



## **IMPACT REPORT 2017**

Including Trustees' Annual Report &  
Financial Statements for the year ended  
31 March 2017



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## **ADMINISTRATION**

### **Patron**

Her Majesty The Queen

### **President**

Her Royal Highness The Princess Royal

### **Trustees**

Vikki Heywood, CBE (Chairman)

Peter Fell (Deputy Chairman from October 2016, already a Trustee)

Suzy Walton (Deputy Chairman) (until October 2016)

Sarah Ebanja (Treasurer)

Stephen Gleadle (Treasurer)

Irene Campbell (until December 2016)

Jackie Elliman

Clive Grinyer (until October 2016)

Tanya Hine (appointed December 2016)

Rod Hyde (appointed December 2016)

Keith Horsfall (until December 2016)

Jan Portillo (appointed October 2016)

Susan Siddall (appointed October 2016)

Saleh Saeed (appointed October 2016)

Keith Read, CBE

Philippa Wilson (appointed October 2016)

### **Auditors**

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London WC1R 4AG

### **Bankers**

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WC2R 0QS

### **Pension consultants**

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2 Hamm Moor Lane, Weybridge, Surrey  
KT15 2SA

### **Surveyors and Property Consultants**

MHBC, 4 St Pauls Churchyard,  
London EC4M 8AY

## **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

### **Principal office**

8 John Adam Street, London WC2N 6EZ

### **Executive team**

Matthew Taylor (Chief Executive)

Carol Jackson (Chief Operating Officer)

Nina Bolognesi (Director of External Affairs)

Oliver Reichardt (Director of Fellowship)

Rowan Conway (Interim Director of Research until September 2016, then Director of Innovation and Development)

Anthony Painter (Interim Director of Policy and Strategy until September 2016, then Director of ARC)

### **Solicitors**

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### **Investment managers**

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## CHAIRMAN'S INTRODUCTION



When the world is characterised by complexity and insecurity, the temptation is to retrench and become isolated, when what is needed is to find new ways to innovate and foster greater collaboration. The RSA thrived in 2016/17 by doing exactly this. We extended our reach, embraced partnership working and ensured we made wise decisions about investing in the RSA's future, whilst ensuring stability.

In extending our reach this year we have built on the popularity of our filmed events and animations – which were viewed over 2.3 million times. We achieved over 60,000 followers on Twitter and

over 90,000 followers on Facebook. One innovation I was particularly pleased by this year is that we now publish our reports as online articles, whilst still making them available as downloads. Making our content more accessible has greatly increased knowledge in our research; our reports were viewed over 50,000 times. RSA blogs had over 500,000 views (with about a tenth of this traffic in the wake of the referendum in June 2016) and we are continuously developing new ways of broadcasting our content, including RSA Radio.

With more people joining the Fellowship - now at a record breaking 28,000 in 2016/17 the RSA has prioritised working in partnership to ensure our activities are designed to engage Fellows and others in public deliberation and positive action. A key message from our Fellows is that they want to grow our networks. We will therefore continue to develop the Engage programme across the UK and support a cohort of “activists” to provide a richer offer. The Fellowship is also developing a national voice, for example the expanding RSA Sustainability Network with over 400 members is self-organised by the Fellowship, leveraging RSA resources to deliver national impact and change.

Our ambition is that the RSA's model of collective action and research will expand and strengthen our role as ‘partners in change’. This means enabling greater Fellowship participation and collaborating with like-minded organisations to maximise their and our impact.

Our reach and our collaborative approach is dependent on our Fellowship, our partners, our funders and our dedicated staff. I would like to take this opportunity to thank everyone for their stamina and optimism for positive change in uncertain times.

Vikki Heywood CBE  
Chairman of the RSA

## CHIEF EXECUTIVE'S STATEMENT



The RSA vision is that everyone should be able to lead lives of creativity and fulfilment. This is the golden thread that runs through our work on education, economy, public services and communities and is reflected in the way we work; seeking to empower our Fellows and partners as makers of change.

We seek to influence ideas. We can show that our research and publications are highly respected by our partners and those working in the same policy field. We continue to have a sector-leading influence and on-line presence in the UK and globally. We have generated more

research – ranging from blog posts to detailed reports – than ever before.

We seek to influence collective change. We now have more Fellows than at any time and more of them are engaged with our work, or being supported to develop their own charitable initiatives. We continue to make a direct impact on the lives of the young people who attend RSA Academies and those who enter our expanding Student Design Award programme.

During the last year, three events point to a wider and deeper impact. First, winning the *Prospect* think tank of the year for social policy (a first for us) was a good reward for hard work but more importantly showed that we are acknowledged and respected by our peers. Second, my appointment by the Prime Minister to undertake an independent review of modern employment was a testament to the quality of the RSA's research on self-employment and the gig economy and has helped strengthen our reputation for analysis of the future of work. Third, winning a commission from the government to undertake a large-scale trial of the role of arts and cultural interventions in raising attainment in schools shows that we can take on major potentially game-changing pieces of research.

Our increased focus on impact has changed the way we operate and is underpinned by a new model of change; what we call 'thinking like a system and acting like an entrepreneur'. Put simply, our approach stresses the need to understand and appreciate the wider systemic perspective, in order to be effectively responsive to local needs and context. As we continue to build on the impact of our research projects, we aim to deepen our collaboration with organisations that share our values and which, like us, want to think deeply about how to achieve lasting change. This model of the RSA as a partner in change is one I expect to see growing in the coming year.

This is my tenth year as RSA's Chief Executive. I am deeply grateful to our excellent Trustee Board and our ambitious and incisive Chair Vikki Heywood for allowing me to continue the journey. The truth is that every time the RSA reaches a higher level of performance and impact I can immediately see another intriguing and challenging set of targets come into view.

Amongst other highlights, 2017/18 will see a substantial redevelopment scheme to the RSA's building in John Adam Street in London, major research programmes, including from our Citizens Economic Council and a renewal of our approach to achieve positive impacts in education. We are continuing to develop our model of change building on our strengths including our high profile events programme, robust research, Fellowship action and effective social media campaigns.

The UK was not alone in experiencing some difficult times in 2016/17 and many people have felt a sense of disorientation and sometimes fatalism. Time and again, I have heard that the RSA provides a beacon of hope and means of engagement for people – of whatever political affiliation – who continue to believe in a future that is open, compassionate and dynamic. The RSA is an independent charity reliant on the generosity of our Fellows and supporters. Increasingly we are seen as an essential civic resource, part of the fabric of modern British society nationally and locally. The RSA is a great organisation, and together we should take pride in all that we have achieved this year

Matthew Taylor  
**Chief Executive**

## ABOUT US AND OUR MISSION

Throughout its 260 year history, the RSA has focused on a wide range of issues. Our current mission is to enrich society through ideas and action based on a belief that all human beings have creative capacities that, when understood and supported, can be mobilised to deliver a 21st century enlightenment.

We work to bring about the conditions for this change, not just amongst our diverse Fellowship, but also in institutions and communities.

By developing and sharing powerful ideas and carrying out cutting-edge research, we build networks and opportunities for people to collaborate, creating fulfilling lives and a flourishing society.

### Our Areas of Work

In meeting our charitable objects (see page 32) our strategy focuses on three key aims:

#### **Creative Learning and Development**

We aim to expand and enrich the education children and young people receive in school and to create a wider culture that supports learning across society and throughout the life cycle.

#### **Public Services & Communities**

We seek to help bring about a shift in power to people and communities so that they can better meet their social and economic needs and aspirations.

#### **Economy, Enterprise & Manufacturing**

We want to help create an economy that enables everyone to have basic economic security and to fulfil their creative potential, is environmentally sustainable, and which supports and rewards meaningful and creative activity.

Alongside these aims we have developed a set of cross-cutting competencies that we aim to apply creatively across our work. These include expertise and skills in design, culture and creativity.

### How we engage

The RSA combines a global platform for ideas, a wide-ranging and innovative research and action team, and an international Fellowship of over 28,000 social innovators. Together these elements – ideas, networks, and knowledge dissemination – combine with the RSA's heritage and independence to provide a powerful platform for change.

The RSA engages others through:

- **Innovation.** Our Action and Research Centre is an ideas, research and methods-led innovator.
- **Dissemination.** Our events and digital platforms foster wide dissemination of knowledge and ideas.
- **Acceleration.** Our Fellowship model provides a civic network of social change initiators and accelerators (including our Catalyst programme and local initiatives).



## Our Fellowship

The RSA has been at the forefront of social change for 260 years thanks to the support of our Fellows, a global network of 28,000 people who share our values.

Today our impact is greater than ever. Fellows have access to some of the best ideas and brightest thinkers, innovative projects, a diverse network of like-minded people and a platform for social change.

- Our website enables Fellow to connect with each other online according to location, skills and interests.
- Regional and national teams run local events, networks and projects.
- Our Catalyst Grant and RSA Kickstarter encourages innovative thinking and explores the potential to solve pressing societal problems, through grants crowdfunding, supported by the expertise within the Fellowship.

## Our Ideas Platform

The RSA public events programme presents the best in new ideas, critical thinking and enlightened public debate. It provides a platform for leading thinkers to explore the challenges that society faces and to inspire change. We hold over 100 free public lectures, talks, debates, animations and screenings a year.

In 2016/17 RSA events videos received over 2.3 million views, our blogs received over 500,000 views and our reports were downloaded over 50,000 times. Meanwhile, the RSA's website received over 2.8 million visitors, our YouTube channel was followed by over 570,000 people and RSA's work was covered by over 600 articles, over 50 radio broadcasts and 25 television interviews.

## RSA Fellowship

There were 286 Fellowship events across the UK in 2016/17.

Over 7,000 people attended our UK events alone.

Nearly 200 of our UK events were held outside London.

There are 46 Fellow-led Networks – local and thematic – across the UK. These include the Sustainability Network and Creativity in Public Services Network.

Our strategy for 2017-18 is focused on enabling Fellows to bring about thriving local communities for change.

## CREATIVE LEARNING & DEVELOPMENT

TO EXPAND AND ENRICH  
THE EDUCATION CHILDREN  
AND YOUNG PEOPLE  
RECEIVE IN SCHOOL AND  
TO CREATE A WIDER  
CULTURE THAT SUPPORTS  
LEARNING ACROSS  
SOCIETY AND  
THROUGHOUT THE LIFE  
CYCLE

We believe this mission is an essential pre-condition for the realisation of the RSA's ambition of creating a 21st century enlightenment. Our Creative Learning and Development work and profile have expanded across the RSA with the core team tripling its budget and doubling the number of staff.

### Key impacts

#### Pupil Design Awards

Supported by the Comino Foundation, the Pupil Design Awards aim to develop young people's design thinking skills and interest in studying design further by challenging them to create solutions to a

real social or environmental issue within their community. Now in its third year, the awards have included 37 design thinking workshops with over 700 young people across schools in the West Midlands (including strong entries from the RSA Academies) and Greater Manchester. Feedback shows that 90% of students would like to participate in the competition again.

