

IMPACT REPORT 2021-22

and financial statements
for the year ended 31 March 2022



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Her Majesty The Queen

President

Her Royal Highness
The Princess Royal

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until January 2022

Andrea Siodmok
Chief impact officer
from June 2022

Constitution

The RSA is a charity
governed by a Royal
Charter (RC000523).
It is registered under
the Charities Act 2011.
Registration number
212424.

The RSA is also
registered in Scotland.
Registration number
SC037784.

Auditors

Moore Kingston Smith LLP
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Pension consultants

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1 Chair and chief executive's introduction

We are now at the start of the latest chapter in the RSA's rich history as a social change organisation.

Andy returned from his secondment with the UK government at the beginning of April 2022 and we had our first Fellows Festival in May at which we launched our new mission paper, **Design for Life**. This sets out a new programme of change, underpinned by three closely inter-linked elements critical to transition towards better futures for **people, place and planet** namely: **social impact, social opportunity and social innovation**.

We would recommend reading it here: www.thersa.org/design-for-life

As part of this new mission we are developing **seven pathways** through which the RSA might have clear social impact. These combine all the best elements of our current programmes while giving us a distinct purpose and, importantly, securing a strong direction on how we engage our RSA Fellows ensuring the RSA operates successfully and achieves the impact and outcomes we are all seeking.

We hope very much that this will be the last year where Covid-19 is a material factor for us to consider. Despite this disruption, and thanks to the hard work of the RSA team, we have made a smaller deficit than we had originally anticipated in the budget. This reflects continued financial support from our Fellows and partners and a remarkable resilience shown by our hospitality division.

Finally, we would like to record our huge gratitude to the RSA colleagues for their tremendous hard work and commitment through a difficult time and of course for the continued support shown by our Fellows and partners through the pandemic.



Tim Eyles
Chair



Andy Haldane
Chief executive





2 About us

We are the RSA, the royal society for arts, manufactures and commerce. We're committed to a future that works for everyone. A future where we can all participate in its creation.

The RSA has been at the forefront of significant social impact for over 260 years. Providing platforms, opportunities and networks for all those who share our vision to connect, engage, share ideas and expertise.

From our staff to our Fellowship, to partners and practitioners, we are an inclusive global community of over 30,000 influential and innovative problem solvers seeking ideas and solutions to resolve the challenges of our time.

All our activity aims to strengthen, empower and mobilise networks to work together in taking on today's most pressing social challenges. Through our ideas, research, design, innovation skills and Fellowship, we are a global community of proactive problem solvers, **uniting people and ideas to resolve the challenges of our time.**

Our ambitions

Our vision

A world where everyone is able to participate in creating a better future

Our purpose

Uniting people and ideas to resolve the challenges of our time

We are

A global community of proactive problem solvers

Open and inclusive. Underpinning all of our work is an ongoing commitment effort to ensure the RSA is diverse, equitable and inclusive.

Our proven change process, rigorous research and design skills, innovative ideas platforms and our wider convening power combine to enable the RSA to deliver solutions for lasting change.

Our values

Open

Always transparent and honest, we welcome new thinking and different perspectives

Optimistic

We are confident that together, we can resolve the challenges of our time

Pioneering

We champion curiosity, creativity and courage to inspire better ways of thinking and doing

Rigorous

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

Enabling

Through generosity and collaboration, we help others succeed

3 Our strategy, objectives and performance

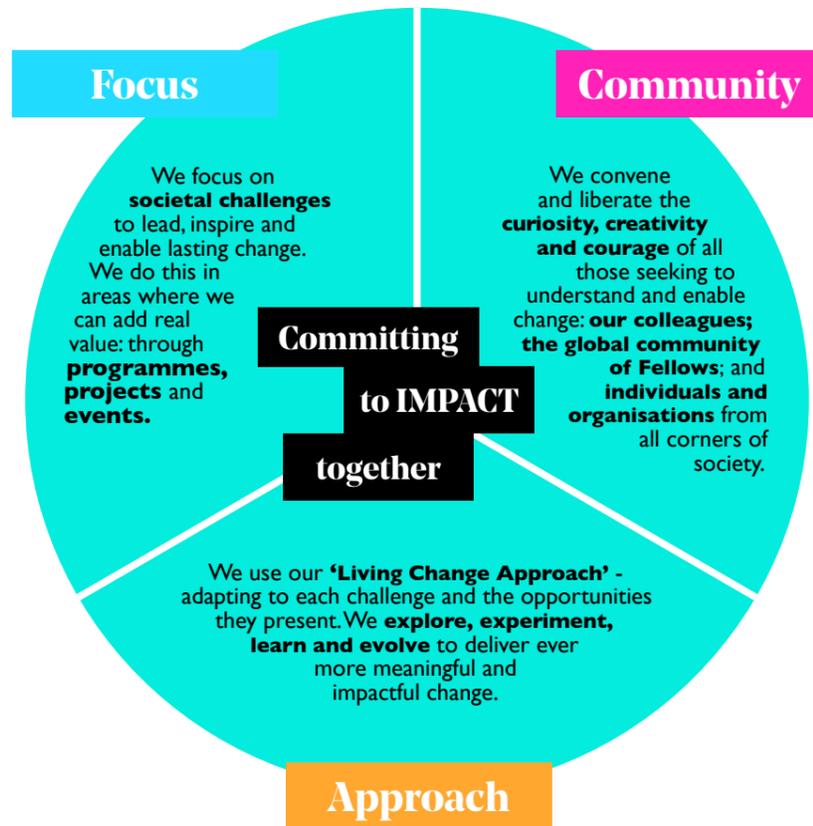
Strategy 2019-22

In October 2019 the RSA completed its strategic review to consider the future direction of the organisation and last year we set ourselves five objectives.

The challenge was how we could leverage the significant assets of the RSA for ever greater real-world impact. Our hypothesis was that we could deliver this by better deployment of the RSA's resources, centred around one central theme: our **Commitment to Impact**. We do this by leveraging our unique combination of **focus, community and approach**, see diagram.

Central to our strategic vision is a focus on programmes that make a meaningful difference on a global scale. Last year we set ourselves the objective of developing multi-year, impactful global programmes of change with a sustained funding base and have made strides towards this.

Our first programme, **Future of Work**, was established during 2019-20, closely followed by a second programme, **Regenerative Futures**, in 2020-21, and **Fair Education and Learning Society** in 2021-22.



Strategy 2022 onwards

In May 2022 we published our new mission paper, **Design for Life**, and its accompanying programme of change, underpinned by three closely inter-linked elements that are critical to transition towards better futures for people, place and planet: social impact, social opportunity and social innovation. This brings together the thread of programmes we have been working on over the past three years.

Our new mission and programme will focus on people and places whose opportunities are currently most constrained, whether at school, at work, in communities, in companies or across systems. In this way, we will seek to unlock social opportunity for those whose potential is greatest.

Unlocking social opportunity is best achieved by providing people and places the agency, skills, opportunities and connections to be innovative,

creative and entrepreneurial at all stages of their lives, from early years to adulthood. That is what we mean by social innovation. This creates the driving force towards social impact that contributes to resilient communities, rebalanced places, and a regenerative planet.

We need to move from reactive crisis management, to proactive re-imagining of the future state; from doing less harm, to doing more good;

from extracting for short-term gains to replenishing for the long-term and future generations.

The **Design for Life** programme proposes a whole lifecycle and cross-system portfolio of social opportunities to unlock potential

for social impact. It introduces seven pathways that will define the RSA's future change programme, these are:

Early years | Pupils | Students | Entrepreneurs | Places | Companies | System

This was a staging post paper. It sets out our overall mission for the RSA, however, we are leaving the detailed design and delivery of the pathways to a co-creative process working with Fellows and partners.

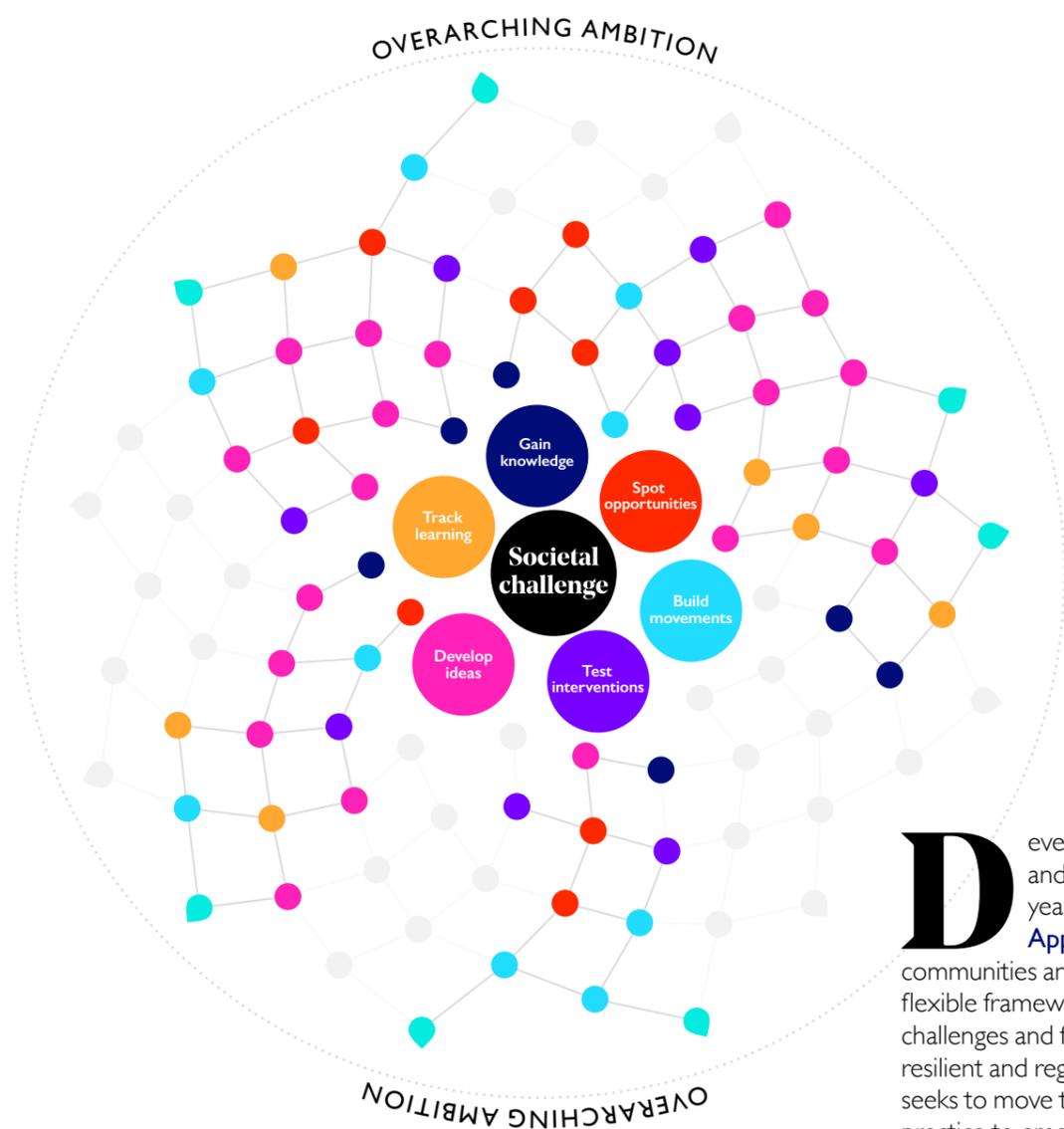
Performance

For 2021-22 we agreed the following objectives:

