

# IMPACT

2022-23



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until 8 September 2022

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The Princess Royal

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### 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

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**We are the RSA**, the Royal Society for Arts, Manufactures and Commerce. We are committed to regenerating our world through collective action. Our mission is to enable people, places, and the planet to flourish in harmony.

**O**ur vision is for a world where everyone can fulfil their potential and contribute to more resilient, rebalanced, and regenerative futures. We believe everyone has the potential and creativity to effect change.

We work with people throughout their lives, and across society, to achieve regenerative impact: from children and young people to entrepreneurs, businesses, and communities.

Our approach to change involves many different disciplines and perspectives.

**We are the RSA. Where world-leading ideas are turned into world-changing actions.**

Our work focuses on three areas. These are:

**1 Building capabilities**

Change starts with supporting people to learn and lead. At the heart of Design for Life is the commitment to building the skills, connections, and confidence people need to fulfil their potential.

**2 Growing hubs**

People effect change by coming together. Design for Life grows the connections that organisations, communities, industries, and regions need in order to flourish.

**3 Developing infrastructure**

We are aiming for systemic, long-term change. Design for Life develops and influences the conditions needed to enable people, communities, and organisations to regenerate our world.

## Our values

**Open** Always inclusive, transparent and honest, we welcome new thinking and different perspectives

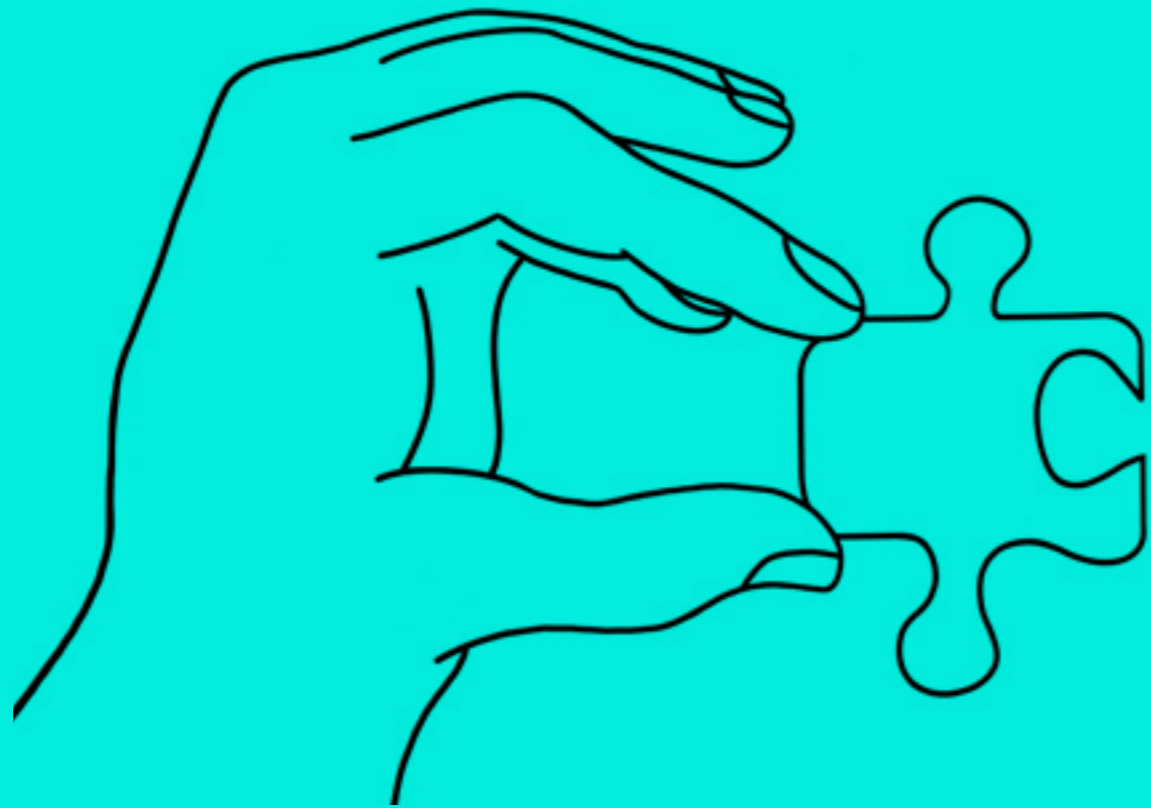
**Optimistic** We are confident that together, we can regenerate our world through collective action

**Courageous** We champion curiosity, creativity and bravery to inspire better ways of thinking and doing

**Rigorous** Rooted in evidence-led thinking, we act with integrity and purpose

**Enabling** Through generosity, respect and collaboration, we help others succeed





The **Design for Life** mission requires a refreshed organisational

# STRATEGY

to detail how we plan to translate ambition into impact.

## The RSA's new strategy has been designed around two key principles.

**1** Our mission will only be realised as ONE RSA, comprising staff, Fellows, and partners, working collaboratively and with common purpose.

**2** It must articulate as clearly as possible what success looks like and how we plan to measure it.

Speaking to the first principle, our strategy organises the RSA into three 'instruments for change' that encompass the entirety of our organisation:

- **Design for Life interventions:** a programme of collective action uniting people and ideas to regenerate our world.
- **Our Fellowship:** a unique global network of changemakers enabling people, places, and the planet to flourish in harmony.
- **RSA assets:** our people, platforms, heritage, and RSA House, all of which can be deployed in pursuit of regenerative futures.

The second design principle demands the RSA identifies metrics to quantify its objectives and measure progress against them. We have termed these metrics 'key value indicators' (KVIs). These stand apart from key performance indicators, as they solely focus on measuring the social value created by the organisation's activities.

Each instrument for change has a set of KVIs associated with it.

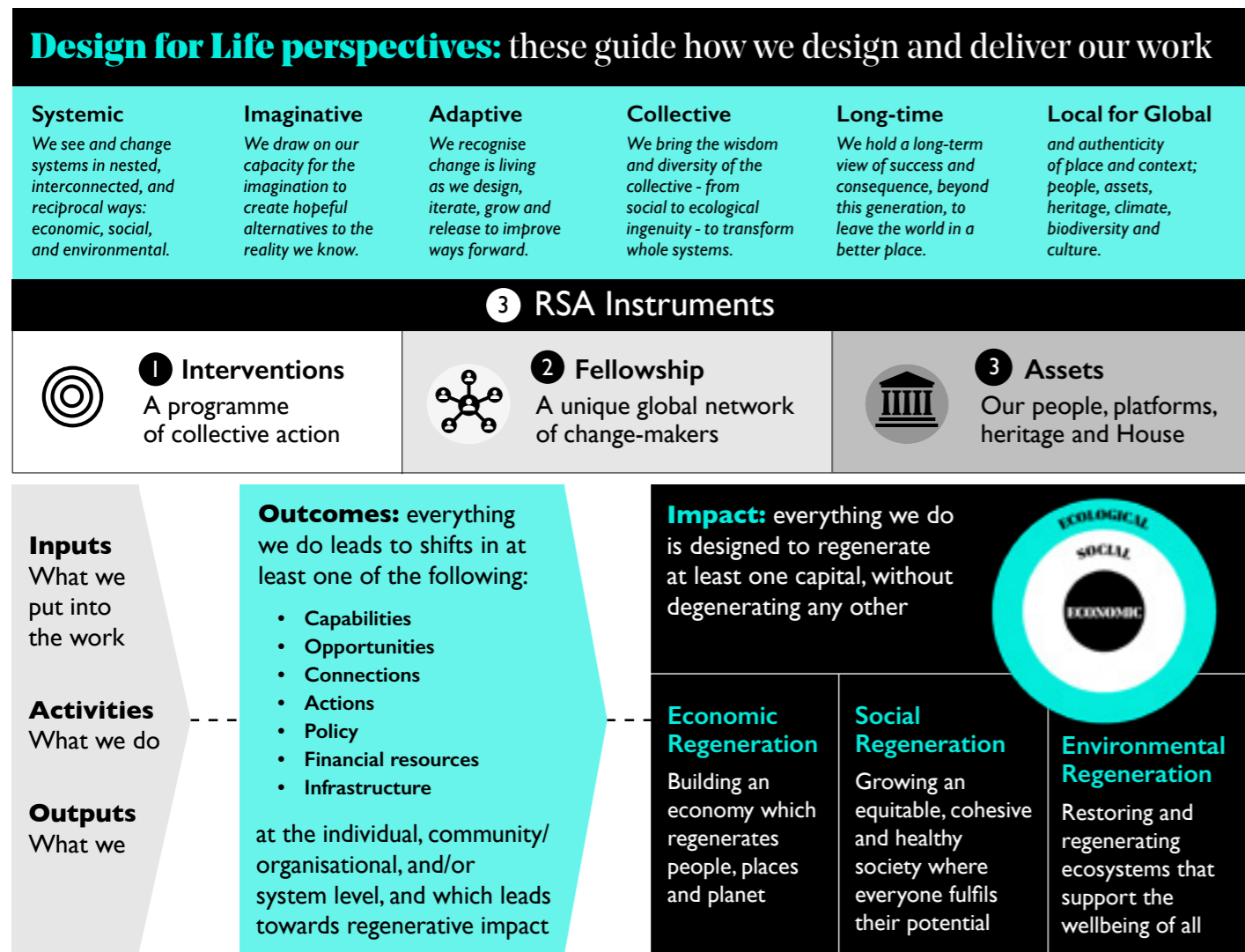
# Our strategy

The social value delivered through all of our work will be measured using the RSA's outcomes framework (see below). We are focusing on outcomes, as they are easier to attribute directly to the RSA's activities, as opposed to 'impacts', which are the longer-term regeneration of capital across the economic, social, and environmental systems that sit at the heart of the RSA's DfL mission.

This framework serves to encourage consistency in how intended outcomes are described and evaluated across the RSA's interventions. This consistency will support us in aggregating these outcomes into a small set of KVIs at the organisational level.

Long term, our outcomes lead us to achieving regenerative impact, which we define as 'tangible progress towards improving the health of our interwoven social, natural, and economic systems and their ability to restore and replenish one another. This moves us forward from a passive "do no harm" principle of sustainability, to an active "do more good" principle of regeneration.'

Design for Life: a framework for outcomes and impacts



The Fellowship sits at the heart of the RSA's social change mission. It is essential that we are explicit about how the organisation proposes to harness its potential – and measure our success in doing so. Consultation with staff and the Fellowship suggests there are two distinct roles the RSA can play in supporting Fellows to deliver social impact, and these form the basis of our organisational KVIs.



KVI name	Description of intended impact	KVI
Fellowship engagement in DfL mission	Fellows can connect with staff and the wider fellowship to engage and participate in DfL interventions and content.	Proportion of Fellows who feel engaged with the RSA's DfL mission and have suitable opportunities to get involved.
RSA as a platform for social change	Fellows participate in Fellowship networks, draw on readily available RSA resources, and feel a sense of belonging that supports them to pursue the overall DfL vision of a more regenerative world in their personal lives, local community, organisation, and the wider system.	Proportion of Fellows that value the RSA as a community, deriving the connections and ideas to support their social-change aspirations.