#### Performing Arts Hub

The Performing Pedagogy project, supported by the Paul Hamlyn Foundation, aims to build the skills, confidence and capacity for innovation of primary school teachers. Through a series of Continuing Professional Development and Learning (CPDL) sessions, 37 teachers from 10 schools across the West Midlands have worked with professional artists to develop their use of drama and theatre to improve children's literacy, language development and storytelling abilities. The teachers have gone on to embed drama techniques into their classroom, leading to increased levels of student confidence and engagement in lessons.

#### Re-imagining further education and skills

The RSA's *Possibility Thinking* publication brought together a series of essays from leading thinkers and practitioners in further education and skills with the aim of developing a stronger sense amongst practitioners that they could help drive improvement. The report provided examples of innovation, including practitioners agitating for change in their communities and particular industry case studies, and reflected on how

*"It's been amazing, the stories that have come out from today are so much better than we had hoped for... There are two SEN (Special Educational Needs) students and they were so engaged in their work, they wouldn't go out to play until they had finished their story... their level of language has increased, it's incredible"*

Emma Kiernan, Gilbertstone Primary School.

these might inform policy and practice. The report's recommendations were developed with sector leaders at summits in Glasgow, Manchester and London. The report was launched at an event addressed by Vince Cable, former Secretary of State for Business, Innovation and Skills. The RSA worked closely with the project's funder, the Further Education Trust for Leadership (FETL), who have gone on to fund the Cities of Learning programme.

The report's introduction was published in the *TES*, the full publication has been downloaded over 750 times with individual articles read 1,152 times.

### Cities of Learning

Cities of Learning is a grassroots, city-based, mass-engagement movement to connect young people, especially those who lack access to opportunities, with a whole range of learning opportunities across their city. An initial summit with over 40 city educational leaders, educationalists and technologists mapped out how city leadership of lifelong learning could be cultivated and turned into reality. The report led to three cities expressing an interest in piloting the model and support from the Further Education Trust for Leadership, City and Guilds and Ufl Charitable Trust to get pilots up and running.

In partnership with DigitalMe, the RSA are now designing Cities of Learning in Brighton, Plymouth and Manchester with the cities' cultural institutions, further education colleges, higher education institutions, schools, community groups and businesses. This collaboration seeks to create learning pathways for young people that help them identify and pursue their passions, while developing important skills for life and work, accredited through digital badges.

## **RSA Catalyst: School of Hard Knocks**

In March 2016, the RSA awarded a £10,000 Scaling Catalyst grant to School of Hard Knocks, a project that utilises creative learning through sports to ensure vulnerable individuals on the fringes of society remain invested in developing and progressing their future. The RSA's funding to School of Hard Knocks, led by Tom Peyton FRSA, supported a crowdfunding campaign to enable the team to roll out a rugby programme into schools.

The programme works with pupils in danger of exclusion from school, enhancing their attitude and behaviour and developing their values and sense of personal responsibility, to equip them to stay in school, improve their attainment levels and prepare for the future. The ultimate aim of the School of Hard Knocks is to help participants get back into work or education and to equip them emotionally for the challenges of the workplace.

The crowdfunding campaign run by School of Hard Knocks and supported by the RSA raised £20,000 and this funded the expansion of the programme to two London schools, enabling the team to work with 40 children through weekly rugby coaching and mentoring. The project's alternative approach to refocusing pupils' enthusiasm for education is a step towards fostering the creative capacity of students who may otherwise turn away from completing their education.

## **RSA Academies**

RSA Academies, established as an independent charity in 2011, is a key part of our programme. Its mission is to provide pupils with an inspirational and creative education, linking their learning to the wider world and providing experiences that broaden horizons, enabling them to develop the skills needed for success and personal fulfilment. The RSA supports RSA Academies through an annual grant as well as giving it access to Fellowship. This partnership was reviewed this year, cementing the relationship for the next five years.

In January 2016 the number of schools in the RSA Family of Academies grew from five to seven with the addition of Abbeywood First School and Church Hill Middle School in Redditch. This means that RSA Academies is now working with pupils of all ages from 3 to 19. While we continued to work with the same number of schools during 2016/17, the RSA Academies' Board agreed a growth strategy based on the RSA Academies acting as an umbrella trust working with a number of small multi academy trusts (MATs).

### **Excellence in learning**

RSA Academies has continued to relentlessly focus on academic achievement, commissioning specialist primary and secondary consultants to introduce additional external monitoring and challenge. Of the seven existing schools, with the RSA Family of Academies, three are rated 'outstanding' by Ofsted, and the remaining four are all 'good'. Government changes to qualifications and assessment frameworks for both primary and middle schools put particular pressure on schools like those in the Family that admit a high proportion of pupils with low prior attainment, whilst the secondary Progress 8 and Attainment 8 measures reward schools that direct all pupils towards a traditional academic curriculum.

Arrow Vale RSA Academy has been shortlisted for the Times Educational Supplement's Creative School of the Year 2016/17 and Maths Department of the Year 2016/17 award.

### **Creative pupils turn ideas into action.**

The annual RSA Academies Arts Day took place at the Old Rep Theatre in Birmingham in July 2016, with 90 students from six schools participating. This year's theme was 'identity' and students attended drama, dance, art and music workshops before spending the afternoon in their chosen art form to prepare for the final performance. Winners and runners up of the Arts Prize and Poetry Prize were announced as part of the finale. Feedback from the day showed that 97% of students taking part felt more confident about trying new things, 83% felt creative and 80% learnt something new.

In the autumn term the seven schools signed up to a new Commitment on Arts, Creativity and Culture, which set out how governors, leaders and teachers would work with RSA Academies to ensure that all pupils receive a high quality offer. These commitments have been followed up by workshops for all teachers in five schools and feedback has been very positive, with teachers reporting being inspired to try new things.

## Skills and networks for the future

RSA Academies' largest area of financial investment is into RSA8, a leadership programme focused on the five schools with pupils in year 8. The 2015/16 programme concluded in July with a celebration where students presented the outcomes of their project to their peers, teachers and Principals. 97% of students that took part in RSA8 felt they were either more confident or much more confident as a result of the programme; 89% of students felt they were a lot or quite a bit better at teamwork; 71% felt like this about public speaking; 86% for communication and 82% for leadership skills.

RSA Academies and the RSA have worked to provide a range of experiences that connect young people's learning to the world beyond school. In November, the RSA's Citizens' Economic Council's Inclusion Roadshow included workshops for year 12 and year 8 students that explored what the 'economy' means to them. In the same month, the RSA's third annual Takeover Day included students from all RSA schools. Feedback from the day included the extent to which people felt the RSA schools were like a family and supported student voice.

## Providing challenging and stimulating teaching

The quality of teaching in all seven of the schools in the RSA Family is currently rated by Ofsted as good or outstanding. 2016/17 saw the first cohort of new teachers training with the RSA Academies Teaching School Alliance (TSA). Despite difficulties nationally with teacher recruitment, 20 of the 25 places have been filled, including in shortage subjects such as maths and physics. All trainees are on track to successfully complete their training year, and we expect to recruit a similar sized cohort of trainees to the 2017/18 programme.

### **Objectives for 2017/18:**

- Publication of *The Ideal School Exhibition*, a strategically significant and high impact report that establishes the RSA as a gathering point for all those who believe in the value of a broad and rich education that prepares young people not only for exams but also for life.
- Successful completion of the Pupil Design Awards and the creation of a dynamic and interactive Pupil Design Awards website, paving the way for the further expansion of the project.
- Delivery of a high-quality 'schools without walls' report, supported by the Educational Collaborative for International Schools (ECIS), showing how schools can build meaningful and mutually beneficial relationships with the communities in which they are based.
- Successful prototyping of 'City of Learning' model in partnership with Brighton City Council/Our Future City and DigitalMe, providing proof of concept and paving the way for a full pilot.
- Successful public launch of Learning About Culture project, with interventions selected, independent evaluator appointed and schools recruited to the Randomised Control Trials and the RSA's programme of parallel research underway.

## PUBLIC SERVICES AND COMMUNITIES

WE WANT 'TO HELP BRING ABOUT A SHIFT IN POWER TO PEOPLE AND COMMUNITIES SO THAT THEY CAN BETTER MEET THEIR SOCIAL AND ECONOMIC NEEDS AND ASPIRATIONS

Working across three main areas – people, public services and places – and drawing on the RSA's research, Fellowship and ideas platform, we believe that individual and collective power to create can be supported by three overlapping types of connectivity:

**Social.** We will work to harness the power of social networks, which are integral to a range of outcomes, including public health, employability and skills and social cohesion.

**Economic.** We will work to ensure that

efficient physical and digital infrastructure, including housing, transport and broadband, is supported by access to finance and locally applicable industrial strategies.

**Political.** We seek to build a genuine link between people and systems of governance, enabling citizens' voices to be heard and valued in decision making

### Key Impacts

#### The Future Prison Project

The Future Prison Project built on our strong previous work in this area since 2007/8 including RSA Transitions, and sought to create a blueprint for the community-based rehabilitative prison, engaging closely with practitioners, prisoners and senior policymakers at the Ministry of Justice and Her Majesty's Prison and Probation Service (HMPPS). Prison reform was a leading announcement in the 2016 Queen's Speech and although the Bill was withdrawn with the announcement of the general election, the Conservative Party manifesto recommitted to rehabilitation and reform, as well as other devolution based recommendations in our final report, *A Matter of Conviction*, published in October 2016.

#### Health as a Social Movement

Testing innovative approaches to health in six of the New Care Model vanguards in NHS England, the RSA's Health as a Social Movement programme continued into its second of three years.

### Nils Öberg lecture on Prisons in Sweden

In 2016/17 the prison reform agenda in England and Wales reached a critical stage of development with new legislation proposed and the expansion of the number of reform prisons, greater freedoms for governors and a restructure of the estate.

Nils Öberg, Director-General of the Swedish Prison and Probation service shared his experiences in his lecture at the RSA and in conversation with Rachel O'Brien, who leads the RSA's work on prisons. Highlighting some of the results, challenges and lessons of the Swedish approach, Nils's key message was that the success that Sweden has had in reducing the re-offending rate from 40% to 29% in the last decade is due to investment in well-trained and motivated frontline staff. Achieving this does not come cheap, but not spending sufficiently and wisely on staffing, he counselled, results, ultimately, in the much higher costs of increased recidivism.

## Heritage, Identity and Place

The second phase of our Heritage, Identity and Place programme saw the next iteration of the RSA Heritage Index, which pioneered a new approach to understanding and measuring heritage assets and activity levels at a local scale. This is now used to support a key performance indicator in the Department for Culture, Media and Sport's cultural strategy for England. The RSA Project Engagement Team continues to support Fellows to create the first Fellow-led Thematic Network in heritage, which will inherit the support infrastructure of over 40 Heritage Ambassadors.

### **Inclusive Growth Commission**

The impact and influence of the RSA's Inclusive Growth Commission was extensive. At a national level, inclusive growth was mentioned in the Chancellor's Budget speech the day after the launch of the Commission's final report, *Making our Economy Work for Everyone*. Our recommendation for the role of regional banks was included in the Labour Party manifesto and our inclusive growth fund was the basis of the Shared Prosperity Fund in the Conservative Party manifesto.

Locally, inclusive growth was at the heart of revised corporate plans for many local and combined authorities across the UK, including the London Borough of Haringey, Doncaster, Wakefield, Glasgow and West Yorkshire. Inclusive growth was described as "central to everything we do" by the UK Core Cities group (the 10 largest cities outside London).