Objective	What we did
To finalise and deliver a clear value proposition for Fellows	We have worked hard now to finalise a clear proposition to our Fellows and understand how together we can have social impact with them, ensuring that is embedded in all the work we do. A lot of the underpinning work was carried out for this during 2021-22 with clearer messaging and articulation of the proposition. And 2022 will see the launch of a new Fellowship platform to enable Fellows to be involved in our work. We have also improved our onboarding process for Fellows. We have still got work to do to increase our Net Promoter Score (NPS) to ensure we are improving our onboarding process.
To truly prioritise content and activities that contribute to our ambitions and reduce/push out/find new ways of delivering other aspects of our work	Our programmes have refined and focused our work and this work is continuing again as we focus from 2022 on Design for Life as a single programme at the RSA.
To identify and launch three to four programmes	This was completed with the launch of Learning Society and Fair Education .
To generate £10.5m income for RSA activities and assets	This was achieved despite difficult circumstances.
To increase awareness of the RSA as a social change organisation both amongst those in-the-know about the RSA and beyond	Following the launch of a redesigned website last year, this year we have been able to leverage this to significantly enhance our profile. We ran two significant campaigns profiling our Living Change Approach in a change-making campaign and our Regenerative Futures work which was aligned to COP26.
To deliver the organisational changes and embed DE&I work so we can do the best work of our lives driving impact	This work has continued looking at the historical context of the RSA, understanding the implications for our history. We have also continued a significant amount of internal work improving our HR processes and updating our job descriptions in line with best practice. See Note 4 of the financial statements for our staff diversity statistics.

Overview

The characteristics of the RSA’s route to social change over the centuries have come together to shape its overall approach – the **Living Change Approach**.



Developed incrementally and organically over the years, the **Living Change Approach** aims to equip communities and organisations with a flexible framework for tackling complex challenges and forging rebalanced, resilient and regenerative futures. It seeks to move them from existing best practice to emerging **next** practice.

The **Living Change Approach** embodies three elements: a distinctive and dynamic **process**, a set of provocative **perspectives**, and a constellation of cross-disciplinary practices.

Living Change perspectives and practices

Living Change perspectives	Living Change practices
The way we think about challenge and change...	The way we act on challenge and change...
Systemic We see and change systems in nested and interconnected ways.	Research + evaluate We robustly interrogate challenges and trends from a hyperlocal to a global scale through qualitative and quantitative research. We apply systems thinking to interrogate current challenge and we evaluate the outcomes of our work to understand where impact has been achieved for people, place and planet .
Imaginative We draw on our capacity for imagination to create hopeful alternatives to the reality that we know.	Design + innovate We bring together diverse creative practices to take us from now to next . Futures thinking, systems innovation, regenerative, enterprise and learning design, are all critical to challenge, re-imagine and realise the future of products, services, places, organisations, relationships, systems and narratives.
Adaptive We recognise that change is living as we design, test and iterate to improve ways forward.	Participate + convene We work with, and bring together a diversity of people, viewpoints, organisations and sectors to build movements with inclusive commitment for the long term and collective action in the now. This area of practice includes participatory and deliberative decision-making, policy convening and influencing, and content development and publishing to change public narratives.
Collective We bring the power and wisdom of the collective to lead change, with the welfare of all of people, place and planet at the heart, in equal measure.	
Long-term We hold a long-term view of success and consequence beyond this generation.	
Local to global We start with place and context to impact (bio)regionally and globally.	



NHS Lothian and RSA staff cohort

What was the challenge?

NHS Lothian is one of the 14 regions of NHS Scotland covering a population of over 850,000.

It provides healthcare services in the City of Edinburgh, the East Lothian, Midlothian and West Lothian areas with a budget of £1.6bn and over 26,000 staff working across all aspects of the health service.

In light of the Covid-19 pandemic, NHS Lothian wished to review its strategic

landscape and delivery plans. They faced the critical challenge of responding to immediate demands of the pandemic while at the same time finding new ways of meeting the longer-term pressures for change that were building up.

What happened?

We first undertook a diagnostic review with staff using the RSA's **Future Change Framework** to understand what practices the organisation needed to restart, amplify or end, as well as identify opportunities for change.

This work helped us prioritise the importance of public engagement and a public entrepreneur programme for staff. We therefore brought together a number of local residents over the course of three sessions in which they shared their experiences and ideas. These sessions helped uncover ways in which NHS Lothian could work with others to address the challenges Covid-19 accelerated.

We then convened 12 staff changemakers and supported them to increase their individual and collective impact capabilities over the course of a six-month programme. Each participant worked on their own idea for change while supporting each other, culminating in an insights paper for their colleagues. This innovation programme was the first step towards equipping NHS Lothian staff as public entrepreneurs to respond to the challenges that lie ahead.

What was the benefit?

- 1 The staff cohort were the first to benefit from the RSA's public entrepreneur programme, equipping them to explore ways of bringing innovations to life and leave a long-lasting legacy within the organisation.
- 2 Citizens who participated in the workshops gained a greater understanding of the merging challenges of the health sector whilst also having their voices heard.



Future of Work

Future of Work

The RSA's **Future of Work** programme aims to secure good work for all.

We do this by pursuing opportunities that can shift the system at three levels: by influencing key decision makers at the macro level; improving institutional practice at the meso level; and by working with changemakers to test new solutions at the micro level.

Creating impactful resources

This year we have developed a new post-graduate course based on the RSA's **Future of Work** content that will help develop budding changemakers at the University of Coventry. This will go into the field next academic year. In partnership with the Autodesk Foundation, we developed a directory for funders and changemakers that highlights over 180 of the world's leading social innovations in worker-tech.

A directory for funders and changemakers was developed which highlights over 180 of the world's leading social innovations in worker-tech

Influencing key debates

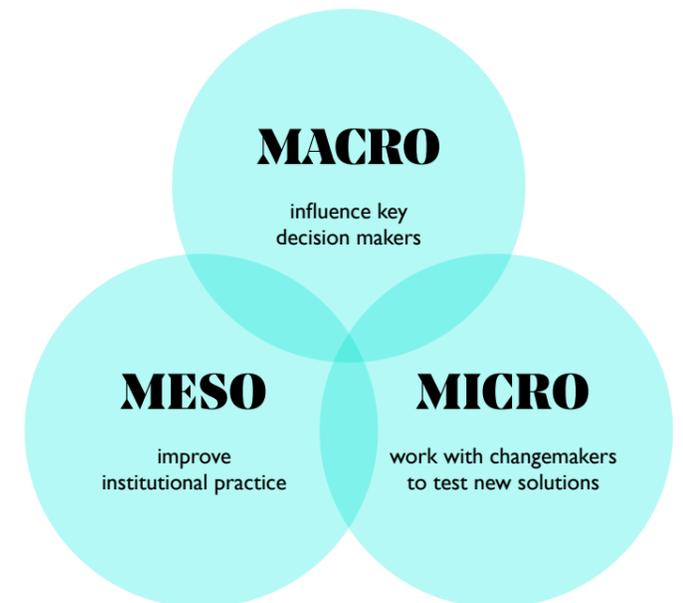
In September we launched the **Economic Security Observatory** – a year-long enquiry that tracked the outcomes of keyworkers during the Covid-19 pandemic. Our 'hazard' pay £500 bonus for care workers was implemented by the Scottish and Welsh governments, whilst our recommendation that economically insecure key workers in the private sector should also be entitled to preferential affordable housing access (as some public sector workers are) was taken up by the Greater London Authority.

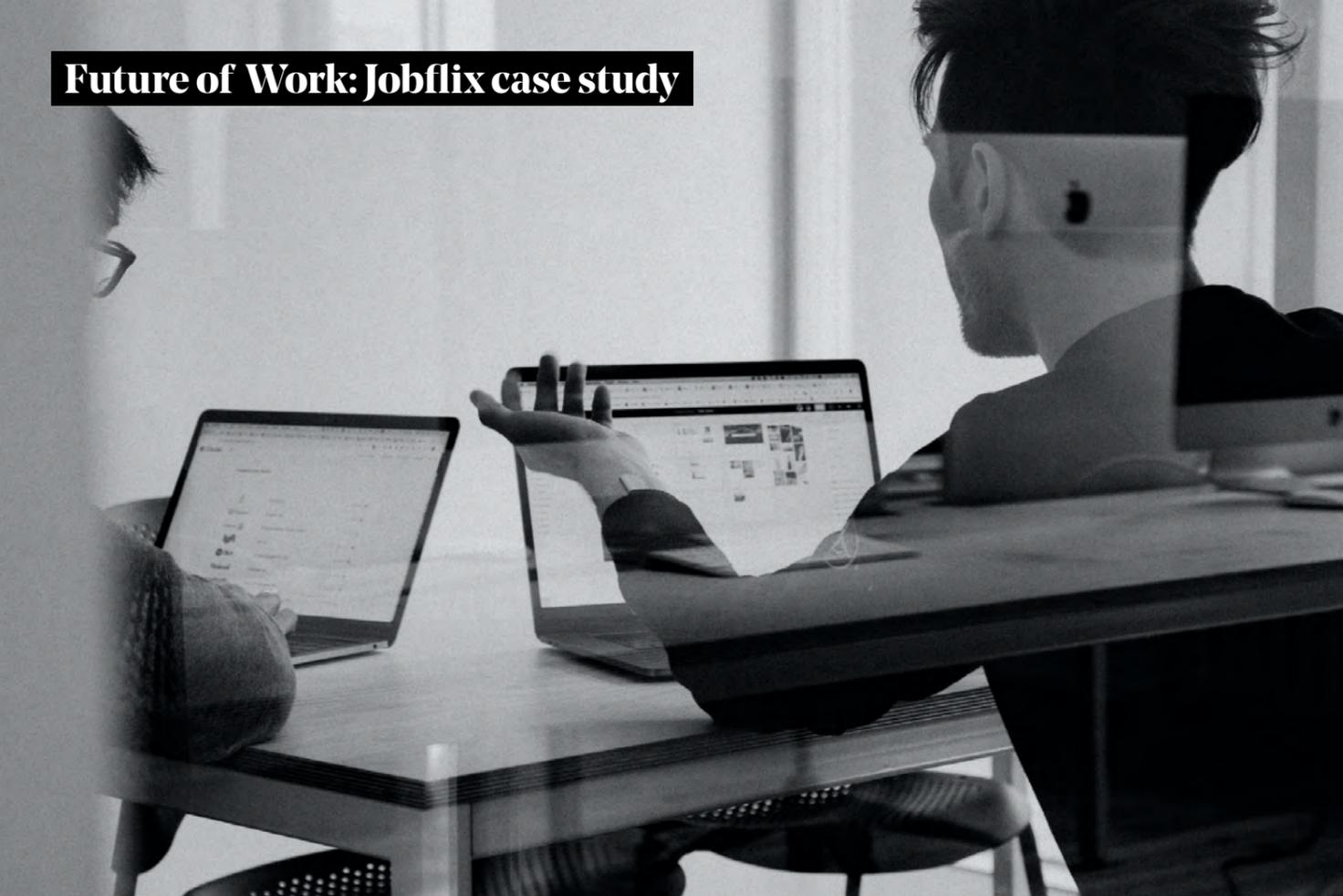
We have also launched research reports this year on how the jobs impact of decarbonisation diverges dependent on sector and place; and the potentially acute impact of automation on social housing tenants.

