



Trustees Annual Report & Financial Statements for the year ended 31 March 2013

Impact Report 2013

ADMINISTRATION

Patron

HM The Queen

President

Her Royal Highness The Princess Royal

Trustees

Luke Johnson (Chair – retired October 3 2012)
Vikki Heywood, CBE (Chair – appointed October 3 2012)
Dr Suzy Walton (elected February 25 2011,
Deputy Chair- elected October 3 2011)
Lord Best, OBE (Treasurer – retired October 3 2012)
Hanif Virji (appointed October 7 2009,
Treasurer- appointed October 3 2012)
Vanessa Harrison (appointed July 13 2010,
Treasurer – appointed December 6 2010)
David Archer (retired March 10 2013)
Irene Campbell (elected January 12 2013)
Tony Cohen (appointed December 1 2012)
Jackie Elliman (elected January 18 2012)
Andy Gibson (elected March 11 2013)
Clive Grinyer (appointed July 22 2010)
Zena Martin (retired January 11 2013)
Don Pinchbeck (elected February 25 2011)
Keith Read, CBE (elected January 18 2012)
Jonathan Rollason (elected February 25 2011)

Constitution

The RSA is a charity governed by a Royal Charter. It is registered under the Charities Act 2011 – 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
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Executive Team

Matthew Taylor (Chief Executive)
Carol Jackson (Chief Operating Officer)
Adam Lent (Program Director)
Nina Bolognesi (External Affairs Director)
Matthew Bates (Venue Director)

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

Surveyors and Property Consultants

MHBC, 4 St Pauls Churchyard, London, EC4M 8AY

Investment Managers

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CHAIRMAN'S STATEMENT

I took up the post of Chairman of the RSA Trustee Board at the 2012 AGM. The period since has been busy, productive and enjoyable. The RSA is a unique and multi-faceted organisation so just getting to know the scope of activity not to mention my fellow Trustees, Fellowship Council members and senior staff was the first challenge.

Indeed, it was the sheer variety and scale of ambition that led me to work with the Trustees and executive on a statement of our mission, focus, methods and values. The summer and autumn will see me, other Trustees and the executive team using that statement as the basis to engage in a wider conversation with regional and national and international groups of Fellows. We have also set in train a wide ranging strategic review which we hope will provide the strongest possible platform for the RSA to continue its path of development and success over the coming decade.

The Fellowship is the RSA's greatest asset and the long commitment and recent investment in supporting Fellows' activities is starting to pay off. Whether it is the team of hard working network managers, the Catalyst fund or the overall commitment of all RSA staff to work with Fellows developing projects, we now have a culture of activism and collaboration which most other membership organisations would envy. Underpinning this is the work of the Fellowship Council and of our national and regional committees.

Any examination of the projects undertaken by our Action and Research Centre (ARC) demonstrates that Fellows have been vital to developing and progressing important ideas and actions. To take two examples, our major project in Wiltshire to help engage citizens in the development and implementation of localised public services originated from a conversation between a local Fellow and the local authority. Meanwhile in Hull our highly ambitious and innovative Transitions project to establish a social enterprise prison facility relies on both a group of Fellows with national expertise and a strong insight into criminal justice and social enterprise and local Fellows enthusiastic to see the RSA leading such an important project in their area.

This has been another strong year for ARC, with a wide range of publications, media coverage and funding partnerships. I am particularly pleased that enterprise, manufacturing and the arts have started to move up the RSA agenda adding to the strength we already have in areas such as design, education, social networks, behavioural change and public service reform.

Education has always been a core issue for the RSA and is, of course, vital to our country's prospects. As well as delivering important research, such as the Academies Commission, the education team has been working hard with the independent Board of Trustees of RSA Academies, to grow our cohort of Academies. I have been delighted to visit some of these schools and can see the pride they take in being associated with the RSA – a pride which is fully reciprocated. Growing the number of schools and supporting them properly is an engaging and exciting challenge. Our collegiate approach is innovative and powerful and involves considerably more engagement and development than a more traditional top-down Academy chain. Currently we have five RSA Academies but our hope is that this will grow gradually over the coming few years. I would like to thank the RSAA Board and particularly its hard working and incisive chair Sue Horner for working so closely with us to achieve our ambition.

On a number of occasions RSA Academy schools have used RSA Animate as a teaching tool. This has been another outstanding year for the RSA's external affairs team, encompassing fundraising, press, website and, of course, our world class lectures program and on-line offer. We have expanded our offer this year by live streaming all our major events. Globally, there have been over 85 million views of RSA Animate and our Vision videos which has made our brand internationally recognised and has expanded our influence to be worldwide. One of our priorities now is to see how we can better use this significant and expanded profile to increase the awareness of the RSA and its Fellowship and our capacity and influence.

Viewers of the RSA's annual events program will see them in one of the RSA's lovely lecture rooms. I would like to thank my predecessor Luke Johnson and the RSA Trustees for investing in the splendid refurbishment of the Ground Floor at John Adam Street. Unfortunately the re-opening coincided with a downturn in House business, reflecting not only the general economic situation, but also the impact on public sector and not for profit budgets. It has been a tough time for the House but I am pleased to say that there are signs of things beginning to turn around and commercial booking increasing slowly. One of the pleasures as a result of the refurbishment is seeing groups of Fellows huddled together, discussing project ideas with RSA staff.

The year has seen some departures. I would like to thank Michael Ambjorn who held the reins as Head of Fellowship and made a powerful contribution to the collaborative culture described above. Also, thanks to Matthew Bates, our Venue Director, who knows that when he visits John Adam Street he can point to the successful refurbishment and truly say 'this would not have happened without me'.

I am delighted to welcome new Trustees Tony Cohen, Irene Campbell and Andy Gibson, the latter two representing the Fellowship Council, on the Board. They are all active Trustees and are helping to develop the already strong relationship between the Board and Council. Irene and Andy took over from David Archer and Zena Martin, and I would like to say a big thank you to them for their contribution too; I very much enjoyed the short time we were able to work together as Trustees.

The RSA is a remarkable organisation. Its capacity to draw in great ideas, enthusiastic partners, creative people and combine them into projects and innovations that have made the world a better, more enlightened place, is unique. I am fortunate to take the helm at a time of such great strength for the organisation but I am also confident that together we can prove that the best is yet to come.

Vikki Heywood, Chairman of the RSA

CHIEF EXECUTIVE'S INTRODUCTION

This report provides a picture of another strong year for the RSA. It is safe to say that the Society is as productive and influential as it has ever been. In our core areas of activity we are aiming higher, achieving more and delivering our charitable mission.

As Chief Executive, I get the greatest satisfaction from the growing synergies generated by the RSA's combination of interests and forms of activity. In a myriad of ways, some structured and deliberate, others accidental and surprising, our national and local networks of decision makers and opinions formers, our growing record of strong and practical research in areas ranging from behaviour change to design and enterprise, our globally renowned lectures program and our ever more active and ambitious Fellowship combine to generate new possibilities.

With more opportunities opening up it becomes ever more important to be focussed. The activities we undertake and the partnerships we forge must be developed to achieve a substantial and distinctive impact. Working with a very committed and expert Trustee Board, the Executive has taken two steps to help ensure we achieve this clarity.

First, we have set out the RSA's mission, focus, methods and values as a way of capturing where we are now as an organisation (see next page). Trustee Board Chairman Vikki Heywood is undertaking a tour of RSA regions and nations to share this statement, get feedback and hear about the ever more ambitious programs being developed by Fellows across the UK, supported by our Fellowship team and the Catalyst Fund.

Second, we are undertaking four strategic reviews looking respectively at the RSA's business model, our brand and communications, our method of impact, and the future of Fellowship. These reviews are jointly overseen by Executive members and lead Trustees and will report back to the Board later in the year.

I have talked about the RSA becoming 'the kind of organisation the twenty first century needs'. The impact of the RSA can be greater even than the sum of its parts, as a unique platform for new ways of thinking, creating and influencing. But to make this happen will involve clear thinking, ambition and hard choices. It is a sign of our confidence that at a time of unprecedented strength and activity levels we are putting our energies into charting the next stage of the Society's development.

RSA staff are hard-working and dedicated. It is a privilege to lead them. But we never forget how much the Society depends on those who give their time and skills voluntarily. So I will end with my thanks to our Trustees, our Fellowship Councillors, our national and regional chairs and team members and all the other many hundreds of active Fellows who are helping to make the RSA such a powerful force for good.

Matthew Taylor, Chief Executive

RSA MISSION

Our Purpose

21st century enlightenment: Enriching society through ideas and action

Our focus, the scope of our activities

The RSA has over its 260 year history focused on a wide range of issues. Our current focus is in the following areas:

‘Public service and communities’

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

‘Learning and creativity’

- We seek to realize the potential of all learners by understanding and enhancing human capability
- Raising educational attainment through school improvement and creative teaching
- Promoting arts and creativity

‘Enterprise, design and manufacturing’

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

Our method, how we do this

We seek out enlightened thinking and put it to work in practical ways

Engaging a diverse network: We nurture and engage a network of Fellows, employees and partners that is proactive, intellectually curious, entrepreneurial and diverse.

Tapping into many skills: The breadth of our interests, networks and methods give us a range of competencies including horizon scanning, generating debate, primary and secondary research, civic engagement, practical innovation and enterprise development.

Identifying great ideas: The global reach of the RSA, our independence and our broad and multidisciplinary networks means we can identify emerging new challenges and spot and curate powerful new ideas.

Testing and growing: Our mission is not merely to commentate or to recommend to others but to develop and wherever possible rigorously test practical, scalable, solutions.

Promoting and sharing: Through its unique networks the RSA seeks to make its ideas and innovations available as inspiration, opportunity, and resource to all.

Our values and standards

Our ability to fulfill our purpose is dependent on how we work and the culture we create.

Independent and creative: We value the quality and rigour of ideas, not where they come from or allegiance to any ideology. We take imaginative new approaches to solving problems and believe in the power of design and creativity to effect change.

Practical and resourceful: We try things out and are prepared to fail in the pursuit of what works, learning from everything that we do. We make intelligent use of our resources by building on what works already, trusting people – especially our employees and Fellows - and treating them as assets.

Consistent and demanding: All our work is aligned with our social purpose, and we do not take on work that conflicts with our mission or values. We aspire to global excellence in all our work and make products and services we want to use and promote ourselves.

Respectful and philanthropic: We value other people's work and wisdom, treat them with respect and do not attack or steal the work of others. We judge ourselves by the contribution we make to society not by the benefits we gain as an organisation.

RSA ACTION AND RESEARCH CENTRE

RSA Projects was re-launched as the RSA Action and Research Centre (ARC) in September 2012. This was more than just a change of name; it reflects a new level of ambition in what we are trying to achieve. ARC aims to make the RSA the premier 'think and act' tank in the UK by establishing practical projects to act as exemplars of innovation and impact as well as evidence bases for new thinking in the spheres of

- enterprise, design and manufacturing
- learning and creativity
- public services and community

Underpinning our work is a fundamental faith in the power of individuals and their networks to identify innovative solutions to their own and wider problems. Our projects seek to enable people to work with each other and leading institutions to develop the conditions and capabilities to bring about beneficial change. To this end we partner with a very wide range of stakeholders on a variety of projects including school students, teachers, local citizens, designers, prisoners, recovering drug users and many others. This faith in the power of self-generated innovation increasingly informs all our thought leadership work as well.

2012/13 was an exceptionally strong year for ARC with a suite of five major practical projects launched and twenty-five reports published. The profile and impact of the RSA has been enhanced and a strong basis has been established for further growth in 2013/14.