Fellowship engagement was instructive in building grassroots advocacy and action in several local areas, including the Inclusive Growth in Scotland thematic network and Plymouth's Inclusive Growth Flagship group (convening the council, business, university and wider civil society leaders).

The Commission included RSA Global activity designed to raise its profile, create broad-based consensus and enhance its UK influencing strategy (including through partnerships with the OECD Inclusive Growth in Cities initiative, the Commonwealth Local Government Forum and the Brookings Institution), as well as inspiring other global cities (e.g. Chicago, USA).

The Commission built on the success of the RSA City Growth Commission (2013-2014), chaired by Jim O'Neill, which influenced the creation of the Northern Powerhouse and catalysed Devolution Deals to combined authorities.

### **Objectives for 2017/18:**

We want to help empower people and places to frame a bold, inclusive vision for their communities and, by fostering entrepreneurial local leadership, effective institutions and broad-based governance, allow them to achieve their 'mission' for their place. We will do this through:

- **Building Healthy Communities.** Understanding, defining and investing in community health assets, building on our ongoing work with NHS England (Health as a Social Movement) and previous programmes, including Connected Communities and West Kent Whole Person Recovery. We aim to work with localities to develop innovative interventions to test innovative models of 'health beyond healthcare' and the implications this has on the health system and citizens. We aim to address how the health system can become 'change-ready' if it is to meet existing resource challenges.

- **Inclusive Growth.** The legacy of the City Growth and Inclusive Growth Commissions continues, with the election of six metro mayors in May 2017 and commitment to ‘make the economy work for everyone’ in government and all the major political parties, respectively. We are now responding to demand from local places to help them to realise inclusive growth in practice, and will be setting up an ambitious global accelerator programme and learning network for cities in the UK and globally.
- **Public Service Reform.** Building on our research, reputation, and networks, we will make the case for why public service reform needs to be back on the political and policy agenda, what this might look like (particularly in the face of technological, economic and social change). This work will explore the kind of leadership needed to achieve outcomes in an increasingly devolved and complex local and national setting. This will build on our extensive work in criminal justice (which will continue as we support the implementation of the reform prison agenda, itself driven by RSA research and influencing) and touch on all other aspects of our portfolio, including: inclusive growth and the integration of social and economic policy at a local level; housing and the built environment; and, health and social care

## Regional Fellowship Initiatives

In Scotland, a **Fellow-led Building Inclusive Growth in Scotland Network** was created in order to build upon the work of the RSA’s Inclusive Growth Commission. The Network organised events, which contributed to the Commission’s findings, supported the Glasgow Deep Dive research visit and contributed related blogs. Following publication of the Commission’s report, the Network is exploring opportunities to produce a Scottish-focused response to our findings and is working with RSA staff to identify further activity within the inclusive economy in Scotland. The Network has provided a dynamic opportunity for collaboration between staff and Fellows and a model for the future.

**Fellow-led focus groups** In the South West, Nick Parker FRSA has championed a way of bringing Fellows to act as focus groups for organisations or other Fellows who have a particular problem they need solving. For example, John Bryant FRSA (Head of Integration and Development at Torbay Council and Torbay and South Devon NHS Foundation Trust) invited Fellows to assist him to consider possible models for harnessing the resources in the community to provide social care in collaboration with the existing provision of health and social care services. This sounding board has already met once with two follow up meetings planned for later in 2017. The aim is to replicate this model for bringing Fellows together as a force to bring about local change.

In Wales the focus of Fellow activity is on developing a **thematic approach based around the Welsh Wellbeing of Future Generations Act**, which requires public services (and encourages other sectors) to contribute towards wellbeing goals such as developing prosperous, healthier, resilient, more equal, cohesive communities. This process is in its early stages and there are plans to survey Fellows in Wales to garner interest and enthusiasm to take forward cohesive group working and help make these goals a reality.



## ECONOMY, ENTERPRISE & MANUFACTURING

WE BELIEVE THAT AN ECONOMY THAT ENABLES ALL INDIVIDUALS TO FULFIL THEIR CREATIVE POTENTIAL IS ONE WHICH IS ENVIRONMENTALLY SUSTAINABLE, PROVIDES BASIC ECONOMIC SECURITY FOR ALL, AND SUPPORTS AND REWARDS MEANINGFUL AND CREATIVE ACTIVITY

We focus our work around three themes:

**Manufacturing and Innovation.** With new technologies promising a revolution in the way things are made and distributed, and increasing pressure on the world's resources, we need smart industrial strategy more than ever.

**Work and Enterprise.** Automation and artificial intelligence are enabling machines to surpass humans in an increasing range of tasks. Self-employment and the gig economy are growing as the nine to five job disappears. We champion support for micro-enterprise and seek pathways for technological innovation that enhance,

rather than displace, the potential for human creativity and fulfilling work.

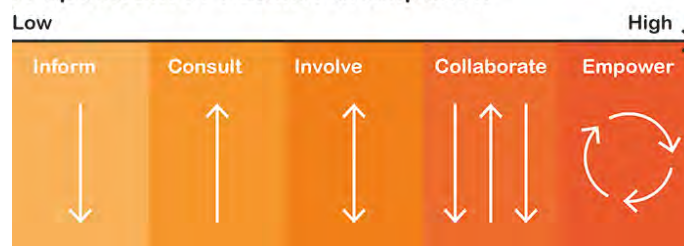
**Economic Democracy.** Everyone is affected by the way we run our economy. So we're working to broaden democratic ownership and control of economic institutions, as well as greater public participation in economic policy.

### Key Impacts

The Citizens' Economic Council

The Citizens' Economic Council (CEC) is a two-year programme building the case for policymakers and organisations to use deliberative processes to involve citizens in decision-making. We believe that we need to upgrade our democracy to more than just a chance to vote towards more active, collaborative and empowering forms of democratic participation.

#### A Spectrum of Public Participation



The core of the CEC is a citizens' jury comprising groups in Manchester and London both meeting over four days to deliberate on economic policy, with them combining for a final day in Birmingham. Additional components are:

- a toolkit to allow citizens to facilitate their own workshops on the economy;
- a nationwide series of workshops with economically marginalized communities to highlight particular barriers to economic participation;
- an online deliberation platform for crowd-sourcing policy ideas;
- an animated RSA Short on the value of deliberative democracy; and



engagement. The first citizens' deliberation day was featured prominently in the *Financial Times*, and the team has presented their findings to numerous audiences.

### Self-Employment and the Gig Economy

We champion policies and practices that support people to successfully pursue self-employment and enterprise. We believe that good work for all is a worthwhile and achievable national aspiration.

Our Enterprise Audit report in February set out a series of recommendations for supporting self-employment and we continue to be prominent in the debate with appearances at Work and Pensions Select Committee hearings, FT Sharing Economy Conference, OuiShare Conference, Paris, the International Retail Summit, Zurich, Economic Ideas Forum, Brussels, and conferences at NESTA and the Wellcome Trust.

We enhance our impact through selective partnerships, and we contributed to the Small Business Taskforce's pre-Autumn statement on policies to promote enterprise. We also participated in the BankingFutures project, involving senior banking executives, which is seeking ways for large banks to better serve SMEs.

### Community Business Leadership Programme

In partnership with Power to Change, Real Ideas Organisation and Sheffield University Management School, the RSA is delivering a programme for community business leaders to build experience and connections so they are better equipped to manage and lead their businesses, whilst also developing their ability to help shape the community business sector.

Feedback from participants has been positive, with improvements in technical and organisational skills, confidence and leadership qualities. The first cohort in the southwest of England reported an exceptional net promoter score of +88 and feedback will be used to continuously improve the programme for the remaining cohorts in northern and southern England.

### Other projects

The work of the four-year Great Recovery programme, which ended in March 2016, has continued through the RSA Fellows Sustainability Network and a new partnership with the UCL Circular Economy Lab to carry

## RSA Animations

RSA animations bring to life the big issues around the economy that underpin the work of the Enterprise, Economy and Manufacturing programme, engaging hundreds of thousands of viewers online worldwide.

In the RSA Short The Value of Work anthropologist David Graeber condemns the 21st century phenomenon of 'bullsh\*t jobs', and makes a call for more meaningful work. In the RSA Explainer on universal basic income, the RSA's Anthony Painter provides a clear and engaging rundown of the basic idea and suggests why it could provide the platform for a more secure, creative and fulfilling life.

In the RSA Animate Economics is for Everyone, economist Ha-Joon Chang pulls back the curtain on the often mystifying language of economics, explaining how easily economic myths and assumptions become gospel, and argues that there is no reason why everyone can't arm themselves with some key facts and get involved in shaping a fairer economy for all.

out an international project on reestablishing sustainable manufacturing in inner cities.

The Seven Dimensions of Climate Change was presented as a framework for climate change communication at the World Congress of Factual and Science Programme Makers, in Stockholm.

As part of our developing programme on Economic Democracy, we contributed an essay on “The Corporate Governance Challenge” to a Co-operative Party series on the new economy, and submitted proposals for corporate governance reform to the Department of Business, Energy and Industrial Strategy consultation and the BIS Select Committee inquiry.

### Objectives for 2017/18

- We are building on our successful publications on self-employment, automation and the gig economy by launching the [RSA Future Work Centre](#). This will bring together our leading research with a programme of engagement and strategic partnerships to explore new policies and practice that promote greater economic security and more fulfilling and meaningful work.
- In partnership with UCL's Circular Economy Lab, and universities and NGOs in Belgium and the Netherlands, the [Cities of Making project](#) will identify what works in supporting a resilient and innovative industrial base within major cities, and to test those solutions in real-world settings in London, Rotterdam and Brussels.
- We will develop our partnership with the UCL Institute for Innovation and Public Purpose led by Professor Mariana Mazzucato in order to apply [mission-orientated innovation policy](#) in practice to address major societal challenges.
- Finally, we will build on the [Citizens Economic Council](#) with further projects that promote the understanding and effective use of participatory democracy, including in non-government organizations and businesses.

### RSA Catalyst: Library of Things

In March 2016, the RSA awarded a £10,000 Scaling Catalyst grant to Library of Things, led by Rebecca Trevalyan FRSA. The team behind Library of Things were aware of rising costs of living and stagnating wages leading to a significant reduction in disposable income available to households across the UK. Simultaneously, the team acknowledged that the things that can add the most value to everyday lives are often the most expensive – for example, tools for home improvement or gardening – may be unaffordable, can take up space and can go unused for long periods of time. Library of Things set out to work with communities to set up borrowing shops in local spaces, where members of the community can borrow useful things that they need only occasionally, including drills, carpet cleaners, sewing machines, gazebos and breadmakers.

The project seeks to reduce waste, democratise access to every day tools and utensils to improve quality of lives, and to encourage shared responsibility for the tools that belong to a community. The project initially set up shop in West Norwood, South London, and with the help of RSA funding has prototyped further ‘Thing’ hubs in other venues across London, including a housing association and a library,

Following completion of the RSA Award, Library of Things is now looking to work with major manufacturers to agree contracts of distribution and maintenance of the ‘Things’ made available by the project.