Developing new solutions

Our major pilot this year has been to test a new careers coaching platform in France (see case study).

How we work to shift the system:





In 2020 the RSA embarked on a new project with French social enterprise Bayes Impact and the Mastercard Center for Inclusive Growth.



In early 2021, we launched the fruits of this collaboration: **Jobflix** – a new digital careers coaching platform. Targeted at lower skilled younger workers in France, **Jobflix** allows its users to explore different career pathways on an accessible new platform. Each career pathway comes with clear information on the salary potential, the training and skills needed, or the likely competitiveness of the labour market. Using this data and the individual aspirations of its users, **Jobflix** then makes personalised recommendations which connect people to training or employment opportunities.

Since its launch, the platform has reached a total of 100,000 users. Over half explore a career pathway in depth and 43 percent the

training opportunities that connect to it. To evaluate the platform's impact on improving the job readiness of users, we also surveyed a smaller subset of users who either saved a career in their account or registered for coaching recommendations. Of this user group, we found that 93 percent of users are interested in a career found on **Jobflix**; 87 percent are ready for training in that career; and 84 percent are willing to commence training for it now.

The next stage of the partnership is to bring these insights to the UK – **Jobflix** is amongst a package of Bayes Impact services that is being tested in 11 jobcentres as part of a Department of Work and Pensions pilot.

Our work



Regenerative Futures



Regenerative Futures

The future doesn't just happen,
it's up to us all to create it.

The **Regenerative Futures** programme looks at how we can work in harmony as part of the planet's living systems through manifesting the potential of people, communities and places. It aims to build awareness, capabilities and demonstrate in practice what it could look, act and feel like.

This year we built on the initial programme development with a full external launch and accompanying campaign across social media platforms and the RSA website. This included releasing the positioning paper, **From sustaining to thriving together**, and curating events in collaboration with RSA Scotland during **COP26**. The campaign resulted in burgeoning relationships with new partners, the recruitment of new Fellows, and opportunities to amplify the reach of our message through invitations to speak on other platforms including the Design Council's Design for Planet conference, and a range of universities and corporates globally.

The collaboration between the Fellows Sustainability Network and RSA Oceania continued with an event series exploring long-term thinking. RSA public events took place with key practitioners including architects Michael Pawlyn and Sarah Ichioka, and Indigenous academics Norm Sheehan, Tyson Yunkaporta and Melanie Goodchild. We also continued to deliver and develop new and existing projects with partners.

In December 2021 the RSA **Bicentenary Medal**, which recognises outstanding contributions to design, was awarded to Dr Daniel Christian Wahl for his lifelong work on design for regenerative cultures. This partnership continues, with a forthcoming podcast mini-series hosted by Dr Wahl to be released later this year.



RSA Bicentenary Medal winner
Dr Daniel Christian Wahl

Learning and education



Learning and education

Our work in 2021-22 across the education system, lifelong learning landscape and through the **Student Design Awards (SDAs)** (see case study) has shown high levels of impact and engagement.

Through our **Fair Education** programme, 46 schools registered for the **Pupil Design Awards (PDAs)** this year and we hosted two online teacher training sessions. Nine mentors delivered 11 sessions to pupils. A PDA-SDA joint awards ceremony is planned for July. Project evaluation is underway.

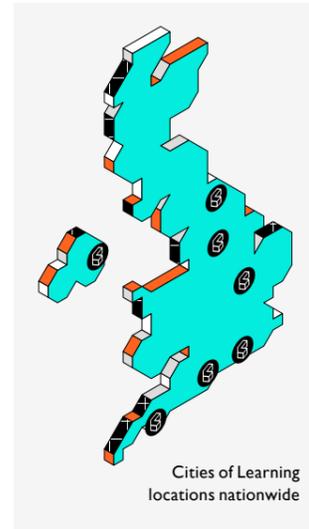
The **inclusive and nurturing schools toolkit** has had 782 downloads since December 2021. We have spoken at five high-profile public events, including the Westminster Insight's Alternative Provision conference.

For our **Preventing School Exclusions** project, we are working with local partners to enable greater local multiagency collaboration in East Sussex, Oldham, and Worcestershire. The Department for Education has expressed interest in project outcomes.

The RSA **Citizens of now** (social action in primary schools) web page and its associated launch event has had 537 and 1,220 respective views since November. Further research funding has also been secured.

Cities of Learning has run projects in Southampton (focusing on the future of work) and Cambridgeshire (focusing on employability, cultural inclusion and wellbeing). In the last quarter, Belfast, Bradford and Tees Valley (our first combined authority) joined the **Cities of Learning** programme – subsidised by a grant from the Garfield Weston Foundation. Use of the **Cities of Learning** digital badges has grown in parallel to the programme. More than 7,000 learners have now benefited from **Cities of Learning** badges.

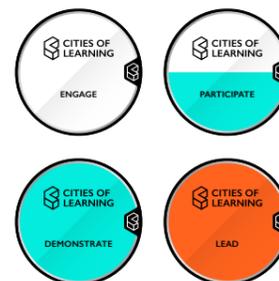
A new strategic partnership with Ufi has helped to fund research to understand the motivations, barriers and confidence of learners who have not thrived in traditional education settings. We are also developing pilots to support learning through digital inclusion within Bradford and Cambridgeshire.



7 destinations engaged

7,000 learners benefiting

150 organisations participating



Learning and education: Student Design Awards case study

The 2021-22 Student Design Awards competition had nine briefs that focused on a range of social and environmental challenges, including **collective imagination, material reuse and future working practices.**

The awards successfully reached its funding targets with a range of existing and new partnerships including the LEGO group, Network Rail, the Marketing Trust and GSK. The team continued with a virtual and global approach to the competition, starting the cycle with a virtual launch event with over 300 live attendees followed by a London Design Festival event focused on pluriversal design, bringing together educators across the globe to discuss design education. These events were followed by targeted briefing sessions to 12 higher education institutions, where the team spoke directly to 340 students in their courses alongside their educators about how best to approach these challenges. This year, 50 percent of schools that received briefing sessions had students on our shortlist.

Our final engagement sessions of the cycle were a series of virtual workshops, focused on introducing students to frameworks and tools to help their thinking and build content area knowledge. Circular design, participatory futures and equitable design were the focus areas and 96 percent of students felt they improved or gained new skills as a result. At time of writing, our judging process is currently underway with £20,500 in prizes available to the winners in total. The programme continues to evolve and in 2022, we will deliver our first pilot with a local community supported by The National Lottery Community Fund.

Public events and ideas platform

From the Great Room to our global digital stage, **RSA public events** feature the most exciting figures working on the world's biggest challenges.

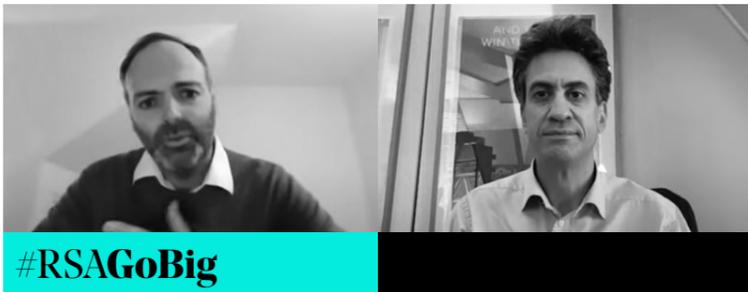
With a programme of both hybrid and fully digital events, the RSA is now reaching greater audiences than ever before, connecting global speakers to global viewers, with our **YouTube** subscriber numbers now standing at 754,000.

A blended programme is critical to our public events content and audience engagement goals: to enhance speaker diversity; seek out new voices; grow our audiences globally; support and amplify RSA research; and maintain a strong thematic focus on issues of social, economic and environmental justice.

In 2021-22, digital-first events allowed us to respond swiftly and shape the public conversation around emerging and evolving global news stories, trends and debates, from vaccine equity to food security, from the cost of living to the energy crisis, from online safety to good work innovation.

Highlight hybrid events included the launch of the **Citizens of now** report, featuring young activists and school leaders from across the UK; the induction of a stellar new cohort of Royal Designers for Industry; Andy Haldane's first speech as RSA CEO from the Great Room stage; and an inspiring **President's Lecture** by former Australian Prime Minister Julia Gillard.

Highlight programming partnerships included the **Regenerative Futures** events series held against the backdrop of the COP26 climate talks, reaching 10,000 viewers and featuring global trailblazers and policy influencers sharing stories of the bold leadership, collective imagining and indigenous wisdom that can help us create better futures for people and planet.



Ed Milliband, Shadow Secretary of State for Business, Energy and Industrial Strategy, and MP, and Anthony Painter, former RSA chief research and impact officer in conversation at RSA event 'What will it take to 'Go Big'?