Impacts 2012/13

- The RSA Family of Academies has expanded to five schools with strong school-to-school evaluation and improvement initiatives now well established
- The final report of the RSA Pearson Academies Commission was published generating a great deal of debate about the future of schooling and the importance of school collaboration as a driver of better educational outcomes
- The first phase of the Great Recovery project was launched and completed by the Design team working with designers to generate feasibility studies for new closed loop products and processes for entry into a competition run by the Technology Strategy Board
- The enterprise strand has published a number of reports on disruptive business models, young entrepreneurs and the shadow economy and has also worked with the Fellowship team to create a network of young entrepreneurs linked to the RSA
- The RSA Transitions project has undertaken detailed feasibility work and forged very strong local links in Hull to further the development of a social enterprise prison in the North East
- The Student Design Awards have expanded considerably and now have an international profile with work done in 2012/13 to extend activity to the USA, Malaysia and Finland
- The Whole Person Recovery project is having a major impact in West Kent supporting those recovering from drug and alcohol addiction and is already widely seen as a highly innovative and effective approach
- The Citizen Power project was completed and has generated interest from a number of local authorities and other agencies keen to work with the RSA on similar projects including a major initiative with Wiltshire Council on devolved public services and community engagement which is now underway

Below, we set out in more detail our project areas, their impact over the year and their objectives going forward.

Objectives for 2013/14

- We will seek to implement the newly agreed strategy for the RSA Family of Schools including further school-to-school collaboration and establish a strong research and development program; all with the objective of improving outcomes for children
- Continue to grow the RSA's reputation for high quality educational research and analysis based in part on the Family of Schools R&D program
- Develop the Great Recovery program with a stronger focus on thought leadership and the influencing of design and manufacturing practice
- Publish a series of reports on enterprise with a particular focus on the rise of micro-business
- Complete the RSA Transitions feasibility study and explore potential for moving into an early stage implementation phase
- Continue the global growth of the Student Design Awards and explore potential to develop an incubation offer for SDA winners
- Explore the feasibility of developing a wider RSA incubation offer around maker and design enterprise
- Develop further partnerships with local authorities and other public sector bodies to undertake innovative projects on public service reform and community engagement
- Develop a research strand exploring how the RSA's social brain approach can enhance educational attainment
- Develop a clearer worldview and identity for the work of ARC

Arts and Society

In 2012/13, our arts work at the RSA included the final stages of the Citizen Power Peterborough project and a partnership with Kings College to explore participatory arts practice.

In Peterborough there was a particular focus on using arts practice to inform the development of the City's Single Delivery Plan which was heavily influenced in its approach and goals by Citizen Power (see next section). The Dialogue in Action project had a robust impact on public service leaders in the city who used contact with arts practitioners to develop new approaches to their work and to create a strong network of leaders with a shared vision for city transformation.

The RSA partnership with Kings College, Creative Intersections, explored innovative models for effective partnerships between artists and academics across a wide range of art forms and disciplines in order to gain a deeper understanding of the conditions necessary for the co-design and co-creation of cross disciplinary work.

Funding for a continuing arts program at the RSA has proved challenging to secure. However, the arts practices developed in Peterborough will continue in 2013/14 through our community campus project with Wiltshire Council (see RSA 2020 Public Services). A series of seminars on the future of arts policy is also taking place with support from the Arts Council. These are focusing upon the importance of the cultural industries in stimulating economic and social growth and provide the sector with the confidence and information to influence politicians, opinion formers and investors. The aim is lay the foundations of a new political economy for the arts in England, supported by hard edged recommendations and deliverable interventions. Peter Bazalgette, the newly appointed Chair of Arts Council England, gave his inaugural lecture at the RSA in March, launching the program and outlining the challenges faced by the arts.

Citizen Power: Peterborough

2012/13 marked the completion of Citizen Power Peterborough (CPP); a three-year project developed by the RSA in partnership with Arts Council England East and Peterborough City Council. The program, which ran between 2009 and 2012 was a unique, multi-dimensional, partnership in place-making and citizen activism which comprised six (ultimately seven) strands of work.

The independent Arts & Humanities Research Council evaluation of CPP, undertaken by Dr Mark Roberts (formerly a senior local authority officer) and colleagues at De Montfort University, concluded that:

“Citizen Power Peterborough was a success, with some strands more effective than others. Despite working under difficult circumstances from the beginning, including enforced communication embargos for long stretches of time, and significant political interference, Citizen Power Peterborough made a significant impact on the program’s principal objective of improving citizen participation in Peterborough”.

From the RSA’s perspective as a centre for research and development, we believe CPP was an extremely valuable learning experience that generated important lessons when it succeeded - but also when it did not. These lessons were outlined in our final report published in June 2013.

The RSA has carried forward into its current work program both the broad lessons of CPP and some of the specific techniques and insights. For example, the experience of the area-based curriculum has informed our partnership with the Institute of Education to design and test a new curriculum development training module for teachers, and we have recently been funded to undertake a development of the ChangeMakers methodology for use among diaspora communities.

From Peterborough’s perspective, CPP galvanised a large number of residents and organisations in the city, and developed innovative responses to long-standing problems in Peterborough, such as drug dependence, which Council officers anticipate will improve services and reduce costs in the future.

Connected Communities

The Connected Communities program aims to explore ‘social network’ approaches to various social and economic opportunities and challenges. Our attention focuses mainly on ‘real world’, face to face connections and exchanges between citizens, the public sector, businesses, and third sector organisations in place-based communities and economies.

In 2012/13, we continued to work on a large scale program supported by the Big Lottery Fund, co-producing ‘network interventions’ with seven local communities across England to improve social inclusion and mental wellbeing. Within this program and in partnership with the MIT Civic Centre for Media, we have developed the ‘Social Mirror’, a tablet-based app, capable of recording and analysing data on social networks and resources. We ran two sets of expert seminars at the main political party conferences: one on a new model of community sentencing in partnership with the Criminal Justice Alliance; and one on the notion of shared value for businesses and communities in partnership with the RSA’s 2020 Public Services and Asda. We completed an exploration of individual and collective resilience in the London Borough of Newham in partnership with the Campaign Company. We also commenced a three-year strategic partnership with Wiltshire County Council, working with the RSA’s 2020 Public Services to help guide the development of a new ‘community campus’ model of public services.

In 2013/14 we will be testing our Social Mirror app as a way of brokering ‘social prescriptions’ in Knowle West, Bristol. This will help put local people in touch with the formal and informal community support they need to improve and maintain their wellbeing. As part of the national community organising program, we will recruit and train a team of ‘community organisers’ to be based in West

Sussex. In partnership with Asda, we will be building a new community based model of retail with the 2020 Public Services and Enterprise teams at the RSA. We will be launching the Centre for Citizenship and Community in partnership with the University of Central Lancashire and the Royal Society for Public Health. This new initiative will enable us to collaborate with interested parties across the UK and internationally, exploring how we can better co-produce sustainable communities and public services through a mix of social network and community engagement techniques.

Design

The RSA Design team works to the assumption that, because of the particular characteristic of resourcefulness represented by designers, design will be fundamental to closing the gap between behaviour and aspiration. Ready to improvise and prototype, brave in the face of disorder and complexity, holistic and people-centred in their approach to defining problems, designers have a vital role to play today in making society itself more resourceful.

In 2012/13 the Design team developed and grew the Student Design Awards and encouraged the engagement of the Faculty of the Royal Designers for Industry (RDI) with RSA activities particularly the Family of Academies. We also launched The Great Recovery - a major project investigating the role of design in closed loop manufacturing, funded by the Technology Strategy Board (TSB). We held a series of workshops, events and talks involving not only designers but also material scientists, policy makers and academics, and supported a major TSB competition which gave £1.25m in prizes for feasibility studies in the area of the circular economy.

In 2013/14 the Design team will continue to grow the Student Design Awards. For the first time this year we will be running the awards in the USA and Malaysia, and are hoping to identify further territories very soon. We will continue to engage the Faculty of the Royal Designers for Industry with RSA activities, and are launching a new RDI Summer School in September at Dartington for designers and non-designers alike to explore RSA themes together. In consultation with our educational colleagues, we aim to have an RDI connected to each of the five Academies. The Great Recovery continues a program of workshops and events and we are also working on the feasibility of a new project, the RSA MakeSpace; an open access workshop and business incubation space at Somerset House. The RSA MakeSpace will integrate RSA Design activity with that of our enterprise work and Catalyst and will enable us, importantly, to engage with RSA Fellows.

Education

RSA Education seeks to realise the potential of all learners. Our program of policy research and practical interventions seeks to find innovative solutions to entrenched educational problems, based on our core principles of tackling educational disadvantage, democratic participation, and open-minded enquiry. We aim to shape debate, influence policy and, most importantly, change practice, both in the UK and internationally.

By the end of 2012/13, four secondary schools and one middle school were part of the RSA Family of Academies. The RSAA board has now agreed to increase the number of Academies to 12-15, with a focus on primary and secondary schools in areas of disadvantage in London and the West Midlands. The Family now has a clearer identity, based on four key priorities, and is developing a collegiate approach to school improvement. Fellows are actively contributing to all of our academies. Exam results across all our academies continue to improve.

In January, the final report from the Academies Commission received considerable national coverage and praise from all sides of the national debate. We now aim to maximise the policy impact of this work. During 2012/13, we also published reports on the Middle Tier and a suite of reports and practical resources at the conclusion of our Area-Based Curriculum project in Peterborough. We also launched 'Frontline voices', the first in a series of annual podcasts from education practitioners. In July, we began a ten month enquiry into education in Suffolk, and a detailed research project on

in-year school admissions. Reports from both projects will be launched during the summer of 2013. We also began a collaboration with RSA's Social Brain Centre.

Our practical interventions made significant progress. We redesigned and diversified the Opening Minds offer to enable the largest possible number of schools and students to benefit. Instead of a single accreditation program, we now have three strands: an RSA Opening Minds Training Centre, based at RSA Academy Tipton; a free online toolkit for all schools and educators; and a 'Grand Curriculum Designs' CPD program for schools who wish to engage in broader curriculum design processes, based on principles developed through Opening Minds and the Area Based Curriculum. The program is currently being piloted with twenty schools, in partnership with the Institute of Education.

We have developed an on-going partnership with Service Children's Education (SCE), the agency responsible for the children of Ministry of Defence personnel. We are helping SCE think through their education offer during a time of considerable change for the organisation.

During 2013/14, RSA Academies aims to become even more collegiate, distinctive, innovative and high-profile, utilising all of RSA's assets to transform outcomes for its pupils. A key aim will be to connect RSA Academies as frequently and deeply as possible with the rest of our education program, and build new projects that align with their needs and strengths. We have two priorities for our practical interventions: first, supporting curriculum development during a moment of change and opportunity; and second, enabling focus on a broader set of outcomes for young people than current accountability mechanisms demand. As well as growing Grand Curriculum Designs nationally, we also aim to work with Save the Children to bring Children's Zones to England, pilot a new Baccalaureate for the Middle Years, and initiate a small number of projects to support young people to learn from RSA Animates, and possibly create their own.

Enterprise & Manufacturing

Over the past year the Enterprise strand has secured external funding, held events, conducted research and produced thought leadership publications in the areas of entrepreneurship, employment and industry/manufacturing. As a methodological thread running across these elements, we have been looking for sponsorship opportunities to revive the RSA 'Premiums' tradition of using open challenges to stimulate innovation.

Entrepreneurship

In 2012/13, our work on this element, sponsored by the Royal Bank of Scotland (RBS), aimed to improve the economic prospects of young people through self-employment and entrepreneurship. It has included national workshops, a stakeholder conference, in-depth qualitative research and secondary research. Our spring publication, Disrupt Inc. was well received in the entrepreneurship support sector and among entrepreneurs themselves and in July we will be publishing a report on the whole program.

The impact strategy for this strand of work has two elements. Firstly, the recommendations of the report will be formally presented to the support organisations, such as The Prince's Trust, sponsored by RBS, encouraging them to adopt our ideas. Secondly, we will be developing catalyst-style funding bids to the RBS Inspiring Enterprise fund to invest in our ideas for start-ups or technology based applications, such as enterprise simulation software.

The Enterprise team are working with the 2020 team on a Post Office project, to develop a new generation of entrepreneurial sub-postmasters across the Post Office network.

Employment

The employment element aims to identify ways to improve the employment capabilities and prospects of the most disadvantaged, and for those already in employment, to improve the quality and wider value of working life.

Regarding the former, we held an employment innovation conference with Inclusion and Nesta involving all the industry and government stakeholders. This was followed by an expert roundtable and scoping research to develop a consensus on how to drive innovation in employment services.

