

# RSA

**Trustees Annual Report & Financial Statements for the  
year ended 31 March 2010**

**Impact Report 2010**

## **ADMINISTRATION**

### **Patron**

HM The Queen

### **President**

His Royal Highness The Prince Philip, Duke of Edinburgh KG KT

### **Trustees**

Luke Johnson (Chair – appointed October 7 2009)  
Gerry Acher CBE LVO (Chair – retired October 7 2009)  
Naaz Coker (Acting Deputy Chair- appointed October 7 2009)  
Philip Goldenberg (Treasurer – retired October 26 2009)  
Pamela Taylor OBE (Treasurer – retired October 7 2009)  
Lord Richard Best (Treasurer – appointed October 7 2009)  
David Archer (appointed - March 10 2010)  
Sean Blair  
Stephen Lambert (appointed - October 7 2009)  
Dr David McCoy  
Louise Macdonald (retired – October 27 2009)  
Zena Martin (appointed – January 12 2010)  
Susan Steele (retired – October 7 2009)  
Andrew Summers CMG  
Hanif Virji (appointed – October 7 2009)  
David Young (retired – October 7 2009)

### **Constitution**

The RSA is a charity governed by a Royal Charter.  
It is registered under the Charities Act 1993 –  
Number 212424  
The RSA is also registered in Scotland -  
Number SC037784

### **Auditors**

haysmacintyre, Fairfax House,  
15 Fulwood Place, London WC1V 6AY

### **Bankers**

Coutts & Co  
440 The Strand London WC2R 0QS

### **Pension Consultants**

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

### **Executive Team**

Matthew Taylor (Chief Executive)  
Stephen King (Chief Operating Officer)  
Julian Thompson (Projects Director)  
Belinda Lester (Fellowship Director)  
Nina Bolognesi (External Affairs Director)  
Carrie Walsh (Commercial Director)

### **Principal office**

8 John Adam Street, London WC2N 6EZ

### **Solicitors**

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

Glovers, 6 York Street, London, W1U 6QD

Stone King Sewell, 16 St Johns Lane, London, EC1M 4BS

### **Surveyors and Property Consultants**

Mellersh & Harding, 4 St Pauls Churchyard,  
London, EC4M 8AY

### **Investment Managers**

Cazenove, 12 Moorgate, London EC2R 6DA

## **CHAIRMAN'S STATEMENT**

I have enormously enjoyed my first year as Chair of this fascinating organisation. Inevitably, much of the time has been taken up in getting to know the Society, other Trustees, Fellows and staff. In fact, I have been pleasantly surprised to discover how many of my existing friends and acquaintances are not only Fellows, but are enthusiastic about the way the RSA is developing.

This year has seen progress on important new projects including our ambitious partnership with Peterborough and I am hoping that in the coming year we will develop at least one major piece of work focussing on my own special enthusiasm: entrepreneurialism.

Under the wise guidance of our very active new Fellowship Council, we have seen a steady growth in Fellowship activity, including the new Catalyst fund, which echoes the earliest traditions of the RSA: the awarding of premiums for exciting and practical new ideas.

The RSA not only has one of the best lecture series available, but these are now attracting millions of people online. Meanwhile, the RSA House has not only so far weathered the economic storm but has also become a much stronger emblem of the RSA's aims and ethos.

With a new government and the challenges of difficult decisions ahead, I am even more convinced that the RSA has an important role to play in developing new ideas and enhancing civic innovation.

I would like to pass on heartfelt thanks to six Trustees who have stepped down during the past year: Philip Goldenberg, who made an enormous contribution to the Board, particularly in relation to our Academy and the revisions to our by-laws; Louise MacDonald, who was instrumental in developing RSA Scotland into the powerful force that it is today; Susan Steele, who heroically managed to continue to attend Board meetings and stay closely involved with the work of the Trustees, despite a mid year move to New York; Pamela Taylor, whose nine years of service speaks to her commitment to the organisation, particularly with respect to the Audit, Risk and Governance Committee, which she chaired so expertly; David Young, who I am delighted to say has taken up a position on the Fellowship Council, thus ensuring an ongoing close involvement; and last, but decidedly not least, Gerry Acher who, on retiring as Chair, has left the organisation in splendid shape and for whose wise counsel I remain deeply indebted.

Finally, I would like to thank Matthew Taylor and the staff of the RSA for their hard work and commitment, so ensuring that we remain a dynamic and influential institution for the 21st century.

*Luke Johnson*

## **CHIEF EXECUTIVE'S STATEMENT**

What better point to start my overview of the RSA's impact in 2009/10 than with the amazing achievements of our lectures and events programme. Not only are there the steady improvements in the *RSA Journal* and the website but our Animate feature has been incredibly successful. Our most popular lecture has recently passed the million views milestone. This is bringing a whole new global audience to the RSA and means we are fulfilling our mission to educate and engage with real ambition.

There have also been genuinely important developments in Fellowship. The Fellowship Council is already firmly established and I am really grateful for the time, commitment and willingness to grasp nettles shown by its members. The election of Council members – by Council members – to the Board is a big step forward in strengthening the links between the Fellowship and Trustees. Another important step was the launch of Catalyst, which provides seed funding to help develop Fellows' projects and the second round of applications has just been completed and grants given to support a diverse range of ideas. Together with the ever burgeoning Fellowship networks in towns and cities across the country, and exciting projects such as 'Changing Chelmsford' – a collaborative process to develop a strategic vision of the town – we are well on our way to achieving our vision of Fellowship as a force for civic innovation.

RSA Projects now has a very exciting portfolio. Our strategic partnership with Peterborough City Council and Arts Council, East has led to the innovative Citizen Power project, which seeks a new approach to place shaping, civic activism and public service innovation. Tremendous interest has already been shown both by Fellows in Peterborough and the surrounding areas, as well as other local authorities eager to learn from the results of this collaboration. We will be publishing reports of our Connected Communities and Social Brain projects this summer, and the autumn will see the final report of the 2020 Public Services Trust at the RSA, a partnership that has proved particularly beneficial to the Society in developing our thinking around the future of public services.

For the House and our hospitality team, this has naturally been a tough year, which makes it all the more remarkable that not only did they meet their targets, but exceeded them. The difficult economic climate will obviously continue to pose a challenge, but I have every confidence that our staff will rise to it once more. The House is looking to reflect more and more the ethos of the Society so that all visitors to the building will take away a strong sense of who we are and what we represent. I am hopeful that, subject to Trustees' backing, we might see a renovation of our main lecture space that will make 'the Great Room great for Fellows'.

Underpinning this activity is our Operations team, who have once again delivered a strong surplus alongside first-rate employment processes including our annual civic day.

I tried to consolidate key RSA themes in my annual lecture on 21st century enlightenment (our new strapline). This pays tribute to the 18th century founders of the Society and to the pioneering spirit which inspired them. It makes a statement about the role the RSA can play today, as an organisation established over 250 years ago but which believes its best days may yet be to come.

By this time next year, I hope the RSA's core mission and the quality of our work is known amongst opinion formers and our key stakeholders, as well as a growing global audience. Also, wherever there is a substantial number of Fellows, we will be able to offer strong local groups, developing new networks and ideas. While it is difficult to know how to achieve more with our lectures, I am sure the events team will continue to come up with new and exciting innovations. Add a steady flow of interesting and practical research outputs, plus our new commissioned essay series and we will have firmly established ourselves as one of the UK's most exciting thought leadership organisations.

Heading towards my four-year anniversary here, the process of change was certainly harder than I expected. I have learnt a great deal about my own strengths and weaknesses. But now I can say with real confidence that the

RSA is starting to fulfil its amazing potential. None of the above would have been possible without the enthusiastic support of our Trustees, so I would like to finish by expressing my thanks to them.

*Matthew Taylor*

## **PROJECTS**

21st century enlightenment requires us to both think and act differently. RSA Projects has put enlightened thinking to work in practical ways. We aim to discover and release untapped human potential for the common good. Our vision is for projects to act as the vehicle through which the RSA in its widest sense – Fellows, staff, partners and the public at large – can mobilise to improve society.

By researching, designing and testing new social models, we encourage a more inventive, resourceful and fulfilled society. To this end, we have developed some criteria to help us ensure that the way that all projects are conceived, developed and executed is:

- genuinely interdisciplinary;
- conceptually and methodologically robust;
- bold and experimental and
- above all, oriented towards practical activity.

In 2010/11 our projects will operate under six broad subject strands: Arts & Ecology, Business & Enterprise, Citizenship & Community, Design, Education and Public Services. While these will provide a focus for activity, all projects will continue to involve a mixture of objectives, expertise and approaches from across these disciplines. All RSA projects are required to:

- engage with Fellows and the broader public;
- combine theory, policy and practical action;
- generate debate and discussion online and offline; and
- bring projects in on time and to budget.

### **Projects 2009/10**

In the next year the team will use our flagship initiatives to move closer towards a model of genuine Fellowship collaboration: this will include an agreed protocol for developing projects from concept through to completion.

The RSA's focus on 21st century enlightenment provides a broad canvas against which all our work will be developed and judged. Our present focus is also on ensuring that the current portfolio of projects managed centrally by the RSA rests on strong foundations. They need to bring maximum benefit to society and the team needs to provide better support for Fellow-led project activity.

Our existing programme reflects the needs of the wider economic, social, cultural and environmental context. For example, through 2009/10 the Connected Communities programme has conducted in-depth research to understand and visualise social networks in deprived communities as a way to inform regeneration policy, cultivate civil society and – to borrow a phrase from the current coalition government – actualise the 'Big Society'. The next stage of our Tomorrow's Investor project has, over the course of the year, developed a growing political consensus around a new model of occupational pension provision, which we hope to progress into genuine policy commitments in 2010/11.

Other projects aimed at realising human potential include our work on User-centred service design and the Social Brain project that explores human decision-making. Both have involved extensive theoretical and practical research through this year, with major publications scheduled for Summer 2010. These projects have developed powerful new models for understanding and affecting patterns of social interaction, addiction and behavioural change.

