects fund includes the following restricted income which has been received during the course of the financial year: Big Lottery Fund £101,000 (2014- £73,315).

The Shipley fund is an expendable endowment, the income from which is used to support the RSA's program in furtherance of its charitable objects.

The Vaults Appeal fund was utilised in financing the capital expenditure associated with the Vaults development in 1989 and accordingly, the appropriate depreciation is charged to the fund.

The Dick Onians Creativity fund is made up from restricted donations given for specific grants. The net fund balance of £19,000 is invested in a cash deposit account.

The other endowment funds relate to a number of trusts set up by individual donors in support of specific purposes such as named lectures, preservation of historic buildings, awards to artists and student designers etc.

In conjunction, with the RSA's legal advisers it is anticipated that in 2015/16 the funds will be consolidated into three primary reserves, a general reserve, an events and lectures reserve and a design awards reserve. These

### c) Sir John Stratton Scholarship

In January 2015 the Board authorised the transfer of the Sir John Stratton Scholarship to the Royal College of Music (RCM) where it could be more appropriately utilised. The Board also agreed the restructuring of the remaining permanent endowment funds, where appropriate, to release endowments and an updating of funds' charitable objects. The Charity Commission has now approved the transfer of the Sir John Stratton Scholarship to the RCM.

<b>d) Analysis of group net assets between funds</b>	<b>Fixed assets</b>	<b>Investments</b>	<b>Current assets</b>	<b>Liabilities</b>	<b>Fund balances</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Unrestricted Funds</b>					
Designated fixed asset reserve	7,875	-	-	-	7,875
Designated legacy reserve*	-	1,020	-	-	1,020
General reserve	983	3,484	2,225	(2,532)	4,160
	<u>8,858</u>	<u>4,504</u>	<u>2,225</u>	<u>(2,532)</u>	<u>13,055</u>
<b>Restricted income funds</b>	488	1,983	217	-	2,688
<b>Endowment Funds</b>					
Expendable	-	9,858	-	-	9,858
Permanent	-	796	-	-	796
<b>Total funds</b>	<b><u>9,346</u></b>	<b><u>17,141</u></b>	<b><u>2,442</u></b>	<b><u>(2,532)</u></b>	<b><u>26,397</u></b>

\* The trustees agreed to create a designated legacy fund to include legacies which, whilst technically unrestricted, were received with indications as to how the donor would prefer the funds to be utilised.

### 12. Pension schemes

The Consolidated Statement of Financial Activities includes contributions by the charity to the Group Personal Pension scheme of £314k (2014: £244k).

### 13. Taxation

As a registered charity the RSA is not liable to taxation on its income and capital gains so long as they are used for its charitable purposes.

## Notes to the Financial Statements 31 March 2015 continued

### 14. Related parties

RSA Academies (RSAA) is a separate company limited by guarantee and a registered charity which is considered related due to the involvement of the RSA in its governance. The trustees of the RSA do not consider RSA to be controlled by the RSA.

RSA Opening Minds (RSAOM) was a separate company limited by guarantee which was considered related due to the involvement of the RSA in its governance. The trustees of the RSA did not consider it to be controlled by the RSA. RSAOM never traded, and the company was dissolved in August 2013.

### 15. Subsidiary undertakings

#### a) RSA Adelphi Enterprises Limited

The company principally operates a hospitality business within the RSA House. It also undertakes any other activity regarded as 'trading'. It is a wholly owned subsidiary and is incorporated in England and Wales. One member of the RSA Trustee Board sits on the board of directors but is not remunerated for this service.

The taxable profits are donated to the RSA each year by gift aid. The RSA's investment in the share capital is £100, represented by 100 shares of £1 each. The shares are not disclosed in the balance sheet summary below because they round down to £0k.

#### i) Summary of profit and loss account for RSA Adelphi Enterprises Limited

	2015 £'000	2014 £'000
Turnover	2,232	2,284
Cost of sales	(1,456)	(1,640)
Gross profit	776	644
Other expenses	(614)	(542)
<b>Net profit</b>	<b>162</b>	<b>102</b>
Bank interest	0	0
Profit for the year transferred by Gift Aid to RSA	(162)	(102)
Profit	<b>0</b>	<b>-</b>

#### ii) Summary of balance sheet for RSA Adelphi Enterprises Ltd

	2015 £'000	2014 £'000
<u>Current Assets:</u>		
Stocks	12	13
Debtors	357	277
Cash	67	219
Owed by Group	48	-
	<b>484</b>	<b>509</b>
<u>Creditors:</u>		
Creditors	10	149
Advance deposit receipts	144	192
Others	38	-
Owed to parent	292	168
	<b>484</b>	<b>509</b>
<b>Net assets/Share capital</b>	<b>0</b>	<b>0</b>

\* Share capital of £100, not in the summary balance sheet above as it is rounded to £0k.

## Notes to the Financial Statements 31 March 2015 continued

### b) RSA Shipley Enterprises Limited

The company principally operates a consultancy business within the RSA House. It also undertakes any other activity regarded as 'trading'. It is a wholly owned subsidiary and is incorporated in England and Wales. Two members of the RSA Trustee Board sit on the board of directors but are not remunerated for this service.

The taxable profits are donated to the RSA each year by gift aid. The RSA's investment in the share capital is £1, represented by 1 share of £1. The share is not disclosed in the balance sheet summary below because they round down to £0k.

#### i) Summary of profit and loss account for RSA Shipley Enterprises Limited

	2015 £'000	2014 £'000
Turnover	848	127
Cost of sales	(585)	(81)
Gross profit	263	46
Other expenses	(63)	(33)
<b>Net profit</b>	<b>200</b>	<b>13</b>
Profit for the year transferred by Gift Aid to RSA	(200)	(13)
Profit	-	-

#### ii) Summary of balance sheet for RSA Shipley Enterprises Ltd

	2015 £'000	2014 £'000
<u>Current Assets:</u>		
Stocks	-	-
Debtors	274	121
Cash	-	-
	<b>274</b>	<b>121</b>
<u>Creditors:</u>		
Creditors	23	38
Advance deposit receipts	27	14
Owed to parent	224	69
	<b>274</b>	<b>121</b>
<b>Net assets/Share capital</b>	<b>0</b>	<b>0</b>

#### c) Reconciliation of subsidiary results to group reporting

	2015 £'000	2014 £'000
<u>Group Reporting:</u>		
Incoming Resources from Activities for generating funds	2,981	2,223
Cost of activities for generating funds - direct costs	(2,039)	(1,539)
Contribution to RSA overheads	942	684
Cost of activities for generating funds - Support costs (as per note 3)	(1,294)	(902)
As reported in RSA Financial Statements	(352)	(218)
Add back support costs apportioned to activity for group reporting purposes	1,294	902
Add back direct costs incurred by parent allocated to activity for group reporting	(71)	(35)
Add back intercompany charges eliminated upon group reporting consolidation	(509)	(534)

#### RSA Adelphi/Shipley Enterprises reported profit

	2015 £'000	2014 £'000
<b>16. Parent charity result</b>		
Incoming resources	8,046	7,508
Resources expended	(8,590)	(7,500)
Gift Aid income	362	115
Net incoming resources before other recognised gains	(182)	123
Other recognised gains	810	1,221
<b>Net movement of funds</b>	<b>628</b>	<b>1,343</b>