Industry/Manufacturing

As part of our industry/manufacturing strand, at the end of April Vince Cable helped us to launch our 'Making at Home, Owning Abroad' report on the future of manufacturing and we will be holding a sponsored round table event with senior stakeholders to take action on the report's recommendations.

The emphasis for 2013/14 will be three-fold:

- Securing sponsorship, designing and running successful Premium competitions
- Developing applications, products and services off the back of the work we have undertaken in 2012/2013
- Developing follow-on research and thought leadership work in each of the three areas.

Social Brain

Much of policy and practice is premised on the idea of a rational individual making decisions rationally and independently rather than upon the automatic and social aspects of our nature that science indicates are fundamental. Since its inception in early 2009, Social Brain has sought to make this shift in perspective more refined and targeted through research, more explicit through public dissemination, and more empowering through practical engagement. We work on three thematic areas; decisions, habits, and attention, and aim to support personal development and wellbeing, inform educational practice and improve financial and environmental behaviour.

Over the last four years, our work has gradually grown from a stand-alone awareness-raising project to a much wider program of research, consultancy and thought leadership. The RSA Social Brain Centre was launched formally in November 2012 with a workshop and publication on the policy relevance of Iain McGilchrist's scholarship. We now have significant profile among our Fellows, the most recognised work program in the Fellowship survey, academics, and national media, with the Social Brain team regularly approached to appear on national radio and television.

In 2012/13, in conjunction with Connected Communities, we won a competitive application to complete an evidence review for the Joseph Rowntree Foundation on the perceptions of risk and trust in care-based relationships in an ageing society. With the support of our design team, and funded by British Gas, we produced a report on curiosity that led to national media coverage and two further approaches to fund the development of the work. We are continuing to advise a major retail bank to help their customers save more, and have advised NSPCC on a national behaviour change campaign to reduce aggression. Our work was also kindly supported by The Sainsbury Family Trusts and we used the initial funding to rethink the role of behaviour change in the context of climate change by focusing interventions on the 75% of the population that we believe to be 'climate ignorers', those who accept the reality of anthropogenic climate change but don't live as though they do. We also began a two year program of research and events, supported by the Templeton Foundation and Touchstone Trust, on how new conceptions of human nature may help to reconceive the nature and significance of the spiritual dimension of our lives. We also played a major part in developing the RSA's International profile, by developing working relationships with The Emirates Foundation in the UAE and The Vodafone Foundation in Germany.

In 2013/14 we plan to publish a report on the kinds of behaviour change needed for climate change, and develop an applied research project based on the recommendations. We will continue with the spirituality project, including several public events, and continue to grow the collaborative work with the RSA education team on how behavioural insight might help to reduce the socio-economic attainment gap. We are also at the early stages of new projects relating to increased participation in cycling, and research on the psychological foundations of contemporary economic debate.

Tomorrow's Investor

Against the backdrop of a longstanding UK pension crisis, the RSA has been investigating what a fairer, cheaper and more accessible private pension system could look like. Our Tomorrow's Investor reports draw upon extensive research to argue for a radical change to our pension system. Two Tomorrow's Investor reports were published in 2012/13.

Collective Pensions in the UK looked at how collective pensions are so much more effective than individual provision and how Britain can have a private pension system equal to the best in the world if we 'reinvent' collective pension provision in a way that is sustainable and works for employees and employers.

Seeing through the British Pensions System explored how purchasers of personal pensions are being misled about the level of hidden costs and charges. It uncovered how those selling pensions fail to reveal what is charged for such items as audit and custodial costs, and other hidden costs including taxes, stock lending fees and broking commissions.

Both reports generated very considerable debate and had a significant influence on government policy making and pensions practice in the UK. The authors of the report have been deeply involved in detailed policy discussions and consultations which could lead to the sorts of changes recommended by the Tomorrow's Investor project.

Whole Person Recovery

The Whole Person Recovery program seeks to understand in a holistic way how problematic drug and alcohol users become trapped in addiction, what helps or hinders their journey to recovery, and how their recovery can be sustained. The program seeks to make a practical difference to the lives of recovering individuals, and influence policy and practice across the sector.

In 2012/13, we began an ambitious new program of work. In partnership with Crime Reduction Initiatives (CRI), who lead the consortium, and the Sussex Partnership NHS Foundation Trust (SPFT), the RSA now delivers the Whole Person Recovery model in practice, employing a team of 'Recovery Community Organisers'. The work is based across West Kent and is one of the Government's eight 'payment by results' pilot areas in the sector. The program involves a range of network and capability (or 'recovery capital') building initiatives that are co-produced with CRI, SPFT, our service users, local RSA Fellows, and other local partners. Alongside this program, we are working on a national project to support the development of commissioning recovery.

In 2013/14, we will continue our work in West Kent and report on the results from year one. We will welcome the RSA's President, Princess Anne, to West Kent to launch an art exhibition produced by local service users and artists which explores the lived experience of recovery and we will also conclude our work on commissioning recovery.

RSA 2020 Public Services

In 2012/13, RSA 2020 Public Services (2020) has promoted social productivity approaches to public service reform through three inter-related strands of activity: research and consultancy with local government and public service organisations; policy and research with business to maximise shared value; and national thought leadership on the relationships between public service reform, growth and localism.

Our review of social productivity approaches for environmental protection and management services was completed, and included engagement with the Fellowship in Scotland. An autumn 2013 launch is planned to maximise its impact.

We have helped shape community leadership strategies and City Deals with Oldham and Sunderland councils. In Oldham, local work to operationalize co-operative principles has led to a re-launch of the national Co-operative Councils Network under Oldham's leadership as a high-profile network of councils engaged in innovation that may draw on work on public service mutualisation completed this year for Capital Ambition. 2020 will provide on-going policy support to the new network. *Business, Society and Public Services* was a widely-read analysis of the future of shared value and partnerships between public, private and voluntary sectors. It has laid the foundation for a series of projects with business partners.

2020 and RSA Enterprise are working with the Post Office to look at using Sub Post Offices to catalyse social value and entrepreneurship, whilst 2020 and Connected Communities, together with Asda, are examining how retail can create value for communities beyond the narrow scope of Corporate Social Responsibility (CSR) initiatives. Civil Society Minister Nick Hurd is on the project's advisory group.

Through a partnership with the Social Market Foundation, 2020 was able to provide a critical analysis of reform priorities ahead of the Autumn Statement in Fiscal Fallout. The report generated mainstream media coverage and led to a series of meetings within Whitehall and with public service leaders across the UK. Through a partnership with Shared Lives, we have taken forward a critical inquiry into social productivity approaches to social care that has involved a high level roundtable and a publication by key stakeholders. Further work on growing these socialised care models will continue in 2013/14.

In 2013/14, 2020 will continue its work with local authority partners and projects with the Post Office and ASDA. We will also continue to develop the Co-operative Councils Innovation Network and enhance its profile as a valuable resource and thought leadership network for public service reform in local government. We are also aiming to launch a major commission examining cities and growth, with a particular focus on labour market reform and the role of public services and strategic spending.

In 2013/14 we will also produce two reports on demand management in partnership with the Local Government Association, iMPower and the Economic & Social Research Council. These will review current models and help develop demand management as a key discipline in public services. 2020 Public Services also aims this year to underline its position as a centre of public service thought leadership by launching a series of think pieces and roundtables on social productivity, re-examining the concept in the context of new challenges leading up to 2020.

Transitions

Since the publication of its original 'vision' pamphlet in 2011, the RSA has been undertaking a major feasibility study into the development of a working, social enterprise prison. HMP Everthorpe in East Yorkshire was identified as a test site and during 2012/13 detailed work was undertaken with the prison and its stakeholders in the run up to the project's formal launch in January 2013.

The RSA has worked closely with service users, prison staff and external providers of resettlement services, the National Offender Management Service and the Ministry of Justice as well as employers and the local community around the prison to establish the opportunities and challenges facing the development of a social enterprise prison on the site of HMP Everthorpe. Detailed work is also underway to assess costs and wider resource requirements.

The Transitions feasibility study will run until January 2014 and will include further modelling of the Transitions concept. On completion and if there is a positive outcome from the study, further explorations will be undertaken into whether it is possible to move towards an early implementation stage for the project.

Police Federation review

The Police Federation Independent Review is a new ARC project for 2013/14. It is scheduled to conclude at the end of the year. The review is led by a Panel of six independent experts in a variety of fields relevant to the review; employee voice, policing reform, industrial relations, home affairs, and representative bodies. The review was commissioned by the Police Federation on an independent basis following a competitive tender. The first panel meeting was held in April 2013, with further panel meetings scheduled throughout the year as well as evidence gathering sessions with key stakeholders, an open online consultation and a regional consultation roadshow.

A successful final report in 2013/14 would be seen as a credible and implementable set of recommendations that ensured that the Police Federation of England and Wales was a world-class exponent of employee voice. The review will draw on the experience of stakeholder engagement projects within ARC, previous such high-level commissions/reviews such as the Academies Commission, and models of organisational change that have driven previous projects.

RSA INTERNATIONAL

Our highly successful Animate and lecture series with 88 million views since 2009 have put the RSA on the global thought leadership map.

The Trustee Board has therefore identified expanding our international profile and impact as a key development area for the RSA. In 2012/13, a small international team was established for the first time, to test the feasibility of the organisation developing its international work. Following completion of the feasibility study a two year international business plan was drafted, and subsequently endorsed by the Board.

The new strategy marks a paradigm change in the RSA's international activities, from a purely membership-driven strategy to a content-driven one, where the focus is on the creation of high quality, locally relevant content and projects that have a distinct profile and which are closely aligned with the RSA's mission and values.

Depending on the individual country, this will mean either supporting content-led Fellow-driven projects, such as the US Student Design Awards), initiating ARC-driven partnerships like RSA Social Brain Centre partnering with the Vodafone Foundation Germany, or establishing co-led initiatives similar to the one with the Emirates Foundation for Youth Development.

The RSA's global Fellowship, its brand, history and reputation, and its unique combination of debate, action and research put the RSA in an excellent position to become a genuinely international, and indeed global, organisation.

Objectives 2013/14

- Progress existing projects, such as the collaboration with Vodafone Foundation Germany, and the Student Design Awards Malaysia.
- Start to raise profile of the RSA as a global thought leader that puts thinking into action, by raising the profile of the RSA in international fora, including websites, blogs and media.
- For the long term, build up and further develop support systems in priority cities and on the global level, by establishing close ties with Fellows, funding institutions, policy-makers, media and partner organisations.
- Further strengthen RSA Fellow Connectors network, by utilising a new online platform to be rolled out in Q3 2013/14 in collaboration with Fellowship department and Technology team.

FELLOWSHIP

William Shipley, the RSA's founder wanted to engage 'Members from all Ranks, Professions and Trades' in 'Undertakings for Publick Good'. The RSA is delivering on that promise today. The RSA's vibrant Fellowship is at the heart of its mission to remove barriers to social progress through understanding and releasing human potential. The Fellowship is made up of decision-makers, influencers and practitioners across many different sectors, as well as up-and-coming talent, especially in the area of social enterprise.

Fellows discuss and disseminate their ideas through the RSA's public platforms, where possible with help from the RSA, the aim is to encourage Fellows to turn their ideas into practical action. Fellows work on a wide range of issues from the arts and the environment, to community development and education.

Impact 2012/13

In what continues to be a very tough economic environment, the RSA closed the financial year with 26,797 Fellows, 0.86% below the 2011/12 figure. In total, 1,617 new Fellows were recruited.

With a Fellowship of over 26,000, a central challenge for the RSA is to ensure we have an effective and efficient database that tells us who Fellows are and their interests and skills. This financial year a cornerstone achievement has been the redesign of the Fellowship database and its migration to a new system using Salesforce, a proprietary database. This transforms the RSA's ability to understand its Fellows. It will underpin the RSA's ability to deliver a better service to prospective and current Fellows and lays the foundation for a more integrated and effective online offer.

A Fellowship survey published in May 2012 examined a broad range of the RSA's activities and facilities. The survey was generally well received, with over one in five Fellows taking part.

The RSA's wants to provide opportunities for the most active and innovative Fellows to support each other and to help the RSA meet its goals. The survey this year, alongside implementation of the Governance Advisory Group recommendations adopted at the 2011 AGM, is enabling the RSA to refocus its efforts. Specifically, Trustees wish to see the RSA increase its support for scalable and high impact projects.