Our strategy

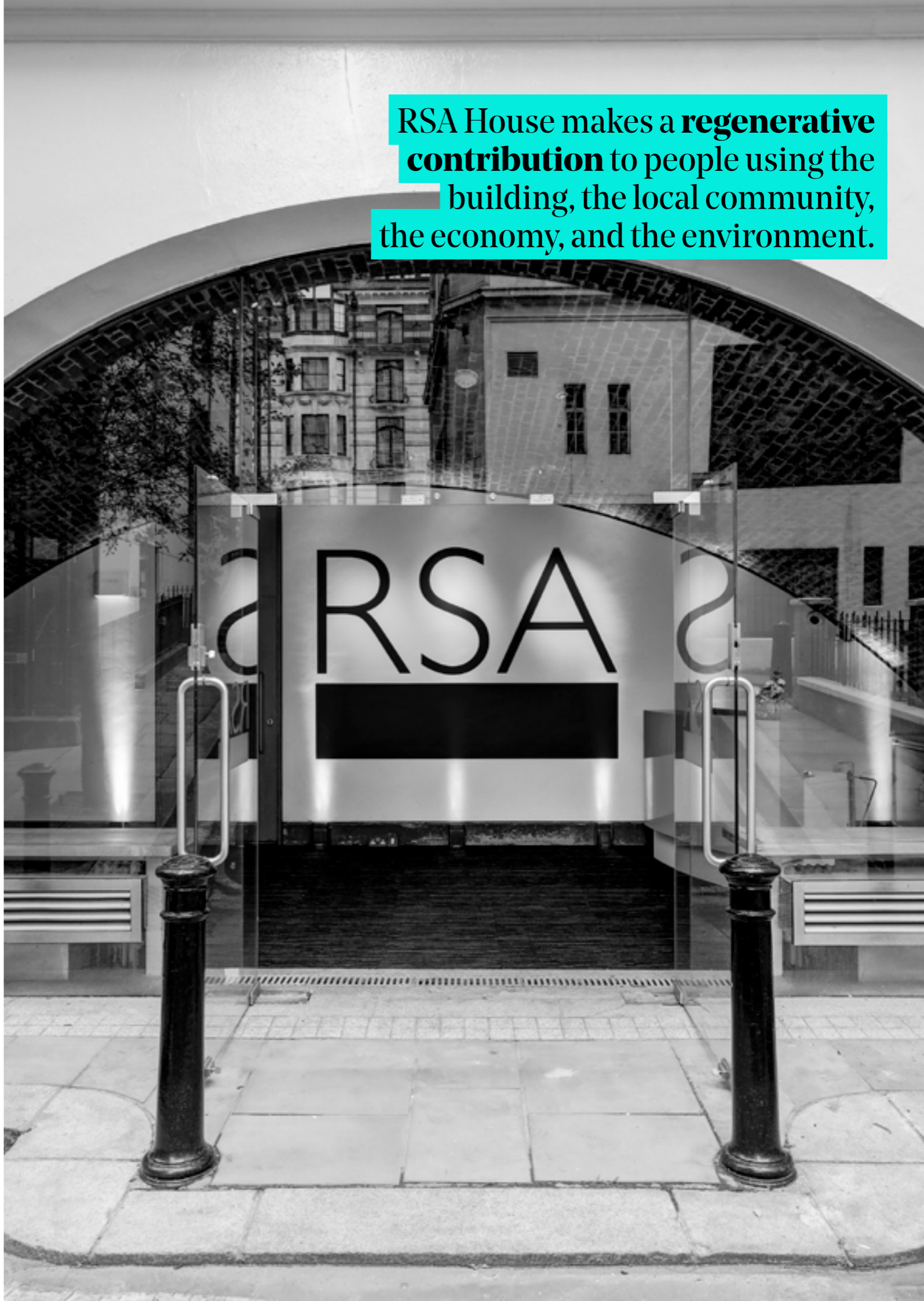
Turning to assets, our consultations have identified four key components through which to achieve social impact, each of which has an associated KVI. These align with Actions, Opportunities, Connections from our outcomes framework.

KVI name	Description of intended impact	KVI
RSA House	RSA House, as the RSA's physical 'home', makes a regenerative contribution to people using the building, the local community, the economy, and the environment.	Proportion of those using the building who make a social, economic, or environmental impact as a result of using our House. Demonstration of regenerative impact on the local community, economy and environment.
RSA Hospitality	Our catering and hospitality partners take a regenerative approach to and reflect our shared values in all their work.	Delivery of the hospitality partner's ESG plan.
RSA Platforms	Our public events and the <i>RSA Journal</i> convene a diverse audience and impart regenerative ideas and tools for participants to effect regenerative change individually, in their community, organisation, and wider systems.	Proportion of people that, having read the <i>RSA Journal</i> or attended an RSA event, would do something different as a result.
Our People	Our people – staff, Fellows, associates, volunteers, and partners – reflect our regenerative mission, values, and commitments to diversity and inclusion in all their work with the RSA.	Proportion of people understanding their role within, feeling connected to, included within, and belonging to the RSA's mission through their work with the organisation.

In most cases data to support these KVIs does not yet exist, which poses some short-term challenges, the most pressing of which is that it will not be possible to set ourselves targets until early 2024, as there is no historical data to guide us on what is a sensible number. However, over the coming year the plan is to set five-year targets for all KVIs. Given many metrics are new, we will have to monitor how effective they are as KVIs in capturing the value we are seeking to create. This means, in time, we will need to remain open to revisiting and iterating on the KVIs and the overarching outcomes framework.



RSA House makes a **regenerative contribution** to people using the building, the local community, the economy, and the environment.







WorkNest commented:

“The analysis of the diversity information indicates that the RSA is an **exemplar employer** for both **diversity** and **pay equality**.”

# OUR PEOPLE

An external diversity audit carried out by WorkNest in October 2022 demonstrated that:

**63%**

(65 % FY2021–22) of our team are female.

**26%**

(24 % FY2021–22) of our people are from minority ethnic backgrounds, which reflects the ONS statistics of the working population in London.

**9%**

(8 % FY2021–22) of our team are from the LGBTQ+ community.

**4%**

(7 % FY2021–22) of our people describe themselves as having a disability.

The RSA (mean) gender pay is

**-2.6%**

This indicates that, overall, women employees receive slightly higher pay than men.

The total headcount as at 31 March 2023 was **111 staff** (104 FTE), of which 11 were part-time and **27 worked flexibly**.



# DESIGN FOR LIFE



# 1

## Launching a new mission

In early 2022, the RSA took pause to reflect on the challenges the world is facing, and the vital role we should play at this time: one that makes the most of our strengths and heritage in shaping a better world. Amidst an era of interconnected and interdependent polycrisis that has rendered our world fragile, unbalanced, and degenerative, it's critical that our work aims to increase the vitality of our economic, social, and environmental systems in mutual reciprocity. This diagnosis led to the shaping and launching of the RSA's new Design for Life strategy, with a vision for a world where everyone can fulfil their potential to contribute to more resilient, rebalanced, and regenerative futures. With this bold vision, we set out on a single, unified mission to enable people, places, and the planet to flourish in harmony.

# 2

## Co-designing for pathways

Through our Design for Life programme, this past year has been exploratory and experimental. We believe that everyone – throughout their lives and across society – has the potential to regenerate our world. We mobilised seven working groups to focus on the following areas: early years, pupils, students, entrepreneurs, businesses, places, and systems. Each working group included a multidisciplinary team across design and innovation, research and learning, delivery and partnerships, as well as a Fellowship Councillor, wider stakeholders, funders, and Fellows. Each group engaged in a co-design process over the summer, developing a set of interventions with the highest potential for impact. Overall, we engaged with over 1,500 Fellows, partners, and participants to shape and deliver the interventions that followed, and we're incredibly grateful to our diverse global community for all their contributions.



## Developing interventions

By autumn, we had a set of 12 interventions across pathways that were ambitious but feasible, desirable, and viable to progress further. These interventions were similar to an innovation pipeline of impact start-ups. Broadly, the interventions centred around three areas that spoke to their common mechanisms of change:

- Building capabilities.**  
 At the heart of our Design for Life mission is the commitment to understanding and unlocking the confidence, capabilities, and connections of children, learners, and entrepreneurs of all ages. We want to help them reach their full potential in how they shape a regenerative world. This is what Playful Green Planet and our awards interventions – the Design for Life Awards – focus on.
- Growing hubs.**  
 People can best effect change by coming together as collectives and movements. Design for Life supports the growth of societal hubs, whether in places or across regions, in businesses, or across industries. The interventions that capitalise on this collective and networked capacity include the UK Urban Futures Commission, Cities of Learning, Creative Clusters, and the Business Capabilities Enquiry.
- Developing infrastructure.**  
 At a system-wide level, Design for Life aims to develop and influence the supporting conditions – our social infrastructure – that people, communities, and organisations need to drive regenerative change in the long term. This area included interventions such as Knowledge Commons, Social Connections, Digital Badging, and the Outcomes Framework.

A brief outline of some of these interventions

Area of focus	Pathway	Intervention	Mission
Building capabilities	Early years	Playful Green Planet	Co-creating nature-based learning spaces and activities for 3–11-year-olds in urban areas, using creativity to build strong connections with nature and community.
	Pupils, students, entrepreneurs	Design for Life Awards	Offering collaborative and inclusive learning experiences for children, learners, and entrepreneurs, helping them grow the capabilities and ideas needed for a regenerative world.
Growing hubs	Companies	Business Capabilities Enquiry	Exploring and cultivating the capabilities required to ensure business aims and practices contribute towards a regenerative economy.
	Places	UK Urban Futures	Unlocking the potential of UK cities, to drive economic, social, and environmental improvements for people and for the country.
		Cities of Learning	Connecting and catalysing place-based lifelong learning to unlock opportunities for a regenerative economy.
	Creative Clusters	Nurturing clusters of creative excellence through evidence-gathering and action to grow the impact of the creative industries, and creativity in industry.	
Developing infrastructure	Systems	Knowledge Commons	Sharing the best regenerative ideas, research, and practice through open-source platforms, and engaging communities of changemakers to contribute, remix, and share knowledge for the common good.
		Social Connections	Strengthening diverse social connections in different learning, community, and work settings to enhance social mobility.
		Digital Badging	Championing digital badging as a recognised learning hallmark for informal learners of all walks of life, especially for the skills needed for a regenerative economy.
		Outcomes Framework	Developing an alternative approach to valuing and evaluating impact at the RSA that lives up to our regenerative ambitions.





## Committing to impact

By March 2023, Design for Life interventions were at different stages of development, with some in active delivery, others ready for piloting, and a few still being designed. Below are snapshots of impact to date from just three of these interventions:

### Building Capabilities > Design for Life Awards

Design for Life Awards will launch in 2024, with the 100th anniversary of the Student Design Awards, integrating all our existing awards and transforming them so that they are even more inclusive and meaningful learning experiences through collaborative innovation – think the Duke of Edinburgh's Awards for social impact!

This past year, we made the most of our current awards to experiment with some of these ambitions. For example, we aligned all innovation briefs on Pupil Design Awards, Student Design Awards, and Catalyst to focus on regenerative missions.

With the Student Design Awards, we focused this year on diversifying access and enhancing learning experiences. The launch of the awards cycle saw briefing sessions for educators and learners, engaging 294 live attendees from a range of disciplines including architecture, service design, game design, material futures, biochemistry, social innovation, and more. We delivered nine bespoke visits across universities and further education colleges, engaging with over 430 students. We then developed our learning offer, looking to support educators and students while aligning

with the RSA's overarching mission and nurturing the capabilities needed for a regenerative future. We expanded our learning workshop series to eight sessions, inspired by our Design for Life perspectives, including workshops focused on future thinking, regenerative practice, and storytelling for impact for the first time.

This series was also the initial test in offering certain workshops to Pupil Design Awards' teachers, further supporting alignment across the awards and developing their skills to better support pupils. Ninety per cent of participants said our workshops supported them to improve/gain new skills, and 88 per cent told us they improved their subject area understanding. The awards received a total of 534 entries, with a nationality split of 57 per cent UK and Ireland, and 43 per cent international. We received submissions from 22 different countries, 116 institutions, and 115 courses across higher and further education.

Similarly, on Catalyst, we designed and offered a learning journey for the first time ever in summer 2023, to grow the regenerative entrepreneurship capabilities in the cohort.

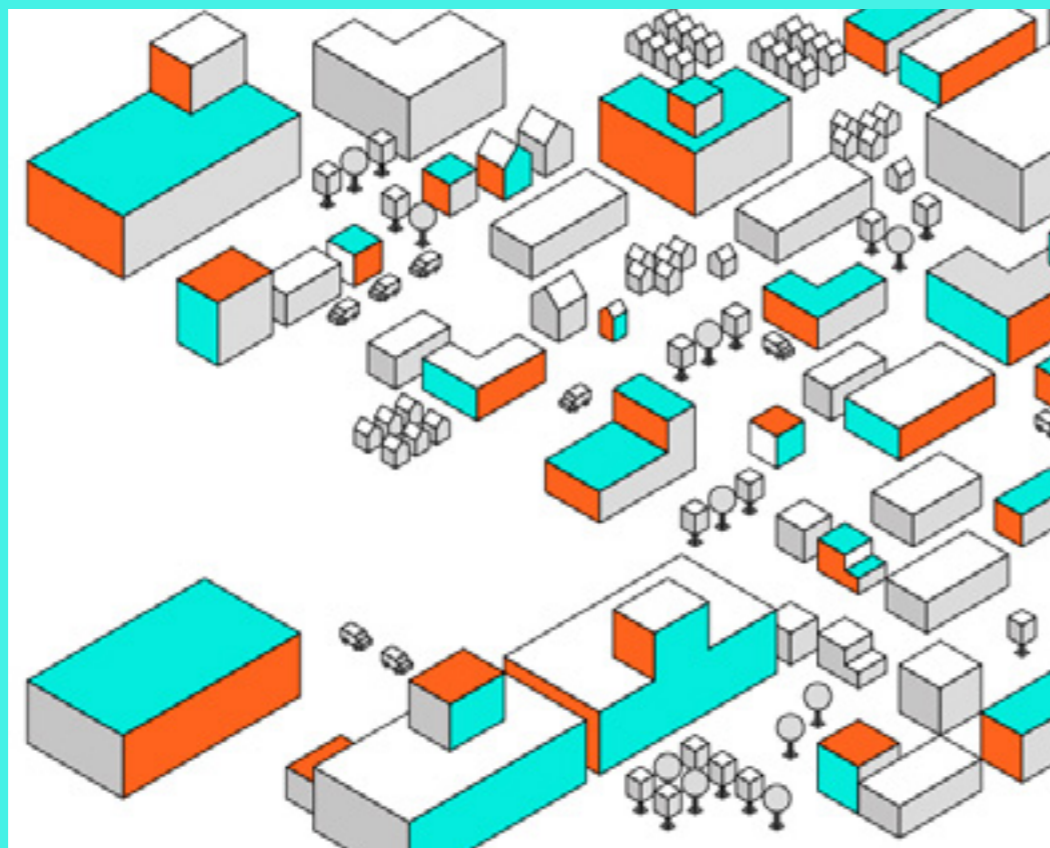


**534**  
entries with  
57 per cent from  
UK and Ireland  
and 43 per cent  
international



**“I’m excited to take my winning project further and be part of an RSA community.”**

Rhiannon Beddoe, SDA Winner



“If you have a **digital badge** for proof that you've done something, it will stand out to employers and make them **believe in you.**”

Jake, awarded a Cities of Learning digital badge

### Growing Hubs > Cities of Learning > Growing Impact

In 2022–23 the RSA's Cities of Learning leadership programme worked with teams in Bradford, Belfast, Tees Valley and Cambridgeshire, and Peterborough while continuing to work with our pilot places, Brighton and Hove, and Plymouth. More than 25,000 RSA standard badges have been issued across these cities and regions to date, to validate learning experiences of learners of all ages in pathways as diverse as interview skills, digital marketing, stop-motion animation, and construction.