## DESIGN

The past year has marked a substantive and positive shift for RSA Design. The establishment of the Design Advisory Board (DAB) to give input and strategic guidance into the development, refinement and impact of design at the RSA, will support the organisation's charitable objectives through programmes, networks, and events. In addition, we launched the RSA Design Association, which brings together the Royal Designers for Industry, Student Design Awards Alumni and design-interested Fellows and are currently scoping a range of events and activities to engage this network.

Key impacts

### The RSA Student Design Awards

The RSA Student Design Awards are entirely externally funded and this year, our partners and supporters include: UK Government, the Chartered Institute of Marketing, Fazer, GlaxoSmithKline, the Global Disability Innovation Hub, KinneirDufort, the Marketing Trust, NHS England, NCR, Philips, PRP Architects, RBS, Unilever, Waitrose and many more. The number and range of the briefs varies from year to year and in 2016/17, the programme's 93rd year, 12 briefs were issued bringing together a range of thematic research areas in line with the RSA's key aims, notably:

- Life-long learning and development;
- Sustainability and the circular economy;
- Fostering a more inclusive, tolerant society; and
- Empowering people to live longer, healthier lives.

The programme continues to attract global interest and recognition, and in 2016/17, 82% of the entries came from the UK and 18% from 21 other countries on four continents with significant entry numbers from Ireland, Hong Kong, the United States and Finland. The programme continues to thrive by encouraging participants to think differently about design through experimentation, collaboration, inter-disciplinary working, joy and a passion for positive social change.

The RSA Student Design Awards received the Creative and Cultural Skills Design Skills Award 2017 from Creative Culture and Skills (a Sector Skills Council by the Secretary of State for Business, Innovation and Skills), in recognition of its pioneering approach to skills development and helping young designers from varied backgrounds into paid creative work.

### The RSA Design Association and the Royal Designers for Industry

In the 2015 RSA's Strategic Review, design was identified as a vital cross-cutting theme that should have a significant influence in all of our work. In line with this, the RSA Trustee Board initiated a review of how the RDI (Royal Designer for Industry) appointment process and programme could develop in a way that would continue to positively influence and extend the RSA's design approach and bring together networks under the umbrella RSA Design Association. This review was carried out over the course of 2016 and concluded with the establishment and first meeting of the RSA Design Advisory Board (DAB) in November 2016 to give clarity to how the RDIs can have a greater voice and be more involved and connected to the RSA.

No RDI appointments were made in 2016 during the review and a new Ordinance was approved that invited RDI nominations from a range of design associations and groups,

including the Design Council, the British Council, the Chartered Society of Designers, the Design Business Association, and past RSA Student Design Award winners. The DAB will support the RDIs to look at discipline gaps in the Faculty with a view to supporting and welcoming new types of designers into the Faculty. The nomination process under the new Ordinance is underway and the DAB met in June to confirm the 2017 nominations.

### Objectives for 2017/18

- Mobilising the RSA Design Association (including the Royal Designers for Industry, the RSA Student Design Awards Alumni network, and design-interested Fellows).
- Working collaboratively to articulate and develop the global offer for the RSA Student Design Awards and how the RSA might lead a global movement for design for positive social change.
- Securing new funders and maintaining existing funders to support the growing RSA Student Design Awards programme.



2015/16 SDA Winners

## **RSA GLOBAL**

Our aim is to become a global organisation that enables the creativity of people, institutions and businesses to drive social change relevant to their local contexts. In 2016/17 the RSA sought to assess the feasibility of: replicating our model of change internationally, improving our infrastructure to operate as a global organisation, supporting a cultural shift towards a more international perspective in our research and investing in building a vibrant impactful network of global Fellows.

Key impacts:

- This year saw a net increase of 164 new international Fellows, tracking last year's rate of growth. We have also seen significant growth in the number of countries from which Fellows join, up to 66 countries in 2017 from 37 countries in 2013. The RSA currently has nearly 2,800 of its Fellowship residing in 100 countries.
- Our sister organisation, RSA US, recruited a strong Board of Trustees from within the US Fellowship, appointed its first US Director and developed a three-year strategy for impact. Fellowship continued to grow steadily and a strategic relationship with the British American Project resulted in a number of high-profile issue-driven events for Fellows in San Francisco, Miami, Seattle and Los Angeles.
- This year global case studies, networks and expertise featured prominently in our research. We undertook internationally-focused research projects about how city institutions can support the education of refugee children in Athens, the role of think tanks in supporting social change in developing economies and we replicated the US-inspired Cities of Learning programme in the UK.
- Key partnerships with global social innovators continued this year and provided a forum for dissemination, exchange and networking. They include the global Impact Hub network, European Forum Alpbach, ASEAN Impact Challenge, 92Y and the Global Entrepreneurship Challenge Malaysia. Continuing our commitment to learning from around the world, RSA staff have been keynote speakers and workshop leaders at 28 events in 16 countries.
- We assessed the feasibility of replicating our model of change this year by exploring partnership opportunities in the ASEAN region. Working with a US-Thai arts organisation we are raising funds for a civil and cultural hub in Bangkok that will support social innovation and nurture creativity.
- The RSA Student Design Awards received 18% of international entries from 21 countries, with seven out of 25 entries coming from outside of the UK, illustrating its role as a global programme.

### **Objectives for 2017-18**

- Develop major content-based partnerships on global topics including inclusive growth and universal basic income with RSA US.
- Experiment with building country-level partnerships to enable the RSA's model of change to have an impact.
- Improve the RSA's global presence as the expert on social design through the RSA Student Design Awards and other design affiliations.

## ENVIRONMENTAL REPORTING AND POLICY

Trustees regard the minimisation of our impact on the environment as one of our important management tasks. The Society's Environmental Policy is available on our website ([www.thersa.org/about-us/environmental-policy](http://www.thersa.org/about-us/environmental-policy)) and our practices described under Sustainability ([www.thersa.org/hire-rsa-house/sustainability-and-accessibility](http://www.thersa.org/hire-rsa-house/sustainability-and-accessibility)). The key performance indicators for our environmental data for 2016/17 are set out below and these will be updated every year.

Utilities-Units	Electricity Kwh	Gas KwH	Water Ltrs	Total energy carbon emissions (tonnes CO2)	
				2016/17	2015/16
<b>Energy</b>	778,842	475,791			
<b>Water</b>			2,808,000		
<b>% recycled energy</b>	11.4	n/a	n/a		
<b>Tonnes of carbon</b>	409	90	n/a	499	476
<b>% inc/(dec) on 2015/16</b>	3.5%	12.1%	8.1%	4.8%	n/a

Travel-Units	Mini Cabs (mls)	Trains (mls)	Flights (mls)	Total air, road & train travel Carbon Emissions (tonnes CO2)	
				2016/17	2015/16
<b>Miles</b>	1,998	53,303	61,156	116,457	115,618
<b>Tonnes</b>	0.7	4.2	18.4	23	19
<b>% inc/(dec) on 2015/16</b>	44.9%	-38.1%	54.1%	21.1%	n/a

	Waste Recycled (kgs)	White paper usage (boxes)		Glass recycling (ltrs)	
		2016/17	2015/16	2016/17	2015/16
<b>Volume</b>	31,128	99	170	39,840	49,920
<b>% recycled</b>	47%	71%	70%	100%	100%
<b>% inc/(dec) on 2015/16</b>	n/a	-41.8%	n/a	20.2%	n/a



	Total m2 of building	Per m2 (tonnes CO2 per m2)	Total building carbon emissions (tonnes CO2)	
			2016/17	2015/16
<b>Building carbon emissions</b>	4,598	0.1035	518	495
<b>inc/(dec) on 2015/16</b>	0.0%	0.0%	4.6%	n/a

As ever, managing a historic building can be a challenge from an environmental perspective but we are continuing to make changes on an ongoing basis, with the objective of improving our overall performance. We regularly review and replace the types of lamps in use throughout the building, installing LEDs or low energy lamps. During the past year, all of the sash windows on the first floor have been overhauled, as part of a long term refurbishment program and in order to improve heat retention within the building. Despite this, there has been a small increase in carbon emissions from the building potentially reflecting higher levels of RSA Adelphi business.

We continue to recycle all of our waste that is suitable for recycling including used toner cartridges, glass, paper and cardboard in order to contribute to building a greener organisation. We use recycled paper for virtually all of our internal documents and one of our noticeable outcomes has been a reduction of 42% the amount of white paper used for printing; in addition, 71% of white paper is made from fully recycled products. We print our regular magazine, the Journal, on recycled paper.

Our hospitality function now recycles all food waste within the kitchen, with 12,330 kgs being saved from landfill. This means that 47% of our waste is now recycled, up from 32% last year.

Within the travel section, the report clearly shows an increase of 45% in use of mini cabs and 54% in flights. Whilst the former is still at a relatively low level, the increase in flights reflects the development of the RSA's global vision which requires engagement with fellows and people around the world, involving an increase in not just national but also international projects as a way to actively promote social empowerment. We aim to minimise travel by the use of technology but inevitably, in some instances, face-to-face meetings are required.

The increase of 4.6% in our carbon emissions has been driven primarily by the House. A House Development Committee has been formed so that future improvements to the House can be discussed, agreed and implemented (see below). We are working with the architects on their plans and to introduce sustainable and energy saving features where feasible.

The RSA's investment assets are invested primarily with CCLA in the COIF Charities Investment Fund. The section on page 30 sets out the Fund's investment policy.

## **FUTURE PLANS**

In 2017/18, the RSA reaches the third year of its strategic plan and will continue to redouble its efforts to achieve impact in the world through the research that we do, the partnerships and collaborations that we establish, the reach of our work through our ideas platform and the support, engagement, activities and enthusiasm of the growing number of RSA fellows. Our specific objectives for 2017/18 are set out in the sections above but highlights include:

- A successful public launch of the Learning About Culture project, assessing the impact of culture on learning.
- The launch of the RSA Future Work Centre to explore new policies and practice that promote greater economic security and more fulfilling and meaningful work.
- Taking forward the legacy of the City Growth and Inclusive Growth Commissions by setting up an global accelerator programme and learning network for cities in the UK and globally.
- Developing the global offer for the RSA Student Design Awards including determining how the RSA might lead a global movement for design for positive social change.
- Developing major content-based partnerships on inclusive growth and universal basic income with RSA US.

In addition, a House Development Committee has been formed so that future improvements to the House can be discussed, agreed and implemented. The Board has agreed a proposal to carry out redevelopment of the three lower floors of the RSA House with the aim of better utilising this under used space to provide better facilities for collaboration and partnership as well as improved catering facilities. Level -1 where the Gerard Bar is currently located, will be refurbished and the whole of this floor will be opened up into a variety of eating and collaborative meeting spaces. Level -2 will see the Library opening up with the addition of hellerup stairs between the upper and lower sections of the library. In addition, the main Kitchen at level -3 will be transformed offering increased capacity for our hospitality business.

## OUR THANKS

Financial support is crucial in helping the RSA make a difference in the world. All Fellows support the society through their annual Fellowship fee and by engaging with our work including Fellows' projects and initiatives.

The RSA would like to extend very special thanks to the following organisations and individuals for their generous support in the last financial year. It is thanks to these donations that we can continue to make a difference. The following individuals and organisations made contributions of £5,000 or more in the Financial Year 2016/17.

