

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
ANNUAL REPORT OF THE TRUSTEES**

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024**

Charity No. 210639



**ROYAL UNITED SERVICES INSTITUTE
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The trustees are pleased to present their report and the audited financial statements for the year ended 31 March 2024.

OBJECTIVES AND ACTIVITIES

The charity's purpose is the promotion and advancement of Naval and Military Science and Literature. The Royal United Services Institute for Defence and Security Studies ("RUSI" or "The Institute") produces evidence-based research and convenes events on defence, security and international affairs to help build a safer UK and a more secure, equitable and stable world. RUSI scholars debate and discuss critical issues, anticipate future trends and promote practical solutions for complex policy challenges. Through its convening power and membership, RUSI brings together a diverse range of actors from the public and private sectors, as well as individual members, to contribute to the public benefit by addressing national and global concerns.

The main activities undertaken by the Institute in pursuit of these purposes are:

- the research programme, which promotes in-depth study of defence, security and international affairs, making an independent contribution to thinking and practice;
- the programme of lectures, conferences and seminars, which provide a forum for discussion of defence, security and international affairs, and which brings together participants from the armed forces, the civil services, the private sector, academia, civil society, the public and the media;
- the *Journal* and other publications, which help to inform opinion and extend knowledge to a wider public.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'. The Institute's charitable purpose is encapsulated in its objectives above and in the Royal Charter. The trustees ensure that this is carried out for the public benefit by delivering services that are valued by RUSI members, RUSI stakeholders and the public through the Institute's research programmes, events, publications, and communications. RUSI acts independently of the UK and other governments, political parties, and other major institutions and funders, although it will seek to be knowledgeable of, and take into account, their views.

Overview

The 12 months making up the 2023–24 financial year saw further major geopolitical upheaval, most notably with the conflict in the Middle East that has been underway since Hamas' attack on Israel on 7 October 2023. This has meant demand for RUSI's insight and expertise has remained high, as it has been since Russia's full-scale invasion of Ukraine in February 2022.

In meeting this demand, RUSI's influence has remained equally high. Our researchers and experts are helping to shape policy and legislation in the UK and internationally. Our presence in domestic and international media has been constant, and we have published major pieces of research on topics as diverse as Russia's [unconventional warfare tactics](#), the harms posed by ransomware and the implications of a second Trump presidency for UK and European security.

Significantly for the long-term future of the Institute, July 2023 saw the re-opening of our historic home at 61 Whitehall following a three-year, £12.9 million renovation effort. The reopening of the office has brought the majority of our employees together in one place, and our newly refurbished head-quarters has already hosted a number of major speeches and events.

Our Research

Research remains the bedrock on which RUSI and its reputation are founded. In 2023–24 we published more than 50 pieces of research. Each of our nine research groups has made a contribution to helping policymakers, experts and the wider public understand the challenges we face and the options available to address them.

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Highlights included:

- Our [Centre for Finance and Security's](#) work relating to [sanctions on Russia](#) and the [national security considerations around digital central bank currencies](#).
- Our [Cyber](#) research group's comprehensive understanding of ransomware and notably, its research into the [experience of victims of ransomware attacks](#).
- Our [International Security](#) team's [six principles for a more dynamic and effective UK–China Strategy](#).
- Our [Military Sciences](#) team's consideration of both how [human-machine teaming](#) can be leveraged and the [proliferation risks posed by autonomous weapons](#), as well as extensive research on the [Ukraine–Russia](#) war.
- The environmental and human security risks of [critical minerals in the transition to clean energy](#), studied by our [Organised Crime and Policing](#) group.
- [Project Anthracite](#), led by our [Proliferation and Nuclear Policy](#) team, examining the extent to which North Korea's chemical industry can support a chemical weapons programme.
- Research into [preventing far-right extremism in the UK's security forces](#), delivered by our [Terrorism and Conflict](#) experts.

This research is critical to the impact and influence RUSI can bring to bear.

Our Impact and Influence

Although RUSI works closely with the UK government and other governments around the world, our independence remains central to our effectiveness. Our policy recommendations are known to be credible and implementable and are directly impacting the formulation of legislation and policy, as can be seen from a host of examples during 2023–24.