New projects and programmes have emerged this year, again reflecting the backdrop of societal concern about the need to do more with less and mobilise a wider range of actors in pursuit of important social goals. In particular, we have launched an ambitious multi-strand programme of work in Peterborough to help the city realise its civic potential. We are currently developing a major new project on enterprise.

## ARTS & ECOLOGY

This year sees the completion of the five-year Arts and Ecology project, which was initiated by the RSA and launched as a partnership with Arts Council England in 2005. During that time the project worked to support, promote and debate artists' responses to current environmental challenges and their social impact. Through commissioning works, projects and events, as well as through its website, the Centre provided a platform in which debate took place, artworks were discussed and partnerships were forged.

The Centre's website launched in 2009, became a hub for the growing network of artists, environmentalists, activists, organisations and members of the public interested in the idea of socially engaged practitioners. The website also included spaces for separate calls to action, including the Respond! initiative in June 2009, highlighting the work of artists throughout the UK, and other work in the run up to the UN COP15 conference in Copenhagen in December 2009. To coincide with the negotiations, Arts and Ecology was instrumental in initiating a new consortium of international arts organisations, Culture Futures, which organised a significant conference held in Copenhagen on how arts and culture can contribute to creating an ecological age.

Arts and Ecology has worked in partnership with a range of organisations to support artists' work being shown in public. Jeremy Deller's Bat House, created by architects Jorgen Tandberg and Yo Murata, is now permanently installed and open to public view at the Wildfowl and Wetlands Trust, Barnes, London. As a result of an Arts and Ecology residency, artists Heather and Ivan Morrison erected a temporary public structure, The Black Cloud, at Victoria Park, Bristol commissioned by the arts agency Situations. The arts team also worked with the Barbican Centre on highly successful events and art commissions as part of the exhibition Radical Nature: Art and Architecture for a Changing Planet 1969–2009. In collaboration with ZKM (Centre for Art and Media in Karlsruhe), artist Dirk Fleishmann created a new virtual art work on Second Life's ZKM Island referring to his real life environmental work in the Philippines. In Spring 2010, artist Marjolijn Dijkman took up temporary residence at Clare Cottage near Peterborough and Arts and Ecology invited the artist Jimmie Durham to create new work for this years Tatton Park biennale, which will be on view until the autumn 2010.

As Arts and Ecology has drawn to a close, a new project Arts and Social Change has been developed as a programme of creative interventions in cities to research how the arts effect social relations. The aim is to increase public participation in cultural and civic activity. One aspect of this will be working to establish Peterborough as a place of creative engagement as part of the Citizen Power project.

## BUSINESS & ENTERPRISE

As the RSA's full name suggests, we have a long history of work related to enterprise and business. In particular our emphasis has been on the kinds of skills and networks that breed innovation. Today the RSA's focus on 21st century enlightenment and the need to understand how people can play a bigger role in tackling some of our major challenges brings a particular emphasis to our work in this area. This includes looking at how rapidly advancing technologies can help us to respond to recession, to our thinking about how we better engage people in their own pensions, to fostering new forms of enterprise that are more socially focused and collaborative.

### Technology in a Cold Climate

In 2009 the RSA developed the Technology in a Cold Climate project to explore the role that technology could play in helping the UK adapt in a recession. The project ran between summer 2009 and February 2010 as a partnership between the RSA and several technology businesses.

Developed as the first example of the Society's 'commission in a day' model of projects that address key issues in a short space of time, an expert advisory group (including Fellows) was established to guide the project. This group selected four important topics, such as the application of information technology to cut the cost of delivering public services. Scoping papers were commissioned from expert academic authors on each topic. A symposium was subsequently arranged at the RSA to evaluate the findings of these papers which approximately sixty experts (including twenty-five Fellows) from academia, business, government and the third sector attended.

The project's final report drew on the commissioned papers and the discussions that took place during the symposium and was launched in early February 2010, attracting interest on the web across business and the public sector.

### Tomorrow's Investor

Tomorrow's Investor has been the first project of its kind to look at investor accountability from the perspective of the 'citizen investor'. The project has brought together leading thinkers specialising in these issues, and successful practitioners from the financial services who have delivered impressive returns for investors over decades. Work has included: a public event in Spring 2010 with Fellows and other members of different stakeholder groups; developing a relationship with government officials following the election and extensive dialogue with all three main political parties.

Now in its second phase, the project aims to investigate better structures for pensions in the UK and has begun to develop a consensus about what the architecture of a good pension system should look like. If the Tomorrow's Investor model is to be successful, the project must continue to engage with the financial services industry, politicians and the broader public. To this end, the RSA will undertake continued dialogue and a national media campaign. The project is currently exploring partnerships with several pension providers and the establishment of a long-term pension fund forum at the RSA. Later in 2010, we will publish an interim report summarising our arguments, with a final blueprint published in Autumn 2010.

### Enterprise

The RSA has appointed Harinder Mann, an investment banker, academic and political adviser, to lead this work. With personal experience of entrepreneurship, Mann will kick start the RSA's new strand of work looking at what interventions we can design to help commercial and social enterprises prosper and rejuvenate our economy.

## CITIZENSHIP & COMMUNITY

At the heart of the RSA's modern mission is the question of what more we – the people – are capable of doing to bring about the world we say we want. While this is pertinent to all of our work, including our exploration of new evidence that is telling us more about how we make decisions and how our behaviour is shaped, it is particularly pertinent to our work within communities. As a membership organisation, interested in collaboration and collective voluntary action, it is perhaps not surprising that much of the RSA's work in this area is informed by new information and thinking about the role of social networks in bringing about change.

### Citizen Power: Peterborough

The Citizen Power programme looks at how citizen power can shape civic and democratic renewal. Based on theoretical argument, action research and policy analysis, the programme aims to develop ideas and practical policy solutions for cultivating civic activism and reinvigorating decision-making in the UK. The programme feeds into the RSA's broader work on pro-social behaviour and community empowerment. Bringing together RSA specialist project expertise, including education, arts, community development, social media, enterprise and environmental sustainability, and working closely with local and national Fellows and experts, the Citizen Power programme represents a foretaste of what RSA projects will become.

Sam McLean was appointed as the RSA's Director of Public Participation in August 2009 to set up the Citizen Power team and look at different ways of building civic action. The RSA were delighted to secure full commitment and funding from Peterborough City Council and Arts Council, East for what we hope will be a long-term partnership. We have also built strong local and national relationships to help us deliver the programme. A highly ambitious two-year programme was launched in January 2010.

The RSA has had a significant amount of interest in the project including from government and other local authorities that have approached us to undertake work for them on active citizenship and public service innovation. The project has established a very strong expert steering group, including some of the leading thinkers and practitioners working on issues connected to citizen power. We have successfully engaged Fellows both in Peterborough and around specific issues.

- Sustainable Citizenship – the role of behavioural economics in combating climate change.
- Recovery Capital – how the personal, social and community capital can help tackle addiction and provide the support necessary for recovery.
- The Peterborough Curriculum – improving educational opportunity for and the civic participation of young people by connecting what they learn in school with the place where they live.
- Civic Commons – creating spaces for political and social debate, discussion and local activism.
- Arts and social change – the role of the arts in creating a sense of belonging and imagination in a place.
- Making social media social – how social media can forge new senses of community and opportunities for social action.
- Civic health audit – a new means of evaluating local performance based on civic health.

These strands were set out in the project's first major report, *Citizen Power in Peterborough*, which received significant positive feedback from public policy professionals and other people working in the public and third sectors. In 2010 the RSA will host a launch of the project in Peterborough, with at least two key strands expected to deliver clear outcomes in 2010/11. Our approaches and findings will be published through a series of outputs and by securing a higher media profile locally and nationally.

## Connected Communities

The Connected Communities programme explores how social networks – both on and offline – can be better understood, visualised and utilised to help address social and economic problems in neighbourhoods. Working with Fellows as part of our research team, and having secured funding from central government and local partnerships, we have focused work to date in two areas.

In New Cross Gate, South East London, we are working with the New Cross Gate Trust to explore connections between local residents, third sector organisations, public places, parts of the public sector, and businesses to understand how networks help people make change in their lives and local areas, and how they provide informal support and information. We have undertaken large-scale social network analysis, building a network map of local connections that include some 1,400 ‘nodes’, and in-depth interviews with people who are ‘key hubs’ in the network.

In Bristol we are working with the Knowle West Media Centre to understand the relationships between digital inclusion and wider social inclusion, and the role of the Centre as a hub in translating digital participation to ‘real world’ social outcomes. Here we have undertaken survey work and interviews to understand why and how people engage with the Centre and how engagement leads to social and digital networks, and how these in turn deliver social benefits.

As well as media work, the RSA has sought to engage people in the project through expert seminars, with a range of central government policymakers, local government officers, third sector organisations, academics, and Fellows invited to help develop our ideas and embed them in policy and practice. In 2010 the project will publish its first major output.

Having secured funding for a longitudinal study on how social networks can be better understood and utilised to improve mental well-being and social inclusion, the RSA will be working in partnership with the London School of Economics and the University of Central Lancashire. Alongside this we will be testing different social network based approaches locally and launch a new national Social Capital Innovation Network.

## Social Brain

The Social Brain project brings together researchers from the neuro and behavioural sciences and aims to produce a credible new account of human decision-making and behaviour in line with the best new research. The first active phase brought together leading experts in the field to develop an open source ‘wiki’ resource containing theory, research and ideas on the latest brain and behavioural science. The aim was to develop a strong, but accessible account of the ways in which our brains condition our social behaviour. In November 2009 we published our major report, *Changing the Subject*, on the first (theoretical) phase of the project.

The second phase was practically focused: how could this account be applied reflexively to help people consider and shape their decision-making more effectively? A series of deliberative workshops were run with the general public to share the principles explained in the Social Brain project. The project’s second report, *Steer*, argues for an empowering model of behaviour change.

Going forward the project will develop the idea of a social game and/or online films as a medium through which to communicate and teach ‘social brain’ or ‘steer’ principles. We will also develop practical training interventions with public service professionals and explore ways of overcoming cultural and social barriers to behavioural change.