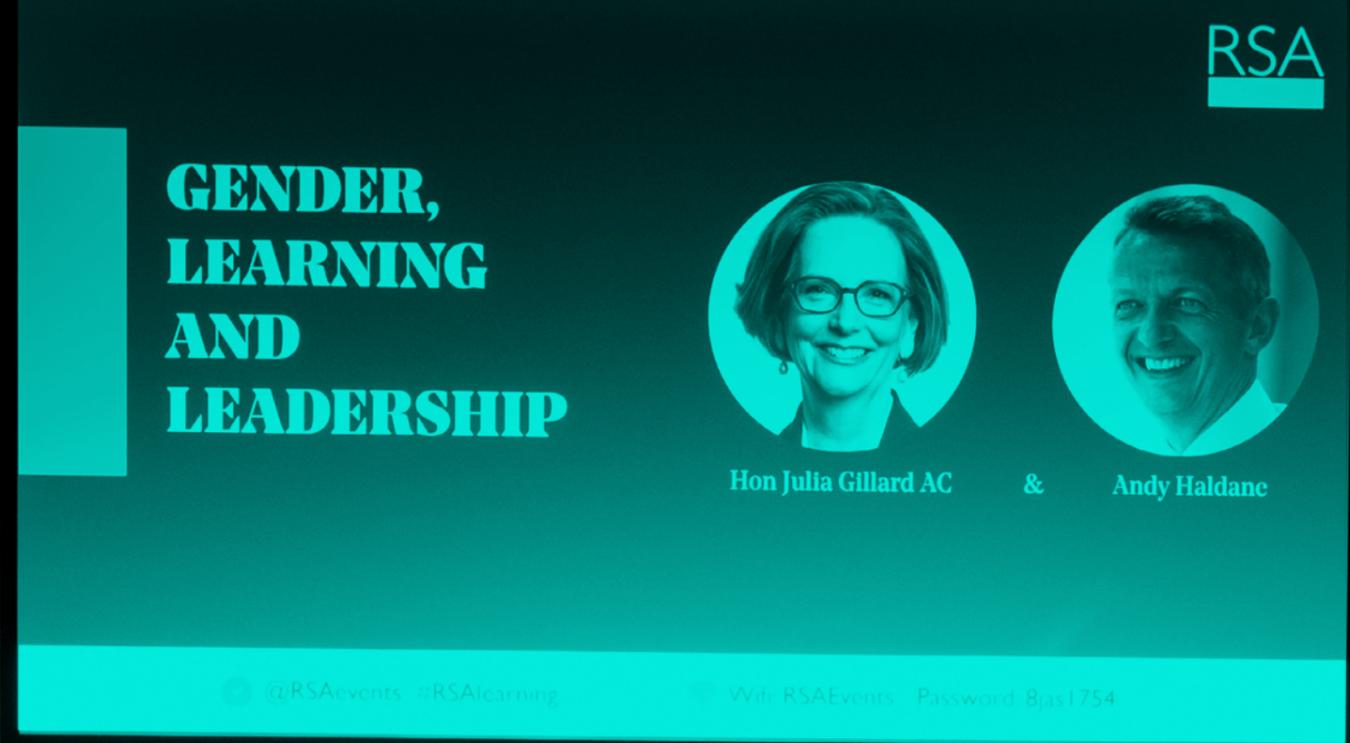
140
public events
speakers

10,000
viewers of
Regenerative
Futures events

459,000
hours of RSA Events
watch time

754,000
YouTube subscribers

5.5m
RSA Events YouTube
channel views



Fellows, Catalyst and affiliates

91.3%

Fellows retained

30,364

Total number of Fellows at year end

42.5%

Fellows joined are women or from other gender minorities

Our Fellows

Throughout the last year our Fellowship community continued to support the RSA. Retention improved to 91.3 percent, with a record number of members making a long-term commitment by taking up Life Fellowship. RSA continued to support the community by providing discounted offers where needed. Recruiting new Fellows proved more challenging – we recruited 2,568 Fellows. Following the lifting of Covid measures we saw signs of recovery in early 2022 and total Fellowship ended at 30,364, with a net loss of 75. The racial diversity of joiners increased by 3 percent to 21 percent and 42.5 percent of joiners are women or from other gender minorities.

Fellowship insight

We continued to respond to Fellowship needs – improving the onboarding experience for new Fellows with a new welcome pack and streamlined communications. We also held seven onboarding events attracting 500 new joiners and started outbound welcome calls. A full Fellow survey was issued in late March and closed with a 21 percent response rate, which will provide the RSA with insight to inform strategies and plans in the coming year.

Fellowship engagement

We introduced three new engagement initiatives this year – the inaugural **Fellows Festival**, **Fellow townhall** meetings and the **Good Work Guild**.

Fellows inaugural festival

We spent the latter part of the year preparing for the inaugural **Fellows Festival** which was held on Saturday 14 May 2022. We had 600 Fellows sign-up and hosted over 40 speakers and presenters.

The aim of the day was for Fellows to share and find inspiration for how we might together start to chart a new path to a fairer and more resilient future.

Fellow townhall meetings

We held three **Fellow townhalls** with over 1,150 sign-ups online. The format is a quarterly gathering of global Fellows together with RSA staff to improve transparency and accessibility with the arrival of a new CEO, and to bring Fellows closer to both RSA work and to each other.

Good Work Guild

A **year-long pilot** Fellowship initiative closely linked to the goals of the **Future of Work** programme. It is a diverse global network of 295 Fellows (and three non-Fellow advisors) working to tackle the most pressing issues related to economic security and labour market transforming technologies. Nine member-led groups were launched in January 2022 to delve into key themes identified by the network and start to define the challenges and surface new ideas.

Catalyst

In the last year, **Catalyst** grant awards have continued to prove a key avenue of support for our community of Fellows, with a total of 217 applications across the year. **Catalyst** remains competitive, with an average success rate of 12 percent at the last funding round. To address this demand, and build on programme success, we are exploring models for scaling our offer.



RSA | US

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

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

The **RSA US** has hosted and supported 12 Fellowship-driven salons and special events over the last year with an average registration of 92 participants per event.

We have covered topics that range from discussions of re-imagining education and gender equity, to the art of serendipity and practices of creativity.



The New Jersey **Future of Work Accelerator** launched in May 2021. This programme is a collaboration between the **RSA US**, the New Jersey Office of Innovation and The Workers Lab. This collaborative initiative identified innovative solutions to improve job quality and economic security.

For more information see: www.thersa.org/united-states

RSA | Oceania

RSA Oceania supports Fellows in Australasia, Melanesia, Micronesia and Polynesia. Aside from the UK and US, **Oceania** has the largest concentration of Fellows globally, with 480 Fellows across the region.

During the past year, **RSA Oceania** has actively supported the RSA's **Regenerative Future's** agenda, facilitating global dialogue and engagement around the programme. This has led to an exciting range of initiatives delivered in collaboration with Fellows, including a long form webinar series titled Re-claiming the Future in partnership with the **RSA Sustainability Network**. The series aimed to influence wider conversations around long-termism, with the intention of establishing long-term thinking as a key area of enquiry for the RSA, bringing together stakeholders with interests in futures thinking, regenerative design, and deliberative democracy.

Forthcoming in 2022, **RSA Oceania** will co-produce a podcast on the regenerative movement titled **Regeneration Rising** with acclaimed author, Dr Daniel Christian Wahl.

A VERY SPECIAL THANKS RSA FUNDERS AND PARTNERS 2021-22

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

Corporate supporters

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First Actuarial LLP
GlaxoSmithKline
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Institute and Faculty of Actuaries
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Royal Mail Group Ltd
Teneo Strategy Ltd
The Lego Group
The Sage Group Plc
Vitality Corporate Services Ltd
Waitrose & Partners

Trusts, foundations and grant-making

Arts Council England
Autodesk Foundation
Centre for Progressive Policy
Comino Foundation
Esmée Fairbairn Foundation
Foyle Foundation

Garfield Weston Foundation
Impact on Urban Health
Lloyd's Register Foundation
Mastercard Center for Inclusive Growth
Oak Foundation
Paul Hamlyn Foundation
Pears Foundation
People's Postcode Lottery
Porticus
The abrdn Financial Fairness Trust
The Health Foundation
The JJ Charitable Trust
The Marketing Trust
The National Lottery Community Fund
The Wolfson Foundation
Treebeard Trust
Trust for London
Ufi VocTech Trust
Zero Waste Scotland

Statutory and other organisations

Arts Connect
Artswork
Cambridge City Council
Clarion Housing Group
Curious Minds

Festival 2022 Ltd
Festival Bridge
Greater London Authority
High Speed Two (HS2) Ltd
Innovation in Politics Institute
Lancaster University
Manchester Metropolitan University
Network Rail
NHS Lothian
NHS National Services Scotland
Royal Opera House Bridge
Southampton City Council
The Chartered Institute of Marketing
The Centre for Ageing Better
The Institute of Chartered Accountants in England and Wales
The Mighty Creatives

Donations and major gifts

Thanks to all our donors for their invaluable support.

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

Environmental reporting

The RSA continues to focus on working to establish a pathway to achieving net zero CO² emissions by 2025.

We recognise the climate emergency and wider environmental issues, such as waste, pollution and biodiversity loss, as leading challenges of our time.

Social and environmental challenges are interdependent and within our research and programmatic work we continue to explore practical responses and routes to change. For example, through our work on circular and regenerative economies and on civic participation in shaping more equitable futures.

The new **Regenerative Futures** programme sets a strong direction for the organisation's approach to sustainability through its external work and its internal operations – committing to going beyond doing less harm into regenerating social and environmental health.

There are many challenges to managing an historic building from a sustainable and environmental perspective, but we continue to make improvements and changes where and when possible.

This past year has seen us coming out of the pandemic slowly with the **RSA House** beginning to open again to allow our people, Fellows and visitors in. This has shown a fluctuation in our energy and resources. Working at home has proved to be highly successful for many of our people and so flexible working continues to be in place for those who can, working three days in the office and two days remotely. The 'new normal' is still evolving where many events are now hybrid. This should see a reduction in our daily usage over time, helping to have a positive impact on our environmental issues, including the reduction of business travel for our staff.

Energy use

The amount of energy used year on year will fluctuate as this depends on the type and number of events taking place in the **RSA House**. There was a noticeable increase on energy consumption between 2020-21 and 2021-22 which shows we are returning to the new normal. Corporate events were slow to begin with, but we have seen a significant increase in wedding bookings. Now with many events being hybrid, involving the use of more technical equipment, it is essential that we monitor our energy consumption carefully. All our energy is 'green'. Our public events have also moved to digital-first virtual events and will have an impact on both travel and energy use.

The RSA's energy consultant Inenco were recently instructed to carry out an audit in the building looking at how we operate our equipment, how our energy is used and at other activities that are carried out by our people. We await their findings and actions. Recommendations will be reviewed and discussed internally, and a plan will be made with a view to implementing what is possible and with costs permitting.

Resource use

During our daily operations we continue to recycle as many products as possible. These include all paper and cardboard, glass, tins and any appropriate food packing, as well as many more items.

The **RSA Journal** is printed on paper sourced from managed forestry and is fully carbon offset through the World Land Trust.

Where possible we manage our water consumption by various controlled water systems in our toilet facilities. Kitchens have spray taps to restrict the amount of water coming out at any one time and our main boilers are on rotation and only come on when hot water or heating is required.

The facilities team have been reviewing the internal meeting rooms and informal spaces for our people as space is limited in the House. Many items of furniture are upcycled, and we are using responsibly sourced items where possible. The IT equipment has been streamlined and updated with clear instructions on how to use it, without having to contact a member of the IT team where possible. A dedicated prayer and reflection room is being created which links to our DE&I work.

Without changing the current light fittings in these spaces all lamps have been changed to LED with minimal cost. Sensor lighting is in place where feasible.

Transport

One of our benefits to employees is a cycle to work scheme which offers a loan towards the purchase of a bicycle to encourage people that can, to cycle to work. There is an outdoor area, for RSA use only, which is secure and contains racks for staff to be able to leave their bicycles whilst at work.

With flexible working hours, our people do not need to travel during the busiest times. It is recommended they use alternative methods of travel where possible. Hybrid working has certainly reduced the amount of travelling by our people.

Sustainability strategy for CH&CO, our catering partner

CH&CO are committed to sourcing the best ingredients and products, locally where possible, for all of their catering. They have set out to achieve zero food waste to landfill, maximise their recycling and minimise waste, working alongside their venues. They have also stated that they want to be the greenest contract caterer by 2023 and achieve net zero by 2030.

Pension funds

Aegon manage our pension funds and have announced their commitment to achieving net zero carbon emissions across our default fund ranges by 2050, with an ambition to halve emissions by 2030.

This means that all our pension default funds will be invested in a combination of investments that actively remove

greenhouse gas emissions or reduce existing carbon emissions by 2050. Given over 95 percent of defined contribution scheme members are invested in their scheme default, we believe it's right to focus our efforts on ensuring that default funds, which contain the majority of UK pension scheme members' savings, are invested sustainably.

Modern slavery and human trafficking

As an organisation dedicated to social responsibility, at the forefront of social change for over 260 years, the RSA is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

The RSA people 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 at www.thersa.org/environmental-policy and our practices are described under sustainability. The key performance indicators for our environmental data for 2021-22 are set out below and these will be updated every year.