RSA Fellowship Council

The Fellowship Council has a unique role to play in the alchemy of turning ideas into action. It is the body that champions the aspirations and talents of all RSA Fellows. Fellowship councillors help Fellows engage in and support the charitable mission of the Society, whether at a national or local level.

The Fellowship Council is now three years old and has embedded itself in the new governance structure of the RSA and it is having a significant impact on the activities of the organisation.

Thanks to the combined effort of Fellows, especially the Fellowship Council, and the staff team that supports it, the RSA was able to respond to the following Trustee board objectives:

Re-establish Fellowship as a unique status but based on attributes of being innovative, engaged, connected, philanthropic

The aim was to attract Fellows who are focused on the RSA's founder, William Shipley's original aim of 'undertakings for publick good'. This strategy continues to pay dividends: more than 85% of new joiners want to find out more about how to support the RSA's mission through sharing their skills through SkillsBank or growing their ideas through the seed fund RSA Catalyst.

Implementation of effective development plans: All Regions and Nations now have development plans in place, and are committed to sharing good practice around delivery.

Working with leading Fellows in the field, the Regional Program Team has provided advice, communications support and an element of project management to approximately 100 regionally based, Fellow-led projects, including many that have received Catalyst or Regional Venture/Seed Fund support.

Develop the Fellowship journey so that Fellows can obtain status, recognition and privileges, which reflect and incentivise their contribution to the Fellowship and the charitable mission of the RSA

A cross section of Fellows took part in in-depth interviews with assistance from the usability consultancy Dachis Group, which investigated how Fellows contribute to the RSA's charitable mission. This process informed part of the data redesign process and helped to define requirements for the RSA's emerging technology strategy.

The Regional Program Team worked closely with the RSA Academy team on raising awareness of engagement opportunities with the growing family of RSA schools. Fellows were given the opportunity to volunteer their time at RSA academies through a number of roadshow events held in cooperation with the schools. This work also helped to strengthen the SkillsBank offering.

Meanwhile, the Fellowship Council led on the initial establishment of a number of new practical volunteer roles, including RSA Connectors and Regional Digital Champions. The RSA Small Groups methodology, an approach to supporting community activity developed in partnership with ICA:UK, was further rolled out.

Ensure open and vibrant election processes election to key governance roles:

Working closely with the Fellowship Council, the RSA trailed new ways of engaging the Fellowship in elections, including the use of candidate videos in the London Region. This will be rolled out on a wider basis in future elections. The process provided some wider valuable lessons about how future elections could be run.

Develop clearer access points and information for those active and innovative Fellows wishing to engage with the RSA more closely for the first time: The 'Four Ways to Engage' document was introduced and provides guidance for Fellows who want to turn their ideas into positive action through the RSA. This recognises the ways that Fellows are active in their communities and professions, and marks a sea change in approach focused on ensuring that RSA is seen as a place that deepens and amplifies the impact Fellows already have. In the next financial year, this work will develop further with the launch of a Changemakers' handbook; this is based on the experiences of Fellows and staff, and the work of the RSA Action Research Centre (ARC) Changemakers project and will support Fellows seeking to improve their community.

Raise the number and quality of applications to the Catalyst fund: Year on year, there was a 7.5% increase in Catalyst applications, and the feedback from the Fellowship Council-led Catalyst Panel is that applications have become stronger (see more below).

Improve the in-kind support and advice offered to Catalyst winners through development of the Skills Bank and improved links with RSA ARC projects: Catalyst plays an important role in changing the culture of Fellowship, with 83% of those supported in 2012/13 describing their Catalyst-funded venture as their 'first social venture'. But the impact goes far beyond those awarded a Catalyst grant. Many more of the 157 ideas submitted by over 400 Fellows in 2012/13 were awarded further support: matches from the SkillsBank; the opportunity to ask for support through the Fellowship newsletter, online networks or one of the 60 Fellows' networks; and smaller grants from regional funds. All received detailed feedback from the panel

made up of Fellowship Council members and senior RSA staff. In addition, over 200 Fellows participated in Catalyst-themed events across the UK with over 30 pitching new ideas for ventures.

On a broader scale, a pilot recruiting RSA Fellows as 'advisors' to Churchill Fellow's projects was successful and this program is now in operation in Wales, Yorkshire and the South West. Meanwhile, the Social Entrepreneurs' Network continues to go from strength to strength, with nine social enterprises receiving special support through the Spotlight program.

The further development of RSA SkillsBank is set to be a core priority in the next phase of the RSA's emerging technology strategy.

Create opportunities for Fellow engagement with ARC projects: The team supported ARC engagement opportunities including the Family of Academies (as set out above), RSA Transitions, Social Mirror, and Whole Person Recovery.

At the relaunch of our Action and Research Centre in 2012, 'Fellow Friday' focused attention on how Fellows and staff can best work together for positive social change. An online discussion between Fellows and projects staff generated some very positive and workable ideas.

Also working with the Specialist Program team, the Fellows Digital Engagement group produced the consultation website for the Suffolk education inquiry. Fellows in Suffolk also contributed to the education inquiry, submitting many ideas to the consultation, and running a Catalyst-funded project, Shout Out Suffolk!, that allowed over 500 young people to share their views about education through social media.

More specific offerings for younger Fellows: Events held in partnership, for example with Uprising and Student Hubs, sought to engage young people with the RSA's work. In addition, around 120 people – a mixture of young entrepreneurs and people who support them – participated in four workshops funded by RBS Group and focused on the challenges facing young entrepreneurs. Some of the youngest and most promising Fellows are winners of the RSA's Student Design Awards. This year, the Service Design Summer School hosted with Central St. Martin's (University of the Arts London) looked at how to improve engagement amongst award winners.

An advisory group of four students gave detailed feedback on their experience of becoming Fellows. Their comments on the lack of clear advice on how to contribute to the work of the organisation led to the introduction of the 'Four Ways to Engage' document and to refreshing induction events for Student Design Award winners.

RSA Catalyst

RSA Catalyst provides financial and non-financial assistance to help get Fellows' social ventures off the ground. Grants of up to £7,000 are made, with initial awards of £1,000-£2,000 and additional grants of £5,000 available to those demonstrating potential for growth.

In 2012/13 Catalyst awarded 35 Fellows' social ventures a total of £100,000. Priority is given to support for ideas that can become sustainable over a period of time. The Catalyst panel has observed a clear increase in the quality of applications this year.

The projects supported are raising more money after the initial Catalyst grant: the survey of 2012/13 grant recipients found that after an average of six months following their Catalyst grant, recipients had raised a further £6 for every £1 from Catalyst. In 2011/12 recipients raised £7 for every Catalyst £1, but took eight months to do so; in 2010-11 supported ventures raised £4 for every £1 but taking 14 months to achieve that.

25% of those supported in 2012/13 said their grant was 'the most useful thing' in helping them take the first concrete steps towards making their social venture a reality. See more in the in-kind support section above.

Four flagship Catalyst-supported ventures

The National Funding Scheme is developing technology to provide visitors to all cultural institutions with a mobile means to donate; in effect digitising the Perspex box. They subsequently raised £50,000 from Nesta's Innovation in Giving Fund to run a pilot with a dozen institutions across the UK.

Student Funder is a crowdfunding platform that allows anyone to provide a small loan or donation online to fund a postgraduate student's education. Led by a Fellow recruited through our partnership with Emerge Venture Lab, 30 Fellows came forward to support further expansion to other universities following a successful pilot with students at Coventry University. The venture recently made it to the final 10 from 600 entrants to the EU's Social Innovation Prize.

Plan Zheroes has built web-based services to connect food retailers who have excess food to groups who distribute it to marginalised communities. Having been awarded grants in 2011/12, this year they received brokered introductions to a network of young web developers to launch a portal for the Greater London Authority to help those living in food poverty in London.

2020 Education aims to build education that is fit to tackle 21st century problems (climate change, ageing population) by letting young people to share exciting classroom projects. It was recently awarded €50,000 by the EU's Youth in Action fund.

Objectives for 2013/14

The economic climate is likely to remain very tough. Despite this, the RSA's aim in the coming financial year is to continue to keep its membership turnover as low as 8%. Meanwhile, the team will continue to deliver against the 2012/15 RSA Trustee board objectives, bearing in mind that there is a strategic review of Fellowship underway, led by the Trustee board and in close consultation with the Fellowship Council.

EXTERNAL AFFAIRS

The RSA ideas platform is a globally recognised resource that creates new spaces, dialogues and connections; via our one hundred plus events a year, our online offer which includes the award winning Animate series, the RSA Journal and RSA Comment (an online space for Fellows to share debate around contemporary issues). The team also provides brand and communications support to the organisation as a whole so we can present a clearer and more consistent brand to the external world and strengthen staff and Fellows' understanding of their relationship to the RSA's core mission.

Events

2012/13 has been another successful year for the events program, with more than 100 carefully curated, high-profile events and over 20,000 attendees through the John Adam Street doors. The events team has not only provided a platform for the world's leading thinkers to share world-changing ideas, but has also highlighted the RSA's own research work and Fellowship activity to a global audience.

Amongst our roll-call of speakers, we've welcomed Pulitzer Prize-winning author and geographer **Jared Diamond** in conversation with broadcaster **Evan Davis**; leading behavioural economists **Dan Pink** and **Dan Ariely**; radical philosopher **Nassim Taleb**; Astronomer Royal **Lord Martin Rees**; internationally renowned economist **Hernando de Soto**, and acclaimed author **Margaret Atwood**.

Sir Peter Bazalgette delivered his first public lecture as the new Chair of Arts Council England; renowned sociologist **Manuel Castells** spoke on the networked age; internet entrepreneur **Martha Lane Fox** explored the entrepreneurialism of the millennial generation; **Don Tapscott** offered a new global solutions framework; **Sir David Cannadine** called for a new approach to history-writing; **Conor Gearty** and **David Aaronovitch** debated freedom and security; RSC Artistic Director **Michael Boyd** spoke on English teaching in schools; **Christine Gilbert** launched the RSA Academies Commission; director of the LSE **Craig Calhoun** debated the individual and society with filmmaker **Sun Shuyun**; philosopher **Thomas Pogge** highlighted rising global inequalities; **Peter Tatchell** debated international human rights; **Mary Gordon** and **Simon Baron Cohen** discussed empathy; **Ferdinand Mount** explored how we might restore democracy and accountability; **Hanna Rosin** considered new gender norms; **Robert** and **Edward Skidelsky** proposed a new vision of the good life; **Kate Raworth** offered a new sustainable economic model; financier **Ruchir Sharma** assessed the impact of new emerging global markets and **Richard Florida** spoke on cities, creativity and economic growth.

We welcomed a diverse range of policy makers and politicians, including **Francis Maude MP** on health; **Damian Collins MP** and **Jo Johnson MP** on Britain's new industrial policy; **Tristram Hunt MP** and **Jesse Norman MP** on the new progressivism; in our LBC debates **Andy Burnham MP** debated NHS reform and the new leader of the Green Party **Natalie Bennett** debated transport policy with the Mayor's adviser on aviation policy **Daniel Moylan**; and **Lord Smith** of the Environment Agency, delivered a keynote lecture on green growth.

After the extensive refurbishment, the RSA's work was showcased via a week-long series of events which aligned with our mission and highlighted us as a cutting-edge thought leadership organisation. Rich in content and innovative in format, the events engaged large numbers of Fellows, members of the public, and key external stakeholders (both in person and online), and highlighted the ways in which the House and Great Room have become a platform from which to share ideas with the world.

Various high-profile corporate collaborations have also developed as a result of relationships forged by events outputs. Partnerships with global technology brands Samsung and Microsoft have a focus on building an engaged online viewing community and making use of lively social media reporting to increase the profile of RSA events, and the international online marketplace Etsy are now exploring

collaborative projects with Fellowship and ARC after a strong relationship was forged by the events team following CEO Chad Dickerson's keynote lecture.

Our online audiences have continued to swell, and RSA content is now seen by more people than ever.

In 2013/14, a more international flavour will be introduced into the program through smart use of the technology incorporated into the Great Room refurbishment. We aim for at least one event every two months to feature an international speaker who participates via an online connection.