## DESIGN

The work of the design team is based on the belief that design and the skills of designers have much to add in increasing our ability to respond to the challenges of today. The RSA published a new account of design, *Design and Society*, arguing that the great untapped potential of design today was to increase people's creative resourcefulness and self-reliance. This account has been widely commended and has influenced the development of the Design and Society programme in a number of ways.

In the spring of 2010 we launched Design and Rehabilitation: a design training pilot for people with spinal cord injuries. The project aims to demonstrate that design can make a significant contribution to autonomy and self-reliance, qualities that are the goals of rehabilitation and a constant challenge for people who are paralysed. The major spinal injury charities and seven out of the UK's eleven specialist spinal injury units, plus a dozen of Britain's top designers and Royal Designers, are participating in the pilot.

Service design and design for behaviour change were prominent elements in a three-part research project undertaken for the National Policing Improvement Agency. This aimed to create a new vision of citizen-centred policing and new frameworks for the service to engage the public as a critical strategy in their quest for improvement and innovation.

In 2010/11 the design team will undertake a project that aims to demonstrate how design contributes to individuals' and communities' resourcefulness. We will be hosting a new seminar series to establish the RSA as thought leaders on the changing role of design in society today, leading to a major design conference. The role of design in education will be a major theme for the year ahead. Work will include: establishing strategic partnerships and discrete projects with universities on the theme of design and resourcefulness; integrating design with other projects, including Connected Communities and RSA Education.

### Design Directions

Design Directions, the RSA's long-standing national student design awards competition, was supported by a range of partners – trusts and foundations, corporates, charities, government departments and public bodies – all of whom share and support the RSA's ambition to get young designers to apply their skills to challenging social issues like ageing, health and disability, civic participation, environmental care and public safety. This year, 700 students from sixty universities entered and thirty awards were made across the thirteen projects in this year's scheme. With the support of Dott Cornwall, the Design Council and the Technology Strategy Board, the RSA issued two student briefs based around the challenging themes of design for social inclusion and independent living; while two briefs, *The Resourceful Architect* and *The Resourceful Supermarket*, directly addressed the Design and Society call to designers to use their skills to increase the resourcefulness of people and communities.

Design Directions Plus, which was piloted in 2009, featured again this year with professional mentoring and stakeholder workshops for finalists. Finalists in our 2009 Action for Age project have been recognised with a major NESTA award to develop their project, and employment with a leading service design agency.

In 2010/11 the RSA will undertake a review of the student design awards to ensure that they continue to serve the needs of industry, public policy, higher education and the RSA's own agenda. Meanwhile, we aim to secure placements for at least six winners in industry and service agencies.

### Royal Designers for Industry

The RSA and the Royal Designers, under the new Master, Robin Levien, are working closely to strengthen links between the activities of the Faculty and the RSA's wider work, with a particular focus on the contribution Royal Designers can make to design education at school and university level as well as in the informal sector. Ten new Royal Designers for Industry and three Honorary Royal Designers were accepted into the Faculty.

## EDUCATION

RSA has a strong historic legacy of seeking to ensure excellent education for all. The RSA seeks to realise untapped human potential and tackle social problems; our education work seeks to realise people's potential and to promote challenging education for all learners. This can only happen if we have an engaging curriculum that meets people's learning, well-being and civic needs and is fit for the social and economic demands of contemporary society. It requires greater democratic ownership of teaching and learning by diverse stakeholders and the eradication of patterns of exclusion and inequality in educational engagement and attainment.

The RSA Education programme engages three key agendas:

- Broadening the existing curriculum, ensuring the social, economic and civic relevance of curricula and meeting learners' needs in terms of well-being, educational engagement and achievement.
- Devolution of educational ownership away from central government and towards communities and their diverse stakeholders (including educational institutions and their students and practitioners).
- Increasing social justice by working towards inclusion and equality in education and against exclusion and patterns of inequality in educational attainment, ownership and engagement.

Each project addresses more than one of these agendas and seeks to engage RSA Fellows in initiatives that can be tested and have the potential for being scaled-up.

### Education Charter and Alliance

In 2008 the RSA drafted the Education Charter working with other education organisations and Fellows to express the values and ideas about education we share. These comprise a commitment to a more holistic conception of education that addresses the learning needs of the whole person. There was much enthusiasm for the Charter, which grew to represent over 100 different organisations, including voluntary sector organisations, schools, businesses, student organisations, teacher unions, and many others. Over 900 Fellows were engaged in consultation in drafting the Charter, and over 1,700 signed up to it.

On the strength of this engagement, and the commitment of other organisations to support an independent campaign (both financially and politically), it was agreed that a new organisation be formed independent of the RSA to represent these diverse stakeholders. This has been achieved, and branded the campaign for Whole Education. This organisation, of which RSA remains a key investor, is currently housed at the RSA for its incubation, and has recently established itself at a highly successful, well-attended launch event.

### Area Based Curriculum

The Area Based Curriculum comprises a new type of local curriculum; one developed in partnership with the local people and organisations and co-owned by schools and the community that surrounds them. A curriculum that draws on the local area and its resources. In this way young people are educated about and through their local area, and diverse stakeholders (including pupils themselves) are mobilised to engage in educational design and outcomes.

In 2009 we undertook a pilot project, the Manchester Curriculum, funded by Manchester Council and the RSA, which involved four schools and local stakeholders in creating curricula. This has been externally evaluated and the findings of this are informing new Area Based Curriculum work in Peterborough. Here, we have identified the schools and other organisations we will be working with and have developed a set of protocols with which to ensure effective development. We will continue to develop our Area Based Curriculum as part of the wider RSA partnership in Peterborough to ensure effective delivery on completion in 2012, ensuring that we produce and disseminate our learning. The RSA also seeks to secure external funding to broaden this work beyond Peterborough and will establish an expert Advisory Group, including Fellows.

## Opening Minds

Opening Minds helps schools to provide young people with the real world skills or competencies they need to thrive in the world outside school. It is a broad framework through which schools can deliver the content of the national curriculum in a creative and flexible way. Opening Minds was developed by the RSA at the turn of the millennium in response to a belief that the way young students were being educated was becoming increasingly detached from their needs. It is now used in over 200 secondary schools.

In 2009/10 we commissioned an external evaluation of this work to inform our future direction in this area. The evaluation demonstrated excellent practice in many schools, but some inconsistency in application, and a demand for better support for schools with materials and assessment. Consequently we have been working with the RSA Academy, our Steering Group and selected 'hub schools' practising Opening Minds to develop a charitable company. We have appointed a remunerated Chair and Project Manager to steer work on establishing this and the development of models and materials. The new company aims to be up and running in 2010/11 and will accredit schools to practice Opening Minds and provide training and materials. This means creating an entire set of information, assessment and accreditation materials and a new website.

## The RSA Academy

The RSA Academy opened in September 2008, in Tipton in the West Midlands, an area of significant social and economic deprivation. Opening Minds, the RSA Academy's competence based curriculum framework, has underpinned the Academy's design strategy both in terms of physical and content design, shaping its curriculum, structures and the design of the new building, which is on target for completion ready for occupation in the new school year of 2010/11.

As sponsors of the Academy, the RSA has established a Trust. This is headed by Sir Mike Tomlinson who also chairs the Academy Governing Body. Fellows from the West Midlands responded enthusiastically to our call for Academy Governors and the RSA forms the backbone of the Governing Body.

The Academy was rated 'Good with Outstanding Features' in a recent Ofsted inspection, and exam results have improved substantially. The Academy is dedicated to broadening students' aspirations and enabling them to meet their full potential. It has generated strong engagement from Fellows, and from the local community. Some Fellows volunteered to contribute their professional expertise via seminars and master classes, while others are hosting Academy students on work experience and placements. Students have visited the RSA House and fed into the process of evaluating how it speaks to our values.

## Social Justice in Education

The RSA's pursuit of 21st century enlightenment demands a commitment to enabling young people to realise their potential, whatever their social economic background. Addressing the gap in educational achievement between wealthier and underprivileged young people is increasingly recognised as a vital issue by policymakers. However, the replication of social class inequality through education also represents a political stumbling block, and attempts to address this have had limited success and have sometimes been counter-productive. This terrain provides an opportunity for innovative thinking and practice. The RSA is using its expertise and networks to initiate effective interventions to better engage working class young people with education.

This project has been scoped with the input of leading academics and other stakeholder groups. In 2010/11 the RSA will secure funding for a set of interventions, undertake research and publish pamphlets and articles to explain our work and the issues at stake.

## **PUBLIC SERVICES**

At the heart of the RSA's thinking around the need for 21st century enlightenment is a concern about the gap between people's aspiration for their communities and society at large, and the way in which we act. Closing this gap is going to require citizens to be more engaged; to do more in delivering services and in tackling some of our most pressing problems. The huge pressures on public spending – which, as the 2020 Public Services Trust's commission on the future of public services has highlighted, are going to last for many years – makes the need to forge more productive relations between citizens and services all the more urgent.

### Prison Learning Network

The RSA published *The Learning Prison* in 2010, concluding that politicians need to be braver about treating prisons as a core public service that requires modernisation consistent with other areas. The report argues for a more open discussion about prison education and the role learning and skills provision can play in building prisoners' capacities to secure work and resettle. The RSA argued for a modern approach, especially with respect to technology: rehabilitation is both too difficult and too important to leave prisons always 'behind the curve'. A brave strategy on modernisation should ensure that the prison service is able to best use new tools and thinking.

Finally, in line with the RSA's emphasis on citizen engagement, the report argued for greater user engagement. Effective and appropriate participation of users in the delivery and design of prison services will deliver greater efficiency and complement rehabilitation programmes aimed at building skills and increasing personal responsibility. Extending this point, fair and transparent public services are most likely to emerge through a process of wider community participation. This means fostering reasoned debate but, just as importantly, it also means forging local partnerships with employers and others, and enabling direct public involvement wherever possible.