Utilities-units	Electricity-kWh 2021-22	Gas-kWh 2021-22	Water-ltrs 2021-22	Total energy 2021-22	2020-21	Water-ltrs 2020-21
Energy	420,849	558,184	n/a	979,033	460,414	n/a
Water	n/a	n/a	935,000	n/a	n/a	382,000
% recycled energy	100	n/a	n/a	100	90	n/a
Energy in tonnes CO ²	221	106	n/a	327	176	n/a
% inc (dec) on 2021-22	58%	187%	145%	112%	n/a	n/a
Travel-units	Car mileage (miles) 2021-22	Mini cabs (miles) 2021-22	Trains (miles) 2021-22	Flights (miles) 2021-22	Total air, road and train travel carbon emissions (tonnes CO ₂) 2021-22 2020-21	
Miles	3,334	2,148	23,061	1,694	30,237	29,245
Tonnes	1	1	8	0	10	45
% inc (dec) on 2020-21	232%	842%	2%	-62%	3%	n/a
Waste	Waste recycled (kgs) 2021-22		White paper usage (boxes) 2021-22 2020-21		Glass recycling (ltrs) 2021-22 2020-21	
Volume	16,650		15 3		6,000 750	
% recycled	63%		100% 100%		100% 100%	
% inc (dec) on 2020-21	31%		383% n/a		700% n/a	
Building	Total m ² of building 2021-22		Per m ² (tonnes CO ₂ per m ²) 2021-22		Total building carbon emissions (tonnes CO ₂) 2021-22 2020-21	
Building carbon emissions	4,598		0.098		427 178	
% inc (dec) on 2020-21	0%		0%		140% n/a	

FINANCIAL

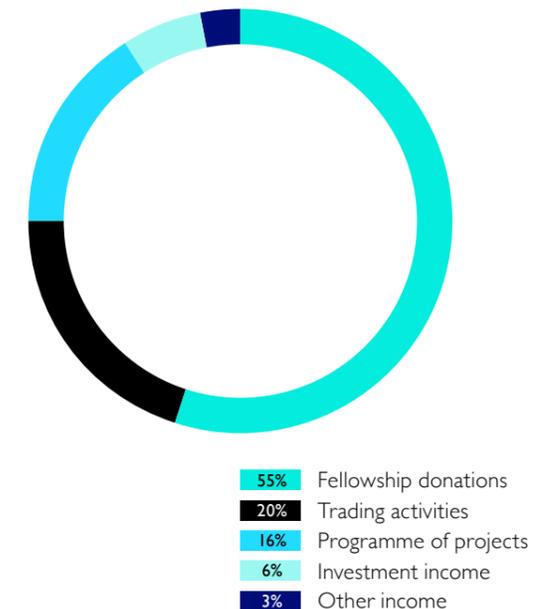
REVIEW

Although the pandemic continued to have an adverse impact on income, our overall financial health remains strong.

Income for the year increased by 24 percent to £10.4m

Income for the year increased by 24 percent to £10.4m, largely due to the lessening impact of Covid-19. However, it remains 14 percent below pre-Covid levels (£12.1m in 2019-20). Although costs also increased, we ended the year with a net surplus on general funds (before gains on investments) of £0.3m. In 2022-23 we anticipate returning to pre-Covid levels of income and are aiming for a breakeven position on general reserves.

Overall, our net expenditure before investment gains was £0.9m. Investment gains were £1.6m (2020-21 £3.4m) leading to an overall increase in reserves of £0.8m.



Income

There were five principle sources of income as described below:

- 1 Fellowship donations** increased by 2 percent to £5.7m. We are grateful to our Fellows for their continued support.
- 2 Trading activities** increased from £0.3m to £2.1m as the impact of Covid-19 eased for part of the year.
- 3 Programme of projects** increased by 16 percent to £1.6m.
- 4 Investment income** was £0.6m (2020-21 £0.6m).
- 5 Other income** was £0.3m (2020-21 £0.4m) and includes donations, legacies, insurance proceeds, secondment of our CEO to the cabinet office for six months and a Kickstart grant from Westminster City Council.

Expenditure

Expenditure increased by 10 percent to £11.3m (2020-21 £10m) largely due to increased trading activities.

Salaries remained frozen at 2019-20 levels and we increased the maximum employer pension contribution to 5.5 percent (from 5 percent in 2020-21) but this is still less than pre-Covid when the RSA match funded up to 10 percent of salary. Overall staff costs increased by 4 percent to £5.5m due to previously frozen vacancies being filled.

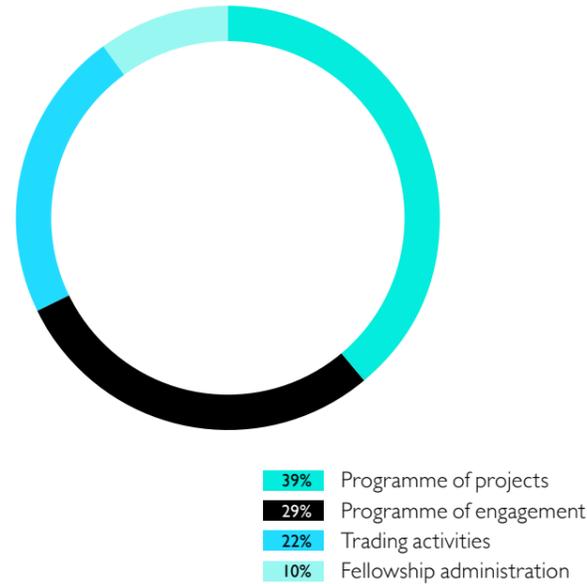
Our charitable activities comprise our programme of projects and programme of engagement which represent 87 percent of total expenditure excluding trading activities which is in line with 2021-22.

Our expenditure on raising funds includes Fellowship administration costs and our trading activities. Expenditure on Fellowship administration was in line with previous year at £1.2m but expenditure on trading activities increased by 60 percent to £2.5m as expected given the increase in trading activity.

Investments and investment policy

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

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



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

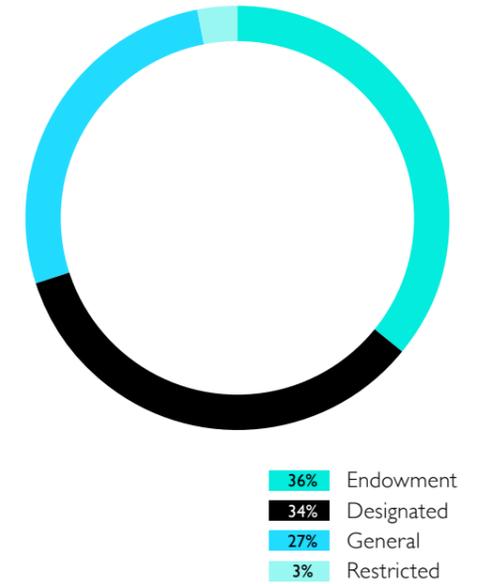
The RSA has a seat on the CCLA Ethical Advisory Committee which enables us to be part of an important conversation on fossil fuel divestment. We believe that this is the best way in which we can invest our funds in a sustainable way and exert the most influence on the companies in which we invest given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

During the year there were gains in the net market value of investment funds of £1.6m (2020-21 £3.4m) and investment income was £0.6m (2020-21 £0.6m).

Reserves

The RSA has total reserves of £32.6m (2020-21 £31.8m). These include:

- **Endowment funds** of £11.6m (2020-21 £10.5m) which are invested in the CCLA Ethical Investment Fund.
- **Restricted reserves** of £1m (2020-21 £4.1m). Of this, £0.3m relates to restricted project funds and £0.7m relates to historical donations. See note 11 of the financial statements for further information on the restrictions. The reduction since 2020-21 is due to the reclassification of Shipley Income Fund as unrestricted due to the restrictions on its use being aligned with the charitable objectives of the RSA.
- **Unrestricted funds** of £19.9m (2020-21 £17.3m). Of this:
 - o £10.7m relates to fixed assets (see note 7).
 - o £0.2m relates to designated legacies which, whilst technically unrestricted, include clear preferences expressed by the legators as to how the funds might be used. They are typically used to support the programme of projects, allowing us to produce short pieces of work which form the basis for gaining wider fundraising and support or providing match funding for funds received from third parties. This year we used £0.2m from the legacy fund.
 - o £9m is general reserves.



Reserves policy

It is important to ensure the RSA is both financially sustainable in the long term and able to cover its operational expenditure in the short term. To this end, the trustees have agreed that the charity should hold at least three months of unrestricted cash expenditure in general reserves.

General reserves are defined as unrestricted funds less fixed assets and the designated legacy reserve. This reflects those funds that the RSA could draw on in a situation of serious need. On 31 March 2022 general reserves were £9.0m (2020-21 £8.9m).

Unrestricted cash expenditure represents the budgeted operating costs for the following year, less depreciation, less the direct costs of hospitality which would not be incurred if activities ceased, and the costs of restricted activities which have their own restricted funding streams. The budgeted unrestricted cash expenditure for 2022-23 is £10.7m (2021-22 £10.4m).

This means we have 10 months of unrestricted cash expenditure in general reserves (2020-21: 10 months) which is comfortably above the minimum required by our policy. The trustees are conscious that holding too many reserves is not the best use of charitable funds. However, given the change in strategy which is underway and our ambitious plans for the future, they consider it prudent to maintain this level of reserves for the time being. Work is underway to review our reserves policy in 2022-23 to ensure it aligns with the underlying risks facing the organisation.

Grant making policy

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

There is no set allocation of the annual budget for overall grant expenditure, rather, the RSA identifies the desired impact and the most appropriate method of delivery. Where grants are considered to be the most appropriate funding mechanism, the RSA sets out specific criteria for each grant upfront. These criteria vary from grant to grant and they are made available on the RSA's website where open calls are invited.

Applications are then assessed against these criteria and awards made considering:

- Funds available.
- Ability to deliver the objectives of the programme.
- The quality of applications.

The period for which grants are awarded depends upon the programme but typically lasts under one year. Grants are monitored regularly, and appropriate progress reports are required from recipients. See note 5 for details of grants approved and payable in the year.

Fundraising disclosure

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

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

Professional fundraisers are only used in making grant applications that are outside of its expertise. The last time this occurred was in 2017-18.

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



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

“The encouragement of the arts manufactures and commerce... by the advancement of education in and the encouragement and conduct of research into the sustainable context within which the said arts manufactures and commerce may prosper and be managed efficiently including research on all commerce, design industry, public services, science, technology, social enterprises, voluntary, and other arts, to make both such research findings available to the public as well as all other exclusively charitable purposes...”

Our charitable objectives

The RSA was founded in 1754 as the Society for the encouragement of Arts, Manufacture and Commerce, it was granted a Royal Charter in 1847, and the right to use the term Royal in its name by King Edward VII in 1908. The Royal Charter company was registered as a charity in England and Wales in 1963 (212424) and is also registered in Scotland (SC037784). The RSA's charitable objects are defined within its Royal Charter as:

“the encouragement of the arts manufactures and commerce... by the advancement of education in and the encouragement and conduct of research into the sustainable context within which the said arts manufactures and commerce may prosper and be managed efficiently including research on all commerce, design industry, public services, science, technology, social enterprises, voluntary, and other arts, to make both such research findings available to the public as well as all other exclusively charitable purposes...”