Our publication of a paper on [UK-German defence and security cooperation](#) paper in May 2023 helped to crystallise the thinking of the new Labour government on the area. Labour made a commitment to the core recommendations of the paper within six months of forming a government, and defence and security is a pillar of the negotiations that were announced in August 2024.

Our financial crime policy team worked closely with civil society and crossbench parliamentarians to deliver key amendments to the UK's Economic Crime and Corporate Transparency Act. These will help strengthen the UK's defences against illicit finance by preventing abuse of the UK corporate register and holding large companies to account for failing to prevent fraud.

Our research paper 'Cyber Insurance and the Ransomware Challenge' directly informed the development of new [UK National Cyber Security Centre guidance](#) to toughen the insurance sector's approach to ransom payments.

The UK's [Department for Environment and Rural Affairs](#) funded work by our environmental crime specialists that led to Uganda including a full risk assessment of environmental and natural resource crimes, including wildlife crime, in its [National Risk Assessment](#) for Money Laundering and Terrorism Finance for the first time.

Members of the Military Sciences team continue to conduct critical fieldwork in both Ukraine and Israel, and have shaped this into briefings and publications that have been distributed to the Ministry of Defence and wider policy and defence communities across the UK government and internationally.

Our [tracking](#) of Russian civil nuclear exports and the importance of Western dependency on Russian enriched uranium is of great interest to US, UK and other European governments. RUSI's work on this subject has received coverage from media and engagement from industry, and has influenced the formulation of policies by governments around the effective diversification away from Russian supply.

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The year has seen the completion of the STRIVE Afghanistan project, a €3 million, EU-funded programme dedicated to countering violent extremism. European policymakers were directly targeted as part of this programme, and efforts included briefing the International Contact Group on Afghanistan in September 2023. The expertise produced by the programme provided the EU with greater understanding and different perspectives on issues related to the Taliban, preventing and countering violent extremism and engagement in Afghanistan.

Two members of our Centre for Finance Security were also appointed as Specialist Advisors to Parliamentary Committees in the UK, one supporting the Home Affairs Select Committee and one supporting the Foreign Affairs Select Committee.

Our Convening Power

Our influence is also manifested in our ability to bring together major figures across the worlds of defence, security and geopolitics. Since returning to our 61 Whitehall home, we have played host to leaders from around the world, including UK Ministers and Shadow Ministers, European Presidents and Foreign Ministers, and Deputy Secretaries and Special Envoys from the US.

Our annual lectures go from strength to strength. During the year we hosted Graeme Biggar, Director General of the National Crime Agency, who gave our [Annual Security Lecture](#); Admiral Sir Tony Radakin, Chief of the Defence Staff, who delivered our [Annual Defence Lecture](#); and Air Vice-Marshal Suraya Marshall, who provided the 2023 [Lord Trenchard Memorial Lecture](#).

Our research groups have also brought together major figures to enable discussions on some of the most pressing issues.

Our Centre for Finance and Security hosted an event on the margins of the UK Government's first AI Safety Summit, held in November 2023. Examining the role that AI can play both in enabling fraud and disrupting criminal activity, the then Security Minister Tom Tugendhat gave a keynote speech and took part in a panel discussion.

Our International Security group convened its second [Latin American Security conference](#), bringing together senior policymakers and regional experts.

The Organised Crime and Policing research group partnered with the National Crime Agency to deliver the inaugural [Serious and Organised Crime Conference](#), with the aim of consolidating relationships between the Agency and external academics, researchers and analysts. This flagship event sought to identify key and emerging issues, define research requirements, and explore barriers to and opportunities for enhanced cooperation across sectors.

Our Military Sciences team delivered internationally recognised conferences on Air Power, [Air and Missile Defence](#), Sea Power, Space Power and UN Peacekeeping, as well as our flagship Land Warfare Conference with the British Army, in which senior leaders from the armed forces, government, policy and industry convened to discuss pressing defence issues.