The report has been very well received amongst key stakeholders in and outside the Prison Service. It was the result of deliberations carried out by the Prison Learning Network, which included 120 practitioners and experts drawn from the RSA Fellowship, prison system, voluntary sector, academia and the policy world. The Network's ideas were tested and validated with adult male and female prisoners and young offenders. The Network was led by an Advisory Board of senior prison staff and education providers (including some Fellows), experts from academia and non-governmental organisations, and the Learning and Skills Council. It was chaired by Professor Malcolm Grant OBE, President and Provost, University College London.

### User-Centred Drugs Project

Building on the success of the RSA Commission on Illegal Drugs, Communities and Public Policy, this action research project based in West Sussex aims to develop a new process of designing, delivering and evaluating drug services with a lead input from current and former drug users. The work focuses on developing and testing personalised drug services, and on building local communities and networks to support drug users in their journeys to recovery. The project secured funding and support from the Wates Foundation and the Tudor Trust to enable us to deliver all phases of the project. Since then we have set up an Advisory Group drawn from central government, non-governmental organisations, Fellows, and user representatives, and have established local steering groups in Crawley and Bognor Regis.

The RSA recruited and trained a team of current and former drug users in research methods and supported them in delivering a detailed survey of 156 drug users. Focus groups and workshops were then held to enrich and validate the findings. A national Drug Service Design Innovation Symposium was held to develop the findings from this research into ideas for personalised services and systems, and into ways of developing strong 'recovery communities'. The project supported the development of a user-led peer support and advocacy group to act as a champion for user involvement and as a key hub in local recovery networks. We also established a policy reference group, supported by the Home Office, to help develop ideas for the project and discuss key challenges.

In 2010/11 the project will publish a report bringing together its main findings and conclusions and undertake an evaluation of work to date. The RSA will be testing ideas stemming from the research in practice with local users and other stakeholders; our aim is to leave a lasting legacy of a system delivering personalised services, and of a strong and broad recovery community to support drug users.

## 2020 Public Services Trust

The Trust was established in December 2008 to stimulate deeper understanding of the challenges facing UK public services in the medium term. Through research, inquiry and discourse, it aims to develop rigorous and practical solutions, capable of sustaining support across all political parties. 2020 PST brings together policymakers, politicians, public service managers, civil servants, business and third sector leaders, and consumer voices, to debate and research how to improve public outcomes. It occupies a unique role as no other organisation focuses on the role and transformation of public services in Britain.

The two main activities of the Trust have been its research programme conducted by the Commission on 2020 Public Services, chaired by Sir Andrew Foster, and a seminar series where practitioners, policymakers and influencers debate key issues in public services.

The Trust has published a series of high quality reports, many of which have been covered extensively in the media. It will deliver its final report in Autumn 2010, to be followed by a series of implementation programmes looking at implications for big spending areas of health, education and public safety.

## GOING PUBLIC

The RSA's role in hosting and encouraging reasoned, informed and difficult debate is at the heart of our focus on 21st century enlightenment. For this to be more than a set of interesting ideas, we have committed ourselves to maximising our engagement with the public, with the best thinkers, practitioners, and with Fellows. We believe it is only through the process of honest debate, deliberation and participation that we can meet the challenges we now face.

### RSA events

In 2009/10 the RSA events programme strengthened its position as one of the UK's leading programmes of public discourse, offering a rich variety of talks, screenings and discussions, making exciting and rigorous public debate available to an increasingly wide and dynamic audience.

Across a programme of over 150 events, we welcomed international thought-leaders to offer new insights and intelligence on issues aligned to the RSA's core mission and purpose. In the wake of national and global economic and democratic crises, many commentators focused their analyses on how we might re-shape our economy, society and values. Economic reform was debated by such figures as David Cameron, Nassim Nicholas Taleb, John Lanchester, Robert Shiller, Slavoj Zizek, John Rose, John Browne, Steven Levitt and Stephen Dubner. Social and ethical reform was proposed by Desmond Tutu, Tony Blair, Rowan Williams, Stewart Brand, Jeremy Rifkin, Dan Pink, Barbara Ehrenreich, Michael Sandel and John Caccioppo.

We continue to work closely with RSA Projects to provide a platform to explore issues strongly aligned to their research and practice. In partnership with the Social Brain project we staged a number of events where experts in neuroscience and philosophy debated the implications of new discoveries in the science of human agency and decision-making. Design and Society and Connected Communities worked together to promote debates that argued that designers today should build not just the things we will consume, but also the systems that will sustain and connect us. Design-led events have included a debate on design-hacking, and lectures by games designer Kevin Slavin, development architect Nabeel Hamdi and Bicentenary Medal winners Cameron Sinclair and Kate Stohr (founders of Architecture for Humanity and the Open Architecture Network).

Education, a key area for the RSA, was also strongly covered, with major speeches from Michael Gove, David Lammy and Nigel Thrift, debates on the Nuffield Review of fourteen to nineteen education, new research on emotional intelligence from Cambridge Assessment and a unique panel event with the QCDA on knowledge, skills, tomorrow's citizens and 'what everyone should know'.

### Innovation

A key ongoing objective of RSA events is to constantly innovate to ensure we are delivering a genuine public good and reaching out to the broadest possible audience.

In 2009/10 we have grown our offline and online audience substantially. On average we welcome over 500 visitors a week to public events in the House. For those that cannot attend in person our "listen live" service is a popular feature. Through a new broadcast partnership, we reached thousands of new listeners, who tuned in to the first RSA/LBC Radio debate, broadcast live from the Great Room, where a high-profile panel debated whether or not we get the politics we deserve.

This year has also seen the introduction of live video streaming for selected events, allowing our events to be shared with groups of interested Fellows around the world. Additionally, many Fellows groups are using RSA Vision videos as the basis for their own independent events. In a highly successful event, Brussels Fellows gathered to watch the RSA Vision video on SuperFreakonomics, and to use the film as a springboard for their own debate on how we can learn from new knowledge about how humans respond to signals and incentives, to produce better behavioural outcomes. Such events are part of what we hope will be a productive and highly replicable model for civic discourse, with RSA event content providing the catalyst for discussion and action far beyond John Adam Street.

Downloadable mp3 audio files and mp4 video files continue to be hugely popular, and can now be watched on mobile devices. Audiences can access free content direct from the RSA website, or through iTunes and the RSA's channel on YouTube. This has significantly raised our global profile, with the RSA channel on both of these platforms being featured in the top ten of our individual categories. RSA audio and video content is frequently requested by journalists, has been broadcast by ABC Australia, and received featured status on high-profile websites such as IQ2 in the UK and ForaTV in the USA.

With over 3,500 followers on Twitter, 2,000 fans on Facebook and other social media sites, we are using online platforms to deepen our engagement with our audiences around the world. Twitter remains a successful platform with many of our speakers and key social media players interacting with us and with our followers. In the coming year a key objective will be to build on the use of digital media to further engage with Fellows and prospective Fellows.

We are continually looking for new formats to keep our content fresh and dynamic, including using a handheld camera to film short 'on-the-spot' interviews with our speakers on issues of special relevance to the RSA, such as education and enlightenment values.

### [RSA online](#)

Between April 2009 – April 2010, we had a total of 760,000 visits, 492,000 unique visitors and over 2.6 million page views for our website, blogs and RSA Comment. In this time period, we have had over 1.1 million video views.

Since we migrated our videos to Youtube in March, our reach has increased significantly, attracting over 1.5 million hits between March and early June 2010 alone. The move allowed us to achieve more mainstream, worldwide exposure of our videos, resulting in the RSA being the most watched non-profit video channel on YouTube in March, and rising to the top ninety most watched video channels on YouTube in June.

We launched RSA Comment, a space where anyone can engage in intelligent debate on topical issues relevant to the RSA's aims. It also hosts our hugely successful RSA Animate innovation, a series of animations based on our free public events at the RSA, condensed to ten minutes. It went viral and has attracted over 1.5 million views collectively and has been singled out on the Best of YouTube channel. Our increase in profile has been supported by our active presence on Facebook and Twitter.

In April, the RSA Catalyst fund microsite was launched, which allows Fellows to apply for seed funding online. The e-Journal microsite has been updated and current features and access to archives are now more clearly available, and is a good resource for researchers. Meanwhile, the RSA House section of the website has been revamped.

On iTunes, the RSA is the number one most popular video podcast in the UK (in the government and organisations category), beating President Obama's weekly address, the United Nations and Greenpeace. In the US, our video podcast is in the top five most popular.

On Scribd, a document sharing website where we upload our reports and publications so they can be easily shared and embedded on webpages, we are averaging 107 reads a day this quarter. This meant that our projects reports, pamphlets and Fellowship minutes have been accessed over 12,000 times in the first quarter of 2010. For the rest of 2010, we will be strengthening our mobile presence and introducing more community interactivity to our multimedia content to stay ahead of the curve and further increase our reach worldwide.

## FELLOWSHIP

The RSA's focus on 21st century enlightenment in meeting modern challenges has required us to look back. Not just at the values that dominated the first Enlightenment, but at the RSA's history and in particular the role that Fellows can play in making change happen. The RSA has returned to the idea of awarding Fellowship 'premiums' first introduced by our founder, William Shipley. But we have this year combined this with using the most up to date tools we have.

The economic downturn meant that 2009/10 was a particularly challenging year for the Fellowship Team. Despite this we have increased the network and participation opportunities for Fellows throughout the UK and around the world whilst maintaining Fellowship numbers.

We finished 2009/10 at 27,442 Fellows, maintaining numbers from 2008/09. 1,822 Fellows were recruited, with a gender split of 35.1 per cent female and 64.9 per cent male (compared with 27.5 per cent female and 72.5 per cent male across the whole Fellowship). The average age of new recruits was forty-six, compared to the average age of all Fellows, fifty-seven. Income from Fellowship subscriptions was £4,199,234, an increase of £89,711.

The RSA aims to bring Fellows into the heart of the Society. It was with this in mind that we established the Fellowship Council in October 2009; a body of elected and nominated Fellows from throughout the UK and internationally. The Fellowship Council, chaired by Tessy Britton FRSA, actively contributed to the growth in online and offline networks and the number of Fellows' projects. The Council also supported the collaborative development of the draft Fellowship Charter, which will be implemented in late 2010.