More than 600 organisations issue RSA standard badges. Excitingly, we are beginning to see FE Colleges within the City of Learning network using badges to recognise the additionalities that their courses offer that are not recognised in formal qualifications, such as digital skills and communication skills, as well as using badges to recognise skills that respond to local employer needs, such as Weston College's Workplace Skills and Behaviours.

City of Learning leads within the network meet monthly to share good practice and knowledge. Our ambition in the next year and beyond is to build on the Cities of Learning offer from a one-year support programme operating at delivery level to a multi-year strategic partnership, where the RSA can support a region at a mayoral level to build their strategy and infrastructure to transform lifelong learning and develop the capabilities needed for the transition to a regenerative future.

“After a year of adapting the Cities of Learning model in our region, we've realised that **digital badges are not only invaluable for learners to recognise their hidden skills, but also tools to help build relationships** between employers, learning providers, young people, and place leaders.”

Heather Walker, Creative Place Development Officer, Tees Valley Combined Authority; Region Lead, Tees Valley Region of Learning

## Developing Infrastructure > Knowledge Commons

The RSA was founded 269 years ago. Based on open principles for the common good, early activities involved purchasing patents only to release them to the public to better stimulate innovation in industry. Over the last year, we explored what this might look like in the 21st century for all forms of knowledge and assets: The Coffee House, the events programme, the library, the archive, the Fellowship, and our research and innovation work. Following a discovery process with thought leaders, practitioners, colleagues, and Fellows, we are in the process of developing an RSA Knowledge Commons standard to ensure that the way we create, curate, and manage knowledge shifts over time to become open, commonly shared, and owned.

The RSA Knowledge Commons standards we aspire to meet are:

1. **Usable:** Easy and intuitive for anyone to find and use.
2. **Accessible:** Accessible to everyone regardless of ability.
3. **Open:** Open to everyone to use and share with attribution.
4. **Reciprocal:** Encourages everyone to create, contribute, and improve.
5. **Mission-orientated:** Curated, updated, adapted, and stored to regenerate people, places, and the planet.



“I really believe in the **value of this attempt, and I would really like to see more organisations participate in something like this. [...]** I have huge resistance to the fact that a lot of knowledge [on regenerative missions] is trademarked... **In my experience that inhibits people going out and using the knowledge.**”

Jenny Andersson, Knowledge Commons Advisory Group, RSA Fellow, Co-founder of The Really Regenerative Centre



# 5

## Looking ahead

In the spring of 2023, we launched our commitment to working in the open with Fellows and partners, sharing progress along the way to tap into the collective intelligence of our brilliant community and to improve accountability and transparency. We will share work and invite input in the form of blogs, on Circle – our global online space for Fellows to chat, connect, and collaborate – and through our monthly Design for Life hybrid Coffee House events.

We also set out an ambitious framework for the Design for Life programme of work, with outcome aspirations at the individual level (building agency, capabilities, and opportunities), community/organisational level (growing connections, ideas, and action), and systems level (developing and influencing policy, financing, and infrastructure).

At the impact level, we are committed to regenerating all of the following capitals:

- **Economic regeneration.**  
Building an economy that mutually regenerates people, places, and the planet.
- **Social regeneration.**  
Growing an equitable cohesive and healthy society where everyone fulfils their potential.
- **Environmental regeneration.**  
Restoring and regenerating ecosystems that support the well-being of all.

As we continue to accelerate the development and delivery of Design for Life interventions over the coming year, setting impact ambitions and evaluating these will be critical. Each intervention will be developing five-year impact and evaluation plans with specific, relevant, and measurable key value and performance indicators, in line with the outcome and impact aspirations set out above. This will enable us to regularly monitor and reflect on what each intervention is achieving, to learn and iterate in an open and agile way, and to maximise the potential of each intervention, or desist and release and reinvest resources differently where needed.





## Public events and ideas platform

In 2022–23, RSA public events attracted **15,000** in-person and online attendees, and featured more than **150** speakers, whose world-leading ideas have the potential for truly world-changing impact.



We welcomed leading and emerging public thinkers, innovators, and changemakers who brought a diverse range of perspectives to illuminate our interconnected social, economic, and environmental challenges – meeting the age of permacrisis with imagination, ingenuity, and practical optimism.

Across hybrid and fully digital events, speakers joined us from across the UK and from around the world, including from the US, Kenya, Bangladesh, India, Thailand, and Australia.

RSA events content now reaches more than 770,000 YouTube subscribers, informing and inspiring growing global audiences, with fresh and hopeful thinking to shape positive futures for people, places, and the planet.

In 2022–23, RSA events and animations achieved 4.5m online views. Viewer demographics split 51 per cent female to 49 per cent male, and 46 per cent of our views come from 18–34-year-olds. Our videos are viewed in more than 100 countries worldwide and are most popular in the US, UK, Canada, Australia, India, Germany, the Netherlands, Brazil, the Philippines, and France.

Our ambition for the programme is to continue to reach new audiences via increasingly innovative, globally inclusive hybrid events and to equip viewers with the knowledge and capabilities to effect regenerative change in organisations and communities worldwide.

**150**  
public events  
speakers

Highlight events over 2022–23 included biomimicry pioneer and Bicentenary Medallist Janine Benyus showing how we bring nature's genius to the design table; Andrew Mawson and Sam Everington accepting the Albert Medal for their leadership in the field of social prescribing; as well as powerful keynote addresses and conversations, featuring epidemiologist Michael Marmot, engineer Jo da Silva, astronomer Royal Martin Rees, nature writer Robert Macfarlane, Nobel Peace laureate Oleksandra Matviichuk, Barbadian Prime Minister and Just Transition champion Mia Amor Mottley, and former Archbishop of Canterbury Rowan Williams.

Emerging new expert voices, from journalist Vicky Spratt to teacher Jeffrey Boakye and campaigner Jeremiah Emmanuel, shared their experiences of investigating and confronting systemic social issues from housing inequality to educational inclusion, and building new movements for youth agency and empowerment.

New RSA research insights and analysis informed panels on global good work, the links between social capital and economic mobility, and leading-edge practice in regenerative learning. And new events formats were introduced and warmly received by the Fellowship, from the new 'An Evening with...' series, providing an evening of entertainment with thought-provoking guest speakers, including poet



**15,000**  
in-person and  
online public  
events attendees

Inua Ellams, historian David Olusoga, musician Gary Kemp, and restaurateur and television presenter Prue Leith, to a vibrant and uplifting inaugural Fellows Festival, which drew more than 300 visitors to RSA House and featured an exciting mix of changemaker workshops, pop-up talks, panels, and performance. Festival speakers joined us on stage and via video link from around the world, and included cabinet ministers and young climate campaigners, from education secretary Nadhim Zahawi to Shadow Secretary of State for Climate Change and Net Zero Ed Miliband, from FT editor-at-large Gillian Tett to youth activist Daze Aghaji to the Mayor of Waterloo, Iowa, Quentin Hart, with discussion topics for the day covering 'good work and good business', 'unlocking the power of place', and 'creating learners for life'.

**770,000**  
YouTube subscribers

**100**  
countries view  
RSA online content

**4.5m**  
RSA events and  
animations  
online views



## Fellows, Catalyst, and affiliates

### Our Fellows

In the past year, our Fellowship has reached new heights. Through successful initiatives such as 'Fellow get Fellow' campaigns, process improvements, and enhanced cross-marketing, we surpassed our target, ending the financial year with a historic high of 31,184 Fellows.

Despite this strong result, Fellowship retention remains a challenge, with our net promoter score returning to pre-pandemic levels, and our retention rate falling short of the 91.4 per cent target. Economic conditions and the desire for more engagement opportunities contribute to this. The annual Fellowship Survey also highlighted a strong appetite for engagement opportunities, particularly in more geographically dispersed areas.

Connecting interesting individuals across industries and professions is a significant part of our work. Emerging from the pandemic, our Fellowship engagement team collaborated to organise 256 local engagement events, engaging over 4,000 Fellows across the UK and the world. Highlights include the inaugural Fellows Festival and the Angus Millar Lecture.

The results of this year's annual Fellowship survey also underscore our Fellows' interest in high-quality content from the RSA. An impressive 89 per cent of Fellows read the Fellowship newsletter, while 84 per cent engage with the *RSA Journal* and 56 per cent access blog articles and reports on our website.

Looking ahead, we are committed to providing an enhanced virtual 'Coffee



**“Wonderful to see and speak to people on a global level. The RSA has such a varied group of Fellows... I find it incredibly inspiring to see so many interesting people with diverse experience and skills coming together.”**

RSA Fellow

House' experience, leveraging the power of Circle, our new online community platform launched in 2022–23. Furthermore, we will support Fellows in leading localised meetups and will foster partnerships with local and national organisations. We will also support micro-communities, bringing Fellows together around subjects such as coaching, sustainability, AI, financial services, and youth and women's networks.

As we reflect on our origins, we remain committed to our core purpose. The RSA provides a platform for individuals to learn, connect, and leverage expertise to create a flourishing society where people, places, and the planet can thrive in harmony. With a growing Fellowship, increased engagement opportunities, and the power of Circle, we are poised to make an even greater impact ahead.

**“Circle is quickly becoming a thriving and dynamic online community with the potential to drive positive social outcomes and improvements aligned with the RSA's mission... The RSA now has a powerful tool to help evaluate and optimise its impact.”**

Ann Longley, Steering Group member and former Fellowship Councillor

Catalyst

In 2022–23, Catalyst continued to operate as a vital pillar of support for our Fellowship community, attracting 199 grant applications with an average success rate of 9 per cent. Out of these, nine seed grants were awarded to pilot creative innovations, while eight scaling grants were allocated to expand the social impact of established interventions. As part of the RSA's Design for Life strategy, in 2023–24, applicants will have the additional option to apply under the regenerative funding stream, designed specifically to support applicants who are working with practices and approaches that are regenerative.



In 2022–23 we awarded **£100k** in funding across 19 Catalyst projects

In 2023 we opened a new Regenerative Enterprise funding stream for ideas and social impact enterprises that seek to regenerate people, place, and planet. The two winners were:

- Trees4Croydon
- “Indigeneity and Biomimicry in Animation” Internship

5 of the 19 funded Catalyst projects operate internationally in:

- South Africa
- Kenya
- Rwanda
- India x2

RSA | US

Through our work encouraging creative, human-centred solutions, we have become a direct facilitator of societal change: conducting innovative research, sparking networks for collective impact, and supporting Fellows in their desire for purpose and impact.

Our Fellowship stands at 1,100 Fellows. Through our regional ambassador network, we are supporting Fellowship hubs in key US cities.

The RSA US has hosted and supported 14 Fellowship-driven salons and special events over the last year. We have covered topics that range from regenerative place-making and creative leadership to gender equity and the future of democracy.

We have also been a core founding partner of the Benefits Access & Equity Initiative, which launched in the autumn of 2022 and has built a cross-sector network committed to supporting public innovators and those with lived experience in building out better access to benefits in California.