In 2013/14, RSA Events will also benefit from MOSAIC profiling of RSA Animate viewers. Once we establish a relationship with our millions of online viewers, we will be able to communicate the wider work of the RSA to them and engage them further, as they are all potential RSA Fellows and ambassadors of our work.

Online

Between April 2012 and April 2013, we had a total of over 2.9 million visits, 2 million unique visitors and over 7 million page views for the RSA website, our blogs and RSA Comment. Since we launched our video offer in 2009, we have had over 88 million video views. The RSA is still the most subscribed non-profit Youtube channel in the UK with more than 276,000 subscribers, an increase of over 100,000.

Our level of engagement on social media has risen in the past year, with over 44,000 fans on Facebook and over 43,000 followers on our main Twitter channels, and a monthly impression rate of 4.3 million.

The RSA Vision iPhone and Android apps have been downloaded over 100,000 times so far, which demonstrates our popularity and the public demand for our content through mobile devices.

We launched live video streaming on YouTube this year alongside a popular new service, RSA Replay, a playback service for people who have missed our live stream. This live stream video capture is made available for up to seven days after the event, after which an edited video of the event is published. We are still exploring the potential for this to be a great service for Fellows and the public internationally as it will be a fantastic opportunity to keep them engaged with the high quality content of the events program.

We are planning to make better use of Google's promotional tools to extend the reach of our online presence. We are also improving our mobile offer by launching our iPad app by mid-2013.

Last but not least, we are in the midst of a major digital and technology infrastructure overhaul at the RSA, with the first phase, implementation of Salesforce as our customer relationship system, complete. This will be followed by an extensive series of developments which covers our websites, community spaces, online and mobile engagement and adopting a more customer-centric and personalised approach.

Development

In 2012/13, income from Individual Giving and Legacies totalled £0.8m. This included £0.2m raised from fundraising activities with Fellows, such as the Great Room Appeal, which raised over £0.1m and the celebratory dinner in the newly refurbished Great Room, which raised over £0.02m in aid of the RSA Transitions project.

We received £0.64m legacy income, including a very generous gift of £0.63m from Patricia Tindale FRSA, who was a Fellow for more than 20 years. Miss Tindale requested that her gift be used to encourage collaboration between two or more disciplines associated with the construction industry

in the study of the design, manufacture or construction of buildings and their components for any purpose relating to architecture or the man-made environment and we already have work underway in these fields as well as setting up a lecture series in Miss Tindale's memory and a room named in her honour in the RSA House. We are very grateful to Miss Tindale's family for all their support.

In order to further develop the RSA's fundraising work, we spent time speaking with Fellows from across the country to garner their views and suggestions on our fundraising work, which was insightful and will help shape our fundraising plans going forward.

Journal

At the Institute of Internal Communication awards in June, the Journal won a Gold Award for a print publication and the Best Membership Publication award. We also won the 'best editor' award.

The RSA Journal was also shortlisted for Best Membership Magazine at the Content Marketing Association awards in November.

RSA Archive

We are delighted to report that RSA Transactions and Journals were digitised and published on-line through JSTOR. The collections went live in September 2012 and are freely available to staff and Fellows when accessed in the House. Free external access is available for all Transactions and Journals pre-dated 1870.

The RSA's collection of oil paintings and selected trial paintings in oil were published in the PCF's (Public Catalogue Foundation) 'Westminster II' edition and on the BBC's 'Your paintings' website.

The archive, House items, artworks and artefacts were re-valued for insurance purposes.

Moving forward into 2013/14 - the archive will focus on improving its online presence starting with the archive online catalogue. The CALM cataloguing software upgrade will allow the export of new and modified records to the website and enable digital images to be viewed as part of the search result. Records will be re-edited and digital images added to existing blank catalogue records. The upgraded catalogue will be accessible via Axiell CALM View a new stand-alone website and the archive's current pages on the RSA website will be edited.

RSA HOUSE

The RSA House was designed by Robert Adam in the early 1770's and, following extensive refurbishment, now combines the best in classical and contemporary design to provide an inviting venue and meeting place. The RSA HQ is a space where Fellows network, hold meetings and work; a recent Fellows survey highlighted that, for many, the House is an important part of being a Fellow.

In July 2011, the Board of Trustees approved an ambitious plan to refurbish the Great Room and ground floor areas of the House. The central idea behind the works was to enable the RSA House to become the physical embodiment of the Society's mission – creating a dynamic and inspiring place for Fellows and partners to meet, network and exchange ideas.

Work commenced in the Great Room in December 2011 and the full refurbishment was completed in July 2012. The re-development has restored the Great Room to its original C18th flat floor layout (and enhancing the visibility of the famous Barry murals), creating an elegant and flexible space which can be used for a variety of purposes enabling horseshoe debates, exhibitions, 100 seat dinners and weddings. New technology was also introduced to give greater interactivity and to allow the live streaming of lectures.

Work on the ground floor has opened up the lobby and reception area, creating a more cohesive route through the ground floor and creating additional meeting areas/rooms for Fellows. New Interactive screens communicate the RSA activities to all visitors and link the House more effectively to the charity.

The RSA House through the RSA's trading subsidiary, RSA Adelphi Enterprises Ltd, provides income to the Society enabling funds to be raised for the upkeep of the John Adam Street buildings and to contribute to the work of the charity.

Impacts 2012/13

Following the major refurbishment, the revitalised space was launched in September with a week of events showcasing both the refurbished new space and the RSA's extensive program of activities and research and an evening for commercial clients at which the full capability of the new AV arrangements and the skills of our caterers, Harbour & Jones, were displayed. The venue's increased profile during 2012 is highlighted by the RSA House being voted number 20 in Event magazine's Top 20 Venues poll in the company of high profile venues such as Excel London, Alexandra Palace and Lords.

The updated House remains popular with our fellows, with the Tindale Room, funded from a generous legacy from Patricia Tindale and solely for the use of Fellows, very heavily utilised and an opportunity for fellows to reserve the Great Room for events once a month.

The major investment in the re-development of the Great Room and the ground floor of the House resulted in some disruption to the hospitality operations; the Great Room was closed through to the end of July and, whilst the Benjamin Franklin Room was available throughout the year, there were periods when it was disrupted by the ongoing work elsewhere in the building. The extended period of disruption and closure during the refurbishment did impact on our business and the business struggled to meet its targets in the latter part of the year. Despite this, it returned a contribution of £0.3m after direct costs to the Society's overheads without which there would be a greater call on Fellowship income and unrestricted fundraising. An area of success was our wedding business continued to grow and in 2012/13 wedding business was just over 40% higher than in the previous year.

In the final quarter of the year, it was agreed that the split of catering and marketing was not helping the hospitality business and that it would be more seamless if both the marketing and provision of catering rested with one party. On 1 April 2013, the sales & marketing team transferred to our

catering partner, Harbour & Jones. Whilst it is currently very early days, this arrangement is now working well and targets for 2013/14 are being met.

Objectives 2013/14

In 2013/14 the emphasis will be on ensuring that the RSA House with its refurbished Great Room and ground floor speaks to and reflects the RSA's mission and that we make full use of the technological capability of the refurbished rooms.

We will ensure that the RSA House makes an increased contribution to the RSA's charitable work.

OPERATIONS

RSA support continues to be an active contributor to the success of the RSA, ensuring all key aspects of infrastructure – finance, HR, IT, governance and risk management – were not only effectively managed, but actively driven to achieve outcomes which strengthened and moved the RSA forward.

Impact 2012/13

Our focus in 2012/13 was putting in place the foundations to make the RSA a truly excellent place to work. This is not just as focussed on HR processes but includes ensuring that all of our infrastructure is fit for purpose.

As part of this exercise, in 2011/12 an RSA Technology Strategy for the next three years was agreed and we started implementation of this strategy in 2012/13. The strategy is based upon the implementation of new Customer Relationship Management ('CRM') system and a new Content Management System ('CMS') as the base for a range of inter-connectable technology applications which can be combined and configured to provide the particular services that the RSA needs now and in the future. This will form an important part in enabling greater interaction and engagement between Fellows, and between Fellows and staff. During 2012/13, we implemented Phase 1, the installation of a new CRM system which allows much more efficient processes, effective reporting and management of data in the fellowship services department. In May 2013, the Board of Trustees agreed funds for Phases 2, 3 and 4 which will put in place the updated CMS, create an updated and extended RSA website and build the tools for greater collaboration between fellows.

In October 2012, we carried out our first formal staff survey using the formal criteria of the 'Best Not-for-Profit Organisation' quality standard, with an excellent 95% response rate. Whilst we are aware that there is still work to be done, we were pleased to be given a 'One to Watch' award. We are engaging with staff on the areas in which we were weaker and to ensure that these issues are addressed through our HR strategy. We plan to carry out our next survey in two years' time in October 2014. 2012/13 also focussed on putting in place a more formal salary structure, based upon benchmarking remuneration in other similar organisations.

In the governance area, the team worked closely with the fellowship team and Fellowship Council on the implementation of changes recommended in the governance review agreed by the 2011 AGM. In 2012/13 we held elections to put in place the changes to the two main governance bodies, the Board of Trustees and the Fellowship Council. Elections for the Fellowship Council involved the elections of 14 Chairs for the Regions/Nations, 14 Fellowship Councillors for the Regions/Nations and 7 at large Fellowship Councillors. The Fellowship Council then appointed two representatives to the Board of Trustees. The new Regional/National teams have worked on the implementation of development plans setting out activities for the next two years.

Sound finances are an essential part of the management of the RSA. This was again a challenging year with both the economic environment and the impact of the disruption caused by the major refurbishment of the Great Room and the whole of the ground floor, resulting in an adverse impact on the trading result for the year, though this was offset by other sources of income.

Objectives 2013/14

We will continue to focus in 2013/4 on putting in place the foundations to make the RSA a truly excellent place to work.

2013/14 will be focussed on implementing Phases 2, 3 and 4 of the RSA Technology Strategy including the replacement of our content management system. Throughout these phases, we will carry out intensive user experience work to ensure that any systems that we implement will meet the needs of fellows and be well utilised.

Within our HR strategy we will review our benefits package to ensure that we can continue to attract the high quality and committed staff that we require. We will review our recruitment processes to make them more efficient and focus on more targeted training and development, including management and leadership development.

In Governance, we will continue to implement best practice. The Trustee Board fully embraces the principle of representation and is committed to maximising engagement with Fellows.

In Finance we will continue to work on the development of improved reporting, ensuring that managers have the information to make the best decisions.

Our Thanks

Financial Support is crucial in helping the RSA 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 2012-13:

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Waitrose Limited
Yorkshire Water Services Ltd

Individual Supporters & Legacies

Mr B C Bossom
Mr A W Brittain

Miss A R Kendall
Mr B Lavrov
Ms E Snow
Miss P R Tindale

Statutory & Other Organisations

Agensi Inovasi Malaysia
Bellevue University
Big Lottery Fund
De Montfort University
DEFRA
Environment Agency
Genovasi Malaysia Sdn Bhd
IDeA
Kings Cultural Institute
Leadership Centre for Local Government
Mersey Care NHS Trust
NAHT
Oxford Brookes University
Scottish Natural Heritage
Suffolk County Council
Sunderland City Council
Teach First
Technology Strategy Board
University of Newcastle
Vivacity
Wiltshire County Council

Trusts, Foundations & Grant Making

British Theatre Consortium
CfBT Education Trust
Earth Community Trust
Emirates Foundation
Esmee Fairbairn Foundation
Joseph Rowntree Foundation
Kings Cultural Institute
Mark Leonard Trust
G M Morrison Charitable Trust
Nominet Trust
Purpose Europe
Royal Shakespeare Theatre
Shared Lives Plus
Templeton Foundation
The Marketing Trust
The Tudor Trust
Touchstone Trust
Trust for London
Useful Simple Trust
Golden Bottle Trust
The JJ Charitable Trust

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

STRUCTURE, GOVERNANCE & MANAGEMENT

The governing body of the RSA is the Board of Trustees which comprises up to twelve members and meets six times a year, including an annual 'awayday' 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 attends all Board Meetings.