The RSA maintained its emphasis on network development and communications, to improve Fellow retention and encourage project development. Key communications tools like the Fellowship Newsletter helped to create an environment of increasing engagement, story sharing and activity development locally, regionally and internationally. We have seen a considerable increase in online network activity.

### Digital Engagement Programme

The Digital Engagement Programme runs social media surgeries and provides additional resources, encouraging bridging, inclusion, development, support and deepening engagement. The aim is to develop partnerships between social media experts and people who are new to using new technologies to deliver community activity and projects. Locations have included Birmingham, Peterborough, Sheffield and Chelmsford. The programme has shaped and developed following Fellows' feedback and active participants, as both experts and novices.

City and local networks grew in numbers from five in the UK at the beginning of 2009 to almost forty in locations around the world at the beginning of 2010. These are increasingly Fellow-led, balancing local and Fellowship-wide activities and interests.

### Social Entrepreneurs Network

The Social Entrepreneurs Network was established to capitalise on the growing skills base in the RSA and the experience of those running social enterprises. It is a Fellow-led network that will host a quarterly event focused on a particular area of social enterprise and has plans for a mentoring scheme. In order to combat the London-centric nature of activity to date, the group have developed a 'how to' guide for other Fellows to set up their own network.

Over the next year the RSA will continue to improve options for Fellows to connect and collaborate. Fellows' projects are one of the best ways to demonstrate the social impact of the Fellowship, and we will prioritise the development of Catalyst. All Fellows are eligible to apply for funding support for new or early stage projects. The Fellowship Charter, an articulation of the culture of Fellowship, will – in partnership with the Fellowship Council – be refined and implemented by the 2010 AGM. We know that this must be supported by robust services infrastructure and knowledge management and we are making considerable investment in this respect.

## From local to global

The team worked within regions and with regional committees to trial new approaches to Fellow-led engagement and project development. In some cases, there was a change in governance, for example, in January 2010 two new RSA Fellowship regions were established, RSA Cymru Wales and RSA West; replacing the previous Wales and West region.

In East of England, the Changing Chelmsford initiative is a Fellow-led, community engagement project that has grown rapidly since its launch in September 2009. Three large events to promote the project have created a new, independent forum for debate in Chelmsford, drawing in numbers of up to seventy local people and Fellows. The project includes a Visioning exercise funded externally by two local councils and designed to produce a series of workshops that engage with different sections of the community. These workshops will culminate in an event in July 2010 that will bring together thinking from the local community.

International activity continues to increase thanks to local leadership from Fellows, as well as staff support. In the United States, a series of sustainability lectures and site visits in the New York tri-state area has inspired a community project; Bronxville Green. In Chattanooga, where a fund was established to support and grow the local network, monthly meetings are taking place, and two or three project ideas are being cultivated including a project 'Saturday Art Academy' which was granted RSA Catalyst funding.

In Belgium, the RSA has partnered on a series of events with a local 'think and do' tank: The Centre. These events are open to both Fellows and guests and feature content from RSA Vision, followed by a local speaker and discussion.

Other regions/nations have established their own project incentive funds such as The Scottish Venture fund, the North West (England) Venture fund, the 3P's (Passion, Proposal and Progress) initiative in RSA Australia and New Zealand, and most recently the South Central (England) Social Innovations Support Fund. Through these local initiatives, combined with central schemes such as RSA Catalyst, we believe we are going to see a continued growth in Fellow-led project activity.

## Fellowship Services

The RSA has worked to link growth in the Fellowship to specific projects and networks in order to achieve the maximum social impact. Aligned to the Citizen Power project, we researched and invited 250 key individuals from Peterborough to become Fellows. Gender diversity was highlighted as an issue by the Fellowship Council, and so, working collaboratively with Fellows, we invited 650 influential women. Youth issues are also of key concern; in September 2009 we invited nearly 250 potential Fellows doing innovative work with young people.

The Archive and Library team answered 364 enquiries relating to aspects of the RSA's history, with a further eighty-six researchers visiting the Archive in person. Tours of the House remained popular with both groups and individual Fellows and other visitors, and these were provided to a total of 442 people, including a group from China and a party of American Fulbright scholars. In addition, we successfully participated once again in the London Open House event, in which over twenty RSA staff and a Fellow, Gerald Smith, who kindly gave talks on the early history of the RSA, received 548 visitors. The Library remained in demand as a space for Fellows to work and meet with other Fellows.

As part of our desire to address the gender imbalance of Fellowship and to recruit more female Fellows, the RSA put on a display on the historical involvement of women in the RSA. We also organised an exhibition on the history of the RSA's engagement with environmental issues to complement the Respond! project undertaken by the Arts and Ecology team.

Other significant work undertaken during the year has included a full records survey of the organisation. A full report on the measures necessary to effect improvements in the RSA's record-keeping systems to help ensure that information and records can be more efficiently located, shared and (where appropriate) preserved as archives will follow shortly. A pilot classification scheme for those records created by the Projects team has been successfully implemented.

## **HOUSE**

*Your support and assistance with getting the event off the ground was invaluable and it was a pleasure working with you. The evening went very well and the staff on the night were most helpful and helped make the evening a great success. Please pass on our thanks to the relevant people.*

**Feedback from a corporate client**

Our focus is always to make sure that the House speaks to the RSA's core mission, emphasising in particular the space as somewhere where Fellows are welcomed and where they can engage with each other, attend events and use our services. The costs of maintaining our building are covered by the income of RSA Adelphi Enterprises Ltd, the business that operates the meetings and food and beverage outlets on the premises.

As part of our objective of ensuring that the House aligns with the rest of the organisation and reaches out to Fellows, we will be reviewing our 3D identity and staff dress code. We will also be reviewing our pricing, food offering and sales mix within the public catering and banqueting offering. The RSA is aiming to optimise room occupancy within the House and maximise our brand, including attendance at appropriate trade shows in the UK and exploiting our association with the Westminster Collection and other trade bodies.

### **Facts and feedback**

This year, 83,197 visitors used the facility generating a room hire revenue of £1,019,000. Meanwhile, 8,437 Fellows and visitors used the Gerard Bar; 5,291 Fellows and their guests dined in the Fellows' restaurant and 382 meetings were held in the Fellows' Meeting Room. The House hosted 2,398 events in 2009/10 serving 63,314 guests.

- There were forty-one weddings, one civil partnership ceremony and thirty-eight private events in 2009/10 catering for 5,711 guests.
- 8,432 canapés were served in 2009/10.
- 1,719 wedding breakfasts were served.
- 43,697 cups of tea and coffee were drunk by our guests in our meeting rooms.
- 2,554 enjoyed private dining, where we offer three courses of well-sourced food for £40.00 per head.
- RSA House received 3,295 enquiries from the public regarding room bookings in 2009/10.

Feedback based on questionnaires returned by customers with a return rate of 38 per cent. Nearly three quarters (73 per cent) of our customers believe we offer value for money. Meanwhile, 88 per cent believed our operational support was excellent and 77 per cent commended us on the quality of our catering. A real strength for RSA House is the rooms we have available for a range of events: this was singled out by 83 per cent of customers.

### **Sustainability**

RSA House strictly monitors its use of unnecessary energy, regulating air-conditioning in public spaces and ensuring lights are kept switched off when not needed. From low energy bulbs, e-brochures, recycled products, using green energy providers and a water management system; the list goes on. In 2010 the RSA undertook an Environmental Audit throughout the House and developed an action plan to make improvements. We also encourage our clients to think about the environmental impact of their events.

- The house produces on average 120 bags a week of rubbish, of which 75 bags we recycle (the others are food waste).
- All glass and bottles are recycled.
- We use eco-friendly detergents wherever possible and micro fibre cloths are used for cleaning as they can be washed and re-used.

- Green Tomatoes is our taxi firm. They use Toyota Prius wherever possible and if this is not feasible, then they plant trees to offset their carbon emissions.
- The majority of our light bulbs take low energy bulbs.
- All toner cartridges are collected for recycling.
- All pencils provided in the meeting rooms are made out of recycled plastic vending cups or recycled CD cases.
- All the male toilets have a water management system installed and short flush toilet systems are being installed.
- All promotional material is UK sourced and eco-friendly and we use e-brochures to limit on paper and post.

### Food and drink

All our coffee and most of our teas are fair-trade and organic. The Mozzo Masters are focused on providing the finest ethical espresso or filter coffee, sourced directly from coffee-farming communities.

Gordon McQueen, the RSA's head chef, devised our food philosophy which is innovative, ever-evolving and in practice across all areas of the House, from our Vaults restaurant to the diverse array of events that use the RSA as the backdrop. We source as many ingredients as possible from within Britain and Gordon selects meat from grazed herds, fish from sustainable stocks such as line-caught sea bass, and organic raw ingredients on a daily basis. Food is prepared on the premises from fresh rather than pre-prepared ingredients.

## OUR THANKS

Financial support is crucial in helping the RSA to attain its goals. The RSA would like to extend very special thanks to the following for their generous support in the last financial year. It is thanks to these donors that we can continue to make progress.