The trustee board

The board of trustees is the governing body of the RSA and consists of up to 14 members, of which five are directly elected to the board by the Fellowship, a further two by the Fellowship council from within their number, up to five Fellows elected by the board and two by RSA affiliates or other international representations. Trustees are elected or appointed for a three-year term, and may serve a second three-year term, save for Fellowship council trustees who serve for the currency of the Fellowship council, which is two years. The board met

formally four times during 2021-22, as well as attending an additional annual away day. Day-to-day management of the RSA is delegated to the leadership team by the trustees; the leadership team attend all board meetings.

The board has established three permanent committees, each with specific terms of reference and functions that are delegated by the board, and with a board-appointed trustee as chairman: Audit and Risk (which has three external members), Nominations and Governance (which includes three members from the Fellowship council), and People and Remuneration. A representative of the leadership team attends all committee meetings. The external auditors attend one meeting a year of the Audit and Risk Committee.

The board appoints the directors of the RSA's two trading subsidiaries, RSA Adelphi Enterprises Ltd, which has one external non-executive director, and RSA Shipley Enterprises Ltd. The directors of the subsidiaries meet as necessary. The board also monitor the companies' performance.

All trustees and directors receive a tailored induction programme upon joining the RSA and are regularly updated on relevant issues through the board and committee structures. Trustees have noted the Charity Governance Code, as refreshed in December 2020, and agree to the principles it contains. Its principles are incorporated into the trustee induction programme.

Fellowship representation

An important part of the governance of the RSA's relationship with its Fellows is the Fellowship council. During the two year period 2020-22 the Fellowship council formally comprised 22 elected and seven co-opted Fellows. These are:

Specialism	Thematic councillors
Programme councillors	Sarah Beeching Jan Floyd-Douglass Christine McLean Don McLaverty Peter Quirk Tom Schuller Matthew Treherne
Area	Area councillors
Central	Clare Gage Rachel Sharpe
Ireland	Tony Sheehan Robert Worrall
London	Yemi Adeola Nicola Halifax
North	Melanie Hewitt Paul Ingram
Scotland	Elliot Alexander Goodger Stephen Coles
South East	Denise McLaverty Eileen Modral
South West	Neil Beagrie Peter Jones
Wales	Hywel George Dee Gray
Global	Nishan Chelvachandran Enrique Mendizibal
Oceania	Marion Lawie Kim Shore
US	Hosan Lee Jaylena D Lomenech

The Fellowship council elects two representatives to the board of trustees, and the terms of reference specify that at least one of the representatives would be either the chair or the deputy chair of the

Fellowship council. In 2020 following the appointment of a new council Nick Parker and Lucy Griffiths were replaced by Don McLaverty and Yemi Adeola.

Principal risks and uncertainties

In May 2019 the trustees and management adopted a formal risk policy statement which sets out an approach to risk as well as the board's appetite for risk under the headings financial and governance, environmental and reputational, charitable work and Fellowship, RSA Global and the RSA House. The risk register itself considers the major risks to which the RSA is exposed, comprising operational, financial, environmental, governance, and law and regulatory risks in line with the risk policy statement. The risk register summarises these potential risks and assesses their likelihood and potential impact. Controls have been identified to limit each of the risks, and responsibility for their management allocated to nominated individuals or directors, and the director charged with supervision. Key risks are regularly reviewed by the Audit and Risk Committee with a different area of the business reviewed in-depth at each quarterly meeting. During 2021-22 we started a review of the approach taken to risk and this will be completed in 2022-23.

At the end of 2021-22 the key risk relates to the implementation of our new strategy: **Design for Life**, and the shift in organisational culture that this will require.

In addition, wider risks arise from the RSA being an organisation which aims to provide a unique platform for new ways of thinking, creating and influencing, the RSA needs to be ahead of the competition in the ideas which it showcases, how it presents those ideas, and how it uses those ideas to gain broad influence and mobilise them for real world impact. The flow of funding for the RSA's charitable work, its ability to attract partners to work with and the capacity to continue to build its Fellowship base all depend on the success of standing out from the crowd. This

requires continued investment in digital technology and continued exploration of new methods of drawing in ideas, and new forms of presentation and dissemination including maintain a clear voice in a crowded marketplace.

Trading subsidiary risks are monitored through the respective boards and generally covered by the group risk management policy and statement as well as a separate risks schedule for RSA Adelphi Enterprises Ltd. Apart from the matters arising from its closure due to Covid-19, the primary risks for RSA Adelphi Enterprises Ltd are the ensuring of ongoing quality standards and ensuring forward bookings. This is monitored through monthly as well as more formal quarterly meetings with CH&CO, who run Adelphi Enterprises Ltd on the RSA's behalf on a commission basis and separately also maintain a risk register. CH&CO conduct six monthly internal audits covering health and safety, food hygiene and general standards, although these were paused during Covid-19 with the closure of RSA House, and restarted as trading resumed. Once a year the RSA Adelphi Enterprises Ltd reviews the audit outcomes. The primary risk for RSA Shipley Enterprises Ltd is the need to control its costs and ensure all projects run profitably; this is achieved through project forecasting and time recording to ensure each project makes a profitable contribution.

Day-to-day management of the RSA is delegated by the board of trustees to the leadership team.

Remuneration policy

The RSA operates a broad banded salary structure for all roles including leadership level roles, based on job evaluation and benchmarking using XpertHR. Pay levels are based upon paying 5 percent above the median level in order to enable us to attract the high-quality staff that we require. The annual pay settlement is based on an award to reflect trends in reward and market pay, the inflationary environment and ensuring the affordability of all employees who have passed their probationary period and are not subject to a formal capability or conduct process (generally a percentage increase). The annual pay review is agreed by the leadership management team, signed off by the People and Remuneration Committee and then ultimately approved by the trustee board as part of the annual budget. Given the unique nature of the Covid-19 crisis no pay award was made during 2020-21 or 2021-22.

The board is aware of the need for transparency in how pay is set and its impact on different groups within the organisation.

Key management personnel

The trustees consider that the leadership team, as identified on the inside front cover, comprise the key management personnel. Leadership team pay is signed off on an individual basis by the People and Remuneration Committee based upon individual performance and comparisons provided by XpertHR's annual voluntary sector salary survey for the relevant year.

Statement of public benefit

The trustees confirm that they have complied with the duty laid out in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the society. The RSA's objectives, as laid down in our Royal Charter, are set out on page 35.

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

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

The trustees review the activities of the RSA against its aims on an ongoing basis and are satisfied that all activities continue to be related to those aims. No specific issues of detriment or harm have been identified. Ultimately, wider society will benefit from the charity's activities, and this is in keeping with the spirit of the RSA charter. The RSA operates throughout the whole of the United Kingdom, through the website, and through approximately 30,000 Fellows around the world. It has affiliate non-profit organisations in Australia and the United States. Benefits are not confined to any group and the wider benefits of the RSA's activities are intended to include the public.

Statement of trustees' responsibilities

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the charity's SORP.
- Make judgments and estimates that are reasonable and prudent.

- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The charity's trustees are responsible for keeping accounting records in respect of the charity, which are enough to show and explain all the charity's transactions, and 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 towards the prevention and detection of fraud and other irregularities.

By order of the board of trustees.



Tim Eyles
Chair of the RSA

19 July 2022

10 Independent auditor's report to the trustees of the RSA (the royal society for the encouragement of arts, manufactures, and commerce)

Opinion

We have audited the financial statements of the RSA (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of financial activities, the group and parent charity balance sheets, the group cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including financial reporting standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (United Kingdom generally accepted accounting practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom generally accepted accounting practice; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 39, they are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and charity's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
 - conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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

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

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

Our approach was as follows:

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

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

1 August 2022

9 Appold Street
London
EC2A 2AP

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

Group statement of financial activities for the year ended 31 March 2022

	Notes	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2022 total £'000	2021 total £'000
Income and endowments from:							
Donations and legacies							
Fellowship donations		5,695	-	-	-	5,695	5,596
Other donations and legacies		72	-	-	-	72	200
Trading activities		2,087	-	-	-	2,087	293
Investment income		582	-	45	-	627	634
Charitable activities							
Programme of projects		446	-	1,188	-	1,634	1,414
Programme of engagement		22	-	-	-	22	35
Other income		239	-	-	-	239	228
Total income	2	9,143	-	1,233	-	10,376	8,400
Expenditure on:							
Raising funds							
Fellowship administration		1,122	57	2	-	1,181	1,190
Trading activities		2,110	360	-	-	2,470	1,541
Charitable activities							
Programme of projects		2,664	417	1,296	-	4,377	4,133
Programme of engagement		2,968	155	104	-	3,227	3,173
Total expenditure	3	8,864	989	1,402	-	11,255	10,037
Net income/(expenditure) before net gains/(losses) on investments		279	(989)	(169)	-	(879)	(1,637)
Net gains/(losses) on investments	8	681	-	75	891	1,647	3,412
Net income/(expenditure) before transfers between funds		960	(989)	(94)	891	768	1,775
Transfers between funds	11	(1,825)	4,507	(2,932)	250	-	-
Net movement of funds		(865)	3,518	(3,026)	1,141	768	1,775
Reconciliation of funds							
Total funds brought forward		9,836	7,416	4,073	10,492	31,817	30,042
Total funds carried forward		8,971	10,934	1,047	11,633	32,585	31,817

All incoming and outgoing resources derive from continuing operations. The group has no gains and losses other than those recognised in this statement of financial activities. The accompanying notes form part of these financial statements.

Group cash flow statement for the year ended 31 March 2022

	2022 £'000	2021 £'000
Reconciliation of net cash provided by/(used in) operating activities		
Net outgoing resources for the year before net gains/(losses) on investments	(879)	(1,637)
Interest received and income from investments	(627)	(634)
Depreciation	654	635
Amortisation	137	101
(Increase)/decrease in debtors	(523)	828
Decrease/(increase) in stock	(14)	12
(Decrease)/increase in creditors	490	(213)
Net cash provided by/(used in) operating activities	(762)	(908)
Cash flow from investing activities		
Dividend, interest and rents from investments	627	634
Purchase of property, plant and equipment	(627)	(666)
Proceeds from sale of investments	1,200	610
Purchase of investments	-	-
Net cash provided by/(used in) investing activities	1,200	578
Change in cash and cash equivalents in the reporting period	438	(330)
Cash and cash equivalents at the beginning of the reporting period	1,890	2,220
Cash and cash equivalents at the end of the reporting period	2,328	1,890

Group and charity balance sheet for the year ended 31 March 2022

	Notes	Group 2022 £'000	Group 2021 £'000	RSA 2022 £'000	RSA 2021 £'000
Fixed assets					
Intangible assets	7	376	247	376	247
Tangible fixed assets	7	10,328	10,621	10,328	10,621
Investments	8	20,330	19,883	20,330	19,883
		31,034	30,751	31,034	30,751
Current assets					
Stocks		21	7	-	-
Debtors	9	994	471	843	446
Short term deposits and cash at bank		2,328	1,890	1,526	1,585
		3,343	2,368	2,369	2,031
Creditors: amounts falling due within one year	10	(1,779)	(1,242)	(1,235)	(1,006)
Net current assets		1,564	1,126	1,134	1,025
Total assets less current liabilities		32,598	31,877	32,168	31,776
Creditors: amounts falling due after more than one year	10	(13)	(60)	-	(35)
Total assets less liabilities		32,585	31,817	32,168	31,741
Unrestricted funds – charity		19,488	17,176	19,488	17,176
Unrestricted funds – trading subsidiaries		417	76	-	-
Restricted funds		1,047	4,073	1,047	4,073
Endowment funds		11,633	10,492	11,633	10,492
Total funds	11	32,585	31,817	32,168	31,741

The financial statements were approved by the board of trustees on 19 July 2022 and were signed on its behalf by:



Tim Eyles
Chair



Jill Humphrey
Co-treasurer

The accompanying notes form part of these financial statements.