### Corporate Supporters

Chartered Institute of Marketing  
Crunch Accounting  
Etsy  
Fazer Bakeries  
Google UK  
Grant Thornton  
GSK Research & Development  
Mangopay  
Natracare  
Philips Electronic  
PRP Architects LLP  
PwC  
Royal Bank of Scotland Group plc  
Timpson  
Unilever  
Waitrose

### Trusts, Foundations & Grant Making

Andrew Lloyd Webber Foundation  
Barrow Cadbury Trust  
British Council  
Calouste Gulbenkian Foundation  
Comino Foundation  
Crown Agents  
Educational Collaborative for International Schools  
Ernest Cook Trust  
Elliot Foundation  
Friends Provident Foundation  
Further Education Trust for Leadership  
International Development Research Centre  
Joseph Rowntree Foundation  
Gulbenkian Partnership

Marketing Trust  
Oak Foundation  
Paul Hamlyn Foundation  
Power to Change  
JJ Charitable Trust  
Trust for London  
World Innovation Summit for Education  
  

### Statutory & Other Organisations

Core Cities - Manchester City Council  
Federation of Small Businesses  
Government Office for Science  
Innovate UK  
Key Cities  
London Government Association  
Global Disability Innovation Hub  
NHS England  
Nottingham Civic Exchange/Nottingham  
Trent University  
Office for Disability Issues  
Rochdale Boroughwide Housing  
Sunderland City Council

### Individual Supporters & Legacies

Mr Bruce Bossom  
Ms IR Bratman  
Mr Hugh Lenon  
Lady Edwina Grosvenor  
Miss GM Greene  
Mr Hugh Lenon  
Mr E J Chumrow  
Sir Robert Malpas CBE

## FINANCIAL REVIEW

### Net income/(expenditure)

We are reporting a surplus on *Net income/(expenditure) before gains/(losses) on investments* for the year of £0.7m. This compares with a deficit in 2016 of £0.1m. The surplus of £152k on unrestricted funds includes expenditure of £0.2m of designated legacy funds, in line with the preferences of the legators.

The surplus of £0.7m is before unrealised gains on investments of £2.4m giving an overall *Net income* of £3.1m as compared with *Net expenditure* of £0.6m in 2016, which included a net loss on investment assets of £0.5m.

### Income and endowments

*Income and endowments* increased by £0.9m from £10.3m to £11.2m. The RSA's principal funding sources are its Fellows, trading through RSA House and consultancy work, income generated from a wide range of sources for ARC projects, including grants and sponsorship, fundraising and investment income. The growth of £0.9m came primarily from an increase of £0.4m in Fellowship donations and £0.5m from Income from charitable sources for the Programme of projects.

Under *Donations and Legacies*, the increase of £0.4m in Fellowship donations reflected both a net increase in fellowship numbers of 743 during the year and the impact last year of more fellows choosing to spread their donation over the year.

*Other donations and legacies* were £432k and included a legacy of £140k received from Miss Greene, an amount of £240k bequeathed by the estate of Mr Ernest Chumrow and £25k from the trustees of Ms Bratman. We are very grateful for all three legacies which are dedicated to the general work of the RSA.

*Income from other trading activities* includes the trading activities of RSA Adelphi Enterprises Limited ('RSA Adelphi') and RSA Shipley Enterprises Limited ('RSA Shipley'). RSA Adelphi operates all the function spaces within John Adam Street, providing accommodation for business meetings, social events and weddings. The company had a good year with total sales for 2016/17 of £3.11m, £0.03m (1%) higher than last year. RSA Shipley, which offers consultancy services achieved sales of £0.2m versus £0.5m in 2015/16, reflecting a year in which we focused on some larger charitable projects within the RSA, with a corresponding move away from consultancy work. The profits of each trading company are given back to the RSA under Gift Aid.

*Investment income* of £0.7m showed an increase of £0.2m following a year of transition in 2015/16 when we sold our two investment properties and changed investment manager in the middle of the year.

*Income from charitable activities* increased from £1.5m last year to £1.9m this year as we successfully repositioned ARC to work on larger, longer term projects and to focus primarily on the RSA's three main areas of interest. As indicated above, the funding for the program of projects came from a range of funding sources and increased by £0.5m. Funds raised for *Lectures and events* and the *Programme of Engagement* fell marginally on last year.

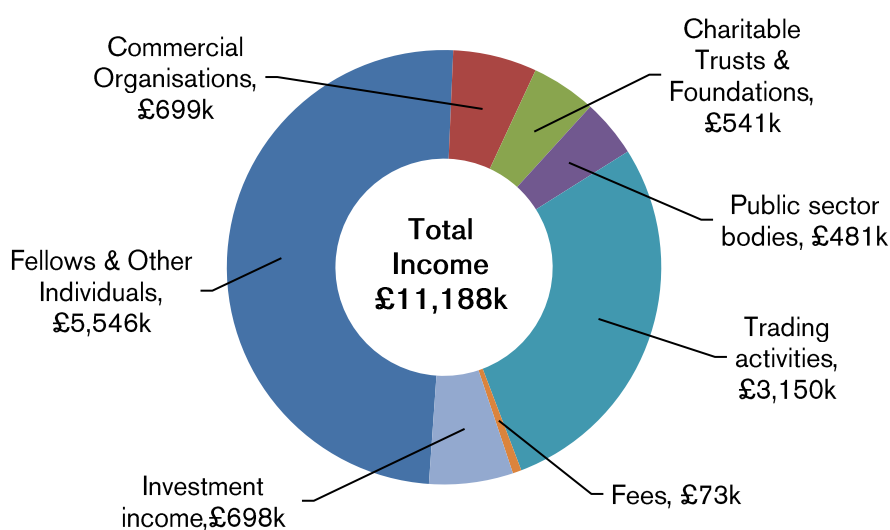
### Expenditure

*Total expenditure* increased by £0.1m from £10.4m to £10.5m. *Expenditure on raising funds* remained level at £1.1m with an increase of £0.1m in the cost of *Fellowship*

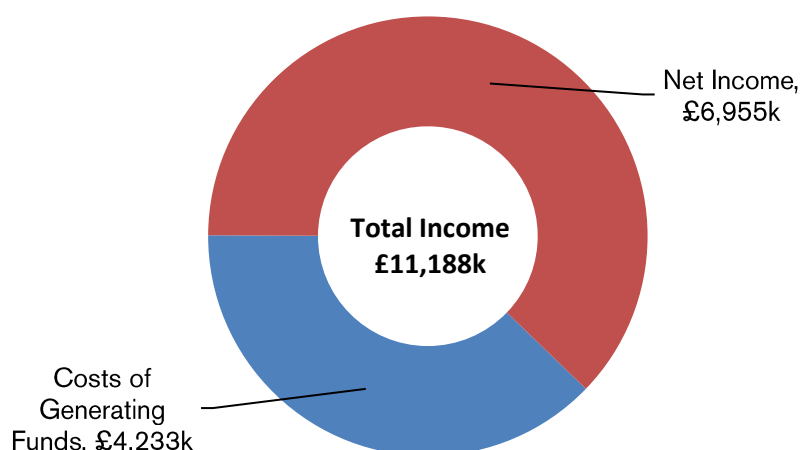
administration offset by a decrease in the cost of raising *Other funds*. The former partly reflected the cost of introducing new fellowship cards. *Expenditure on Trading activities* fell by £0.4m due to lower levels of activity in RSA Shipley.

*Expenditure on charitable activities* increased by £0.5m from £5.8m to £6.3m with higher levels across all three categories of charitable expenditure. The largest increase was of £0.4m in the expenditure on the *Programme of Projects*. Expenditure on *Programme of Lectures and Events* remained level and *Programme of Engagement* increased by £0.1m. *The Programme of Engagement* included Catalyst grants for small innovative projects in line with the RSA's objectives, totaling £60k and a grant to RSA US of £90k. Charitable expenditure represents 85% of total expenditure (excluding trading operations) 1% higher than the percentage for the previous year.

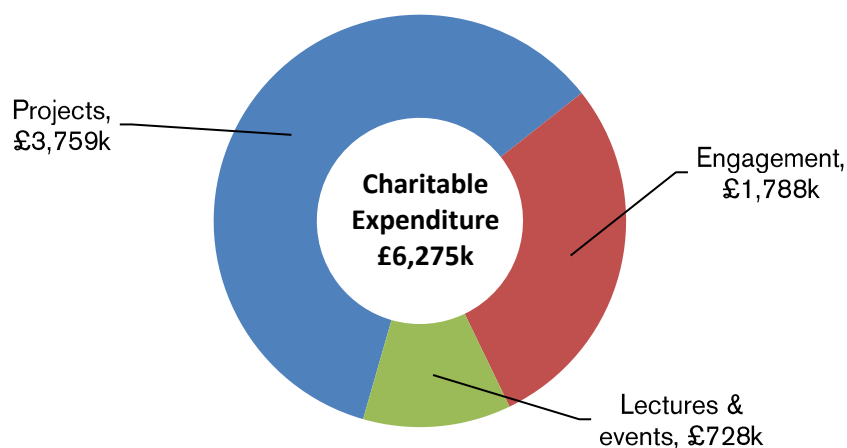
### Where our income comes from



### Cost of generating income



## How we spent charitable funds



## Investments and investment policy

Most of the RSA's funds are invested either in the Society's House in John Adam Street or in securities. The RSA's investment policy targets a long-term real rate of return of 4% per annum.

Of those funds invested in securities, the majority is invested in the COIF 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 includes property, bonds and other asset classes. The Fund follows an ethical investment policy, which is reviewed on a periodic basis following consultations with its clients. The portfolio does not invest in companies engaged in landmine or cluster bomb manufacture or those with a significant involvement in tobacco, pornography or on-line gambling. These policies are supported by an active engagement programme which seeks to raise standards on a range of issues including human rights, employment practices and climate change disclosure.

The RSA believes that this is the best way in which it can both invest its funds in a sustainable way and influence the companies in which it invests.

During the year there was an unrealised net gain in the market value of investment funds of £2.4m as compared with a net loss of £0.5m last year. The latter comprised a loss of £1.1m on investments partly offset by a realised gain of £0.6m on the sale of the RSA's two investment properties.

## Reserves Policy

The Trustees have adopted a reserves policy, which they consider appropriate, in order to ensure the continuing ability of the RSA to meet its objectives and obligations. Investment returns are required to fund the RSA's charitable activities; the policy also seeks to maintain an acceptable ratio between the 'free reserves'<sup>1</sup> and the level of 'unrestricted cash

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

expenditure'<sup>2</sup>. There are two designated reserves: a designated fixed asset reserve to fund the investment in the property in John Adam Street and other fixed assets and a designated legacy reserve of £1.1m for those legacies received by the RSA which, whilst technically unrestricted, include clear preferences expressed by the legators as to how the funds might be utilised.

This year our unrestricted funds total £14.1m compared to £13.3m last year; of this sum, £7.6m, (£7.7m in 2016) is the designated fixed asset reserve and £1.1m is the designated legacy reserve, leaving a balance of £5.4m, an increase of £0.9m from £4.5m last year.