Up to five Fellows are directly elected to the Board by the Fellowship, up to two Fellows are elected by the Fellowship Council from amongst their elected numbers and up to five Fellows are appointed by the Board. 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 Trustee Induction information pack about the RSA and their responsibilities. Additional training is also provided where appropriate.

The Board has established three committees, each with specific terms of reference and functions delegated by the Board and with a Trustee as Chair, 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 one meeting a year 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;
- observe the methods and principles in the charities SORP;
- 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 charity's trustees are responsible for keeping accounting records in respect of the charity which are sufficient to show and explain all the charity's transactions and which are such as to disclose at any time, with reasonable accuracy, the financial position of the charity at that time and to ensure the accounts comply with the Charities Act 2011. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of detection of fraud and other irregularities.

Governance Review

At the 2011 AGM, Fellows approved the recommendations of a Governance Advisory Group (GAG) on the future needs of Governance within the Society. During this year, a number of changes have been made to implement the recommendations including putting in place a Board with a majority of elected Trustees (7 elected and 5 co-opted Trustees); a Fellowship Council of 35 elected and 5 co-opted Fellows and a more integrated and flexible approach to Regional/National structures. Regional/National Chairs and Fellowship Councillors were elected by local Fellows and were given flexibility to decide on how to develop a team structure that will suit their particular area. The structure, governance and management of the charity highlighted above, reflect the implementation of the recommendations.

Risk Management

A full risk assessment is undertaken in order to identify the major risks to which we are exposed under the following headings: Projects; Fellowship; Public Profile/Brand; Financial/Operations; Fundraising; Commercial/House; Governance; and Associated Ventures. 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 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Society.

The RSA's object, as laid down in our Charter, is the encouragement of Arts, Manufactures and Commerce through the promotion of both innovation and improvements to contribute to employment and general prosperity and 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 program is available to the public free of charge, both through attendance in person and by access in a number of formats through our website; the results of our research are broad ranging and are disseminated free of charge to all interested parties; we offer funding for innovative new projects through our catalyst fund and encourage innovation and creativity through the RSA Student Design awards, whilst our hands on projects, such as those in education, drugs recovery and building communities, have direct charitable benefit. The RSA Fellowship is also diverse, engaged and influential and its work, which is given voluntarily, contributes to the capacity of the Society to pursue its charitable objectives.

The Trustees review the activities of the Society against its aims on an ongoing basis and are satisfied that all activities continue to be related to those aims. No specific issues of detriment or harm have been identified. Ultimately, wider society will benefit from the charity's activities. 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.

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

Environmental Policy

Trustees regard the minimisation of our impact on the environment as one of our important management tasks. The Society's Environmental Policy is available on our website (www.thersa.org/about-us/environmental-policy) and our practices described under Sustainability (www.thersa.org/house/sustainability). The key performance indicators for our environmental data are set out below and we plan to update this now every year.

	Electricity (KwH)	Gas (KwH)	Water (ltrs)	Total energy carbon emissions (tonnes CO2)
Energy	885,310	523,494	3,357,000	564.25161
% recycled energy	45%	N/A	N/A	
	Car travel (mls)	Train (mls)	Flights (mls)	Total air & road travel carbon emissions (tonnes CO2)
Travel	8,377 (10% hybrid)	78,472	56,517	2.8567275
	Total m2 of building	Per m2 (tonnes CO2 per m2)		Total building carbon emissions (tonnes CO2)
Building carbon emissions	4,598	0.12272		567.10834
	General & kitchen waste	Photocopying & headed paper usage		Glass recycling
Usage	8,790 bags	654,000 sheets		34,560 ltrs
% recycled	30%*	75% (started from July 2012)		100%

*Balance of waste is converted into green energy

Over the past year we have made a number of changes to improve the environmental standing of the RSA. The major refurbishment included a number of improvements; a new lighting system with the capacity to be programmed, to provide different levels of lighting at various times of the day and according to daylight hours; more extensive use of LED lighting and low energy lamps and the installation of a new, energy efficient heating and cooling system in our newly refurbished Great Room.

More generally, in October we changed our main supply of electricity to a green energy supplier; 83% of our usage of electricity is now from a green supplier – 45% for the total year. We have reduced the water flow in all sinks in our public toilets and in July we changed photocopying and printing paper to recycled paper. We continue to recycle as much as we can, including plastic, paper and glass. All bathroom consumables are made from recycled products. Heating and cooling can be a challenge in a period building in which we are also holding large scale public events. To manage this, all radiators are fitted with thermostatic control valves and corridor radiator valves are locked so that they cannot be adjusted. Room heating and cooling is all pre-set to 20C which allows automatic adjustment according to the ambient temperature.

Over the next two years, we propose to carry out an overhaul to all sash windows on the ground and first floor which will include repairs and insulation work. We continue to review our purchasing policies on a regular basis and to take into account environmental improvements as we refurbish and maintain the House.

FINANCIAL REVIEW

Overview

We are reporting a modest surplus on *Net incoming resources before other recognised gains and losses* for the year of £0.3m. This compares with a deficit of £0.06m in 2012. The surplus of £0.3m is before an unrealised profit on investment assets of £1.18m versus a loss of £0.03m in 2012. The resultant *Net Movement of Funds* is a surplus of £1.5m compared with a deficit of £0.1m last year.

Incoming resources

Total Incoming Resources increased by £1.4m from £8.0m to £9.4m. The RSA's principal funding sources are its Fellows, trading through RSA House, project grants and sponsorship, fundraising and investment income.

Under Voluntary Income, Fellowship subscription income fell marginally from £4.1m to £3.9m. The number of Fellows fell fractionally to 26,797 from 27,029 in March 2012 – a good result given the ongoing challenges of the economic environment. Over 80% of Fellows pay their subscriptions under Gift Aid, a very high proportion of those eligible to pay in this way, and a significant element of our fellowship income.

Voluntary income also benefited this year from a significant legacy from Patricia Tindale, for which we are very grateful. This comprises a house, included at valuation of £0.43m and £0.2m cash. To date, we have created the Tindale room, a new and very popular meeting room for fellows on the ground floor, funded a brief under the Student Design awards and created a lecture series to recognise this generous contribution.

Under *Activities for Generating Funds*, the RSA House operates all the function spaces within John Adam Street, providing accommodation for business meetings, social events and weddings. The major refurbishment of the Great Room and the ground floor was completed in July 2012. We carried out two important events in September to showcase the work of the RSA, the new audio visual technology and the capability of our catering partner, Harbour & Jones, to both the charity's supporters and commercial clients. The build-up in trade during the remaining half of the year was slower than we would have hoped, reflecting both the continuing difficult economic environment and the need to recover clients lost during the closure of much of the House for an eight month period from December 2011 to July 2012. As a result, sales increased by only £0.1m, from £1.6m to £1.7m – both years having suffered 4 months' of disruption as a result of the refurbishment.

External funding for our *Program of Projects* grew from £1.4m to £1.8m reflecting greater success in fundraising and a number of large new projects. Both *Lectures & Events* and funds raised within the regions and networks also increased; the former by £64k (33%) and the latter by £54k (146%). *Investment Income* remained level at £0.6m.

Investments

Most of the RSA's funds are invested either in the Society's House in John Adam Street or in securities. During the year, we realised £1.8m from investments, primarily to fund the House Renovations and other Fixed Assets; after the residual increase of £1.2 in market value, there was a net fall in investments of £0.6m. The investment managers, Cazenove, are targeted to achieve an on-going annualised return of 6.5% and with a maximum risk to capital in any one year of 7%.

Resources expended

Total Resources Expended increased to £9.1m from £8.1m with the increase being mainly within the Program of Projects (£0.7m) and Fellowship support (£0.3m) both of which form part of the RSA's charitable activities. Charitable expenditure represents over 80% of total expenditure (excluding the RSA House operations).

The *Cost of Generating Funds* remained level at £3.2m. Net Voluntary Income rose from £3.3m to £4.0m reflecting the benefits of increases in fundraising and other income and a reduction of £0.1m in fellowship administration costs. Costs within the RSA House remained broadly level but included a number of one off items for the relaunch in September and work with Harbour & Jones, who became our catering partners in February 2012, to ensure that the business was in a strong position to move forward on completion of the refurbishment. Whilst trading remained difficult in 2012/13, early results for 2013/14 look more promising.

Net incoming resources available for charitable application increased from £4.8m to £6.2m whilst resources expended on our *Charitable Activities* increased from £4.6m to £5.7m, reflecting increased expenditure on projects and the fellowship support.

Governance costs remained at £0.2m and include the expenses associated with Trustee Board meetings, the annual AGM, Trustee elections, maintaining our constitution, external audit and a proportion of core executive management time.

Reserves policy

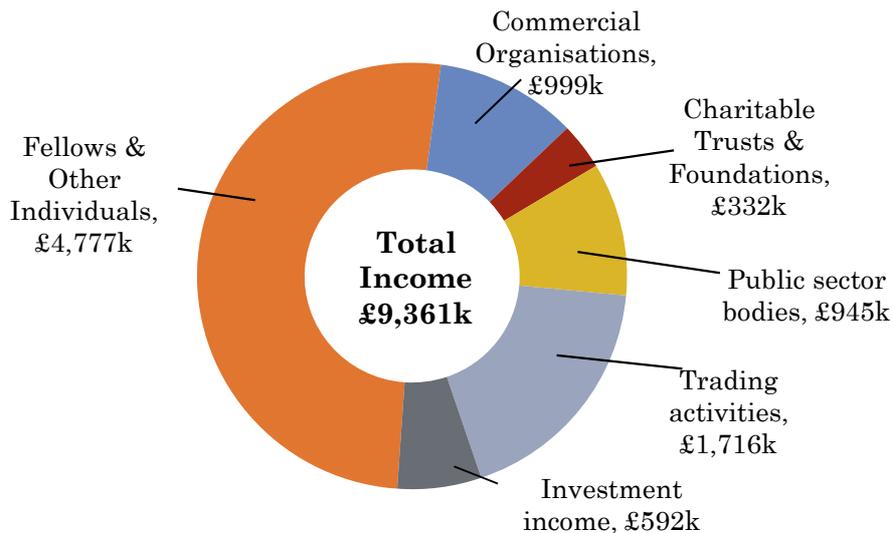
The Trustees have adopted a reserves policy which they consider appropriate, in order to ensure the continuing ability of the RSA to meet its objectives and obligations. Investment returns are required to fund the charitable activities; and the policy also seeks to maintain an acceptable ratio between the 'free reserves'¹ and the level of 'unrestricted cash expenditure'². In order to make the reserves position more transparent, Trustees include a designated fixed asset reserve which highlights the extent to which unrestricted funds are invested in the property in John Adam Street and other fixed assets and are therefore not available to meet short or medium term funding needs. This year our unrestricted funds total £11.9m, compared to £10.4m last year; of this sum, £7.8m (2012- £6.9m) is the designated fixed asset reserve, leaving a balance of £4.2m, an increase of £0.7m from £3.5m last year.

The Trustees have reviewed the reserves policy in the light of the current economic environment and guidance from the Charity Commission and have agreed to maintain the target for free reserves at three months' unrestricted cash expenditure. It is believed that three months is a realistic assessment of the time taken to make necessary adjustments should the RSA suffer a major change in its financial position. This year, our cover position is 7.2 months compared with 9.1 months last year. The reduction in cover reflects the investment in the major refurbishment of 8 John Adam Street; £1.9m had been invested at the end of March 2013, with only a small amount of additional expenditure to come. The Trustees believe the position is healthy given the current economic uncertainty, but will continue to review the appropriateness of this ratio as the economic and political situation evolves.

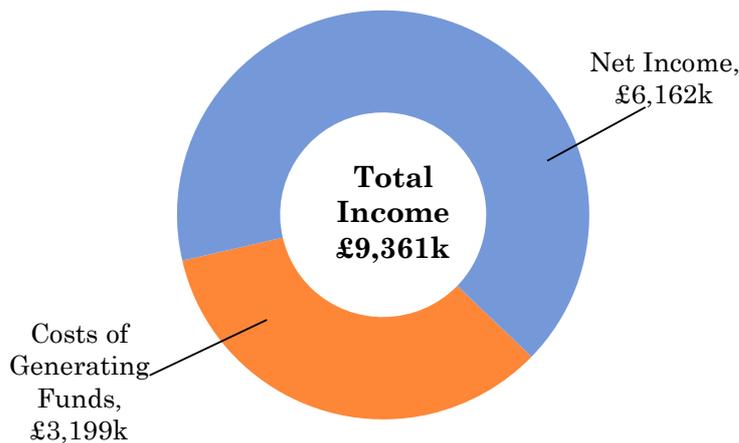
¹ 'Free reserves' are defined as unrestricted funds plus the Vaults appeal fund, plus unexpended Shipley income funds less the tangible fixed assets.