Find out more at: [www.thersa.org/united-states](http://www.thersa.org/united-states)

RSA | Oceania

Throughout 2022–23, RSA Oceania has been actively supporting wider engagement around the RSA's Design for Life mission, working with thought leaders and partners to develop content and projects that inspire collective action towards a regenerative, rebalanced, and resilient future.

The Oceania Fellowship network has grown by 11 per cent in the last 12 months and now consists of over 500 Fellows spread across Australia, New Zealand, and the Pacific. We lead an active events programme, supported by our Fellowship Councillors, hosting monthly events on topics including regenerative leadership, the local economy movement, intergenerational justice, and indigenous knowledge systems.

In September 2022, we launched ReGeneration Rising, a podcast exploring how regenerative approaches can help us collectively re-design our communities, cities, and economies, and create a thriving home for all on our planet. The podcast, which has been downloaded more than 35,000 times, is co-hosted by 2021 RSA Bicentenary Medallist Dr Daniel Christian Wahl and features leading voices in the regenerative space, including Kate Raworth, John Elkington, Pamela Mang, and Anne Poelina.

Our companion webinar series, which dives deeper into the themes explored in the podcast, has attracted a growing audience, with 2,500 sign-ups and downloads across the first four events. Season 2 of the podcast is forthcoming in 2023.

Find out more at: [www.thersa.org/oceania/regeneration-rising-podcast](http://www.thersa.org/oceania/regeneration-rising-podcast)



2021 RSA Bicentenary Medal winner Dr Daniel Christian Wahl



# A VERY SPECIAL THANK YOU

## TO RSA FUNDERS AND OUR PARTNERS 2022–23

**Our partners are a vital part of the RSA's community of changemakers.** Their strategic and financial support is crucial to the RSA's ability to create positive social change.

### Corporate supporters

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### Trusts, foundations and grant-makers

Comino Foundation  
Garfield Weston Foundation  
Marketing Trust  
National Lottery Community Fund  
Oak Foundation  
Pears Foundation  
The Health Foundation  
Ufi VocTech Trust

### Statutory and other organisations

Cambridge City Council  
Coventry University  
Energy Systems Catapult  
Festival 2022 Ltd  
Healthy Aging through Innovation in Europe (East Sussex County Council)  
Institute and Faculty of Actuaries  
Manchester Metropolitan University  
Nest Corporation  
NHS Lothian  
Network Rail  
Royal Botanic Gardens, Kew  
RSA Academies  
Royal Mail

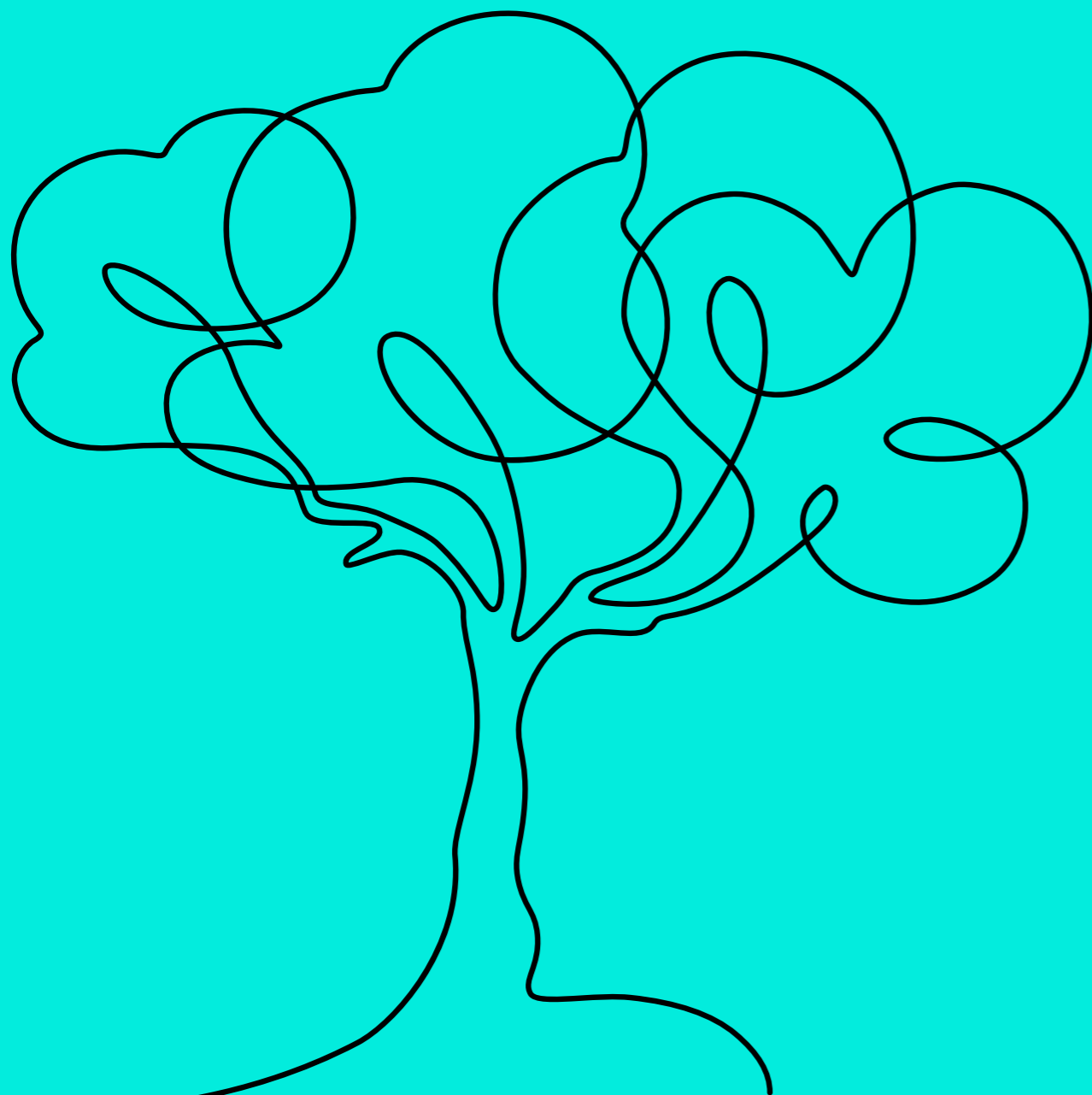
Scottish Government  
Southampton City Council  
The Chartered Institute of Marketing  
The Diocese of Salisbury  
The Innovation in Politics Institute  
The Institute of Chartered Accountants in England and Wales  
Tower Hamlets Partnership  
UK Research and Innovation  
Lancaster University

### Donations and major gifts

Thanks to all our donors for their invaluable support.

Special thanks to our anonymous Life Fellow and major donor who has made numerous key contributions to the work of the RSA.

# OUR COMMITMENT TO SUSTAINABILITY



Working with our people, we strive towards being **regenerative in all our operations**. Our energy usage and carbon emissions are tracked below to enable us to monitor our performance.

Utilities—units	Electricity—kWh	Gas—kWh	Water—ltrs	Total energy		Water—ltrs
	2022–23	2022–23	2022–23	2022–23	2021–22	2021–22
Energy	579,261	631,247	n/a	1,210,508	979,033	n/a
Water	n/a	n/a	2,116,000	2,116,000	935,000	n/a
% Recycled energy	100	n/a	n/a	100	100	n/a
Energy in tonnes CO <sup>2</sup>	304	120	n/a	424	327	n/a
% Inc/(dec) on 2021–22	38	13	126	30	n/a	n/a

Travel—units	Car mileage (miles)	Trains (miles)	Flights (miles)	Total air, road and train travel carbon emissions (tonnes CO <sup>2</sup> )	
	2022–23	2022–23	2022–23	2022–23	2021–22
Miles	14,720	76,989	34,450	0	30,237
Tonnes	4	6	15	24	10
% Inc/(dec) on 2021–22	168	234	1,933	140	n/a

Waste	Waste recycled (kgs) over 8 months	White paper usage (boxes)		Glass recycling (kgs) over 8 months	
		2022–23	2021–22	2022–23	2021–22
Volume	2,390	41	15	790	750
% Recycled	77	100	100	100	100
% Inc/(dec) on 2021–22	n/a	173	n/a	n/a	n/a

Building	Total m <sup>2</sup> of building	Per m <sup>2</sup> (tonnes CO <sup>2</sup> per m <sup>2</sup> )	Total building carbon emissions (tonnes CO <sup>2</sup> )	
	2022–23	2022–23	2021–22	2020–21
Building carbon emissions	4,598	0.098	448	427
% Inc/(dec) on 2021–22	0	0	5	n/a





Sir Quentin Blake's *Celebrating the RSA's Tree Planting*, which was commissioned upon the refurbishment of the RSA's Coffee House in 2018. The drawing commemorates the Society's campaign in the late eighteenth and early nineteenth centuries to encourage landowners to plant trees, for which many received medals.



### Energy consumption, travel and recycling

Post pandemic, there has been an understandable substantial increase in energy use and travel. This reflects a full recovery in our hospitality and events business, hybrid working replacing full-time home-working and furlough, and a return to working in the field directly with partners.

All waste is reused or recycled where possible, including paper, electrical, and food waste. Furniture is sent to furniture reuse schemes where applicable.

An action plan has been implemented to replace the out-of-date electricity infrastructure as part of a wider effort to reduce energy consumption. The plan involves a transition to full LED lighting and a review of sensor controls.

### The sustainability strategy for Company of Cooks, our catering partner

Company of Cooks has enhanced its sustainability commitments over the past year, including recommitting to becoming net zero by 2040. Our catering partner has achieved a bronze EcoVadis rating and received an award from Planet Mark for their sustainability report. Company of Cooks is accredited with three stars for sustainable hospitality from the Food Made Good Award, and in 2021 gave back £1.4m in social value.

Company of Cooks is committed to sourcing only British cheese and meat, and to serving fish rated as 'good to eat' by the Marine Conservation Society. Airfreighted fruit and vegetables are avoided where possible and a 'London Larder' scheme is in operation, reducing food miles while working with over 20 small suppliers and using 'wonky' vegetables.

Company of Cooks works with Well Grounded, a social enterprise that helps people into work as baristas, by providing placements for those undergoing the training programme. There is always a trainee on site at RSA House.

Going forward, Company of Cooks has refreshed its approach to sustainability at the RSA, with a dedicated plan to embed it into its operations, including building a sustainable wedding package, relaunching menus to feature more lower-carbon food, and partnering with the Felix Project to donate surplus food to charities and schools to provide healthy meals.



**COMPANY OF COOKS**

**£1.4m**

In social value given by Company of Cooks in 2021

# FINANCIAL

# REVIEW

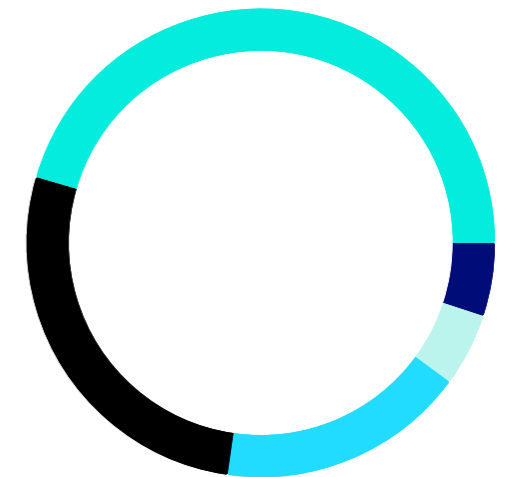
**A year of strong revenue growth**

**Income demonstrated significant growth of 24 per cent reaching £12.9m**

**D**uring the year, income demonstrated significant growth of 24 per cent, reaching £12.9m. This increase was primarily driven by improvements in trading activity and programme income.

However, expenditure also experienced a 13 per cent rise, amounting to £12.8m.

When considering investment gains separately, our net income before such gains amounted to £0.1m. Investment losses totalled £1m, resulting in a decrease of reserves by £0.9m.



- 45% Fellowship donations
- 27% Trading activities
- 17% Programme of projects
- 5% Investment income
- 5% Other income

## Income

The income report highlights the following five principal sources of revenue:

- 1 Fellowship donations** experienced 2 per cent growth, reaching £5.8m.
- 2 Trading activities** saw a significant increase from £2.1m to £3.5m as the lingering impact of the COVID-19 pandemic subsided.
- 3 Programme of projects** recorded a notable rise of 34 per cent to £2.2m, indicating an expansion in our initiatives following COVID-19.
- 4 Investment income** remained consistent with the previous year, amounting to £0.6m.
- 5 Other income** contributed £0.7m, which includes legacies exceeding £0.6m.



## Expenditure

Expenditure increased by 13 per cent, reaching £12.8m compared to £11.3m in the previous year (2021–22). This growth is primarily attributed to the expansion of trading activities.