The Trustees have reviewed the reserves policy in the light of the current economic environment, possible future investment requirements (primarily in RSA House) and guidance from the Charity Commission and have agreed to maintain the target for free reserves at three months' unrestricted cash expenditure. Given the overall financial position of the RSA, and the funds potentially available to the organisation from within the Shipley Expendable Endowment Fund, it is believed that three months' reserves is a realistic sum to protect the organisation, should the RSA suffer a major change in its financial position. This year, our cover position is 8.5 months compared with 6.4 months last year. The increase in cover reflects both the positive result for the year and unrealised investment gains of £0.7m accruing to the free reserves (including the legacy reserve). If the legacy reserve is included in the total, the number of months' cover increases from 8.2 months to 9.9 months. The Trustees believe the position is healthy given the current economic uncertainty and the future investment plans totaling £3.7m for the redevelopment of the House agreed by the Board of Trustees on 9<sup>th</sup> May 2017 but will continue to review the appropriateness of this ratio as the economic and political situation evolves and our investment plans develop.

### Grant Making Policy

The RSA achieves its charitable objects, in a number of ways which include providing grantmaking, providing nonfinancial support, and carrying out research. Support is provided in a range of different ways, depending on the nature and objectives of each programme.

There is no set allocation of the annual budget for overall grant expenditure, rather RSA sets programme deliverables and the appropriate method of delivery will be determined within that program's budget. Where grants are appropriate as a funding mechanism, the RSA sets out specific entitlement criteria for each programme at its launch. These criteria vary from programme to programme and are made available on RSA's website where open calls are invited.

Applications are then assessed against these criteria and awards made taking into account funds available, ability to deliver the objectives of the programme, and the quality of applications. The period for which grants are awarded depends upon the programme but typically lasts under one year. Grants are monitored regularly and appropriate progress reports are required from recipients. Save for the annual grant to RSA Academies and the RSA US, no grant is made by the RSA over £50,000.

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

## OBJECTIVES, GOVERNANCE AND MANAGEMENT

### Our Charitable Objects

The 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 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 Board of Trustees is the governing body of the RSA and consists of up to 12 members, of which five are directly elected to the Board by the Fellowship, two are elected by the Fellowship Council from within their number, and up to five Fellows are appointed by the Board. Trustees are elected or appointed for a three-year term, and may serve a second three-year term, save Fellowship Council Trustees who serve for the currency of the Fellowship Council. The Board met four times during 2016/17, as well as attending an additional annual away day. Day to day management of the RSA is delegated to the Executive Team by the Trustees, the Executive Team attend all Board meetings.

The Board has established three permanent committees, each with specific terms of reference and functions delegated by the Board and with a Trustee appointed by the Board as Chairman: Audit and Risk (which has two external members), Nominations and Governance, and Remuneration. In addition the Board has created a House Works Committee for the purposes of managing the updating and development of three floors of 8 John Adam Street. The Chief Executive and Chief Operating Officer attend all committee meetings save the House Works Committee, which the Chief Executive does not attend. The external auditors attend one meeting a year of the Audit and Risk committee.

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

### Fellowship Representation

An important part of the governance of the RSA's relationship with its Fellows is the Fellowship Council. The Fellowship Council formally comprised of 35 elected and five co-opted Fellows to represent the interests of Fellows within the RSA. At the October 2016 AGM this was replaced by 21 elected and six co-opted Fellows. The Fellowship Council elects two representatives to the Board of Trustees, and the terms of reference specify that at least one of the representatives would be either the Chair or the Deputy Chair of the Fellowship Council.



The members of the Fellowship Council up to the October 2016 AGM were:

RSA Regions	Chair of Region	Councillor of Region
East Midlands	Jeanne Booth	Rick Hall
East of England	Malcolm Noble	Peter Clitheroe, Tim Smith
Ireland	Chris McCracken	John McMullan
London	Philippa Holland	Anette Thorup
North East	Pauline Moger	Bill Gibbon
North West	Rod Hyde	Stephen Parry
Scotland	Ann Packard	Tanya Hine
South Central	Maurizio Fantato	Greg Slay
South East	Clem Henricson	Irene Campbell
South West	Ed Whitelaw	Phillippa Rose
Wales	Wiard Sterk	Kathy Seddon
West of England	Ted Fowler	Alan Bec
West Midlands	Keith Horsfall	Lorna Prescott
Yorkshire	Pamela Warhurst	Jackie Goodman
At Large Councillors	Erinma Ochu	Laura Pictor
	Pooran Wynarczyk	Eric Woodcock
	Kath Davies	Dan Stanley
	Kerrie Howard	Alex Newberry
	Chris Luffingham	Francesca Wakefield
	Steve Coles	Megan Clatworthy
	Nick Parker	

The members of the Fellowship Council after the October 2016 AGM were:

Specialism	Thematic Councillors
Creative Learning and Development	Lucy Griffiths, Alex Bell
Economy, Enterprise and Manufacturing	Ian Coleman, Eric Woodcock
Public Services and Communities	Steve Trevillion, Lorna Prescott
Area	Area Councillors
Central	Edward Boott, Hasmita Chavada, Peter Clitheroe
Ireland	Kieran McGeown, Suzanne Lyle
London	Bhavani Esapathi, Judy Rees, Amy Pryor
North	Rod Hyde, Sharon Jandu, Pauline Moger
Scotland	Rachael Brown, Tanya Hine
South East	Maurizio Fantato, Caroline Clark, Clem Henricson

### Principal risks and uncertainties

The trustees and management have considered the major risks to which the RSA is exposed; comprising operational, financial environmental, governance and law and regulatory risks. The risk register summarises these potential risks and assesses their likelihood and potential impact. Controls have been identified to limit each of the risks, and responsibility for their management allocated to nominated individuals or directors, and the director charged with supervision. The risk register is regularly reviewed by the Audit and Risk Committee with a different area of the business reviewed in-depth at each quarterly meeting.

The trustees consider that the main risk for the RSA lies in the competitive and changing environment in which it works. As an organisation which aims to provide a unique platform for new ways of thinking, creating and influencing, we need to be ahead of the competition in the ideas which we showcase, how we present those ideas, and how we use the ideas to gain broad influence and to mobilise for real world impact. The flow of funding for our charitable work, our ability to attract partners to work with us and our capacity to continue to build our fellowship base depends on our success and standing out from the crowd. This includes investment in digital technology and continued exploration of new methods of drawing in ideas, presentation and dissemination.

Day to day management of the RSA is delegated by the Board of Trustees to the executive team.

### Remuneration policy

The RSA operates a broad banded salary structure for all roles including Executive level roles based on job evaluation and benchmarking using Xpert HR. Pay levels are based upon paying 5% above the median level in order to enable us to attract the high quality staff that we require. The annual pay settlement is based on an award to reflect reward and market pay trends, what employees are experiencing in terms of inflation and affordability for all employees who have passed their probationary period and who are not subject to a formal capability or conduct process (generally a % increase). The annual pay review is agreed by the Executive Management team and signed off by the Remuneration Committee and ultimately the Trustee Board as part of the annual budget.

### Key management personnel

The Trustees consider that the Executive Team, as identified on page 3, comprise the Key Management Personnel. Executive pay is signed off on an individual basis by the Remuneration Committee based upon individual performance and comparisons Xpert HR's Annual Voluntary Sector Salary Survey for the relevant year.

## **Statement of Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Society. The RSA's object, as laid down in our Charter are set out above.

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;
- Innovation and creativity is encouraged through the RSA Student Design awards;
- The RSA's "hands-on" projects, such as those in education, and building communities, have direct charitable benefit;
- The RSA Fellowship is also diverse, engaged, and influential, and its work, which is given voluntarily, contributes to the capacity of the Society to pursue its charitable objectives.

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

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

## **Statement of Trustees' Responsibilities**

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

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

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



By order of the Board of Trustees

Vikki Heywood CBE

**Chairman of the RSA**

4 July 2017

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE RSA (THE ROYAL SOCIETY FOR THE ENCOURAGEMENT OF ARTS, MANUFACTURES, AND COMMERCE)**

We have audited the consolidated financial statements of the RSA (Royal Society for the Encouragement of Arts, Manufactures, and Commerce) for the year ended 31 March 2017, which comprise the consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the consolidated Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Trustees' Responsibilities Statement set out on page 32, the trustees are responsible for the preparation of the financial statements, which give a true and fair view.

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

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

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

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 March 2017 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Matters on Which We Are Required to Report by Exception

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

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



haysmacintyre

Statutory Auditor

26 Red Lion Square

London

WC1R 4AG

4 July 2017

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

## Group Statement of Financial Activities for the year ended 31 March 2017

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000	2016 Total £'000
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>						
Fellowship donations		4,921	0	0	4,921	4,484
Other donations and legacies		429	0	3	432	304
<b>Trading activities</b>		3,150	0	0	3,150	3,473
<b>Investment income</b>		203	495	0	698	512
<b>Charitable activities</b>						
Programme of projects		805	1,064	0	1,869	1,363
Programme of lectures and events		63	7	0	70	112
Regional and network activities		5	0	0	5	20
<b>Other income</b>		42	1	0	43	69
<b>Total income</b>	<b>2</b>	<b>9,618</b>	<b>1,567</b>	<b>3</b>	<b>11,188</b>	<b>10,337</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Fellowship administration		1,062	4	0	1,066	983
Other		65	0	0	65	123
<b>Trading activities</b>		3,080	22	0	3,102	3,530
<b>Charitable activities</b>						
Programme of projects		2,776	983	0	3,759	3,381
Programme of lectures and events		702	26	0	728	687
Programme of engagement*		1,781	7	0	1,788	1,695
<b>Total expenditure</b>	<b>3</b>	<b>9,466</b>	<b>1,042</b>	<b>0</b>	<b>10,508</b>	<b>10,399</b>
<b>Net income/(expenditure) before net gains/(losses) on investments</b>						
		<b>152</b>	<b>525</b>	<b>3</b>	<b>680</b>	<b>(62)</b>
<b>Net gains/(losses) on investments</b>						
		713	228	1,513	2,454	(496)
<b>Net income/(expenditure)</b>						
Transfers between funds		(8)	8	0	0	0
<b>Net movement of funds</b>						
		<b>857</b>	<b>761</b>	<b>1,516</b>	<b>3,134</b>	<b>(558)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		13,288	2,118	10,433	25,839	26,397
<b>Total funds carried forward</b>		<b>14,145</b>	<b>2,879</b>	<b>11,949</b>	<b>28,973</b>	<b>25,839</b>

\*The SOFA expenditure category formerly titled 'Fellowship support' has been renamed to 'Programme of engagement' to better reflect the fact that the outward facing charitable work of the RSA is not strictly related to projects, lectures and fellows.

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

The accompanying notes form part of these financial statements.