Notes to the financial statements 31 March 2022

I. Accounting policies

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

Basis of preparation

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

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

The RSA has a Memorandum of Understanding with RSA Academies, a charitable company limited by guarantee of which the RSA is the sole member. RSA Academies is not consolidated on a line by line basis, as this would not materially affect the figures reported in, or presentation of, the consolidated accounts.

The RSA has an affiliation agreement with the Fellows of the RSA in the United States, a separate corporation established for charitable purposes under the laws of the Commonwealth of Pennsylvania. As per the bye-laws of the Fellows of the RSA in the US, RSA appoints half of the members of

the board of trustees as well as the chair of the board, and therefore holds control in the organisation's governance structure. This US entity is not consolidated on a line by line basis, as this would not materially affect the figures reported in, or presentation of, the consolidated accounts.

The RSA has an affiliation agreement with RSA Australia + New Zealand (RSA ANZ) headquartered in Australia, a separate corporation established for charitable purposes under the laws of the Commonwealth of Australia. As per the articles of incorporation of RSA ANZ, RSA appoints half of the members of the board of trustees as well as the chair of the board, and therefore holds control in the organisation's governance structure. RSA ANZ is not consolidated on a line by line basis, as this would not materially affect the figures reported in, or presentation of, the consolidated accounts.

Going concern

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

Income and endowments

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

Expenditure

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

Operating leases

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

Intangible assets and amortisation

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

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental costs of acquisition. Tangible fixed assets are stated at cost with the exception of certain pictures, books and antiques which are stated at a notional value adopted in earlier years and are not depreciable. These items are not considered heritage assets as defined in FRS 102.

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

Freehold premises

200 years from 1978

Building improvements

between 10 and 40 years

Furniture and fittings

between 3 and 5 years

Investments

Investment assets are included in the balance sheet at market value. Unrealised gains and losses on revaluation and realised gains and losses on disposal are taken to the statement of financial activities and dealt with in the relevant fund.

Stocks

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

Cash and cash equivalents

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from

suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised as current liabilities and as such it is not necessary to amortise these liabilities.

Funds

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

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

The capital of the James Cranstoun bequest and Angus Millar trust endowment funds are required to be retained in perpetuity, while the income must be used for restricted charitable purposes. The capital of the Shipley endowment fund may be used in specific limited circumstances, while the income must be used for charitable purposes. The capital elements of all endowment funds accrue investment gains and losses.

Pension costs

For group personal pension schemes the amount charged to the group statement of financial activities in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either creditors or debtors in the balance sheet.

Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

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

Notes to the financial statements continued

2. Income and endowments

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

2021	Donations and legacies £'000	Income from other trading activities £'000	Investment income £'000	Programme of projects £'000	Programme of engagement £'000	Other income £'000	2021 total £'000
Fellowship	5,596	-	-	-	-	-	5,596
Donations and legacies (individuals)	56	-	-	42	-	-	98
Commercial organisations	43	-	-	221	4	-	268
Charitable trusts and foundations	75	-	-	1,081	3	-	1,159
Public sector bodies	26	-	-	47	-	200	273
Trading activities	-	293	-	-	-	-	293
Fees income	-	-	-	23	28	28	79
Dividends, interest and rent income	-	-	634	-	-	-	634
	5,796	293	634	1,414	35	228	8,400

Donations and legacies income includes Fellowship income, unrestricted donations and legacies. This includes £18,000 of Covid-19 related support from Westminster Council (2021: £101,000) (£75,000 unrestricted grant from the Wolfson Foundation, £26,000 in grants from Westminster Council).

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

- From RSA Adelphi Enterprises Ltd., for the hire of conference rooms and the provision of catering services, £1,790,000 (2021: £102,000).
- From RSA Shipley Enterprises Ltd., for the provision of consultancy services, £260,000 (2021: £191,000).

Programme of projects and engagement comprise all funding received towards supporting these particular charitable activities". Please add it above other income.

Other income comprises fee and royalty income generated by the CEO, journal and library, a government furlough grant and insurance proceeds.

3. Expenditure

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

2021

Raising funds	Direct costs £'000	Apportioned support £'000	2021 total £'000
Fellowship administration	887	303	1,190
Trading activities	1,024	517	1,541
Charitable activities			
Programme of projects	2,990	1,143	4,133
Programme of engagement	2,254	919	3,173
Total expenditure	7,155	2,882	10,037

Direct costs are allocated to categories of activity as follows:

- Expenditure on raising funds comprises the cost of recruiting to and administering our Fellowship and unrestricted fundraising.
- Trading activities comprises the costs associated with the hire of conference rooms, the provision of catering services and with the provision of consultancy services.
- Programme of projects comprise the costs of performing these charitable activities.
- Programme of engagement comprises the costs of other charitable activities including those of the journal, library, Fellowship networks and the costs incurred for activities within the areas and nations.

The external audit fee was £40,000 (2021: £35,000). Fees paid to the auditors for non audit services were £3,000 (2021: £3,000).

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

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

Notes to the financial statements continued

3. Expenditure – continued

Analysis of apportioned support costs

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

2021	Fellowship administration £'000	Trading activities £'000	Programme of projects £'000	Programme of engagement £'000	2021 total £'000
Establishment	25	311	89	64	489
Executive management	60	12	140	259	471
Finance	36	32	151	98	317
Human resources	80	71	336	220	707
Information technology	64	57	268	175	564
Governance	38	34	159	103	334
Total	303	517	1,143	919	2,882

4. Trustee and staff costs

Trustees

Members of the trustee board and committees do not receive any remuneration for their services. Travel expenses of £0.2,000 (2021: £0.4,000) were reimbursed to two trustees (2021: one). Charitable funds have been used to buy indemnity insurance for trustees at a cost of £7,000 (2021: £9,000).

Staff

The average headcount during the year was 116 (2021: 118). In addition four (2021: two) staff who assist with public lectures and front of house services were on casual contracts.

Recent audits of our staff demographics and pay and benefits demonstrate:

- 24.5 percent of our people enjoy a flexible working pattern.
- 65 percent of our team are women and this percentage is reflected in our most senior team.
- 24 percent of our team are from minority ethnic backgrounds which reflects the ONS statistics of the working population in London.
- 8 percent of our team are from the LGBTQIAP+ community.
- 7 percent of our people describe as having a disability.

The RSA's (mean) gender pay gap is -3.9 percent. This indicates that women employees overall have slightly higher pay than men.

There is no bias of salary levels for people within our team who have a disability and/or are from a minority ethnic background and/or the LGBTQIAP+ community.

External consultants undertaking a pay and benefits audit during the financial year 2021-22 commented: "In overall terms, the analysis of diversity information indicates that the RSA is an exemplar employer for both diversity and pay equality."

4. Trustee and staff costs – continued

The average number of staff employed during the year on a full-time equivalent basis was 111 (2021: 110).

This was split across the organisation as follows:

	2022 no	2021 no
Raising funds	10	10
Trading activities*	9	9
Programme of projects	44	43
Programme of engagement	30	28
Support departments	18	20
Total	111	110

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

The cost of these individuals was as follows:

	2022 £'000	2021 £'000
Salaries	4,622	4,538
Employer's National Insurance contributions	488	422
Pension contributions	250	213
Total	5,360	5,173
Agency staff costs	107	102
Total staff costs	5,467	5,275

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

	2022 no	2021 no
£60,001 to £70,000	-	1
£70,001 to £80,000	4	2
£80,001 to £90,000	3	1
£90,001 to £100,000	1	1
£100,001 to £110,000	-	3
£110,001 to £120,000	-	-
£120,001 to £130,000	1	-

The number of higher paid employees accruing pension benefits was:

	2022 no	2021 no
Defined contributions scheme		
– group personal pension	8	8

The total contributions paid by the RSA into the defined contribution scheme for higher paid employees was £38,000 (2021: £35,000). The cost of key management personnel, defined as members of the executive team, including employer's national insurance and pension contributions by the RSA was £359,000 (2021: £352,000).

There were no termination payments in the year (2021: £10,000).

Notes to the financial statements continued

5. Grants/awards paid and payable

	2022 £'000	2021 £'000
Grant creditor at 1 April	45	34
Grants approved before 31 March and payable within one year	766	494
Grants paid/released during the year	(744)	(483)
Grant creditor at 31 March	67	45

Grants approved before 31 March and payable within one year:

	2022 £'000	2021 £'000
Grants Grants to Fellows, including Catalyst grants	106	100
Grants International affiliates	324	273
Grants RSA Academies	42	100
Grants Programme of projects	276	1
Awards Student Design Awards	18	20
Projects inc SDAs	294	21
Total	766	494

The total number of grant recipients was 56 (2021: 68), including the following institutions in receipt of grants totalling £100,000 or more:

	2022 £'000	2021 £'000
RSA Academies	42	100
RSA US	240	199
Bayes Impact France	192	201

6. Operating leases

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

	2022 £'000	2021 £'000
Within one year	6	6
In 2-5 years	19	24

The rental expense charged to the statement of financial activities for the year was £16,000 (2021: £17,000).

7a. Intangible fixed assets

	£'000
Cost or valuation	
As at 1 April 2021	820
Additions	266
Disposals	-
As at 31 March 2022	1,086
Amortisation	
As at 1 April 2021	573
Charge for the year	137
Disposals	-
As at 31 March 2022	710
Net book values	
As at 1 April 2021	247
As at 31 March 2022	376

7b. Tangible fixed assets

	Freehold premises £'000	Pictures, Building improvements £'000	Furniture and fittings £'000	books and antiques £'000	Total £'000
Cost or valuation					
As at 1 April 2021	4,965	10,600	841	33	16,439
Additions	-	230	131	-	361
Disposals	-	-	-	-	-
As at 31 March 2022	4,965	10,830	972	33	16,800
Depreciation					
As at 1 April 2021	753	4,534	531	-	5,818
Charge for the year	26	497	131	-	654
Disposals	-	-	-	-	-
As at 31 March 2022	779	5,031	662	-	6,472
Net book values					
As at 1 April 2021	4,212	6,066	310	33	10,621
As at 31 March 2022	4,186	5,799	310	33	10,328

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 'RSA House'. The RSA is required by law to maintain these properties in their present form in perpetuity. The value of the freehold premises represents the historical cost of acquiring the freeholds plus the cost of additions to the buildings. It is a requirement of United Kingdom accounting standards that freehold buildings should be depreciated over their estimated useful lives. To meet this requirement a notional life of 200 years was attributed to the premises in 1978, and depreciation is therefore charged on that basis.

Fixed assets are stated at cost with the exception of certain pictures, books and antiques which are stated at a notional value adopted in earlier years and are not depreciable. The trustees do not consider that any of these items are heritage assets.