Staff costs accounted for 46 per cent of the total expenditure, amounting to £5.8m, reflecting a £0.4m increase over the year.

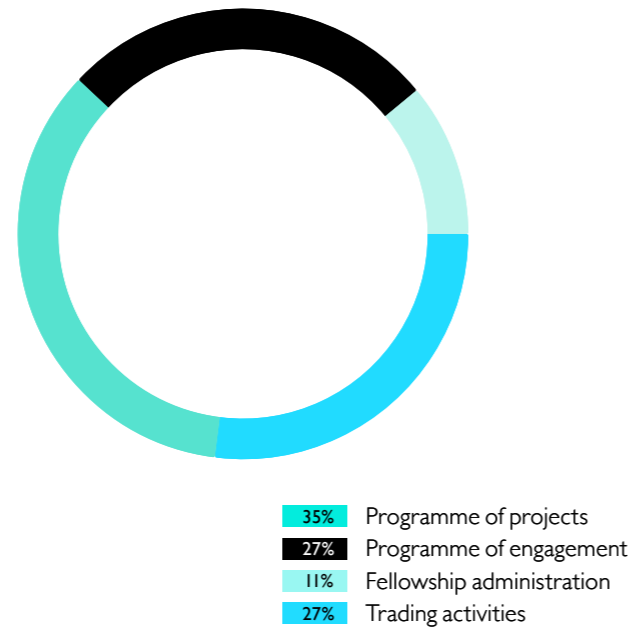
Our charitable activities encompass our programme of projects and engagement and amounted to £7.9m in 2022/23 up from £7.6m in 2021/22.

Expenses related to fundraising efforts encompass Fellowship administration costs and trading activities. Fellowship administration expenses rose by £0.2m to £1.4m, while trading activities experienced a significant 41 per cent increase, reaching £3.5m. Again, this largely reflects a return to normal for the hospitality business.

## Investments and investment policy

Most of the RSA's funds are invested in securities. The RSA's investment policy targets a long-term real rate of return of 4 per cent per annum.

Of those funds invested in securities, the majority are invested in the COIF Ethical Charities Investment Fund, which aims to provide a long-term total return, comprising growth in capital and distributions. The portfolio is an actively managed, diversified portfolio of assets designed to help protect both present and future beneficiaries from the effects of inflation. It consists primarily of equities but also may include property, bonds, and other asset classes.



The fund follows an ethical investment policy. The portfolio does not invest in companies engaged in landmine or cluster bomb manufacture, or those with a significant involvement in tobacco, pornography, or online gambling. These policies are supported by an active engagement programme that seeks to raise standards on a range of issues, including human rights, employment practices, and climate change disclosure.

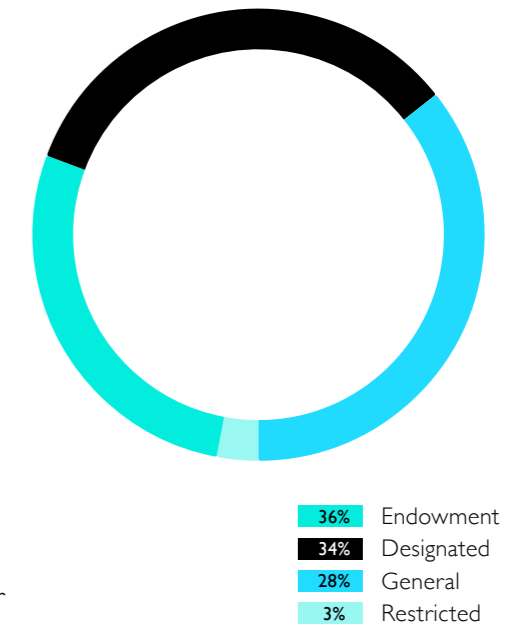
The RSA has a seat on the CCLA ethical advisory committee, which enables us to be part of an important conversation on fossil fuel divestment. We believe that this is the best way in which we can sustainably invest our funds and exert the most influence on the companies in which we invest given the size of our portfolio.

During the year there were losses in the net market value of investment funds of £1m (2021–22 £1.6m gain) and investment income was £0.6m (2021–22 £0.6m).

## Reserves

The RSA has total reserves of £31.7m (21–22: £32.6m). These include:

- **Endowment funds** of £11.3m (21–22: £11.6m), which are invested in the CCLA Ethical Investment Fund.
- **Restricted reserves** of £0.9m (21–22: £1.0m). Of this, £0.3m relates to restricted project funds and £0.6m relates to historical donations. See note 11 of the Financial Statements for further information on the restrictions.
- **Unrestricted funds** of £19.5m (21–22: £19.9m). Of this:
  - o £10.5m relates to fixed assets (see note 11).
  - o Designated legacies which, while technically unrestricted, include clear preferences expressed by the legators were mostly expended during the year, leaving a small balance (see note 11).
  - o £8.7m is general reserves.



## Reserves policy

Our reserves policy enables the management of general reserves to ensure we hold an appropriate level of liquidity and accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves. General reserves are defined as that portion of unrestricted funds remaining once the Trustees have set aside any amounts required as designated funds.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- A temporary loss of income.
- A permanent fall in income, allowing time to adjust our cost base or business model.
- Incurring one-off costs that are not covered by donor funds.

The RSA Board of Trustees agreed a new general reserves policy in May 2023 that will continue to maintain our financial resilience, while at the same time ensuring that we do not retain income for longer than required. Until the RSA returns to a more sustainable financial path, the policy determines that reserves should not fall below their current level.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals as well as fund working capital.

Our general reserves are matched by investments and bank deposits so that we can draw on them quickly if necessary.

The RSA Board of Trustees agreed a new general reserves policy in May 2023 that will continue to maintain our financial resilience, while at the same time ensuring that we do not retain income for longer than required. Until the RSA returns to a more sustainable financial path, the policy determines that reserves should not fall below their current level.

### Grant-making policy

The RSA accomplishes its charitable objectives through various means, including the provision of grants, non-financial assistance, and research initiatives. The type of support offered is tailored to each programme's nature and goals.

Rather than adhering to a predetermined allocation of the annual budget for grant expenditure, the RSA focuses on identifying the desired impact and the most suitable method of delivery.

When grants are deemed the most appropriate funding mechanism, the RSA establishes specific criteria for each grant. These criteria vary and are made accessible on the RSA's website during open calls for applications.

Subsequently, applications are evaluated against these criteria, and awards are granted based on the following factors:

- Available funds.
- Ability to achieve the programme's objectives.
- Quality of the applications received.

The duration of grant awards depends on the specific programme but typically spans less than one year. Grants undergo regular monitoring, and recipients are required to provide progress reports as appropriate. Please refer to note 5 for detailed information regarding approved and payable grants during the year.

### Fundraising disclosure

The RSA approaches fundraising through the lens of broadening and growing its Fellowship. Fellowship of the RSA is a charitable subscription that generates unrestricted income for the RSA's charitable purposes. Recruitment of new Fellows is through nomination: either by staff, existing Fellows, or researched invitation.

The RSA does not work with professional fundraisers in relation to personal fundraising but does build relationships with other networks and membership bodies to invite nominees. The RSA will, on occasion, run fundraising campaigns with its Fellows to support pieces of work or projects.

Professional fundraisers are only used in making grant applications that are outside of RSA expertise.

The RSA monitors fundraising compliance through its own internal processes; all third parties working with the RSA are required to sign and indemnify the RSA through a data-sharing agreement where data is shared. It is the RSA's policy not to share the data of its Fellows without consent, except where necessary: for example, with its mailing house to enable Fellows to receive copies of the RSA Journal or governance mailings, such as for the renewal of subscriptions or voting as part of the annual RSA AGM. No fundraising complaints were received in the year.



**THE RSA  
APPROACHES  
FUNDRAISING  
THROUGH  
THE LENS OF  
BROADENING  
AND GROWING  
ITS FELLOWSHIP**



**“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 be managed efficiently including research on all commerce, design industry, public services, science, technology, social enterprises, voluntary, and other arts, to make both such research findings available to the public as well as all other exclusively charitable purposes...”**

## Our charitable objectives

**T**he 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. The Royal Charter company was registered as a charity in England and Wales in 1963 (212424) and is also registered in Scotland (SC037784). The RSA's charitable objects are defined within its Royal Charter as:

“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 be managed efficiently including research on all commerce, design industry, public services, science, technology, social enterprises, voluntary, and other arts, to make both such research findings available to the public as well as all other exclusively charitable purposes...”

### The Trustee Board

The RSA Board of Trustees is the governing body of the RSA and comprises up to 14 members, of which up to five Fellows are appointed to the Board by Trustees; up to five Fellows are directly elected by the Fellowship; up to two Fellows are directly elected by the Fellowship Council, with at least one representative from among their elected members; and up to two Fellows are elected by the Fellowship from an international chapter (RSA US and/or RSA Oceania). Trustees are elected or appointed for a three-year term and may serve a second three-year term, save for

Fellowship Council Trustees, who serve for the currency of the Fellowship Council, which is two years. The Board met formally four times during 2022–23 and attended their additional annual away day. Day-to-day management of the RSA is delegated to the Leadership Team by the Trustees. The Leadership Team attends all Trustee Board meetings.

The Board has established three permanent committees, each with specific terms of reference and functions that are delegated by the board, and with a Board-appointed Trustee serving as Chair: Audit and Risk (which has three independent members), Nominations and Governance (which includes three members from the Fellowship Council), and People and Remuneration. At least one representative of the Leadership Team attends all committee meetings. The RSA's external auditors attend one meeting a year of the Audit and Risk Committee.

The Trustee Board appoints the Directors of the RSA's two trading subsidiaries, RSA Adelphi Enterprises Ltd, which has one external Non-executive Director, and RSA Shipley Enterprises Ltd. The Directors of the two trading subsidiaries meet as necessary. The Board of Trustees also monitors the trading subsidiaries' performance.

All Trustees and Directors receive a tailored induction programme upon joining the RSA and are regularly updated on relevant issues through the board and committee structures. The Charity Governance Code, as refreshed in December 2020, is incorporated into the RSA Trustee induction programme, and all Trustees agree to abide by its principles.

## Fellowship representation

An important part of the governance of the RSA's relationship with its Fellows is the Fellowship Council. Over the two-year period 2022–24, the Fellowship Council has comprised 18 elected and 7 co-opted Fellows. These are:

Specialism	Thematic Councillors
Programme Councillors	Nicola Millson – companies for change Shelagh Lee – early years for change Gill Wildman – entrepreneurs for change Jay Amin – places for change Seth Bolderow – pupils for change Elena Papadaki – students for change Benedikt Signer – systems for change
Area	Area Councillors
Central	Jackie Norton Matthias Hillner
Ireland	Tony Sheehan Robert Worrall
North	Paul Ingram Hellen Giblin-Jowett
Scotland	Ann Packard Fiona Godsman
South-east	Claire Doran
South-west	Neil Beagrie Robin Tatam
Wales	Michelle Preston
Global	Vanessa Barros Francesca Bernardi
Oceania	Lynn Wood Kim Shore
US	Lira Luis Maria Santiago

The Fellowship Council elects two representatives to the Board of Trustees, and the terms of reference specify that at least one of the representatives be either the Chair or the Deputy Chair of the Fellowship Council. In 2022, following the appointment of a new Fellowship Council, Don McLaverty and Yemi Adeola were replaced by Tony Sheehan and Neil Beagrie.

## Principal risks and uncertainties

The RSA is dedicated to maintaining a robust and comprehensive system of risk management, control, and corporate governance. The risk management policy serves as a formal acknowledgement of the Trustee Board's commitment to establishing a strong risk management framework. The policy aims to ensure that the charity proactively manages risks by maximising opportunities and minimising adverse effects.

The policy's objectives are as follows:

- Confirm and communicate the RSA's commitment to risk management.
- Establish a consistent framework and protocol for determining risk appetite and tolerance, as well as managing risks.
- Assign accountability to management and staff for risks within their control and provide a structured process for risk consideration, reporting, and action throughout the organisation.

The policy is guided by the following principles:

- Risk management should be a straightforward process that does not require specialised training or knowledge.
- Risk management should be integrated into day-to-day business operations rather than being a standalone activity.

The risks include challenges in achieving social impact with Design for Life, not meeting income targets for Design for Life, poor Fellowship retention, underperforming hospitality at Adelphi Enterprises Ltd, and IT system vulnerabilities and data breaches.

Management regularly review Design for Life interventions to ensure alignment of both programmes and fundraising. In terms of Fellowship, we continue to invest in technology to improve engagement. The RSA recently launched Circle, an interactive platform.