## Group and Charity Balance Sheets as at 31 March 2017

	Notes	Group 2017 £'000	Group 2016 £'000	RSA 2017 £'000	RSA 2016 £'000
<b>Fixed assets</b>					
Intangible assets	7	375	452	375	452
Tangible fixed assets	7	8,272	8,491	8,272	8,491
Investments	8	19,333	16,882	19,333	16,882
		<b>27,980</b>	<b>25,825</b>	<b>27,980</b>	<b>25,825</b>
<b>Current assets</b>					
Stock		17	12	2	0
Debtors	9	1,558	1,556	1,695	1,393
Short term deposits and cash at bank		1,937	959	1,308	475
		<b>3,512</b>	<b>2,527</b>	<b>3,005</b>	<b>1,868</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,614)</b>	<b>(1,537)</b>	<b>(1,107)</b>	<b>(887)</b>
<b>Net current assets</b>		<b>1,898</b>	<b>990</b>	<b>1,898</b>	<b>981</b>
<b>Total assets less current liabilities</b>		<b>29,878</b>	<b>26,815</b>	<b>29,878</b>	<b>26,806</b>
Creditors: amounts falling due after more than one year		(905)	(976)	(905)	(967)
<b>Total assets less liabilities</b>		<b>28,973</b>	<b>25,839</b>	<b>28,973</b>	<b>25,839</b>
Unrestricted funds	11	14,145	13,288	14,145	13,288
Restricted funds	11	2,879	2,118	2,879	2,118
Endowment funds	11	11,949	10,433	11,949	10,433
<b>Total funds</b>		<b>28,973</b>	<b>25,839</b>	<b>28,973</b>	<b>25,839</b>

The Financial Statements were approved by the Board of Trustees on 4th July 2017 and were signed on its behalf by:



**Vikki Heywood**  
Chair



**Stephen Gleadle**  
Treasurer

The accompanying notes form part of these financial statements.



## Group Cash Flow Statement for the year ended 31 March 2017

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>726</b>	<b>455</b>
<b>Cashflows from investing activities</b>		
Dividend, interest and rents from investments	698	512
Proceeds from sale of property, plant and equipment	0	0
Purchase of property, plant and equipment	(449)	(407)
Proceeds of sale of investments	3	16,367
Purchase of investments	0	(16,606)
<b>Net cash provided by/(used in) investing activities</b>	<b>252</b>	<b>(134)</b>
<b>Cashflows from financing activities</b>		
Repayments of borrowings/inflows of new borrowings	0	0
<b>Net cash provided by/(used in) financing activities</b>	<b>0</b>	<b>0</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>978</b>	<b>321</b>
Cash and cash equivalents at the beginning of the reporting period	959	638
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,937</b>	<b>959</b>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements 31 March 2017

### 1. Accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with the 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) issued on 16 July 2014, 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 charity constitutes a public benefit entity as defined by FRS 102.

Having considered the projections for the coming year, the risks affecting the RSA and its subsidiaries and the reserves position, the Trustees consider that there are no material uncertainties about the RSA's ability to continue as a going concern.

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.

#### *Income and endowments*

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

#### *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 headcount or floorspace.

#### *Operating Leases*

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

## Notes to the Financial Statements 31 March 2017 continued

### *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 & Intangible assets (includes computer equipment, customer relationship and content management systems):	between 3 and 6.5 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.

### *Funds*

Unrestricted funds may be spent in accordance with the RSA's charitable objects at the discretion of the Trustees. A designated fixed asset reserve has been created to highlight the value of unrestricted funds tied up in fixed assets, and a designated legacy reserve to identify legacy receipts where there is an expectation to honour the 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 permanent endowment funds is required to be retained in perpetuity, while the income must be used for restricted charitable purposes. The capital of expendable endowments may be used in specific limited circumstances, while the income must be used for restricted charitable purposes. The capital element of the expendable endowment accrues investment gains and losses.

### *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 31 March 2017 continued

### 2. Income and endowments

#### Split of income

2017

	<i>Donations and legacies</i>	<i>Income from other trading activities</i>	<i>Investment income</i>	<i>Programme of projects</i>	<i>Programme of lectures and events</i>	<i>Regional and network activities</i>	<i>Other income</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fellowship	4,921	0	0	0	0	0	0	4,921
Donations & legacies (individuals)	429	0	0	187	7	2	0	625
Commercial organisations	0	0	0	636	63	0	0	699
Charitable trusts & foundations	3	0	0	538	0	0	0	541
Public sector bodies	0	0	0	481	0	0	0	481
Trading activities	0	3,150	0	0	0	0	0	3,150
Fees income	0	0	0	27	0	3	43	73
Dividends, interest & rent income	0	0	698	0	0	0	0	698
	<b>5,353</b>	<b>3,150</b>	<b>698</b>	<b>1,869</b>	<b>70</b>	<b>5</b>	<b>43</b>	<b>11,188</b>

2016

	<i>Donations and legacies</i>	<i>Trading activities</i>	<i>Investment income</i>	<i>Programme of projects</i>	<i>Programme of lectures and events</i>	<i>Regional and network activities</i>	<i>Other income</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fellowship	4,484	0	0	0	0	0	0	4,484
Donations & legacies (individuals)	302	0	0	80	7	2	0	391
Commercial organisations	0	0	0	294	36	0	0	330
Charitable trusts & foundations	2	0	0	338	50	0	0	390
Public sector bodies	0	0	0	617	19	0	0	636
Trading activities	0	3,473	0	0	0	0	0	3,473
Fees income	0	0	0	34	0	18	69	121
Dividends, interest & rent income	0	0	512	0	0	0	0	512
	<b>4,788</b>	<b>3,473</b>	<b>512</b>	<b>1,363</b>	<b>112</b>	<b>20</b>	<b>69</b>	<b>10,337</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, £2,992k (2016 - £2,940k).

From RSA Shipley Enterprises Ltd., for the provision of consultancy services, £158k (2016- £533k).

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

Regional and network activities comprises all funding received towards supporting Fellowship networks and the income generated by our regional committees.

Other income comprises fee and royalty income generated by the CEO, journal and library.

## Notes to the Financial Statements 31 March 2017 continued

### 3. Expenditure

	<i>Direct costs - staff cost £'000</i>	<i>Direct costs - other £'000</i>	<i>Apportioned support £'000</i>	<i>2017 Total £'000</i>	<i>2016 Total £'000</i>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Fellowship administration	538	209	319	<b>1,066</b>	<b>983</b>
Other	35	5	25	<b>65</b>	<b>123</b>
<b>Trading activities</b>	<b>1,460</b>	<b>933</b>	<b>709</b>	<b>3,102</b>	<b>3,530</b>
<b>Charitable activities</b>					
Programme of projects	1,734	1,100	925	<b>3,759</b>	<b>3,381</b>
Programme of lectures and events	413	71	244	<b>728</b>	<b>687</b>
Programme of engagement	640	799	349	<b>1,788</b>	<b>1,695</b>
<b>Total expenditure</b>	<b>4,820</b>	<b>3,117</b>	<b>2,571</b>	<b>10,508</b>	<b>10,399</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, unrestricted fundraising and fees charged by investment managers.

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

Programme of engagement comprises the costs of other charitable activities including those of the journal, library, Fellowship networks and the costs incurred by our regional committees.

The external audit fee was £26k (2016: £23k). Fees paid to the auditors for non audit services were £4k (2016: £3k).

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

#### Analysis of Allocated Costs

	<b>Fellowship administration £'000</b>	<b>Other expenditure on raising funds £'000</b>	<b>Trading activities £'000</b>	<b>Programme of projects £'000</b>	<b>Programme of lectures and events £'000</b>	<b>Programme of engagement £'000</b>	<b>2017 Total £'000</b>	<b>2016 Total £'000</b>
Establishment and depreciation	129	9	537	374	79	150	<b>1,278</b>	<b>1,610</b>
Executive management	38	11	36	147	78	66	<b>376</b>	<b>347</b>
Finance	42	1	38	111	24	37	<b>253</b>	<b>220</b>
Human resources	37	1	34	100	22	33	<b>227</b>	<b>227</b>
Information technology	53	2	48	143	31	47	<b>324</b>	<b>392</b>
Governance	19	1	16	50	11	16	<b>113</b>	<b>162</b>
<b>2017 Total</b>	<b>318</b>	<b>25</b>	<b>709</b>	<b>925</b>	<b>245</b>	<b>349</b>	<b>2,571</b>	<b>2,958</b>
<b>2016 Total</b>	<b>343</b>	<b>34</b>	<b>1,005</b>	<b>959</b>	<b>199</b>	<b>418</b>	<b>2,958</b>	

## Notes to the Financial Statements 31 March 2017 continued

### 4. Trustee and staff costs

#### Trustees

Members of the Trustee Board and committees do not receive any remuneration for their services. Travel expenses were reimbursed to 10 (2016: 8) Trustees and amounted to £8k (2016: £6k). Charitable funds have been used to buy indemnity insurance for Trustees at a cost of £7k (2016: £7k).

#### Staff

The average number of staff employed during the year on a full time equivalent basis was 99 (2016: 97). This was split across the organisation as follows:

	<b>2017</b>	<b>2016</b>
Expenditure on raising funds	14	12
Trading activities*	11	15
Programme of projects	33	31
Programme of lectures and events	7	6
Programme of engagement	13	12
Support departments	21	21
	<b>99</b>	<b>97</b>

\*Trading activities includes RSA Front of House staff who contribute to services provided by RSA Adelphi Enterprises Ltd and ARC staff working to generate funds through RSA Shipley Enterprises Ltd.

The cost of these individuals was as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	3,911	3,802
Employer's National Insurance contributions	396	381
Pension contributions	324	314
	<b>4,631</b>	<b>4,497</b>
Agency Staff costs	121	196
<b>Total Staff Costs</b>	<b>4,752</b>	<b>4,693</b>

The comparator 2016 figures have been restated.

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

	<b>2017</b>	<b>2016</b>
£60,001 to £70,000	5	2
£70,001 to £80,000	0	2
£80,001 to £90,000	5	2
£90,001 to £100,000	0	1
£100,001 to £110,000	0	0
£110,001 to £120,000	0	0
£120,001 to £130,000	1	1

The number of higher paid employees accruing pension benefits was:

	<b>2017</b>	<b>2016</b>
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 £84k (2016: £65k). The cost of key management personnel, defined as members of the Executive team, including pension contributions by the RSA was £598k (2016: £585k).

## Notes to the Financial Statements 31 March 2017

### 5. Grants / Awards Paid & Payable

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Grant creditor at 1 April	41	62
Grants approved before 31 March and payable within one year	400	308
Grants approved before 31 March and payable after one year	0	0
Grants paid/released during the year	(417)	(329)
<b>Grant creditor at 31 March</b>	<b>24</b>	<b>41</b>

The value of Catalyst grants approved before 31 March and payable within one year was £60k (2016: £87k).