Our Reach

RUSI expertise continues to be a mainstay of UK and international media across a gamut of defence, security and geopolitical stories. In total we featured in more than 50,000 articles over the course of 2023–24. Crucially, around 3,000 of these were in the most influential global titles – news outlets like the UK's *Times* and *Financial Times*, *Reuters* and *Politico*.

Our social media following continues to expand, especially on X (formerly Twitter), where we had more than 136,000 followers at the end of March 2024, and LinkedIn, where we had around 40,000 followers.

Our website attracts significant traffic, especially to read our daily commentaries. Over the 12 months, more than 2 million users generated almost 10 million views. Our commentaries generated almost 3 million of these views.

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In September 2023 we launched a new customer relationship management platform. This has helped us to engage more effectively with both our members and wider audiences around the world by enabling us to promote events and publications based on expressed areas of interest, providing a greater personalised experience.

Our Membership

RUSI has been a membership organisation since our founding, and our members play a crucial role in shaping our culture and our events. During the 2023–24 period we hosted 44 events for our members to attend as part of their subscription offering.

The total number of organisations who are now members of RUSI increased from 201 at the end of March 2023 to 210 at the end of March 2024, a rise of more than 4%. We see growth in organisational membership as critical to RUSI's future and are treating this as a priority in the year ahead.

Against this, total individual membership fell by around 10% from 2,060 a year previously to 1,837 at the end of March 2024. This drop can largely be accounted for by a one-off switch to a new customer relationship management system and a change to how lapsed membership was recorded.

We are also looking to the future with our NextGen initiative. RUSI NextGen aims to build a community of early-career professionals who share an interest in global affairs, security and defence. Through a calendar of events and networking opportunities throughout the year, we are providing a platform and network for young professionals aged between 20 and 30. This is a fast-growing initiative, and more than 1,100 young professionals have now signed up.

Our People

RUSI would be nothing without its people: our researchers, who undertake the work on which our reputation is based, and our wider staff, who make it possible for that research to take place. RUSI's organisational size increased by around 13% over the year. At the end of March 2024 we employed 132 staff, a change from 116 at the end of the previous financial year. This growth was split equally between additional researchers and central services employees who support the Institute's work as a whole.

Our Fundraising

RUSI's Development Office is responsible for philanthropic fundraising to support the work of the Institute and to help develop future sustainable sources of income.

Following the successful completion of the capital appeal for £13.5 million for the re-development of RUSI's 61 Whitehall home, the Development Office has been focused on three key objectives:

- i. Maintaining a close relationship with the donors who gave so generously to the capital appeal.
- ii. Supporting our research groups in identifying potential new sources of philanthropic support for their work.
- iii. Preparing for a potential new capital appeal in the future.

For a new and potentially ambitious appeal to be successful, considerable effort is being put into identifying and building a pipeline of new donors.

The Development Office also arranged a number of events, often based around high-level speakers. These included entrepreneur and AI thinker Jim Balsillie; the Governor of the Bank of England, Andrew Bailey; the UK Ambassador to China, Dame Caroline Wilson; the UK Ambassador to Ukraine, Dame Melinda Simmons; and then Shadow Secretary of State for Defence John Healey. Joint events were organised with the International Churchill Society, including a dinner with then Foreign Secretary James Cleverly. Overseas meetings were held in New York, Washington DC, Athens, Jersey and Munich.

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Training and Education

Alongside our research, RUSI's Leadership Centre offers bespoke executive education programmes for diplomats, senior military officials, and the private sector from around the globe. We have built on and expanded the flagship training we provide, working with more than 70 individuals over the course of the year. Significantly, 2023–24 saw the first graduate from the RUSI International Diplomacy Training course going on to become an Ambassador.

FINANCIAL REVIEW

Financial Position

Total gross income of the Institute increased to **£18,715,927**, up 11% on the previous 12 months, **£13,677,609** of which (2023: £13,506,814) is in unrestricted funds. The principal source of funding is research activity, which accounts for 78% of total gross income. Other sources of funding are donations, membership subscriptions, conferences and events, and publications. Costs remain under tight control, with charitable expenditure representing 98% of total expenditure. The Institute has net income for the year of **£543,309** (2023: £808,446), of which (**£3,416,695**) is in unrestricted funds and **£3,960,004** is in restricted funds. Overall, due to the revaluation of the freehold building of **£8,753,646** (2023: Loss (£4,461,798)) there was a net increase in funds of **£9,296,955** (2023: decrease of £3,653,352).