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

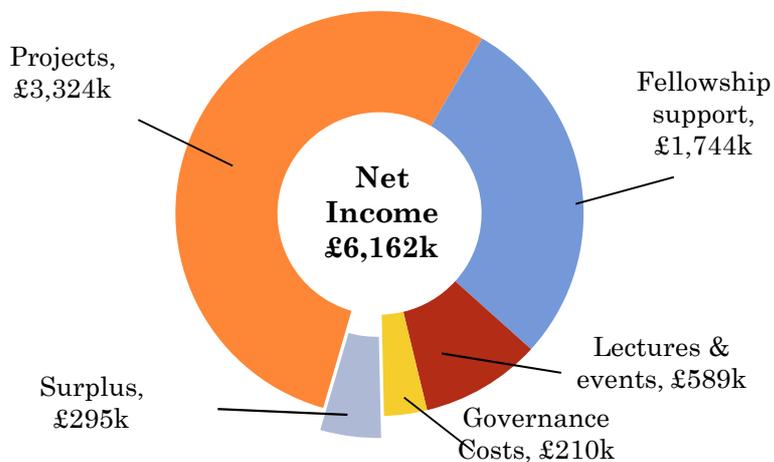
Where our income comes from



Cost of generating income



How we used net income



Independent auditors' report to the Trustees of the RSA (The Royal Society for the Encouragement of Arts, Manufactures and Commerce)

We have audited the consolidated financial statements of the RSA (Royal Society for the Encouragement of Arts, Manufactures and Commerce) for the year ended 31 March 2013 which comprise the consolidated Statement of Financial Activities, the Charity and Group Balance Sheets, the consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 30, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and group's affairs as at 31 March 2013 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

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

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



haysmacintyre
Statutory Auditor

July 2013

Fairfax House
15 Fulwood Place
London
WC1V 6AY

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

Group Statement of Financial Activities for the year ended 31 March 2013

	<i>Notes</i>	<i>Unrestricted Funds £'000</i>	<i>Restricted Funds £'000</i>	<i>Endowment Funds £'000</i>	<i>Total 2013 £'000</i>	<i>Total 2012 £'000</i>
Incoming resources	2					
Incoming resources from generated funds						
Voluntary income						
Fellowship donations		3,923	-	-	3,923	4,094
Other donations & legacies		669	148	-	817	88
Other sources		189	-	-	189	56
Activities for generating funds		-	-	-		
Trading income		1,716	-	-	1,716	1,629
Investment income		111	481	-	592	581
Incoming resources from charitable activities						
Program of projects		16	1,739	-	1,755	1,344
Program of lectures & events		258	-	-	258	194
Regional & network activities		91	-	-	91	37
Other income		20	-	-	20	1
Total incoming resources		6,993	2,368	-	9,361	8,024
Resources expended						
Costs of generating funds	3					
Costs of generating voluntary income						
Fellowship administration		696	-	-	696	793
Fundraising costs		162	-	-	162	93
Other		-	48	-	48	64
Costs of activities for generating funds						
Trading activities		2,245	-	-	2,245	2,221
Investment management costs		12	-	36	48	45
Net incoming resources available for charitable application		3,878	2,320	(36)	6,162	4,808
Program of projects		1,368	1,956	-	3,324	2,661
Program of lectures & events		578	11	-	589	524
Fellowship support		1,744	-	-	1,744	1,459
Governance costs		210	-	-	210	228
Total charitable expenditure		3,900	1,967	-	5,867	4,872
Total resources expended		7,015	2,015	36	9,066	8,088
Net incoming/(outgoing) resources before transfers		(22)	353	(36)	295	(64)
Gross transfers between funds	6	1,358	(1,358)	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		1,336	(1,005)	(36)	295	(64)
Other recognised gains and losses						
Gains/(losses) on investment assets	8	183	630	362	1,175	(33)
Net movement of funds		1,519	(375)	326	1,470	(97)
Reconciliation of funds						
Total funds brought forward		10,386	2,841	9,729	22,956	23,053
Total funds carried forward		11,905	2,466	10,055	24,426	22,956

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 2013

	Notes	Group 2013 £'000	Group 2012 £'000	RSA 2013 £'000	RSA 2012 £'000
Fixed assets					
Tangible fixed assets	7	9,317	7,540	9,317	7,540
Investments	8	15,470	16,083	15,470	16,083
		24,787	23,623	24,787	23,623
Current assets					
Debtors	9	1,191	868	996	794
Short term deposits and cash at bank		966	851	805	615
		2,157	1,719	1,801	1,409
Creditors: amounts falling due within one year	10	(1,501)	(1,412)	(1,145)	(1,102)
Net current assets		656	307	656	307
Total assets less current liabilities		25,443	23,930	25,443	23,930
Creditors: amounts falling due after more than one year					
Deferred life Fellowship income		(1,017)	(974)	(1,017)	(974)
Total assets less liabilities		24,426	22,956	24,426	22,956
Unrestricted income funds	11	11,905	10,386	12,205	10,386
Restricted income funds	11	2,466	2,841	2,165	2,841
Endowment funds	11	10,055	9,729	10,056	9,729
Total funds		24,426	22,956	24,426	22,956

The Financial Statements were approved by the Board of Trustees on the 10th of July 2012 and were signed on its behalf by:


Vikki Heywood
Chair


Hanif Virji
Treasurer

The accompanying notes form part of these financial statements.

Group Cash Flow Statement for the year ended 31 March 2013

	2013	2012
	£'000	£'000
Net incoming/(outgoing) resources from operating activities	83	(5)
Returns on investments and servicing of finance	592	581
Capital expenditure and financial investment	(560)	(1,364)
Increase/(decrease) in cash	115	(788)

Notes to Group Cash Flow Statement

	2013	2012
	£'000	£'000
Reconciliation of net incoming resources to net cash inflow/(outflow) from operating activities		
Net incoming/(outgoing) resources for the year	295	(64)
Interest received and income from investments	(592)	(581)
Depreciation charges	571	446
Increase in debtors	(323)	(28)
Increase in creditors	132	222
Net cash inflow/(outflow) from operating activities	83	(5)

Reconciliation of capital expenditure and financial investment

Payments to acquire tangible fixed assets	(2,347)	(1,251)
(Additions)/Withdrawals from investments	1,787	(113)
Capital expenditure and financial investment	(560)	(1,364)

Reconciliation of net cash flow to movement in net funds

Increase/(decrease) in cash in the year	115	(788)
	851	1,639
Net funds at 31 March 2012	966	851

Analysis of changes in net funds

	<i>1 April</i>	<i>Cash</i>	<i>31 March</i>
	<i>2012</i>	<i>Flows</i>	<i>2013</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Cash at bank	851	115	966
	851	115	966

The accompanying notes form part of these financial statements.

Notes to the Financial Statements 31 March 2013

1. Accounting policies

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

Basis of preparation

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

The group financial statements comprise those of the RSA and its wholly owned 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. Expenditure incurred on support departments is apportioned to the activity area based on the appropriate driver, such as headcount or floorspace.

Tangible fixed assets and depreciation

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

Freehold premises:	200 years from 1978
Building improvements:	between 10 and 40 years
Furniture and fittings (includes computer equipment):	between 3 and 6 ¹ / ₂ years

Investments

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

Funds

Unrestricted funds may be spent in accordance with the RSA's charitable objects at the discretion of the Trustees. A designated fixed asset reserve has been created to highlight the value of unrestricted funds tied up in fixed assets.

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

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

Pension costs

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

Notes to the Financial Statements 31 March 2013 continued

2. Incoming resources

2013

	<i>Voluntary Income</i>	<i>Activities for generating funds</i>	<i>Investment income</i>	<i>Program of Projects</i>	<i>Program of Lectures & events</i>	<i>Regional and network activities</i>	<i>Other income</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fellowship	3,923	-	-	-	-	-	-	3,923
Donations & legacies from individuals	817	-	-	17	-	-	-	834
Companies & commercial organisations	133	-	-	411	195	3	-	742
Charitable trusts & foundations	-	-	-	301	31	-	-	332
Public sector bodies	-	-	-	913	32	-	-	945
Trading activities	-	1,716	-	-	-	-	-	1,716
Fees income	56	-	-	113	-	88	-	257
Dividends, interest & rental income	-	-	592	-	-	-	-	592
Other sources	-	-	-	-	-	-	20	20
	4,929	1,716	592	1,755	258	91	20	9,361

2012

	<i>Voluntary Income</i>	<i>Activities for generating funds</i>	<i>Investment income</i>	<i>Program of Projects</i>	<i>Program of Lectures & events</i>	<i>Regional and network activities</i>	<i>Other income</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fellowship	4,094	-	-	-	-	-	-	4,094
Donations & legacies from individuals	88	-	-	16	9	-	-	113
Companies & commercial organisations	-	-	-	255	151	-	-	406
Charitable trusts & foundations	-	-	-	217	7	-	-	224
Public sector bodies	-	-	-	652	20	12	-	684
Trading activities	-	1,629	-	-	-	-	-	1,629
Fees income	56	-	-	204	7	-	-	267
Dividends, interest & rental income	-	-	581	-	-	-	-	581
Other sources	-	-	-	-	-	25	1	26
	4,238	1,629	581	1,344	194	37	1	8,024

Voluntary income comprises fellowship dues, unrestricted donations and legacies and some fee income generated by the CEO, journal and library.

Activities for generating funds comprises the income generated by the hire of conference rooms and the provision of catering

Programs of projects and lectures & events comprise all funding received towards supporting these particular charitable
Regional and network activities comprises all funding received towards supporting fellowship networks and the income generated by RSA Regional Committees.

Any reclassifications made for 2013 have similarly been applied to the prior year comparative.

Notes to the Financial Statements 31 March 2013

3. Resources expended

	<i>Direct costs - Staff Cost</i> £'000	<i>Direct costs - Other</i> £'000	<i>Apportioned support costs</i> £'000	<i>2013 Total</i> £'000	<i>2012 Total</i> £'000
Costs of generating voluntary income:					
Fellowship administration	316	110	270	696	793
Fundraising costs	46	40	76	162	93
Other	-	48	-	48	64
Cost of activities for generating funds	886	493	866	2,245	2,221
Investment management fees	-	48	-	48	45
Charitable activities:					
Program of Projects	1,343	977	1,004	3,324	2,661
Program of Lectures & events	226	89	274	589	524
Fellowship support	598	616	530	1,744	1,459
Other Costs	-	-	-	-	-
Governance Costs	35	175	-	210	228
	3,450	2,596	3,020	9,066	8,088

Direct costs are allocated to categories of activity as follows:

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

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

Investment management costs comprises fees charged investment managers.

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

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

Governance costs include the expenses associated with Trustee Board meetings, Trustee elections, maintaining our constitution, external audit and a proportion of core executive management time. The external audit fee was £21,650 (2012 £23,500). Fees paid to the auditors for non audit services were £4,549 (2012 £1,400).

Any reclassifications made for 2013 have similarly been applied to the prior year comparative.

Where expenditure cannot be directly allocated it represents support costs (see note 4) and is apportioned on a basis consistent with the use of resources, for example headcount or floor space.