The following individuals and organisations made financial contributions of £500 or more in the financial year 2009-10

### Corporate Supporters

Aircraft Medical Ltd  
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### Individual Supporters

Mr B Bossom  
Mr B Foster  
Mr M Jacques  
Mr L Johnson  
Mr G Morrison  
Mr I R Taylor

### Trust, Foundations & Grant Making Organisations

2020 Public Services Trust  
Calouste Gulbenkian Foundation  
The CIM Charitable Marketing Trust  
Clare Duffield Foundation  
Esmée Fairbairn Foundation  
The Evaluation Trust  
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Nuffield Foundation  
Paul Hamlyn Foundation  
The Wates Foundation  
Wellcome Trust Centre for Neuroimaging

### Statutory & Other Organisations

The Art Fund  
Arts and Business  
Arts Council England  
British Council for School Environments  
The British Psychological Society  
Cambridge Primary Review  
Child and Adolescent Mental Health Service  
Department for Communities and Local Government  
Department for Environment, Food and Rural Affairs  
Design Council  
Dott Cornwall  
Home Office  
Intellect  
LBRO  
London Development Agency  
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Manchester City Council  
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National Policing Improvement Agency  
Oxfam GB  
Qualifications Curriculum Development Agency  
Soil Association  
Technology Strategy Board  
The US/UK Fulbright Commission  
V  
World Vision UK  
Worshipful Company of Tin Plate Workers

### Legacies

Mr F R Blake  
Mr C White

### Gifts in Kind

British Airways plc

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

## **STRUCTURE, GOVERNANCE & MANAGEMENT**

The governing body of the RSA is the Board of Trustees which comprises up to fourteen members and meets six times a year, plus an annual conference to review strategy and performance. Trustees are elected or appointed for a three year term, and may serve a second three year term. The Executive Team attend all Board Meetings.

Up to four Trustees are directly elected by the Fellows and six are appointed by the Board (including two appointed from Fellowship Council). The four Officers are appointed by the Board subject to the concurrence of Fellows at the AGM. Each new Trustee attends an induction day and is provided with a pack of information about the RSA and their responsibilities. Additional training is provided if appropriate.

The Board has established three committees, each with specific terms of reference and functions delegated by the Board and with a Trustee as chairman, appointed by the Board: Audit & Risk (which has two external members); Nominations; and Remuneration.

The Chief Executive and Chief Operating Officer both attend all the committee meetings. The external auditors attend a meeting of the Audit & Risk committee.

The Board decide on the strategy of the RSA, with implementation of strategy and day-to-day operational management delegated by the Board to the Executive Team.

The Board appoints the directors of the trading subsidiary, RSA Adelphi Enterprises Limited, and monitors its performance. The directors of the subsidiary meet as necessary.

### **Statement of Trustees' responsibilities**

The law applicable to charities in England and Wales and Scotland requires the 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 end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity which enables them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993 and regulations made under s.44 of that Act. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of detection of fraud and other irregularities.

### Fellowship Council

At the October 7 2009 AGM Fellows approved a plan to reform the Advisory Council into a new Fellowship Council which will represent the interests of the Fellowship, help Fellows to work with the RSA in the development of projects and activities, and work to ensure that Fellows projects are aligned with the charitable aims of the Society. Fellowship Council comprises 20 Fellows elected from the Fellowship and 20 Fellows nominated by the Board of Trustees. 2 members of the Fellowship Council are appointed to the Trustee Board.

### Risk Management

A full risk assessment is undertaken in order to identify the major risks to which we are exposed under the headings: Governance; Commercial; Financial; Public Profile; Programme; Fellowship; and Fundraising. The risk register summarises potential risks which have been assessed as to their likelihood and potential impact. Controls have been identified to limit each of these risks. The risk register is reviewed regularly by the Audit & Risk committee.

### Statement on Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Society.

The RSA's object, as laid down in our Charter, is the encouragement of Arts, Manufactures and Commerce which we discharge through the advancement of education in, the organisation of competitions around, and the encouragement and conduct of research into the sustainable context within which the said Arts, Manufactures and Commerce may prosper and to make such research findings available to the public.

The benefits of our activities are described in this Annual Report, which incorporates our Impact Report, and relate directly to our aims and objectives. Our extensive lectures programme is available to the public free of charge; the results of our research are broad and disseminated free of charge to all interested parties; the RSA Fellowship is diverse, engaged and influential and its work, which is given voluntarily, contributes to the capacity of the Society to develop and promote new ways of thinking about human fulfilment and social progress. 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 the aims. No specific issues of detriment or harm have been identified. Ultimately Society as a whole will benefit from the Society's activities. This is considered to be within the spirit of the RSA charter. The RSA operates throughout the whole of the United Kingdom. Benefits are not confined to any particular section of the public and the wider benefits of the Society's activities are intended to include society as a whole. *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.*

## FINANCIAL REVIEW

### Overview

Overall we have *Net Incoming Resources* of £1.3m compared with £0.6m in 2009. This is before unrealised gains on investment assets £1.7m. Resultant *Net Movement of Funds* is £3.0m compared with £ (1.3)m last year.

### Incoming resources

*Total Incoming Resources* reduced from £8.7m last year to £8.3m. Our principal funding sources are our Fellows, RSA Hospitality, project grants and sponsorship and investment income.

Under *Voluntary Income* fellowship subscriptions grew from £4.1m to £4.2m. At the end of the year the number of Fellows stayed level from 27,440 (31 March 2009) to 27,442. This despite the difficult economic conditions prevailing during the year. Over 70% of Fellows pay their subscriptions under Gift Aid, which is almost all of those eligible to pay in this way. It is an important component of this source of funds. Donations reduced from £0.3m to £0.1m.

Under *Activities for Generating Funds* RSA Hospitality operates all the function spaces within the RSA House, providing accommodation for business meetings and weddings. We have suffered the effects of the recession during the year with turnover at £2.1m compared with £2.6m achieved last year, but consider under the circumstances that this is a very creditable result. Actions were taken to protect the profitability of these activities which is all passed to the RSA and used for charitable activities.

*Project Grants and Sponsorship* increased from £0.7m to £1.1m as a result of excellent fundraising efforts within our Projects Team. *Lectures Donations and Sponsorship* remained flat at £0.1m and *Investment Income* reduced slightly from £0.5m to £0.3m.

### Investments

Most of the RSA's funds are invested either in the RSA House in John Adam Street or in securities. During the year the market value of investments recovered from £10.0m to £12.1m; within this the Shipley portfolio rose from £8.5m to £10.5m after unrealised investment gains. The investment mandate for the Shipley expendable endowment remained unchanged. Cazenove are targeted to achieve an ongoing annualised return of 6.5% and with a maximum risk to capital in any one year of 7%. During the year the Trustees held a beauty parade to review alternative fund managers and decided to continue with Cazenove.

### Resources expended

*Total Resources Expended* fell from £8.1m to £7.0m.

Overall the *Cost of Generating Funds* dropped from £5.4m to £4.5m. *Net Voluntary Income* rose from £1.8m to £2.1m. Operating Profits as % sales in our catering operations improved from 38% to 40% and in room hire activities reduced from 63% to 57% as volume of business fell. Overall our House activities managed to breakeven in what was a difficult year.

Resources expended on our continuing *Charitable Activities* reduced slightly from £2.6m to £2.3m. This includes all the expenditure on our programme of projects where, largely due to the success of our Projects Team's fundraising, the Society's net investment in Projects reduced from £1.5m to £0.9m.

The cost of governance include the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, external audit and a proportion of core executive management.

### Reserves policy

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

Free reserves are defined as unrestricted funds plus the Vaults appeal fund, plus unexpended Shipley income funds less the tangible fixed assets. 'Unrestricted cash expenditure' is the operating costs of the year less the charge for depreciation and less the direct costs of catering which would not be incurred if activities ceased.

The Trustees continue to consider that free reserves should not fall below three months' unrestricted cash expenditure. This year, our cover position is 10.3 months compared with 3.9 months last year which reflects a healthy condition as we remain in times of economic uncertainty. The Trustees will continue to review the appropriateness of this ratio as the economic and political situation evolves.

## 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 2010 which comprise the consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993 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 described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 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).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

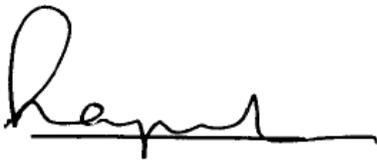
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's and group's affairs as at 31 March 2010 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

A handwritten signature in black ink, appearing to read 'Hay', is written over a horizontal line.

haysmacintyre  
Registered Auditors  
Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

7 July 2010

## Group Statement of Financial Activities for the year ended 31 March 2010

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2010 £'000	Total 2009 £'000
<b>Incoming resources</b>	3					
<b>Incoming resources from generated funds</b>						
Voluntary income		4,524	-	-	4,524	4,611
Activities for generating funds		2,123	-	-	2,123	2,607
Investment income		35	262	-	297	474
<b>Incoming resources from charitable activities</b>						
Project grants & sponsorship		54	1,052	-	1,106	696
Lecture donations & sponsorship		141	-	-	141	125
Other income		67	-	-	67	200
<b>Total incoming resources</b>		<b>6,944</b>	<b>1,314</b>		<b>8,258</b>	<b>8,713</b>
<b>Resources expended</b>	4					
<b>Costs of generating funds</b>						
Costs of generating voluntary income		2,351	63	-	2,414	2,787
Fundraising trading: costs of goods sold & other costs		2,131	-	-	2,131	2,637
Investment management costs		-	-	-	-	4
<b>Charitable activities</b>						
Programme of projects		763	1,197	-	1,960	2,217
Lectures and conferences		355	-	-	355	373
<b>Governance costs</b>		106	-	-	106	118
<b>Total resources expended</b>		<b>5,706</b>	<b>1,260</b>		<b>6,966</b>	<b>8,136</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>1,238</b>	<b>54</b>		<b>1,292</b>	<b>577</b>
Gross transfers between funds	7	(95)	156	(61)	-	-
<b>Net incoming/(outgoing) resources before other recognised gains and losses</b>		<b>1,143</b>	<b>210</b>	<b>(61)</b>	<b>1,292</b>	<b>577</b>
<b>Other recognised gains and losses</b>						
Gains/(losses) on investment assets	9	(49)	1,458	348	1,757	(1,879)
<b>Net movement of funds</b>		<b>1,094</b>	<b>1,668</b>	<b>287</b>	<b>3,049</b>	<b>(1,302)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		8,326	977	9,053	18,356	19,658
<b>Total funds carried forward</b>		<b>9,420</b>	<b>2,645</b>	<b>9,340</b>	<b>21,405</b>	<b>18,356</b>

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

The accompanying notes form part of these financial statements.