The Institute owns the freehold of its headquarters building at 61 Whitehall. The freehold of the building has been valued at £21,700,000 at 31 March 2024 and there is a revaluation gain in the year of £8,753,646 which reflects the cost of the building redevelopment which was completed in July 2023.

The balance sheet shows net current assets of **£3,454,842** (2023: £3,593,887); the figure for current liabilities on the balance sheet includes subscriptions received in advance of £928,535, which will be recognised as income in 2024-25. Net assets at year-end have increased from £8,539,593 to £17,836,548.

The Institute has long term borrowings of **£9,292,576** (2022: £6,854,087). These borrowings consist of a mortgage used to purchase the freehold of 61 Whitehall, and a development loan to help fund the redevelopment of the building. RUSI holds fundraising pledges that will be redeemed over the next 1 to 5 years which will be used to redeem the outstanding development loan.

Incorporated in these results is the financial performance of the Institute's subsidiary RUSI Trading Ltd. The turnover of RUSI Trading Ltd was **£499,978** (2023: £221,232) and the profit for the year was **£208,840** (2023: loss £78,165).

These results also include those relating to the Royal United Services Institute (Nairobi) Limited, a company controlled by the Institute, incorporated in Kenya and limited by guarantee. Royal United Services Institute (Nairobi) Limited undertakes local research work on behalf of the Institute, on an exclusive basis, and does not have any additional trading activities. During the year, the Institute remitted funds totalling **£343,216** (2023: £287,750) for this purpose. The expenses incurred in relation to the research projects undertaken by the Royal United Services Institute (Nairobi) Limited are included within the consolidated statement of financial activities. At 31 March 2024, Royal United Services Institute (Nairobi) Limited retained cash at bank and in hand of **£64,989** (2023: £34,157).

The results also include those of RUSI Europe, an international not-for-profit organisation ("AISBL") based in Brussels. RUSI Europe studies, promotes, debates and reports on issues relating to international defence and security in Europe and abroad. Research projects undertaken in RUSI Europe during the year generated net income of **£219,444** (2023: £161,084). These results are included within the consolidated statement of financial activities. At 31 March 2024 RUSI Europe retained cash at bank and in hand of **£142,536** (2023: £320,596).

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Reserves

The Institute's total funds at 31 March 2024 stand at £17,836,548, of which **£2,378,924** (2023: £2,738,722) is restricted and not available for the general purposes of the charity. The general fund stands at **£6,694,978** (2023: £5,800,871) and the revaluation reserve at **£8,753,646** (2023: Nil) RUSI defines its free reserves as the general fund. Five years ago, the trustees set a target for the Institute to aim to maintain, in normal circumstances, unrestricted reserves sufficient to cover future operating expenditure for at least six months. At 31 March 2024, the unrestricted reserves of £6,694,978 represented 6.6 months of budgeted expenditure for the year ending 31 March 2025.

Risks

The trustees retain overall responsibility for risk management and, through the Audit & Risk Committee, the Director-General and senior management, identify, evaluate and manage the risks faced by the Institute. A register of risks is maintained which includes a description of the risks and uncertainties, together with the controls in place and actions required to manage those risks and this list is reviewed and refreshed regularly throughout the year.

Three principal risks believed to be facing the Institute at the current time are as follows:

- The data security and IT systems of the Institute are compromised in some way leading to a loss of data and possible breach of the Data Protection Act 1998 and GDPR.

***Plan/strategy to manage this risk:** The Institute recognises that it is a likely target for cyber criminals, takes cyber security very seriously and constantly strives for improvement. Over the last few years a series of measures, including regular training for the Institute's staff and increased monitoring of its systems, have been put in place, and RUSI has held the Cyber Essentials Plus accreditation since 2017. Contact is maintained with the NCSC (National Cyber Security Centre). The Cyber Security Committee, a subcommittee of the Council of Trustees, provides governance over cyber security risk at the Institute and the risk-management of cyber security issues.*

Nevertheless, the Institute and its staff continue to be vigilant and aware that a cyber-attack is always a possibility.