Trading-subsidary risks are monitored through the respective boards and generally covered by the group risk management policy and statement as well as a separate risks schedule for RSA Adelphi Enterprises Ltd. The primary risks for RSA Adelphi Enterprises Ltd are ensuring ongoing quality standards and ensuring forward bookings. This is monitored through formal monthly and quarterly meetings with Company of Cooks, who run Adelphi Enterprises Ltd on the RSA's behalf on a management fee basis and maintain a risk register.

Company of Cooks conducts regular internal audits covering health and safety, food hygiene, and general standards. These issues are also independently audited twice a year. RSA Adelphi Enterprises Ltd reviews the audit outcomes.

The primary risk for RSA Shipley Enterprises Ltd is the need to control its costs and ensure all projects run profitably; this is achieved through project forecasting and time recording to ensure each project makes a profitable contribution.

Day-to-day management of the RSA is delegated by the Board to the Leadership Team.



## Objectives, risks, governance and management

### Remuneration policy

The RSA operates a broad-banded salary structure for all roles, including leadership-level roles, based on Croner job evaluation and salary benchmarking using XpertHR. Pay levels are based on sector and skills market rates to enable the attraction of high-quality talent. The annual pay settlement is based principally on affordability, followed by trends in reward and market pay, and inflation.

The annual pay review for all staff is recommended to the People and Remuneration Committee by the Leadership Team, and then ultimately approved by the Trustee Board as part of the annual budget.

### Key management personnel

The Trustees consider that the Leadership Team, as identified on the inside front cover, comprises the key management personnel. Any pay review for the Leadership Team, including the CEO, is recommended for sign-off by the People and Remuneration Committee to the Board as part of the annual budget process.

### Statement of public benefit

The Trustees confirm that they have complied with the duty laid out 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 objectives, as laid down in our Royal Charter, are set out on page 43.

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 wide-ranging and are disseminated free of charge to all interested parties.
- Funding is offered for innovative new projects through RSA Catalyst Awards.
- Innovation and creativity are encouraged through the RSA Student Design Awards and RSA Pupil Design Awards.
- The RSA's 'hands-on' projects, such as those in education, and focused on building communities, have direct charitable benefit.
- The RSA Fellowship is diverse, engaged, and influential, and its work, which is given voluntarily, contributes to the capacity of the society to pursue its charitable objects.

The Trustees review the activities of the RSA 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 in keeping with the spirit of the RSA Royal Charter. The RSA operates throughout the whole of the United Kingdom, through the website, and through approximately 30,000 Fellows around the world. It has affiliate non-profit organisations in Australia (RSA Oceania) and the United States (RSA US). Benefits are not confined to any group and the wider benefits of the RSA's activities are intended to include the public.

### Statement of Trustees' Responsibilities

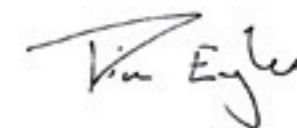
The law applicable to charities in England, Wales, and Scotland requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its position at the year's end. In preparing these financial statements,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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the charity's 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.
- Prepare the financial statements on a 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 enough to show and explain all the charity's transactions, and are sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity 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 towards the prevention and detection of fraud and other irregularities.

By order of the Board of Trustees.



**Tim Eyles**  
Chair of the RSA

18 July 2023

# 10 Independent auditor's report to the trustees of the RSA (the Royal Society for the encouragement of Arts, Manufactures, and Commerce)

## Opinion

**W**e have audited the financial statements of the RSA (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 or the Charities 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
- the charity has not kept adequate accounting records; or

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

## Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 47, Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under Section 144 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit report.

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

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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

The objectives of our audit in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charity and considered that the most significant are the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charity complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and Section 44(1)(c) of 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 which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

**Andrew Stickland**  
(Senior Statutory Auditor)  
for and on behalf of  
**Moore Kingston Smith LLP,**  
Statutory Auditor

16 August 2023

9 Appold Street  
London  
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

### Group statement of financial activities for the year ended 31 March 2023

	Notes	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2023 total £'000	2022 total £'000
<b>Income and endowments from:</b>							
<b>Donations and legacies</b>							
Fellowship donations		5,810	-	-	-	5,810	5,695
Other donations and legacies		642	-	23	-	665	72
<b>Trading activities</b>		3,538	-	-	-	3,538	2,087
<b>Investment income</b>		575	-	46	-	621	627
<b>Charitable activities</b>							
Programme of projects		1,029	-	1,150	-	2,179	1,634
Programme of engagement		30	-	-	-	30	22
<b>Other income</b>		37	-	-	-	37	239
<b>Total income</b>	2	11,661	-	1,219	-	12,880	10,376
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Fellowship administration		1,305	75	4	-	1,384	1,181
Trading activities		3,132	342	-	-	3,474	2,470
<b>Charitable activities</b>							
Programme of projects		2,658	545	1,205	-	4,408	4,377
Programme of engagement		3,188	185	123	-	3,496	3,227
<b>Total expenditure</b>	3	10,283	1,147	1,332	-	12,762	11,255
<b>Net income/(expenditure) before net gains/(losses) on investments</b>		1,378	(1,147)	(113)	-	118	(879)
<b>Net gains/(losses) on investments</b>	8	(390)	-	(48)	(580)	(1,018)	1,647
<b>Net income/(expenditure) before transfers between funds</b>		988	(1,147)	(161)	(580)	(900)	768
<b>Transfers between funds</b>	11	(1,239)	989	-	250	-	-
<b>Net movement of funds</b>		(251)	(158)	(161)	(330)	(900)	768
<b>Reconciliation of funds</b>							
Total funds brought forward		8,971	10,934	1,047	11,633	32,585	31,817
<b>Total funds carried forward</b>		8,720	10,776	886	11,303	31,685	32,585

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.



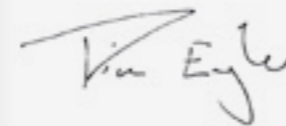
## Group cash flow statement for the year ended 31 March 2023

	2023 £'000	2022 £'000
<b>Reconciliation of net cash provided by/(used in) operating activities</b>		
Net outgoing resources for the year before net gains/(losses) on investments	117	(879)
Interest received and income from investments	(621)	(627)
Depreciation	627	654
Amortisation	212	137
(Increase)/decrease in debtors	(59)	(523)
Decrease/(increase) in stock	(3)	(14)
(Decrease)/increase in creditors	(187)	490
<b>Net cash provided by/(used in) operating activities</b>	<b>86</b>	<b>(762)</b>
<b>Cash flow from investing activities</b>		
Dividend, interest and rents from investments	621	627
Tangible and intangible assets	(632)	(627)
Proceeds from sale of investments		1,200
Purchase of investments		0
<b>Net cash provided by/(used in) investing activities</b>	<b>(11)</b>	<b>1,200</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>75</b>	<b>438</b>
Cash and cash equivalents at the beginning of the reporting period	2,328	1,890
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,403</b>	<b>2,328</b>

## Group and charity balance sheet for the year ended 31 March 2023

	Notes	Group 2023 £'000	Group 2022 £'000	RSA 2023 £'000	RSA 2022 £'000
<b>Fixed assets</b>					
Intangible assets	7	578	376	578	376
Tangible fixed assets	7	9,919	10,328	9,919	10,328
Investments	8	19,312	20,330	19,312	20,330
		<b>29,809</b>	<b>31,034</b>	<b>29,809</b>	<b>31,034</b>
<b>Current assets</b>					
Stocks		24	21	-	-
Debtors	9	1,053	994	984	843
Short-term deposits and cash at bank		2,403	2,328	1,310	1,526
		<b>3,480</b>	<b>3,343</b>	<b>2,294</b>	<b>2,369</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,593)</b>	<b>(1,779)</b>	<b>(908)</b>	<b>(1,235)</b>
<b>Net current assets</b>		<b>1,887</b>	<b>1,564</b>	<b>1,386</b>	<b>1,134</b>
<b>Total assets less current liabilities</b>		<b>31,696</b>	<b>32,598</b>	<b>31,195</b>	<b>32,168</b>
<b>Creditors: amounts falling due after more than one year</b>	10	<b>(11)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>
<b>Total assets less liabilities</b>		<b>31,685</b>	<b>32,585</b>	<b>31,195</b>	<b>32,168</b>
Unrestricted funds – charity		19,006	19,488	19,006	19,488
Unrestricted funds – trading subsidiaries		490	417	-	-
Restricted funds		886	1,047	886	1,047
Endowment funds		11,303	11,633	11,303	11,633
<b>Total funds</b>	11	<b>31,685</b>	<b>32,585</b>	<b>31,195</b>	<b>32,168</b>

The financial statements were approved by the board of trustees on 18 July 2023 and were signed on its behalf by:



Tim Eyles  
Chair



Jill Humphrey  
Co-treasurer

The accompanying notes form part of these financial statements.

# Notes to the financial statements 31 March 2022

## I. Accounting policies

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

### Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and the inclusion of fixed asset investments at market value as stated in the relevant note(s) to these accounts. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds. The charity constitutes a public benefit entity as defined by FRS 102. 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.

The RSA has an affiliation agreement with the Fellows of the RSA in the United States, a separate corporation established for charitable purposes under the laws of the Commonwealth of Pennsylvania. As per the bylaws of the Fellows of the RSA in the US, RSA appoints half of the members of the Board of Trustees as well as the Chair of the Board and therefore holds control in the organisation's governance structure. This US entity is not consolidated on a line-by-line basis, as this would not materially affect the figures reported in, or presentation of, the consolidated accounts.

The RSA has an affiliation agreement with RSA Australia and New Zealand (RSA ANZ) headquartered in Australia, a separate corporation established for

charitable purposes under the laws of the Commonwealth of Australia. As per the articles of incorporation of RSA ANZ, RSA appoints half of the members of the Board of Trustees as well as the Chair of the Board and therefore holds control in the organisation's governance structure. RSA ANZ is not consolidated on a line-by-line basis, as this would not materially affect the figures reported in, or presentation of, the consolidated accounts.

### Going concern

These financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the group will continue in operational existence for the foreseeable future and are not aware of any material uncertainties which may cause doubt on the group's ability to continue as a going concern.

### Income and endowments

Donations, including Fellowship subscriptions, are accounted for on a cash basis. Income from grants is accounted for in line with the SORP. All grants are accounted for when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity or a time-related condition, are recognised when the charity becomes unconditionally entitled to the grant. All other incoming resources are accounted for on an accruals basis, with income relating to specific periods apportioned over the accounting periods to which it relates. Restricted income is used in accordance with specific restrictions imposed by donors.

### Expenditure

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 full-time equivalent (FTE) or floor space.

### Operating leases

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

### Intangible assets and amortisation

Intangible assets costing more than £500 are capitalised and included at cost including any incidental costs of acquisition. Amortisation is calculated on the cost of the intangible assets on a straight-line basis over the expected useful life of 3-5 years.

### 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 a notional value adopted in earlier years and are not depreciable. These items are not considered heritage assets as defined in FRS 102.

Depreciation is calculated on the cost of the fixed assets on a straight-line basis over the following expected useful lives:

#### Freehold premises

200 years from 1978

#### Building improvements

between 10 and 40 years

#### Furniture and fittings

between 3 and 5 years

### 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.

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

### Cash and cash equivalents

Cash and cash equivalents include unrestricted and restricted cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

### Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

### Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are recognised as current assets due to be realised within one year or less. As such it is not necessary to amortise these assets.

### Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised as current liabilities and as such it is not necessary to amortise these liabilities.

### 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 freehold premises and building improvements. A designated legacy reserve has been created to identify legacy receipts where there is an expectation to honour the non-binding 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 the James Cranstoun Bequest and Angus Millar Trust endowment funds are required to be retained in perpetuity, while the income must be used for restricted charitable purposes. The capital of the Shipley Endowment Fund may be used in specific limited circumstances, while the income must be used for charitable purposes. The capital elements of all endowment funds accrue investment gains and losses.

### Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the Trustees are required to make judgements, estimates, and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue from performance-related grants and contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract. This is estimated using a combination of the milestones in the agreement and the time spent to date compared to the total time expected to be required to undertake the agreement. Estimates of the total time required to undertake the agreement are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date, and client decision-making. See notes 9 and 10 for

disclosure of the amount by which revenue exceeds progress billing (accrued income) or billing exceeds revenue (deferred income).

### Reserves policy

Our reserves policy enables the management of general reserves to ensure we hold an appropriate level of liquidity and accessible funds to mitigate against identified financial risks while ensuring we are making timely and strategic use of our funds. The policy focuses purely on the general reserves. General reserves are defined as that portion of unrestricted funds remaining once the Trustees have set aside any amounts required as designated funds.

We hold general reserves to provide cover for unexpected changes in income and expenditure, allowing us to continue activities in the event of:

- A temporary loss of income.
- A permanent fall in income, allowing time to adjust our cost base or business model.
- Incurring one-off costs that are not covered by donor funds.