## Group and Charity Balance Sheets as at 31 March 2010

	Notes	Group 2010 £'000	Group 2009 £'000	RSA 2010 £'000	RSA 2009 £'000
<b>Fixed assets</b>					
Tangible fixed assets	8	6,660	6,815	6,660	6,815
Investments	9	12,053	9,963	12,053	9,963
		<b>18,713</b>	<b>16,778</b>	<b>18,713</b>	<b>16,778</b>
<b>Current assets</b>					
Debtors	10	822	857	692	1,023
Short term deposits and cash at bank		4,039	2,735	3,870	2,285
		<b>4,861</b>	<b>3,592</b>	<b>4,562</b>	<b>3,308</b>
Creditors: amounts falling due within one year	11	(1,320)	(1,254)	(1,021)	(970)
<b>Net current assets</b>		<b>3,541</b>	<b>2,338</b>	<b>3,541</b>	<b>2,338</b>
<b>Total assets less current liabilities</b>		<b>22,254</b>	<b>19,116</b>	<b>22,254</b>	<b>19,116</b>
<b>Creditors: amounts falling due after more than one year</b>					
Deferred life Fellowship income		(849)	(760)	(849)	(760)
<b>Total assets less liabilities</b>		<b>21,405</b>	<b>18,356</b>	<b>21,405</b>	<b>18,356</b>
<b>Unrestricted income funds</b>	12	<b>9,420</b>	<b>8,326</b>	<b>9,420</b>	<b>8,326</b>
<b>Restricted income funds</b>	12	<b>2,645</b>	<b>977</b>	<b>2,645</b>	<b>977</b>
<b>Endowment funds</b>	12	<b>9,340</b>	<b>9,053</b>	<b>9,340</b>	<b>9,053</b>
<b>Total funds</b>		<b>21,405</b>	<b>18,356</b>	<b>21,405</b>	<b>18,356</b>

The Financial Statements were approved by the Board of Trustees on the 7th of July 2010 and were signed on its behalf by:



Luke Johnson  
Chairman



Lord Richard Best  
Treasurer

The accompanying notes form part of these financial statements.

## Group Cash Flow Statement for the year ended 31 March 2010

	2010 £'000	2009 £'000
<b>Net incoming/(outgoing) resources from operating activities</b>	<b>1,586</b>	<b>(355)</b>
<b>Returns on investments and servicing of finance</b>	<b>297</b>	<b>474</b>
<b>Capital expenditure and financial investment</b>	<b>(579)</b>	<b>(254)</b>
<b>Increase/(Decrease) in cash</b>	<b>1,304</b>	<b>(135)</b>

## Notes to Group Cash Flow Statement

	2010 £'000	2009 £'000
<b>Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities</b>		
Net incoming resources for the year	1,292	577
Interest received and income from investments	(297)	(474)
Depreciation charges	401	480
(Increase)/decrease in debtors	35	245
Increase/(decrease) in creditors	155	(1,183)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,586</b>	<b>(355)</b>

### Reconciliation of capital expenditure and financial investment

Payments to acquire tangible fixed assets	(246)	(413)
(Additions)/Withdrawals from investments	(333)	159
<b>Capital expenditure and financial investment</b>	<b>(579)</b>	<b>(254)</b>

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

Increase/(decrease) in cash in the year	1,304	1,681
Net funds at 1 April 2009	2,735	1,054
<b>Net funds at 31 March 2010</b>	<b>4,039</b>	<b>2,735</b>

### Analysis of changes in net funds

	1 April 2009 £'000	Cash Flows £'000	31 March 2010 £'000
Short term deposits	1,681	(1,681)	-
Cash at bank	1,054	2,985	4,039
	<b>2,735</b>	<b>1,304</b>	<b>4,039</b>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements 31 March 2010

### I. Accounting policies

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

#### *Basis of preparation*

The financial statements have been prepared in accordance with the Charities Act 1993, applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of certain tangible fixed assets and the inclusion of fixed asset investments at market value; and follow the recommendations of Statement of Recommended Practice: "Accounting and Reporting by Charities" issued in March 2005.

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

#### *Incoming resources*

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

#### *Resources expended*

Expenditure is charged on an accruals basis, inclusive of irrecoverable VAT. The costs of generating voluntary income include expenditure directly incurred in supporting the Fellowship and incurred in seeking voluntary contributions. The costs of activities in furtherance of the RSA's objects include costs directly incurred in undertaking those activities. Where costs cannot be directly attributed to particular categories they have been allocated to activities on a headcount basis.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental costs of acquisition. Tangible fixed assets are stated at cost with the exception of certain pictures, books and antiques which are stated at 1919 valuation and are not depreciated. 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
Plant and machinery:	between 3 and 40 years
Furniture and fittings:	between 5 and 6 <sup>1</sup> / <sub>2</sub> 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.

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

The capital of permanent endowment funds is required to be retained in perpetuity, while the income must be used for restricted charitable purposes. The capital of expendable endowments may be used in specific circumstances, while the income must be used for restricted charitable purposes.

## Notes to the Financial Statements 31 March 2010 continued

### 1. Accounting policies (continued)

#### *Pension costs*

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

### 2. Subsidiary undertakings

#### *RSA Adelpi Enterprises Limited*

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

The taxable profits are donated to the RSA each year by gift aid. The RSA's investment in the share capital is £100, represented by 100 shares of £1 each.

The financial information relating to the subsidiary is set out below:

	<i>2010</i>	<i>2009</i>
	<i>£'000</i>	<i>£'000</i>
Turnover	2,256	2,718
Expenditure	(2,214)	(2,457)
Profit for the year transferred by Gift Aid	42	261
	<hr/>	<hr/>
Aggregate assets	401	756
Aggregate liabilities	401	756
Reserves	-	-
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## Notes to the Financial Statements 31 March 2010 continued

### 3. Incoming resources

2010

	Voluntary income	Activities for generating funds	Investment income	Project grants and sponsorship	Lecture donations & sponsorship	Other income	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fellowship	4,199	-	-	-	-	-	4,199
Donations and legacies from individuals	68	-	-	49	9	-	126
Companies & commercial organisations	53	-	-	426	128	-	607
Charitable trusts and foundations	2	-	-	150	-	-	152
Public sector bodies	-	-	-	427	-	-	427
Trading activities	-	2,123	-	-	-	-	2,123
Unrestricted funds' bank deposit interest	-	-	35	-	-	-	35
Endowment funds' dividends & interest	-	-	262	-	-	-	262
Other sources	202	-	-	54	4	67	327
	<b>4,524</b>	<b>2,123</b>	<b>297</b>	<b>1,106</b>	<b>141</b>	<b>67</b>	<b>8,258</b>

2009

	Voluntary income	Activities for generating funds	Investment income	Project grants and sponsorship	Lecture donations & sponsorship	Other income	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fellowship	4,110	-	-	-	-	-	4,110
Donations and legacies from individuals	270	-	-	63	10	-	343
Companies & commercial organisations	10	-	-	262	102	-	374
Charitable trusts and foundations	36	-	-	173	12	-	221
Public sector bodies	23	-	-	132	-	-	155
Trading activities	-	2,607	-	-	-	-	2,607
Unrestricted funds' bank deposit interest	-	-	115	-	-	-	115
Endowment funds' dividends & interest	-	-	358	-	-	-	358
Other sources	162	-	1	66	1	200	430
	<b>4,611</b>	<b>2,607</b>	<b>474</b>	<b>696</b>	<b>125</b>	<b>200</b>	<b>8,713</b>

## Notes to the Financial Statements 31 March 2010 continued

### 4. Resources expended

	<i>Direct costs</i>	<i>Apportioned support costs</i>	<i>2010 Total</i>	<i>2009 Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Cost of generating funds</b>				
Costs of generating voluntary income	1,639	775	2,414	2,787
Fundraising trading: costs of goods sold & other costs	1,309	822	2,131	2,637
Investment management costs	-	-		4
	<b>2,948</b>	<b>1,597</b>	<b>4,545</b>	<b>5,428</b>
<b>Charitable activities</b>				
Programme of projects	1,365	595	1,960	2,217
Lectures and conferences	200	155	355	373
	<b>1,565</b>	<b>750</b>	<b>2,315</b>	<b>2,590</b>
<b>Governance costs</b>	<b>106</b>	<b>-</b>	<b>106</b>	<b>118</b>
	<b>4,619</b>	<b>2,347</b>	<b>6,966</b>	<b>8,136</b>

Resources expended exclude the value of work contributed by Fellows to the activities of the RSA and by secondees from project sponsors. Governance costs include the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, external audit and a proportion of core executive management. The external audit fee was £22,000 (2009 £23,500). Fees paid to the Auditors for non audit services were £4,250 (2009 £4,500).

### 5. Support costs broken down by activity

	<i>Cost of generating voluntary income</i>	<i>Fundraising trading</i>	<i>Programme of projects</i>	<i>Lectures and conferences</i>	<i>2010 Total</i>	<i>2009 Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Establishment	407	432	313	81	1,233	1,465
Executive and Programme Management	99	105	76	20	300	480
Finance	65	69	51	13	198	198
Information technology	54	57	41	11	163	141
Human resources	19	20	14	4	57	61
External Communication and Marketing	131	139	100	26	396	439
	<b>775</b>	<b>822</b>	<b>595</b>	<b>155</b>	<b>2,347</b>	<b>2,784</b>

Direct expenditure is allocated to categories of activity. Where expenditure cannot be directly allocated it represents support costs and is apportioned on a basis consistent with the use of resources, by reference to the number of staff and consultants working on each activity.

## Notes to the Financial Statements 31 March 2010 continued

### 6. Trustee and staff costs

#### Trustees

Members of the Trustee Board and committees do not receive any remuneration for their services. Travel expenses reimbursed to 2 (2009 3) Trustees amounted to £383 (2009 £875). Charitable funds have been used to buy indemnity insurance for Trustees at a cost of £7,350 (2009 £7,530).