- The Institute's greatest resource is the talent of its staff, and therefore the Institute acknowledges that there is always a risk from the loss of key personnel and/or management.

***Plan/strategy to manage this risk:** The Institute manages this by ensuring that staff are remunerated competitively, also keeping open good communications channels with staff at all levels, not only during the annual appraisal process, but throughout the year, for example through the Staff Committee and staff surveys. There have been several recent initiatives not only on staff well-being and mental health, but also on improving diversity and inclusion.*

- The Institute continues to be concerned about high interest rates and inflation, along with other external economic conditions. In particular, high interest rates make the servicing of RUSI's borrowings more expensive; inflation puts pressure on costs, including staff costs, and poor economic growth may reduce the scope of funders to commission research and deter others from giving us donations or other financial support.

***Plan/strategy to manage this risk:** The Institute continues to monitor the situation as it develops and is pleased that it now holds a significant free reserve which provides some security against the uncertainty of deteriorating external conditions. At the same time, the Institute continues to watch closely its income pipeline, to hold down costs wherever it can, and to diversify its income streams as much as possible.*

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Plans for Future Periods

The Institute has a three-year rolling strategic plan that is reviewed on a regular basis. This reiterates RUSI's core values and purposes, sets out plans and objectives for the period ahead, and provides the chapeau for the business plans for all RUSI's directors. The reopening of the Institute's headquarters in October 2023 has provided new opportunities for convening events, as well as offering high-quality office accommodation for our staff. In recent years, we have invested in improving our research business development function, and this is now paying dividends in terms of new funding opportunities. Our objectives include the following:

- Our research will give the highest priority to activities that contribute to thought leadership, through evidence-based research, convening and networking with policy-shapers, and communications designed to maximise our impact on national and international policy.
- We will increase net research income over the next three years and increase the average overhead levels we charge to funders so as to fully cover our costs.
- We will significantly increase our income from membership, both individual and corporate.
- We will create and curate communities of interest on various themes and geographies, recognising that many members want very different things, and use these communities to boost membership income.
- We will improve diversity and inclusion inside RUSI, in our hiring practices and in our day-to-day activities, and also externally, with our research partners, our membership and at our events.
- We will harness new technologies allowing us to increase the impact of our activities, interact better with our membership and embrace more digital and data-driven working methods, while not losing sight of problems of data sharing, ethics, and cyber security.
- We will complete the capital campaign to cover all the costs of the refurbishment and then launch a second phase of the campaign to repay the loan for the freehold purchase. Once this is achieved, we will plan a research fundraising campaign to celebrate our Bicentenary in 2031 and likely establish an endowment fund.
- In order to safeguard the Institute against unforeseen shocks, and to protect staff, we will maintain 6 months of operating spending as unrestricted reserves.

The trustees' perspective of the future direction of the Institute is influenced by the financial challenges and uncertainties faced by the Institute at several critical times in RUSI's long history. However, the acquisition of the freehold of 61 Whitehall in 2015 transformed the Institute's balance sheet and, for the first time, set the Institute on a secure financial footing. In addition, the continued growth and strong performance of the research business in recent years has allowed the Institute to build an unrestricted reserve worth some 6 months of operating spending. Finally, the success of the fundraising campaign for the redevelopment of 61 Whitehall enabled RUSI to reduce costs as we no longer needed rented office space, providing additional financial security. The trustees intend to build on these positive and substantive changes that will allow the Institute to reach its full potential, whilst remaining prudent in the management of financial risk.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

RUSI is a UK registered charity, and the governing document is a Royal Charter dated 22 February 1860.

RUSI recognises that good governance in a charity is fundamental to its success. RUSI and its trustees are continually working towards achieving the highest standards of governance, by reference to the principles and recommended practice of the Charity Governance Code (December 2020).