Notes to the financial statements continued

8. Investment assets

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

Analysis of investment assets	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 total £'000	2021 total £'000
UK	694	86	1,043	1,823	1,948
Overseas	4,965	618	7,470	13,053	13,399
Alternative investments	984	122	1,480	2,586	2,724
Freehold property	390	49	586	1,025	834
Bank deposits	701	87	1,055	1,843	978
	7,734	962	11,634	20,330	19,883

Analysis of movement of investment assets	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 total £'000	2021 total £'000
Investments at 1 April 2021	7,086	2,304	10,493	19,883	17,081
Reclassification	1,417	(1,417)	-	-	-
Net withdrawals	(1,200)	-	-	(1,200)	(610)
Net additions	-	-	-	-	-
Transfers	(250)	-	250	-	-
Revaluation gain	681	75	891	1,647	3,412
Investments at 31 March 2022	7,734	962	11,634	20,330	19,883

Revaluation gain 2021	918	387	2,107	3,412	
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9. Debtors

	Group 2022 £'000	Group 2021 £'000	RSA 2022 £'000	RSA 2021 £'000
Trade debtors	572	160	282	103
Bad debt provision	(23)	-	-	-
Prepayments	159	213	111	213
Accrued income	161	54	161	54
Other debtors	125	44	125	45
Owed by RSA Adelphi/RSA Shipley	-	-	164	31
	994	471	843	446

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

10. Creditors

Amounts falling due within one year	Group 2022 £'000	Group 2021 £'000	RSA 2022 £'000	RSA 2021 £'000
Trade creditors	508	314	403	307
Accruals	304	342	259	328
Deferred project income	332	210	306	153
Taxation and social security	162	53	162	103
Other creditors	105	115	105	115
RSA hospitality income received in advance	368	208	-	-
	1,779	1,242	1,235	1,006

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

Amounts falling due after more than one year	Group 2022 £'000	Group 2021 £'000	RSA 2022 £'000	RSA 2021 £'000
RSA hospitality income received in advance	13	60	-	35

11. Funds

a) Movement in funds

	Balance 1 April 2021 £'000	Income £'000	Expended £'000	Gain/ (loss) £'000	Transfers £'000	Balance 31 March 2022 £'000
Unrestricted funds						
Designated fixed asset reserve	6,989	-	(791)	-	4,507	10,705
Designated legacy reserve	427	-	(198)	-	-	229
Shipleigh income fund	-	370	-	120	2,932	3,422
General reserve	9,836	8,773	(8,864)	561	(4,757)	5,549
	17,252	9,143	(9,853)	681	2,682	19,905
Restricted income funds						
Programme of projects	387	1,188	(1,255)	-	-	320
Individual trusts greater than £5k:						
- Shipleigh income fund	2,932	-	-	-	(2,932)	-
- General lecture fund	178	10	(90)	27	-	125
- Edward Boyle fund	148	4	(1)	11	-	162
- General Award fund	128	6	-	16	-	150
- James Cranstoun bequest	102	14	-	-	-	116
- Dick Onians lecture trust	98	3	(13)	7	-	95
- Angus Millar trust	41	2	-	-	-	43
- Edward Squires fund	39	5	(41)	13	-	16
- F H Andrews bequest	20	1	(2)	1	-	20
	4,073	1,233	(1,402)	75	(2,932)	1,047

Notes to the financial statements continued

11. Funds – continued

a) Movement in funds

	Balance 1 April 2021 £'000	Income £'000	Expended £'000	Gain/ (loss) £'000	Transfers £'000	Balance 31 March 2022 £'000
Endowment funds						
Shipleys expendable endowment	9,976	-	-	847	250	11,073
Individual trusts greater than £10k:						
– James Cranstoun bequest	446	-	-	38	-	484
– Angus Millar trust	70	-	-	6	-	76
	10,492	-	-	891	250	11,633
Total reserves	31,817	10,376	(11,255)	1,647	-	32,585

b) Restricted income funds

The restricted programme of projects fund includes grant funding which has been received during the course of the financial year to support this charitable activity. The Shipleys income fund is the income generated by the Shipleys endowment fund which is used to support the RSA's programme in furtherance of its charitable objects. It was transferred from restricted to unrestricted funds in the year due to the restrictions on its use being aligned with the charitable objectives of the RSA. The Edward Boyle fund originates from a donation made by the Edward Boyle memorial trust in 1995 and is to be used, in the name of Edward Boyle, for the provision of bursaries at the University of Leeds, in addition to lectures at the University of Leeds and the RSA which should be broadly related to education, music and/or learning. The general awards fund and general lecture fund were set up during the 2015-16 fiscal year and each comprise a group of funds released to restricted from endowment with the permission of the Charity Commission. The general awards fund may be used for the encouragement of arts, manufactures and commerce by the provision of awards, prizes, bursaries and grants, and the general lecture fund for the encouragement of arts, manufactures and commerce by the provision of lectures, and related costs.

c) Endowment funds

The endowment funds are trusts set up by individual donors in support of specific purposes such as named lectures and preservation of historic buildings. £440,000 income arising from the expendable endowment was included in unrestricted funds in accordance to the requirements of the funds (2021: £440,000). During 2017-18, the RSA gained permission from the Charity Commission to take a loan of up to £3.5m from the Shipleys Expendable Endowment Fund to fund the redevelopment of the RSA House. Of this, £2.5m was used and was transferred to general funds in 2018-19. Repayment began in 2019-20 with the transfer of £250,000 from general funds to the endowment. No repayment was made in 2020-21 as it is paid for by the return on the redevelopment of RSA house and, due to Covid-19, RSA House made a loss in that year. Repayments resumed this financial year.

d) Analysis of net assets between funds

	Tangible and intangible fixed assets £'000	Investments £'000	Current assets £'000	Liabilities £'000	Fund balances £'000
Unrestricted funds					
Designated fixed asset reserve	10,704	-	-	-	10,704
Designated legacy reserve	-	230	-	-	230
General reserve	-	7,504	3,259	(1,792)	8,971
	10,704	7,734	3,259	(1,792)	19,905
Restricted income funds					
	-	962	84	-	1,046
Endowment funds					
Expendable	-	11,073	-	-	11,073
Permanent	-	561	-	-	561
	-	11,634	-	-	11,634
Total funds	10,704	20,330	3,343	(1,792)	32,585

12. Pension schemes

The consolidated statement of financial activities includes contributions by the charity to the group personal pension scheme of £250,000 (2020: £214,000).

13. Taxation

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

14. Related parties

None of the trustees have been paid remuneration. In April 2021 Andrea Kershaw was contracted, through her agency, to provide organisation review support. The fees for this work were £30,000.

15. Subsidiary undertakings

a) RSA Adelphi Enterprises Limited

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

The taxable profits are donated to the RSA each year by gift aid. The RSA's investment in the share capital is £100, represented by 100 shares of £1 each. The shares are not disclosed in the balance sheet summary below because they round down to £0,000.

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

	2022 £'000	2021 £'000
Turnover	1,825	102
Cost of sales	(1,113)	(345)
Gross profit	712	(243)
Other expenses	(415)	(15)
Net profit	(297)	(258)
Bank interest	-	-
Gift aid paid to RSA	-	-
Net movement in funds	297	(258)

ii) Summary of balance sheet for RSA Adelphi Enterprises Limited

	2022 £'000	2021 £'000
Current assets:		
Stocks	21	6
Debtors	288	82
Cash	674	162
Owed by group	-	-
	983	250
Creditors:		
Creditors	105	8
Payments received on account	381	233
Owed to group	160	-
Other creditors	40	9
	686	250
Net assets/share capital	297	-

Notes to the financial statements continued

15. Subsidiary undertakings – continued

b) RSA Shipley Enterprises Limited

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

The taxable profits are donated to the RSA each year by gift aid. The RSA's investment in the share capital is £1, represented by one share of £1. The share is not disclosed in the balance sheet summary below because it rounds down to £0,000.

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

	2022 £'000	2021 £'000
Turnover	289	191
Cost of sales	(100)	(73)
Gross profit	189	118
Other expenses	(69)	(43)
Net profit	120	75
Gift aid paid to RSA	(75)	(20)
Net movement in funds	45	55

ii) Summary of balance sheet for RSA Shipley Enterprises Limited

	2022 £'000	2021 £'000
Current assets:		
Debtors	27	26
Cash	129	143
	156	169
Creditors:		
Creditors	31	70
Owed to parent	5	23
	36	93
Net assets/share capital	120	76

c) Reconciliation of subsidiary results to group reporting

	2022 £'000	2021 £'000
Income from trading activities	2,087	293
Expenditure on trading activities – direct costs	(1,938)	(1,024)
Contribution to RSA overheads	149	(731)
Expenditure on trading activities – support costs	(532)	(517)
As reported in RSA consolidated financial statements	(383)	(1,248)
Add back support costs apportioned to activity for group reporting purposes	532	517
Add back direct costs incurred by parent allocated to activity for group reporting	713	616
Add back intercompany charges eliminated upon group reporting consolidation	(445)	(68)
RSA Adelphi/Shipley Enterprises reported profit	417	(183)

d) Other subsidiary undertakings

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

- (i) RSA Academies, a company limited by guarantee and a registered charity;
- (ii) RSA Australia and New Zealand, a corporation established for charitable purposes under the laws of the Commonwealth of Australia;
- (iii) RSA US, a corporation established for charitable purposes under the laws of the Commonwealth of Pennsylvania.

16. Parent charity result

	2022 £'000	2021 £'000
Income and endowments	8,763	8,175
Expenditure	(10,058)	(9,629)
Gift aid income from subsidiaries	75	20
Net income/(expenditure) before net gains/(losses) on investments	(1,220)	(1,434)
Net gains/(losses) on investments	1,647	3,412
Net movement of funds	427	1,978

17. Financial instruments

	Group 2022 £'000	Group 2021 £'000	RSA 2022 £'000	RSA 2021 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	835	258	732	233
Instruments measured at fair value through profit or loss	18,486	18,904	18,486	18,904
	19,321	19,162	19,218	19,137
Carrying amount of financial liabilities				
Measured at amortised cost	952	808	768	750

Notes to the financial statements continued

18. Comparative statement of financial activities

	Notes	General funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	2021 total £'000
Income and endowments from:						
Donations and legacies						
Fellowship donations		5,596	-	-	-	5,596
Other donations and legacies		200	-	-	-	200
Trading activities		293	-	-	-	293
Investment income		166	-	468	-	634
Charitable activities						
Programme of projects		221	-	1,193	-	1,414
Programme of lectures and events		35	-	-	-	35
Other income		228	-	-	-	228
Total income	2	6,739	-	1,661	0	8,400
Expenditure on:						
Raising funds						
Fellowship administration		1,141	49	-	-	1,190
Trading activities		1,214	327	-	-	1,541
Charitable activities						
Programme of projects		2,588	223	1,322	-	4,133
Programme of engagement		3,006	97	70	-	3,173
Total expenditure	3	7,949	696	1,392	-	10,037
Net income/(expenditure) before net gains/(losses) on investments		(1,210)	(696)	269	-	(1,637)
Net gains/(losses) on investments	8	918	-	387	2,107	3,412
Net income/(expenditure)		(292)	(696)	656	2,107	1,775
Transfers between funds		2,100	-	-	(2,100)	-
Net movement of funds		1,808	(696)	656	7	1,775
Reconciliation of funds						
Total funds brought forward		8,028	8,112	3,417	10,485	30,042
Total funds carried forward		9,836	7,416	4,073	10,492	31,817



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