#### Staff

The average number of staff employed during the year, on a full time equivalent basis, was 98 (2009: 100) and the cost was:

	2010	2009
	£'000	£'000
Salaries	3,244	3,240
Employer's National Insurance contributions	326	327
Pension contributions	171	188
	<b>3,741</b>	<b>3,755</b>

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

	2010	2009
£60,001 to £70,000	4	2
£70,001 to £80,000	1	3
£120,001 to £130,000	1	1

The number of higher paid employees accruing pension benefits was:

	2010	2009
a) Defined contributions scheme - group personal pension	4	3

The total contributions paid by the RSA into the defined contribution scheme for higher paid employees was £31,025 (2009: £25,275).

### 7. Transfers between funds

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>	<i>Total</i>
	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>2010</i>	<i>2009</i>
	£'000	£'000	£'000	£'000	£'000
Programme of projects	(145)	145	-	-	-
Reimbursement to Shipley re RSA Academy	(58)	58	-	-	-
Wind up of Swiney Trust	108	(47)	(61)	-	-
	<b>(95)</b>	<b>156</b>	<b>(61)</b>	<b>-</b>	<b>-</b>

Programme of projects - Transfers from unrestricted funds to support programme of projects

## Notes to the Financial Statements 31 March 2010 continued

### 8. Tangible fixed assets

	<i>Freehold premises</i>	<i>Plant and machinery</i>	<i>Furniture &amp; fittings</i>	<i>Pictures, books &amp; antiques</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cost or valuation					
At 1 April 2009	4,304	6,594	1,450	33	12,381
Transfers	-	-	-	-	-
Additions	-	166	80	-	246
Disposals	-	-	-	-	-
At 31 March 2010	<b>4,304</b>	<b>6,760</b>	<b>1,530</b>	<b>33</b>	<b>12,627</b>
Depreciation					
At 1 April 2009	589	3,752	1,225	-	5,566
Charge for the year	22	281	98	-	401
Disposals	-	-	-	-	-
At 31 March 2010	<b>611</b>	<b>4,033</b>	<b>1,323</b>	<b>-</b>	<b>5,967</b>
Net book values					
<b>At 31 March 2010</b>	<b>3,693</b>	<b>2,727</b>	<b>207</b>	<b>33</b>	<b>6,660</b>
At 1 April 2009	3,715	2,842	225	33	6,815

The freehold properties at 2, 4, 6 & 8 John Adam Street and 18 Adam Street are listed as historic buildings. 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 improvements and additions to the buildings. The trustees do not consider it practicable nor useful to undergo periodic valuations of the premises which would involve considerable expense for no obvious benefit to the charity. It is a requirement of United Kingdom Accounting Standards that freehold buildings should be depreciated over their estimated useful lives. To meet this requirement a notional life of 200 years was attributed to the premises in 1978, and depreciation is therefore charged on that basis. Fixed assets are stated at cost with the exception of certain pictures, books and antiques which are stated at their 1919 valuation and are not depreciated.

## Notes to the Financial Statements 31 March 2010 continued

### 9. Investment assets

Analysis of investment assets				2010	2009
	Unrestricted	Restricted	Endowment	Total	Total
	funds	Funds	Funds		
	£'000	£'000	£'000	£'000	£'000
Investments in Government and other listed securities and Charities Official Investment Funds at market values					
UK	12	1,229	6,342	7,583	4,846
Overseas	-	93	469	562	634
Alternative investments	-	316	1,592	1,908	2,365
Freehold property	801	143	722	1,666	1,501
Bank deposits	-	119	215	334	617
	<b>813</b>	<b>1,900</b>	<b>9,340</b>	<b>12,053</b>	<b>9,963</b>
Analysis of movement of investment assets					
Investments at 1 April 2009	735	175	9,053	9,963	12,001
Net additions/(withdrawals)	127	267	(61)	333	(159)
Revaluation gain/(loss)	(49)	1,458	348	1,757	(1,879)
Investments at 31 March 2010	<b>813</b>	<b>1,900</b>	<b>9,340</b>	<b>12,053</b>	<b>9,963</b>

Valuation dates for the freehold property are as follows:

Rosenau Crescent, London, SW11 - valued at £700,000 as at the 31st March 2010

Ipswich Road, Colchester, CO4 - valued at £101,000 based on contract of sale due to complete on 27th May 2010

### 10. Debtors

	Group	Group	RSA	RSA
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade debtors	594	574	382	287
Prepayments and accrued income	190	186	184	181
Other debtors	38	97	24	83
Subsidiary Debtor	-	-	102	472
	<b>822</b>	<b>857</b>	<b>692</b>	<b>1,023</b>

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

	Group	Group	RSA	RSA
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade creditors	247	236	222	211
Accruals and project awards	387	474	366	455
Project deferred income	206	97	206	97
Other creditors	312	277	227	207
RSA Hospitality income received in advance	168	170	-	-
	<b>1,320</b>	<b>1,254</b>	<b>1,021</b>	<b>970</b>

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

## Notes to the Financial Statements 31 March 2010 continued

### 12. Funds

a) Unrestricted funds - movements in year	Balance 1 April 2009	Income	Expended	Gain/(loss)	Transfers	Balance 31 March 2010
	£'000	£'000	£'000	£'000	£'000	£'000
General reserves	8,326	6,944	(5,706)	(49)	(95)	9,420
	<b>8,326</b>	<b>6,944</b>	<b>(5,706)</b>	<b>(49)</b>	<b>(95)</b>	<b>9,420</b>

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

	Balance 1 April 2009	Income	Expended	Gains	Transfers	Balance 31 March 2010
	£'000	£'000	£'000	£'000	£'000	£'000
Programme of projects	-	1,052	(1,197)	-	145	-
Shipleigh fund	11	227	-	1,434	58	1,730
Vaults appeal fund	773	-	(47)	-	-	726
Dick Onians Creativity fund	19	-	-	-	-	19
Betro Trust	13	1	(1)	3	-	16
Lord Bossom Trust	14	2	(2)	3	-	17
James Cranstoun Bequest	23	11	-	-	-	34
Reflection Riding Fund	9	-	-	1	-	10
Sir John Stratton Scholarship	21	2	-	3	-	26
Dr Swiney's Bequest	39	3	-	5	(47)	-
Edward Boyle Fund	11	3	-	2	-	16
Edward Squires Fund	6	3	(6)	1	-	4
Angus Millar Trust	1	2	(2)	-	-	1
Forum Trusts	-	2	(2)	-	-	-
Other Trusts	37	6	(3)	6	-	46
	<b>977</b>	<b>1,314</b>	<b>(1,260)</b>	<b>1,458</b>	<b>156</b>	<b>2,645</b>

Conditional income has been received and spent in respect of the programme of projects. The net assets of the projects are nil.

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

The Vaults Appeal fund of £1,972,000 was utilised in financing the capital expenditure associated with the Vaults development in 1989 and accordingly, the appropriate depreciation is charged to the fund from unrestricted funds.

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

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

## Notes to the Financial Statements 31 March 2010 continued

### 12. Funds - continued

c) Endowment funds trusts settled for specific purposes - movements in year	Balance 1 April 2009 £'000	Income £'000	Expended £'000	Gains £'000	Transfers £'000	Balance 31 March 2010 £'000
Shipleigh expendable endowment	8,507	-	-	213	-	8,720
Betro Trust	5	-	-	2	-	7
Lord Bossom Trust	18	-	-	4	-	22
James Cranstoun Bequest	196	-	-	50	-	246
Reflection Riding Fund	6	-	-	2	-	8
Sir John Stratton Scholarship	20	-	-	5	-	25
Dr Swiney's Bequest	52	-	-	9	(61)	-
Edward Boyle Fund	39	-	-	10	-	49
Edward Squires Fund	53	-	-	13	-	66
Angus Millar Trust	31	-	-	8	-	39
Dick Onians Trust	18	-	-	4	-	22
Forum Trusts	40	-	-	10	-	50
Other Trusts	68	-	-	18	-	86
	<b>9,053</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>(61)</b>	<b>9,340</b>

d) Total funds	Balance 1 April 2009 £'000	Income £'000	Expended £'000	Gains £'000	Transfers £'000	Balance 31 March 2010 £'000
Expendable endowment funds	8,507	-	-	213	-	8,720
Permanent endowment funds	546	-	-	135	(61)	620
	<b>9,053</b>			<b>348</b>	<b>-</b>	<b>9,340</b>
Unrestricted funds	8,326	6,944	(5,706)	(49)	(95)	9,420
Restricted income funds	977	1,314	(1,260)	1,458	156	2,645
<b>Total funds</b>	<b>18,356</b>	<b>8,258</b>	<b>(6,966)</b>	<b>1,757</b>	<b>-</b>	<b>21,405</b>

e) Analysis of group net assets between funds	Fixed assets £'000	Investments £'000	Current assets £'000	Liabilities £'000	Fund balances £'000
Expendable endowment funds	-	8,720	-	-	8,720
Permanent endowment funds	-	620	-	-	620
	<b>-</b>	<b>9,340</b>	<b>-</b>	<b>-</b>	<b>9,340</b>
Unrestricted funds	5,934	813	4,842	(2,169)	9,420
Restricted income funds	726	1,900	19	-	2,645
<b>Fund balances at 31 March 2010</b>	<b>6,660</b>	<b>12,053</b>	<b>4,861</b>	<b>(2,169)</b>	<b>21,405</b>

e) Parent charity results	2010 £'000	2009 £'000
Incoming resources	7,539	7,849
Resources expended	(6,290)	(7,533)
Gift Aid income	42	261
Net incoming resources before other recognised gains	1,291	577
Other recognised gains	1,758	(1,879)
Net movement of funds	<b>3,049</b>	<b>(1,302)</b>

## Notes to the Financial Statements 31 March 2010 continued

### 13. Pension schemes

The RSA operates a group personal pension scheme. The employer double matches contributions up to a maximum employer contribution of 10%. The assets of this scheme are invested with Scottish Equitable plc.

The Consolidated Statement of Financial Activities includes contributions by the charity to the defined contribution pension schemes of £171,000 (2009: £188,000)

### 14. 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.

### 15. Related parties

There were no related party transactions, other than with the subsidiary company and advantage has been taken of the exemption available from disclosing these details.