General reserves also allow us to implement new strategic priorities or invest in new opportunities to achieve our goals as well as fund working capital.

Our general reserves are matched by investments and bank deposits so that we can draw on them quickly if necessary.

The RSA Board of Trustees agreed a new general reserves policy in May 2023 that will continue to maintain our financial resilience, while at the same time ensuring that we do not retain income for longer than required. Until the RSA returns to a more sustainable financial path, the policy determines that reserves should not fall below their current level.

### 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 creditors or debtors in the balance sheet.



## Notes to the financial statements continued

### 2. Income and endowments

Split of income	Donations and legacies £'000	Income from other trading activities £'000	Investment income £'000	Programme of projects £'000	Programme of engagement £'000	Other income £'000	2022 total £'000
<b>2023</b>							
Fellowship	5,810	-	-	-	-	-	5,810
Donations and legacies (individuals)	659	-	-	-	-	-	659
Commercial organisations	4	-	-	521	-	37	562
Charitable trusts and foundations	1	-	-	951	-	-	952
Public sector bodies	-	-	-	692	-	-	692
Trading activities	-	3,534	-	-	-	-	3,534
Fees income	-	-	-	16	30	-	46
Dividends, interest and rent income	-	-	625	-	-	-	625
	<b>6,474</b>	<b>3,534</b>	<b>625</b>	<b>2,180</b>	<b>30</b>	<b>37</b>	<b>12,880</b>

2022	Donations and legacies £'000	Income from other trading activities £'000	Investment income £'000	Programme of projects £'000	Programme of engagement £'000	Other income £'000	2021 total £'000
Fellowship	5,695	-	-	-	-	-	5,695
Donations and legacies (individuals)	17	-	-	-	-	-	17
Commercial organisations	35	-	-	410	22	207	674
Charitable trusts and foundations	-	-	-	1,103	-	-	1,103
Public sector bodies	20	-	-	106	-	32	158
Trading activities	-	2,087	-	-	-	-	2,087
Fees income	-	-	-	15	-	-	15
Dividends, interest and rent income	-	-	627	-	-	-	627
	<b>5,767</b>	<b>2,087</b>	<b>627</b>	<b>1,634</b>	<b>22</b>	<b>239</b>	<b>10,376</b>

Donations and legacies income includes Fellowship income, unrestricted donations, and legacies.

Income from other trading activities comprises the income generated through the trading subsidiaries, RSA Adelphi Enterprises Ltd and RSA Shipley Enterprises Ltd. This amounted to:

From RSA Adelphi Enterprises Ltd., for the hire of conference rooms and the provision of catering services, £3,461k (2022: £1790k).

From RSA Shipley Enterprises Ltd., for the provision of consultancy services, £73k (2022: £260k).

Programme of projects and programme of engagements comprise all funding received towards supporting charitable activities.

Other income comprises fee and advertising income generated by the CEO, the *RSA Journal*, and events.

### 3. Expenditure

Expenditure on	Direct costs £'000	Apportioned support £'000	2023 total £'000
<b>2023</b>			
<b>Raising funds</b>			
Fellowship administration	993	391	1,384
Trading activities	2,792	682	3,474
<b>Charitable activities</b>			
Programme of projects	3,198	1,210	4,408
Programme of engagement	2,534	962	3,496
<b>Total expenditure</b>	<b>9,517</b>	<b>3,245</b>	<b>12,762</b>

#### 2022

Raising funds	Direct costs £'000	Apportioned support £'000	2022 total £'000
Fellowship administration	915	266	1,181
Trading activities	1,938	532	2,470
<b>Charitable activities</b>			
Programme of projects	3,282	1,095	4,377
Programme of engagement	2,478	749	3,227
<b>Total expenditure</b>	<b>8,613</b>	<b>2,642</b>	<b>11,255</b>

Direct costs are allocated to categories of activity as follows:

Expenditure on raising funds comprises the cost of recruiting to and administering our Fellowship and unrestricted fundraising.

Trading activities comprises the costs associated with the hire of conference rooms, the provision of catering services and with the provision of consultancy services.

Programmes of projects comprise the costs of performing these charitable activities.

Programme of engagement comprises the costs of other charitable activities including those of the *RSA Journal*, library, Fellowship networks, and the costs incurred for activities within the areas and nations.

The external audit fee was £43k (2022: £40k). Fees paid to the auditors for non-audit services were £8k (2022: £3k).

Where expenditure cannot be directly allocated it represents support costs (see Analysis of Apportioned Support Costs below) and is apportioned on a basis consistent with the use of resources, for example the number of full-time equivalent staff or floor space. Costs relating to external communications have been included in the direct costs of the activities which they support.

Total expenditure excludes the value of work contributed by Fellows to the activities of the RSA.

## Notes to the financial statements continued

### 3. Expenditure – continued

#### Analysis of apportioned support costs

2023	Fellowship administration £'000	Trading activities £'000	Programme of projects £'000	Programme of engagement £'000	2023 total £'000
Establishment	36	450	125	92	703
Executive management	72	47	221	177	517
Finance	59	39	181	145	424
Human resources	107	70	327	262	766
Information technology	79	51	240	193	563
Governance	38	25	116	93	272
<b>Total</b>	<b>391</b>	<b>682</b>	<b>1,210</b>	<b>962</b>	<b>3,245</b>

#### 2022

2022	Fellowship administration £'000	Trading activities £'000	Programme of projects £'000	Programme of engagement £'000	2022 total £'000
Establishment	26	334	93	68	521
Executive management	46	38	192	130	406
Finance	33	27	137	93	290
Human resources	60	49	250	170	529
Information technology	71	59	297	202	629
Governance	30	25	126	86	267
<b>Total</b>	<b>266</b>	<b>532</b>	<b>1,095</b>	<b>749</b>	<b>2,642</b>

### 4. Trustee and staff costs

#### Trustees

Members of the Trustee Board and committees do not receive any remuneration for their services. Travel expenses of £0.4k (2022: £0.2k) were reimbursed to two Trustees (2022: 2). Charitable funds have been used to buy indemnity insurance for Trustees at a cost of £7k (2022: £7k) and £10k (2022: £0k) have been spent on Trustees' recruitment.

#### Staff

The average headcount during the year was 114 (2022: 116). In addition, 2 (2022: 4) staff who assist with public lectures and front-of-house services were on casual contracts.

### 4. Trustee and staff costs – continued

The average number of staff employed during the year on a full-time equivalent basis was 112 (2022: 111). This was split across the organisation as follows:

	2023 no	2022 no
Raising funds	13	10
Trading activities*	8	9
Programme of projects	39	44
Programme of engagement	32	30
Support departments	20	18
<b>Total</b>	<b>112</b>	<b>111</b>

\*Trading activities include RSA front-of-house staff who contribute to services provided by RSA Adelphi Enterprises Limited and programmes staff working to generate funds through RSA Shipley Enterprises Limited

The cost of these individuals was as follows:

	2023 £'000	2022 £'000
Salaries	4,946	4,622
Employer's National Insurance contributions	542	488
Pension contributions	245	250
<b>Total staff costs</b>	<b>5,733</b>	<b>5,360</b>
Agency staff costs	100	107
<b>Total staff costs</b>	<b>5,833</b>	<b>5,467</b>

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

	2023 no	2022 no
£60,001 to £70,000	5	-
£70,001 to £80,000	1	4
£80,001 to £90,000	1	3
£90,001 to £100,000	2	1
£100,001 to £110,000	1	-
£120,001 to £130,000	-	1
£180,001 to £190,000	1	-

The number of higher paid employees accruing pension benefits was:

	2023 no	2022 no
Defined contributions scheme		
– group personal pension	11	8

The total contributions paid by the RSA into the defined contribution scheme for higher paid employees was £38k (2022: £38k). The cost of key management personnel, defined as members of the Leadership Team, including employer's national insurance and pension contributions by the RSA was £976k (2022: £359k).

Termination payments for the year totalled £94k (2022: 0).



## Notes to the financial statements continued

### 5. Grants/awards paid and payable

	2023 £'000	2022 £'000
Grant creditor at 1 April	67	45
Grants approved before 31 March and payable within one year	795	766
Grants paid/released during the year	(797)	(744)
<b>Grant creditor at 31 March</b>	<b>65</b>	<b>67</b>

Grants approved before 31 March and payable within one year:

	2023 £'000	2022 £'000
Grants Grants to Fellows, including Catalyst grants	97	106
Grants International affiliates	304	324
Grants RSA Academies	-	42
Grants Programme of projects	373	276
Awards Student Design Awards	21	18
Projects inc SDAs	<b>394</b>	<b>294</b>
<b>Total</b>	<b>795</b>	<b>766</b>

The total number of grant recipients was 64 (2022: 56), including the following institutions in receipt of grants totalling £100k or more:

	2023 £'000	2022 £'000
RSA Academies	-	42
RSA US	208	240
Bayes Impact France	-	192

### 6. Operating leases

At 31 March, the commitment for the next year under non-cancellable operating leases relating to equipment and the total outstanding commitment to the end of the leases were:

	2023 £'000	2022 £'000
Within one year	17	6
In 2-5 years	36	19

The rental expense charged to the statement of financial activities for the year was £17k (2022: £16k).

### 7a. Intangible fixed assets

	£'000
<b>Cost or valuation</b>	
As at 1 April 2022	1,086
Transfers	-
Additions	414
Disposals	-
<b>As at 31 March 2023</b>	<b>1,500</b>
<b>Amortisation</b>	
As at 1 April 2022	710
Transfers	-
Charge for the year	212
Disposals	-
<b>As at 31 March 2023</b>	<b>922</b>
<b>Net book values</b>	
As at 1 April 2022	376
<b>As at 31 March 2023</b>	<b>578</b>

### 7b. Tangible fixed assets

	Freehold premises £'000	Pictures, Building improvements £'000	Furniture and fittings £'000	books and antiques £'000	Total £'000
<b>Cost or valuation</b>					
As at 1 April 2022	4,965	10,830	972	33	16,800
Additions	-	66	152	-	218
Disposals	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>4,965</b>	<b>10,896</b>	<b>1,124</b>	<b>33</b>	<b>17,018</b>
<b>Depreciation</b>					
As at 1 April 2022	779	5,031	662	-	6,472
Charge for the year	25	459	143	-	627
Disposals	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>804</b>	<b>5,490</b>	<b>805</b>	<b>-</b>	<b>7,099</b>
<b>Net book values</b>					
As at 1 April 2022	4,186	5,799	310	33	10,328
<b>As at 31 March 2023</b>	<b>4,161</b>	<b>5,406</b>	<b>319</b>	<b>33</b>	<b>9,919</b>

The freehold properties at 2, 4, 6, and 8 John Adam Street and 18 Adam Street are listed as historic buildings. They are referred to elsewhere throughout the accounts as 'RSA 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. 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 a notional value adopted in earlier years and are not depreciable. The Trustees do not consider that any of these items are heritage assets.

## Notes to the financial statements continued

### 8. Investment assets

Investments in government and other listed securities and Charities Official Investment Funds (COIF) at market values.

Analysis of investment assets	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 total £'000	2022 total £'000
UK	599	78	953	1,630	1,823
Overseas	4,495	580	7,163	12,238	13,053
Alternative investments	1,395	180	2,222	3,797	2,586
Freehold property	228	29	365	622	1,025
Bank deposits	377	48	600	1,025	1,843
	<b>7,094</b>	<b>915</b>	<b>11,303</b>	<b>19,312</b>	<b>20,330</b>

Analysis of movement of investment assets	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 total £'000	2022 total £'000
Investments at 1 April 2022	7,734	962	11,634	20,330	19,883
Reclassification	-	-	-	-	-
Net withdrawals	-	-	-	-	(1,200)
Net additions	-	-	-	-	-
Transfers	(250)	-	250	-	-
Revaluation gain	(390)	(47)	(581)	(1,018)	1,647
Investments at 31 March 2023	<b>7,094</b>	<b>915</b>	<b>11,303</b>	<b>19,312</b>	<b>20,330</b>

Revaluation gain 2022	<b>681</b>	<b>75</b>	<b>891</b>	<b>1,647</b>	
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### 9. Debtors

	Group 2023 £'000	Group 2022 £'000	RSA 2023 £'000	RSA 2022 £'000
Trade debtors	560	572	282	282
Bad debt provision	(9)	(23)	-	-
Prepayments	139	159	136	111
Accrued income	239	161	232	161
Other debtors	124	125	124	125
Owed by RSA Adelphi/RSA Shipley	-	-	210	164
	<b>1,053</b>	<b>994</b>	<b>984</b>	<b>843</b>

Accrued income relates to funds already earned but not yet received for work or activities undertaken in the current year. The accrued income which was brought forward from the previous year has been released in the current year.