The Council of Trustees is accountable to the membership of the Institute, and all its members are elected at the Annual General Meeting or at a Special General Meeting. The Council of Trustees is responsible for appointing a Nominating Committee to provide advice on its nominations and co-options for the position of Chair, Vice-Chair and elected members. The Council meets at least four times a year. Once elected, the Institute has an induction, training and education programme in place for trustees. The term of office for trustees (other than the Chair and Vice-Chair) is four years; for the Chair and Vice-Chair it is five years.

The Council of Trustees bears the legal responsibility for the oversight of the Institute and its finances as defined in UK Law and the Institute's Charter of Incorporation and Byelaws and resolutions. The trustees advise the Director-General on matters relevant to the management of the business of the Institute and are responsible for the appointment of the Director-General and Chief Finance Officer. One of the Institute's four Standing Committees is the Audit and Risk Committee (formerly the Finance and Performance Committee) which reviews finances, performance, risk management, audit and reporting of the Institute and its subsidiaries.

The Director-General is the Chief Executive of the Institute and Secretary to the Council of Trustees. He or she is responsible for the day-to-day activities and current business of the Institute, including the management of the staff, to whom the Director-General may delegate duties. The trustees, acting on the advice of the Remuneration Committee, set the remuneration and benefits of the Director-General and Deputy Director-General.

The Institute's Advisory Board provides advice to the Director-General on the development of the Institute's programmes and agenda, including fundraising for the long-term benefit of the Institute. Members of the Advisory Board may be called upon from time-to-time to contribute in other ways, relevant to their expertise and experience.

RUSI Trading Limited is the wholly owned trading subsidiary of the charity. Its results are consolidated within the group financial statements (see note 9 for further details).

The following organisations are also controlled by RUSI:

RUSI (US) Foundation, a US 501 (c) (3) tax-exempt charity with its own board of trustees,

Royal United Services Institute (Nairobi) Limited, a company incorporated in Kenya and limited by guarantee.

RUSI Europe, an AISBL established in Belgium.

REFERENCE AND ADMINISTRATIVE DETAILS

The charity registration number is 210639.

The principal address of the charity is:

Whitehall
London
SW1A 2ET

The Patron

His Majesty The King

The President

His Royal Highness The Duke of Kent KG, GCMG, GCVO, ADC

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Senior Vice Presidents

The Rt. Hon. the Lord Hague of Richmond FRSL
General (Ret'd) David H. Petraeus
His Grace the Duke of Wellington OBE DL

Trustees

Ms Divyata Ashiya
General Sir Nick Carter GCB CBE DSO
Mr Laurence Geller CBE
Ms Jan Hall OBE
Admiral Sir Philip Jones GCB DL
The Rt. Hon. Sir David Lidington KCB CBE – **Chair**
Mr Rageh Omaar
Ms Suzanne Raine
The Lord Ricketts GCMG GCVO – **Vice-Chair**
The Rt. Hon. Amber Rudd
The Rt. Hon. Jack Straw
Ms Sharon Thorne (appointed 20 October 2024)
His Grace the Duke of Wellington OBE DL
Sir Alexander Younger KCMG

The Advisory Board

The Rt. Hon. the Lord Arbuthnot of Edrom
Mr Rory Bremner FKC
The Rt Hon Lord Campbell of Pittenweem CH CBE QC
Mr Chris DiBona
Dr Comfort Ero
Mr David Giampaolo
Mr Reade Griffith
Mr Shashank Joshi
Mr Matthew Kirk
Dame Mariot Leslie
Dr Greg Mills
Mr Harper Reed
Ms Ritula Shah
Mr Oliver Waghorn
Ms Caroline Wyatt

Senior Management

Dr Karin von Hippel – **Director-General**
Mrs Deborah Pourkarimi – **Chief Finance Officer and Chief Operating Officer (resigned 23 October 2023)**
Mr Andre Meyer – **Interim Chief Finance Officer and Chief Operating Officer (appointed 23 October 2023)**
Professor Malcolm Chalmers – **Deputy Director-General**
Dr Jonathan Eyal – **Associate Director, Strategic Research Partnerships**

Principal Advisers:

Auditors

Price Bailey LLP
24 Old Bond Street
London
W1S 4AP

Bankers

HSBC Bank PLC
69 Pall Mall
London
EC2M 1QS

Signed on behalf of the Council of Trustees



Sir David Lidington KCB CBE
Chairman

2 December 2024

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The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the trustees of the charity, to prepare financial statements for each financial period which give a true and fair view of the charity's financial activities during the period and of its incoming resources and application of resources for the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and to ensure that the financial statements comply with applicable law and the charity's Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that the Report of the trustees and other information included is prepared in accordance with charity law in the United Kingdom.