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

	<i>Fellowship administration</i> £'000	<i>Fund raising costs</i> £'000	<i>Cost of activities for generating funds</i> £'000	<i>Program of projects</i> £'000	<i>Program of Lectures & events</i> £'000	<i>Fellowship support</i> £'000	<i>2013 Total</i> £'000	<i>2012 Total</i> £'000
Establishment & Depreciation	124	16	632	389	83	227	1,471	1,342
Executive Management	38	12	34	105	58	81	328	331
Finance	29	3	38	89	15	37	211	205
Human Resources	17	2	21	51	9	21	121	99
Information Technology	51	5	66	156	26	65	369	199
External communications	11	38	75	214	83	99	520	451
2013 total	270	76	866	1,004	274	530	3,020	2,627
2012 total	249	62	953	684	256	423	2,627	

Notes to the Financial Statements 31 March 2013 continued

5. Trustee and staff costs

Trustees

Members of the Trustee Board and committees do not receive any remuneration for their services. Travel expenses were reimbursed to 4 (2012 - 3) Trustees amounted to £8,660 (2012 £4,419). Charitable funds have been used to buy indemnity insurance for Trustees at a cost of £7,600 (2012 £7,000).

Staff

The average number of staff employed during the year on a full time equivalent basis was 94 (2012 - 101). This was split across the organisation as follows:

	2,013	2,012
Cost of generating voluntary income	10	13
Cost of activities for generating funds	9	23
Program of projects	29	24
Program of Lectures & events	5	5
Fellowship support	11	11
Governance	1	1
Support departments	29	24
	94	101

The cost of these individuals was as follows:

	2,013	2,012
	£'000	£'000
Salaries	3,394	3,606
Employer's National Insurance contribution	349	381
Pension contributions	240	212
	3,983	4,199

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

	2,013	2,012
£60,001 to £70,000	3	3
£70,001 to £80,000	4	3
£80,001 to £90,000	2	-
£120,001 to £130,000	1	1

The number of higher paid employees accruing pension benefits was:

	2,013	2,012
a) Defined contributions scheme		
- group personal pension	9	6

The total contributions paid by the RSA into the defined contribution scheme for higher paid employees was £65,199 (2012: £35,250).

6. Transfers between funds

	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2013	2012
	£'000	£'000	£'000	£'000	£'000
Program of projects	(218)	218	-	-	-
Renovations to House	176	(176)	-	-	-
Funding of general RSA Program from Shipley restricted income fund	1,400	(1,400)	-	-	-
	1,358	(1,358)	-	-	-

Program of projects - Transfers from unrestricted funds to support Program of projects for those projects where external income has not been sufficient to fully fund the project.

Notes to the Financial Statements 31 March 2013 continued

7. Tangible fixed assets

	<i>Freehold premises</i>	<i>Building Improvements</i>	<i>Furniture & fittings</i>	<i>Pictures, books & antiques</i>	<i>Total</i>
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2012	4,304	7,077	2,989	33	14,403
Transfers	-	(67)	67	-	-
Additions	-	1,872	475	-	2,347
Disposals	-	-	-	-	-
At 31 March 2013	4,304	8,882	3,531	33	16,750
Depreciation					
At 1 April 2012	654	3,569	2,640	-	6,863
Charge for the year	22	309	240	-	571
Disposals	-	-	-	-	-
At 31 March 2013	676	3,878	2,880	-	7,434
Net book values					
At 31 March 2013	3,628	5,004	651	33	9,316
At 1 April 2012	3,650	3,508	349	33	7,540

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

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

8. Investment assets

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

Analysis of investment assets	<i>Unrestricted funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2013 Total</i>	<i>2012 Total</i>
	£'000	£'000	£'000	£'000	£'000
UK	1,774	1,261	7,293	10,328	9,764
Overseas	173	112	643	928	819
Alternative investments	285	204	1,162	1,651	1,727
Freehold property	1,258	94	537	1,889	1,647
Bank deposits	62	192	420	674	2,126
	3,552	1,863	10,055	15,470	16,083

Freehold property includes two London properties owned directly and rented out, both acquired through legacies. One is in London SW11, valued at £700,000 (last valued March 2010), the second was inherited this year, included at the February 2012 valuation of £430k.

Analysis of movement of investment assets

Investments at 1 April 2012	4,163	2,191	9,729	16,083	12,053
Net (withdrawals)/additions	(794)	(958)	(36)	(1,788)	3,410
Revaluation gain/(loss)	183	630	362	1,175	(33)
Investments at 31 March 2013	3,552	1,863	10,055	15,470	15,430

Notes to the Financial Statements 31 March 2012 continued

9. Debtors

	Group 2013 £'000	Group 2012 £'000	RSA 2013 £'000	RSA 2012 £'000
Trade debtors	691	223	564	137
Prepayments and accrued income	499	516	369	454
Other debtors	1	129	(15)	117
Subsidiary Debtor	-	-	78	86
	1,191	868	996	794

10. Creditors: amounts falling due within one year

	Group 2013 £'000	Group 2012 £'000	RSA 2013 £'000	RSA 2012 £'000
Trade creditors	270	238	261	233
Accruals	231	474	164	426
Project deferred income	606	187	606	186
Other creditors	166	281	140	257
RSA Hospitality income received in advance	228	232	-	-
	1,501	1,412	1,171	1,102

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.

11. Funds

a) Unrestricted funds - movements in year

	<i>Balance</i>	<i>Income</i>	<i>Expended</i>	<i>Gain/(loss)</i>	<i>Transfers</i>	<i>Balance</i>
	1 April 2012 £'000	£'000	£'000	£'000	£'000	31 March 2013 £'000
Designated fixed asset reserve	6,909	-	-	-	770	7,679
General reserve	3,477	6,993	(7,015)	182	588	4,225
	10,386	6,993	(7,015)	182	1,358	11,904

b) Restricted income funds - movements in year

The restricted program of projects fund includes the following restricted income which has been received in the course of the financial year:

Big Lottery Fund 100,407 (2012- £99,189)

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

The Vaults Appeal fund 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.

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 2012 continued

11. Funds (continued)

b) Restricted income funds - movements in year (continued)

	<i>Balance</i>	<i>Income</i>	<i>Expended</i>	<i>Gain/(loss)</i>	<i>Transfers</i>	<i>Balance</i>
	<i>1 April 2012</i>					<i>31 March 2013</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Program of Projects	-	1,739	(1,956)	-	217	-
Shipley Fund	1,973	447	-	617	(1,400)	1,637
Vaults appeal Fund	631	-	(48)	-	-	583
<u>Individual Trusts greater than £5,000:</u>						-
Sir John Stratton Scholarship	30	2	-	2	-	34
Arts Congress / Fidelity Trust	24	1	-	3	-	28
Transitions Project	-	26	-	-	-	26
Edward Boyle Fund	20	3	(3)	1	-	21
Dick Onians Creativity Fund	19	-	-	-	-	19
Lord Bossom Trust	18	2	(2)	2	-	20
Betro Trust	16	1	(1)	2	-	18
Edward Squires Fund	11	3	-	-	-	14
2013 Student Fund appeal	-	14	-	-	-	14
Reflection Riding Fund	11	1	-	1	-	13
Dick Onians Lecture Trust	7	1	-	-	-	8
Thomas Howard Trust	6	-	-	-	-	6
H W Hetherington-Palmer Mem Trust	-	-	-	-	-	-
James Cranstoun Bequest	56	12	-	1	(68)	1
2012 Great Room Appeal	-	107	-	-	(107)	-
Trusts under £5k	19	9	(5)	1	-	24
	2,841	2,368	(2,015)	630	(1,358)	2,466

c) Endowment funds trusts settled for specific purposes - movements in year

	<i>Balance</i>	<i>Income</i>	<i>Expended</i>	<i>Gain/(loss)</i>	<i>Transfers</i>	<i>Balance</i>
	<i>1 April 2012</i>					<i>31 March 2013</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Shipley expendable endowment	9,090	-	(36)	291	-	9,345
<u>Individual Trusts greater than £10,000:</u>						-
James Cranstoun Bequest	254	-	-	28	-	282
Edward Squires Fund	68	-	-	8	-	76
Edward Boyle Fund	50	-	-	6	-	56
Angus Millar Trust	40	-	-	4	-	44
Sir John Stratton Scholarship	26	-	-	3	-	29
Dick Onians Lecture Trust	23	-	-	3	-	26
Lord Bossom Trust	23	-	-	3	-	26
Alfred Davies Bequest	13	-	-	1	-	14
Arts Congress / Fidelity Trust	10	-	-	1	-	11
R B Bennett Comm Prize	10	-	-	1	-	11
F Constable Lecture Fund	9	-	-	1	-	10
Joseph Paxton Memorial Fund	9	-	-	1	-	10
Sum of trusts less than £10k	104	-	-	11	-	115
	9,729	-	(36)	362	-	10,055

Notes to the Financial Statements 31 March 2013 continued

d) Total funds	<i>Balance</i> 1 April 2012	<i>Income</i>	<i>Expended</i>	<i>Gain/(loss)</i>	<i>Transfers</i>	<i>Balance</i> 31 March 2013
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds						
Designated fixed asset reserve	6,909	-	-	-	770	7,679
General reserve	3,477	6,993	(7,015)	182	588	4,225
	10,386	6,993	(7,015)	182	1,358	11,904
Restricted income funds	2,841	2,368	(2,015)	630	(1,358)	2,466
Endowment Funds						
Expendable	9,090	-	(36)	291	-	9,345
Permanent	639	-	-	71	-	710
Total funds	22,956	9,361	(9,066)	1,174	-	24,425

e) Analysis of group net assets between funds	<i>Fixed assets</i>	<i>Investments</i>	<i>Current assets</i>	<i>Liabilities</i>	<i>Fund balances</i>
	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds					
Designated fixed asset reserve	7,679	-	-	-	7,679
General reserve	1,054	3,552	2,138	(2,518)	4,226
	8,733	3,552	2,138	(2,518)	11,905
Restricted income funds	583	1,863	19	-	2,465
Endowment Funds					
Expendable	-	9,345	-	-	9,345
Permanent	-	710	-	-	710
Total funds	9,316	15,470	2,157	(2,518)	24,425

12. Pension schemes

The Consolidated Statement of Financial Activities includes contributions by the charity to the Group Personal Pension scheme of £240k (2012: £212k)

13. Taxation

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

Notes to the Financial Statements 31 March 2013 continued

14. Related parties

RSA Opening Minds (RSAOM) and RSA Academies (RSAA) are separate companies limited by guarantee which are considered related due to the involvement of the RSA in their governance. The trustees of the RSA do not consider them to be controlled by the RSA. RSAA has been registered as a charity and is trading. RSAOM remained dormant throughout the financial year and a decision has been made by the Directors of RSAOM to wind the company up. This is currently in progress and will be completed by July 2013.

15. Subsidiary undertakings

a) RSA Adelphi Enterprises Limited

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

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

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

	2013 £'000	2012 £'000
Turnover	1,864	1,744
Cost of sales	(1,090)	(786)
Gross profit	773	958
Other expenses	(716)	(954)
Net profit	58	4
Bank interest	1	1
Profit for the year transferred by Gift Aid to RSA	(58)	(4)
Profit	-	-

ii) Summary of balance sheet for RSA Adelphi Enterprises Ltd

	2013 £'000	2012 £'000
<u>Current Assets:</u>		
Stocks	15	12
Debtors	258	148
Cash	161	236
	434	395
<u>Creditors:</u>		
Creditors	128	77
Advance deposit receipts	228	232
Owed to parent	78	86
	434	395
Net assets/Share capital	0	0

iii) Reconciliation of subsidiary result to group reporting

	2013 £'000	2012 £'000
<u>Group Reporting:</u>		
Incoming Resources from Activities for generating funds (as per note 2)	1,716	1,629
Cost of activities for generating funds - direct costs (as per note 3)	(1,379)	(1,268)
Contribution to RSA overheads	337	361
Cost of activities for generating funds - Support costs (as per note 4)	(866)	(953)
As reported in RSA Financial Statements	(529)	(592)
Add back support costs apportioned to activity for group reporting purposes	866	953
Add back direct costs incurred by parent allocated to activity for group reporting	437	482
Add back intercompany charges eliminated upon group reporting consolidation	(716)	(839)

RSA Adelphi Enterprises reported profit	58	4
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16. Parent charity result

	2013 £'000	2012 £'000
Incoming resources	7,629	7,350
Resources expended	(7,392)	(7,418)
Gift Aid income	58	4
Net incoming resources before other recognised gains	295	(64)
Other recognised gains	1,175	(33)
Net movement of funds	1,470	(97)