### 10. Creditors

Amounts falling due within one year	Group 2023 £'000	Group 2022 £'000	RSA 2023 £'000	RSA 2022 £'000
Trade creditors	318	508	161	403
Accruals	351	304	314	259
Deferred project income	163	332	162	306
Taxation and social security	169	162	169	162
Other creditors	111	105	102	105
RSA hospitality income received in advance	481	368	-	-
	<b>1,593</b>	<b>1,779</b>	<b>908</b>	<b>1,235</b>

Deferred project income relates to funds already received for work or activities due to be undertaken in the coming year. The deferred project income which was brought forward from the previous year has been released in the current year.

Amounts falling due after more than one year	Group 2023 £'000	Group 2022 £'000	RSA 2023 £'000	RSA 2022 £'000
RSA hospitality income received in advance	11	13	-	-

### 11. Funds

#### a) Movement in funds

	Balance 1 April 2022 £'000	Income £'000	Expended £'000	Gain/(loss) £'000	Transfers £'000	Balance 31 March 2023 £'000
<b>Unrestricted funds</b>						
Designated fixed asset reserve	10,705	-	(834)	-	634	10,505
Designated legacy reserve	229	-	(200)	-	-	29
Designated Design for Life reserve	-	-	(113)	-	355	242
Shipley income fund	3,422	384	-	(75)	-	3,731
General reserve	5,549	11,277	(10,283)	(315)	(1,239)	4,989
	<b>19,905</b>	<b>11,661</b>	<b>(11,430)</b>	<b>(390)</b>	<b>(250)</b>	<b>19,496</b>
<b>Restricted income funds</b>						
Programme of projects	320	1,173	(1,202)	-	-	291
Individual trusts greater than £5k:						
- Shipley income fund	-	-	-	-	-	-
- General lecture fund	125	10	(116)	(16)	-	3
- Edward Boyle fund	162	4	(1)	(7)	-	158
- General Award fund	150	6	(3)	(10)	-	143
- James Cranstoun bequest	116	15	-	-	-	131
- Dick Onians lecture trust	95	3	(5)	(5)	-	88
- Angus Millar trust	43	2	(1)	-	-	44
- Edward Squires fund	16	5	-	(9)	-	12
- F H Andrews bequest	20	1	(4)	(1)	-	16
	<b>1,047</b>	<b>1,219</b>	<b>(1,332)</b>	<b>(48)</b>	<b>-</b>	<b>886</b>



## Notes to the financial statements continued

### 11. Funds – continued

#### a) Movement in funds

	Balance 1 April 2022 £'000	Income £'000	Expended £'000	Gain/ (loss) £'000	Transfers £'000	Balance 31 March 2023 £'000
<b>Endowment funds</b>						
Shipleigh expendable endowment	11,073	-	-	(552)	250	10,771
Individual trusts greater than £10k:						
– James Cranstoun bequest	484	-	-	(24)	-	460
– Angus Millar trust	76	-	-	(4)	-	72
	<b>11,633</b>	<b>-</b>	<b>-</b>	<b>(580)</b>	<b>250</b>	<b>11,303</b>
<b>Total reserves</b>	<b>32,585</b>	<b>12,880</b>	<b>(12,762)</b>	<b>(1,018)</b>	<b>-</b>	<b>31,685</b>

#### b) Restricted income funds

The restricted Programme of Projects fund includes grant funding which has been received in the year to support specific charitable activities. The Shipleigh Income Fund is the income generated by the Shipleigh Endowment Fund which is used to support the RSA's programme in furtherance of its charitable objects. The Edward Boyle Fund originates from a donation made by the Edward Boyle Memorial Trust in 1995 and is to be used, in the name of Edward Boyle, for the provision of bursaries at the University of Leeds, in addition to lectures at the University of Leeds and the RSA which should be broadly related to education, music and/or learning. The General Awards Fund and General Lecture Fund were set up during the 2015/16 fiscal year and each comprise a group of funds released to restricted from endowment with the permission of the Charity Commission. The General Awards Fund may be used for the encouragement of arts, manufactures and commerce by the provision of awards, prizes, bursaries and grants, and the General Lecture Fund for the encouragement of arts, manufactures and commerce by the provision of lectures, and related costs. The Dick Onians Lecture Trust was set up for the purpose of sponsoring an annual lecture to be given by a fellow aged 40 or younger on the subject "how I intend to pursue the Shipleigh mission". The Angus Millar Trust exists to fund an annual lecture held in Scotland for the purpose of stimulating discussion, developing ideas and encouraging action in accordance with the RSA's aims and objectives. The Eddie Squires Fund is to support a Student Design Award bursary for outstanding contemporary printed furnishing design. The F H Andrews Bequest is to support the purchase of books for the RSA's library.

#### c) Endowment funds

The Endowment funds are trusts set up by individual donors in support of specific purposes such as named lectures and preservation of historic buildings. £384k income arising from the expendable endowment was included in unrestricted funds (2021: £370k), while £17k was included in restricted funds (2022: £17k) in accordance with the requirements of the funds.

During 2017/18, the RSA gained permission from the Charity Commission to take a loan of up to £3.5m from the Shipleigh Expendable Endowment Fund to fund the redevelopment of the RSA House. Of this amount, £2.5m was used and transferred to general funds in 2018/19. Repayment began in 2019/20 with the transfer of £250k from general funds to the endowment. No repayment was made in 2020/21 as it is paid for by the return on the redevelopment of RSA House and, due to COVID-19, RSA House made a loss in that year. Repayments resumed in 2021/22. Repayments to date total £750k, leaving a balance still to be repaid as at 31 March 2023 of £1.75m.

#### d) Analysis of net assets between funds

	Tangible and intangible fixed assets £'000	Investments £'000	Current assets £'000	Liabilities £'000	Fund balances £'000
<b>Unrestricted funds</b>					
Designated fixed asset reserve	10,497	-	-	-	10,497
Designated legacy reserve	-	32	-	-	32
Designated Design for Life reserve	-	-	247	-	247
General reserve	-	7,062	3,262	(1,604)	8,720
	<b>10,497</b>	<b>7,094</b>	<b>3,509</b>	<b>(1,604)</b>	<b>19,496</b>
<b>Restricted income funds</b>					
	-	915	(29)	-	886
<b>Endowment funds</b>					
Expendable	-	10,770	-	-	10,770
Permanent	-	533	-	-	533
	-	<b>11,303</b>	-	-	<b>11,303</b>
<b>Total funds</b>	<b>10,497</b>	<b>19,312</b>	<b>3,480</b>	<b>(1,604)</b>	<b>31,685</b>

### 12. Pension schemes

The Consolidated Statement of Financial Activities includes contributions by the Charity to the Group Personal Pension scheme of £245k (2022: £250k).

### 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.

### 14. Related parties

There were no related party transactions in the reporting period that require disclosure.

## Notes to the financial statements continued

### 15. Subsidiary undertakings

#### a) RSA Adelphi Enterprises Limited

The company principally operates a hospitality business within the RSA House. It is also able to undertake 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 £100 represented by 100 shares of £1 each. The shares are not disclosed in the balance sheet below because they round down to £0,000.

#### i) Summary of profit and loss account for RSA Adelphi Enterprises Limited (company number: 02784581)

	2023 £'000	2022 £'000
Turnover	3,580	1,825
Cost of sales	(2,079)	(1,113)
<b>Gross profit</b>	<b>1,501</b>	<b>712</b>
Other expenses	(1,029)	(415)
<b>Net profit</b>	<b>472</b>	<b>297</b>
Bank interest	4	-
Gift aid paid to RSA	(297)	-
<b>Net movement in funds</b>	<b>179</b>	<b>297</b>

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

	2023 £'000	2022 £'000
<b>Current assets:</b>		
Stocks	24	21
Debtors	272	288
Cash	1,043	674
Owed by group	-	-
	<b>1,339</b>	<b>983</b>
<b>Creditors:</b>		
Creditors	191	105
Payments received on account	491	381
Owed to group	171	160
Other creditors	9	40
	<b>862</b>	<b>686</b>
<b>Net assets/share capital</b>	<b>477</b>	<b>297</b>

### 15. Subsidiary undertakings – continued

#### b) RSA Shipley Enterprises Limited

The company principally operates a consultancy business within the RSA House. It is also able to undertake 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 it rounds down to £0k.

#### i) Summary of profit and loss account for RSA Shipley Enterprises Limited (company number: 08716337)

	2023 £'000	2022 £'000
Turnover	76	289
Cost of sales	(41)	(100)
<b>Gross profit</b>	<b>35</b>	<b>189</b>
Other expenses	(19)	(69)
<b>Net profit</b>	<b>16</b>	<b>120</b>
Gift aid paid to RSA	(121)	(75)
<b>Net movement in funds</b>	<b>(105)</b>	<b>45</b>

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

	2023 £'000	2022 £'000
<b>Current assets:</b>		
Debtors	7	27
Cash	50	129
	<b>57</b>	<b>156</b>
<b>Creditors:</b>		
Creditors	4	31
Owed to parent	40	5
	<b>44</b>	<b>36</b>
<b>Net assets/share capital</b>	<b>13</b>	<b>120</b>

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

	2023 £'000	2022 £'000
Income from trading activities	3,538	2,087
Expenditure on trading activities – direct costs	(2,793)	(1,938)
Contribution to RSA overheads	<b>745</b>	<b>149</b>
Expenditure on trading activities – support costs	(682)	(532)
As reported in RSA consolidated financial statements	<b>(63)</b>	<b>(383)</b>
Add back support costs apportioned to activity for group reporting purposes	682	532
Add back direct costs incurred by parent allocated to activity for group reporting	688	713
Add back intercompany charges eliminated upon group reporting consolidation	(945)	(445)
<b>RSA Adelphi/Shipley Enterprises reported profit</b>	<b>488</b>	<b>417</b>

## Notes to the financial statements continued

### d) Other subsidiary undertakings

The RSA also has two other subsidiary undertakings as follows, none of which are consolidated, as they would not materially affect the figures reported in or presentation of, the consolidated accounts.

- (i) RSA ANC Limited also known as RSA Oceania, a corporation established for charitable purposes under the laws of the Commonwealth.
- (ii) The Fellows of the RSA in the United States also known as RSA, a corporation established for charitable purposes under the laws of the Commonwealth of Pennsylvania.

### 16. Parent charity result

	2023 £'000	2022 £'000
Income and endowments	10,411	8,763
Expenditure	(10,784)	(10,058)
Gift aid income from subsidiaries	418	75
Net income/(expenditure) before net gains/(losses) on investments	45	(1,220)
Net gains/(losses) on investments	(1,018)	1,647
<b>Net movement of funds</b>	<b>(973)</b>	<b>427</b>

### 17. Financial instruments

	Group 2023 £'000	Group 2022 £'000	RSA 2023 £'000	RSA 2022 £'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	915	835	848	732
Instruments measured at fair value through profit or loss	18,286	18,486	18,286	18,486
	19,201	19,321	19,134	19,218
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	816	952	576	768

### 18. Comparative statement of financial activities

	Notes	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2022 total £'000
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>						
Fellowship donations		5,695	-	-	-	5,695
Other donations and legacies		72	-	-	-	72
<b>Trading activities</b>						
Investment income		2,087	-	-	-	2,087
<b>Charitable activities</b>						
Programme of projects		582	-	45	-	627
Programme of lectures and events		446	-	1,188	-	1,634
Other income		22	-	-	-	22
Other income		239	-	-	-	239
<b>Total income</b>	2	<b>9,143</b>	<b>-</b>	<b>1,233</b>	<b>0</b>	<b>10,376</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Fellowship administration		1,122	57	2	-	1,181
Trading activities		2,110	360	-	-	2,470
<b>Charitable activities</b>						
Programme of projects		2,664	417	1,296	-	4,377
Programme of engagement		2,968	155	104	-	3,227
<b>Total expenditure</b>	3	<b>8,864</b>	<b>989</b>	<b>1,402</b>	<b>-</b>	<b>11,255</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>		<b>279</b>	<b>(989)</b>	<b>(169)</b>	<b>-</b>	<b>(879)</b>
<b>Net gains/(losses) on investments</b>	8	681	-	75	891	1,647
<b>Net income/(expenditure)</b>		<b>960</b>	<b>(989)</b>	<b>(94)</b>	<b>891</b>	<b>768</b>
Transfers between funds		(1,825)	4507	(2,932)	250	-
<b>Net movement of funds</b>		<b>(865)</b>	<b>3518</b>	<b>(3,026)</b>	<b>1141</b>	<b>768</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		9,836	7,416	4,073	10,492	31,817
<b>Total funds carried forward</b>		<b>8,971</b>	<b>10,934</b>	<b>1,047</b>	<b>11,633</b>	<b>32,585</b>







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