### 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:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Within 1 year	21	21
Total commitment, including amounts payable within 1 year	35	24

## Notes to the Financial Statements 31 March 2017 continued

<b>7. Fixed assets</b>	<i>Freehold premises</i>	<i>Building Improvements</i>	<i>Furniture &amp; fittings</i>	<i>Intangible assets</i>	<i>Pictures, books &amp; antiques</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cost or valuation</b>						
As at 1 April 2016	4,195	7,295	713	685	33	<b>12,921</b>
Transfers	0	0	0	0	0	<b>0</b>
Additions	0	251	68	130	0	<b>449</b>
Disposals	0	0	0	0	0	<b>0</b>
As at 31 March 2017	<b>4,195</b>	<b>7,546</b>	<b>781</b>	<b>815</b>	<b>33</b>	<b>13,370</b>
<b>Depreciation</b>						
As at 1 April 2016	633	2,686	428	232	0	<b>3,979</b>
Charge for the year	21	355	161	207	0	<b>744</b>
Disposals	0	0	0	0	0	<b>0</b>
As at 31 March 2017	<b>654</b>	<b>3,041</b>	<b>589</b>	<b>439</b>	<b>0</b>	<b>4,723</b>
<b>Net Book Values</b>						
As at 31 March 2017	<b>3,541</b>	<b>4,505</b>	<b>192</b>	<b>376</b>	<b>33</b>	<b>8,647</b>
As at 1 April 2016	<b>3,562</b>	<b>4,610</b>	<b>285</b>	<b>453</b>	<b>33</b>	<b>8,943</b>

The freehold properties at 2, 4, 6 & 8 John Adam Street and 18 Adam Street are listed as historic buildings. They are referred to elsewhere throughout the accounts as '8 John Adam Street' and 'The House'. The RSA is required by law to maintain these properties in their present form in perpetuity. The value of the freehold premises represents the historical cost of acquiring the freeholds plus the cost of additions to the buildings. 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.

### 8. Investment assets

#### Investments in Government and other listed securities and Charities Official Investment

##### Funds at market values

<b>Analysis of investment assets</b>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2017 Total</i>	<i>2016 Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
UK	1,478	464	3,142	<b>5,084</b>	<b>5,037</b>
Overseas	2,832	890	6,022	<b>9,744</b>	<b>7,237</b>
Alternative investments	922	289	1,960	<b>3,171</b>	<b>84</b>
Freehold property	225	70	478	<b>773</b>	<b>4,184</b>
Bank deposits	163	51	347	<b>561</b>	<b>340</b>
	<b>5,620</b>	<b>1,764</b>	<b>11,949</b>	<b>19,333</b>	<b>16,882</b>
<b>Analysis of movement of investment assets</b>	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2017 Total</i>	<i>2016 Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Investments at 1 April 2016	4,907	1,542	10,433	<b>16,882</b>	<b>17,141</b>
Net (withdrawals)/additions	0	(6)	3	<b>(3)</b>	<b>41</b>
Revaluation gain/(loss)	713	228	1,513	<b>2,454</b>	<b>(300)</b>
Investments at 31 March 2017	<b>5,620</b>	<b>1,764</b>	<b>11,949</b>	<b>19,333</b>	<b>16,882</b>
<b>Revaluation gain/(loss) 2016</b>	<b>(110)</b>	<b>(410)</b>	<b>220</b>	<b>(300)</b>	



## Notes to the Financial Statements 31 March 2016 continued

### 9. Debtors

	<i>Group</i> <i>2017</i> <i>£'000</i>	<i>Group</i> <i>2016</i> <i>£'000</i>	<i>RSA</i> <i>2017</i> <i>£'000</i>	<i>RSA</i> <i>2016</i> <i>£'000</i>
Trade debtors	818	823	498	277
Prepayments and accrued income	535	387	525	357
Other debtors	205	346	205	346
Owed by RSA Adelphi \ RSA Shipley	0	0	467	413
	<b>1,558</b>	<b>1,556</b>	<b>1,695</b>	<b>1,393</b>

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

	<i>Group</i> <i>2017</i> <i>£'000</i>	<i>Group</i> <i>2016</i> <i>£'000</i>	<i>RSA</i> <i>2017</i> <i>£'000</i>	<i>RSA</i> <i>2016</i> <i>£'000</i>
Trade creditors	485	407	421	305
Accruals	221	158	207	98
Deferred project income	68	75	68	55
Other creditors	473	513	412	429
RSA Hospitality income received in advance	367	384	0	0
	<b>1,614</b>	<b>1,537</b>	<b>1,108</b>	<b>887</b>

Deferred project income relates to continuing work or to 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.

## Notes to the Financial Statements 31 March 2017 continued

### 11. Funds

	<i>Balance</i> <i>1 April 2016</i> <i>£'000</i>	<i>Income</i> <i>£'000</i>	<i>Expended</i> <i>£'000</i>	<i>Gain/(loss)</i> <i>£'000</i>	<i>Transfers</i> <i>£'000</i>	<i>Balance</i> <i>31 March 2017</i> <i>£'000</i>
<b>Unrestricted funds</b>						
Designated fixed asset reserve	7,696	0	(330)	0	282	<b>7,648</b>
Designated legacy reserve	1,113	0	(219)	166	26	<b>1,086</b>
General reserve	4,479	9,618	(8,917)	547	(316)	<b>5,411</b>
	<b>13,288</b>	<b>9,618</b>	<b>(9,466)</b>	<b>713</b>	<b>(8)</b>	<b>14,145</b>
<b>Restricted income funds</b>						
Programmes	0	1,073	(954)	0	0	<b>119</b>
Shingley Fund	999	456	0	140	0	<b>1,595</b>
Vaults Appeal Fund	443	0	(46)	0	0	<b>397</b>
<u>Individual Trusts greater than £5,000:</u>						
Edward Boyle Fund	88	4	(1)	13	(1)	<b>103</b>
Edward Squires Fund	87	4	(25)	16	0	<b>82</b>
Centenary Young Fellows	32	0	0	0	0	<b>32</b>
Student Appeal Fund	24	0	0	0	9	<b>33</b>
Dick Onians Lecture Trust	58	2	0	8	0	<b>68</b>
James Cranstoun Bequest	36	13	0	0	0	<b>49</b>
F H Andrews Bequest	12	0	0	2	0	<b>14</b>
General Award Fund	112	5	0	19	0	<b>136</b>
General Lecture Fund	192	8	(15)	30	0	<b>215</b>
Trusts under £5k	35	2	(1)	0	0	<b>36</b>
	<b>2,118</b>	<b>1,567</b>	<b>(1,042)</b>	<b>228</b>	<b>8</b>	<b>2,879</b>
<b>Endowment funds</b>						
Shingley Expendable Endowment	10,083	3	0	1,462	0	<b>11,548</b>
<u>Individual Trusts greater than £10k:</u>						
James Cranstoun Bequest	303	0	0	44	0	<b>347</b>
Angus Millar Trust	47	0	0	7	0	<b>54</b>
	<b>10,433</b>	<b>3</b>	<b>0</b>	<b>1,513</b>	<b>0</b>	<b>11,949</b>
<b>Total Reserves</b>	<b>25,839</b>	<b>11,188</b>	<b>(10,508)</b>	<b>2,454</b>	<b>0</b>	<b>28,973</b>

## Notes to the Financial Statements 31 March 2017 continued

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

The restricted programme of projects fund includes grant funding which has been received during the course of the financial year to support this charitable activity.

The Shipley Fund is the income generated by the Shipley Expendable Endowment Fund which is used to support the RSA's programme in furtherance of its charitable objects.

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

The endowment funds are trusts set up by individual donors in support of specific purposes such as named lectures and preservation of historic buildings.

### c) Analysis of group net assets between funds

	<i>Tangible &amp; Intangible</i>		<i>Current</i>	<i>Liabilities</i>	<i>Fund</i>
	<i>Fixed assets</i>	<i>Investments</i>	<i>assets</i>		<i>balances</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Unrestricted Funds</b>					
Designated fixed asset reserve	7,648	0	0	0	<b>7,648</b>
Designated legacy reserve*	0	1,086	0	0	<b>1,086</b>
General reserve	602	4,534	2,794	(2,519)	<b>5,411</b>
	<b>8,250</b>	<b>5,620</b>	<b>2,794</b>	<b>(2,519)</b>	<b>14,145</b>
<b>Restricted income funds</b>	<b>397</b>	<b>1,764</b>	<b>718</b>	<b>0</b>	<b>2,879</b>
<b>Endowment Funds</b>					
Expendable	0	11,548	0	0	<b>11,548</b>
Permanent	0	401	0	0	<b>401</b>
	<b>0</b>	<b>11,949</b>	<b>0</b>	<b>0</b>	<b>11,949</b>
<b>Total funds</b>	<b>8,647</b>	<b>19,333</b>	<b>3,512</b>	<b>(2,519)</b>	<b>28,973</b>

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

### 12. Pension schemes

The Consolidated Statement of Financial Activities includes contributions by the Charity to the Group Personal Pension scheme of £324k (2016: £314k).

### 13. Taxation

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

## Notes to the Financial Statements 31 March 2017 continued

### 14. Related parties

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

### 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. One member of the RSA Trustee Board sits on the board of directors but is not remunerated for this service.

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

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

	2017 £'000	2016 £'000
Turnover	3,106	3,074
Cost of sales	(1,846)	(1,913)
<b>Gross profit</b>	<b>1,260</b>	<b>1,161</b>
Other expenses	(813)	(779)
<b>Net profit</b>	<b>447</b>	<b>382</b>
Bank interest	0	0
Profit for the year transferred by Gift Aid to RSA	(447)	(382)
<b>Profit</b>	<b>0</b>	<b>0</b>

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

	2017 £'000	2016 £'000
<u>Current Assets:</u>		
Stocks	15	12
Debtors	276	420
Cash	609	421
Owed by Group	38	87
	<b>938</b>	<b>940</b>
<u>Creditors:</u>		
Creditors	64	71
Advance deposit receipts	367	393
Others	59	94
Owed to parent	448	382
	<b>938</b>	<b>940</b>
<b>Net assets/Share capital</b>	<b>0</b>	<b>0</b>

## Notes to the Financial Statements 31 March 2017 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

	2017 £'000	2016 £'000
Turnover	158	533
Cost of sales	(127)	(451)
<b>Gross profit</b>	<b>31</b>	<b>82</b>
Other expenses	(26)	(72)
<b>Net profit</b>	<b>5</b>	<b>10</b>
Profit for the year transferred by Gift Aid to RSA	(5)	(10)
<b>Profit</b>	<b>0</b>	<b>0</b>

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

	2017 £'000	2016 £'000
<u>Current Assets:</u>		
Stocks	0	0
Debtors	54	155
Cash	20	64
	<b>74</b>	<b>219</b>
<u>Creditors:</u>		
Creditors	65	166
Advance deposit receipts	0	20
Owed to parent	9	33
	<b>74</b>	<b>219</b>
<b>Net assets/Share capital</b>	<b>0</b>	<b>0</b>

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

	2017 £'000	2016 £'000
<u>Group Reporting:</u>		
Income from other trading activities	3,150	3,473
Expenditure on trading activities - direct costs	(2,393)	(2,525)
Contribution to RSA overheads	757	948
Expenditure on trading activities - support costs	(709)	(1,005)
As reported in RSA consolidated financial statements	48	(57)
Add back support costs apportioned to activity for group reporting purposes	709	1,005
Add back direct costs incurred by parent allocated to activity for group reporting	486	135
Add back intercompany charges eliminated upon group reporting consolidation	(791)	(691)
<b>RSA Adelphi/Shipley Enterprises reported profit</b>	<b>452</b>	<b>392</b>

#### 16. Parent charity result

	2017 £'000	2016 £'000
Income and endowments	8,665	8,009
Expenditure	(8,879)	(8,463)
Gift Aid income from subsidiaries	894	392
Net income/(expenditure) before net gains/(losses) on investments	680	(62)
Net gains/(losses) on investments	2,454	(496)
<b>Net movement of funds</b>	<b>3,134</b>	<b>(558)</b>