**ROYAL UNITED SERVICES INSTITUTE
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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES**

Opinion

We have audited the financial statements of the Royal United Services Institute for Defence and Security Studies (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated 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 FRS 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 of the parent charity's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, 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.

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 group and parent 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 or 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 within the Annual Report of Trustees. Our opinion on the group and parent charity financial statements does not cover the other information and 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 this gives rise to 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.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the group and parent charity 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 group and parent charity financial statements, the trustees are responsible for assessing the group's and the 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 the 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of the charitable company not complying with the relevant laws and regulations including fraud; in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting and tax legislation. In relation to the operations of the charitable company this included compliance with the Charities Act 2011 and relevant SORP.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Review of legal fees incurred;
- Reviewing minutes of Trustee Board meetings;
- Agreeing the financial statement disclosures to underlying supporting documentation;
- Enquiring of management, including those charged with governance;
- Reviewing key accounting policies and estimates

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities<http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>[https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-\(1\)](https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1)). This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Price Bailey LLP
Statutory Auditor
24 Old Brond Street
London W1S 4AP

Date: 9 December 2024

Price Bailey LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024**

	<u>Note</u>	Unrestricted Funds <u>2024</u> £	Restricted Funds <u>2024</u> £	Year to 31 March <u>2024</u> £	Year to 31 March <u>2023</u> £
Income					
Donations, grants and gifts		227,951	2,462,145	2,690,096	1,565,161
Charitable activities		13,417,453	2,576,173	15,993,626	15,231,536
Other trading activities		31,924	-	31,924	(703)
Income from investments		281	-	281	4,168
		<hr/>	<hr/>	<hr/>	<hr/>
Total income and endowments	2	13,677,609	5,038,318	18,715,927	16,800,162
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure					
Raising funds		416,952	-	416,952	348,289
Charitable activities		16,677,352	1,078,314	17,755,666	15,643,427
		<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	3	17,094,304	1,078,314	18,172,618	15,991,716
		<hr/>	<hr/>	<hr/>	<hr/>
Net income	3	(3,416,695)	3,960,004	543,309	808,446
Transfers between funds		4,310,802	(4,310,802)	-	-
Other recognised gains/(losses)					
Revaluation of freehold land and buildings		8,753,646	-	8,753,646	(4,461,798)
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		9,647,753	(350,798)	9,296,955	(3,653,342)
Balances at 1 April 2023		5,800,871	2,738,722	8,539,593	12,192,945
		<hr/>	<hr/>	<hr/>	<hr/>
Balances at 31 March 2024	13	15,448,624	2,387,924	17,836,548	8,539,593
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Of the consolidated income and expenditure, **£15,993,626** (2023: £15,231,536) of income and **£17,755,666** (2023: £15,643,427) of expenditure relates to the charity.

All of the income and expenditure is derived from continuing activities. There are no other recognised gains or losses other than those stated above.

The accompanying notes on pages 18 to 29 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024**

	<u>Note</u>	<u>31 March 2024</u>		<u>31 March 2023</u>	
		£	£	£	£
TANGIBLE FIXED ASSETS	5a		22,310,469		10,443,538
HERITAGE ASSETS	5b		1,363,813		1,356,255
			<u>23,674,282</u>		<u>11,799,793</u>
CURRENT ASSETS					
Debtors	6	9,509,030		9,308,639	
Cash at Bank		1,964,932		3,240,503	
			<u>11,473,962</u>		<u>12,549,142</u>
CREDITORS					
Amounts falling due within one year					
Creditors	7	7,731,170		8,865,307	
Bank loan		287,950		89,948	
			<u>8,019,120</u>		<u>8,955,255</u>
NET CURRENT ASSETS			3,454,842		3,593,887
TOTAL ASSETS less current liabilities			<u>27,129,124</u>		<u>15,393,680</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		9,292,576		6,854,087
NET ASSETS			<u>17,836,548</u>		<u>8,539,593</u>
FUNDS EMPLOYED					
Unrestricted fund – General fund	13		6,694,978		5,800,871
Unrestricted fund – Revaluation reserve			8,753,646		-
Restricted funds	14		2,387,924		2,738,722
			<u>17,836,548</u>		<u>8,539,593</u>

The financial statements were approved and authorised for issue by the trustees on 2 December 2024.



Sir David Lidington KCB CBE
Chairman



The Lord Ricketts GCMC GCVO
Vice-Chairman

The accompanying notes on pages 18 to 29 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
CHARITY BALANCE SHEET
AS AT 31 MARCH 2024**

	<u>Note</u>	<u>31 March 2024</u>		<u>31 March 2023</u>	
		£	£	£	£
TANGIBLE FIXED ASSETS	5a		22,282,208		10,415,444
HERITAGE ASSETS	5b		1,363,813		1,356,255
INVESTMENT IN SUBSIDIARY	9		100		100
			<hr/>		<hr/>
			23,646,121		11,771,799
CURRENT ASSETS					
Debtors	6	6,648,190		5,858,080	
Cash at Bank		1,424,213		2,691,819	
			<hr/>		<hr/>
			8,072,403		8,549,899
			<hr/>		<hr/>
CREDITORS					
Amounts falling due within one year					
Creditors	7	5,218,444		5,213,551	
Bank loans		287,950		89,948	
			<hr/>		<hr/>
			5,506,394		5,303,499
			<hr/>		<hr/>
NET CURRENT ASSETS			2,566,009		3,246,400
			<hr/>		<hr/>
TOTAL ASSETS less current liabilities			26,212,130		15,018,199
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		9,292,576		6,854,087
NET ASSETS			16,919,554		8,164,112
			<hr/> <hr/>		<hr/> <hr/>
FUNDS EMPLOYED					
Unrestricted fund – General fund	13		5,777,984		5,425,390
Unrestricted fund – Revaluation reserve			8,753,646		-
Restricted funds	14		2,387,924		2,738,722
			<hr/>		<hr/>
			16,919,554		8,164,112
			<hr/> <hr/>		<hr/> <hr/>

The financial statements were approved and authorised for issue by the trustees on 2 December 2024

Sir David Lidington KCB CBE
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The accompanying notes on pages 18 to 29 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	Year to 31 March 2024 £	Year to 31 March 2023 £
Cash flows from operating activities:		
<i>Net cash (absorbed)/generated by operating activities</i>	(547,987)	492,560
Cash flows from investing activities:		
Interest from investments	281	4,168
Purchase of property, plant and equipment	(3,364,356)	(6,026,204)
Cash flows from financing activities:		
Repayments of borrowing	(36,679)	(154,437)
Cash inflows from new borrowing	2,673,170	1,826,830
<i>Net cash from financing activities</i>	2,636,491	1,672,393
<i>Change in cash and cash equivalents in the reporting period</i>	(1,275,571)	(3,861,251)
Cash and cash equivalents at the beginning of the reporting period	3,240,503	7,101,754
Cash and cash equivalents at the end of the reporting period	1,964,932	3,240,503
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income for the reporting period (as per The Statement of Financial Activities)	543,309	808,446
Adjustments for:		
Depreciation charges	243,513	321,736
Dividends, interest and rent from investments	(281)	(4,168)
(Increase) in debtors	(200,391)	(1,067,699)
(Decrease)/increase in creditors	(1,134,137)	434,245
<i>Net cash (absorbed)/provided by operating activities</i>	(547,987)	492,560
Analysis of cash and cash equivalents		
Cash in hand	1,964,932	3,240,503
<i>Total cash and cash equivalents</i>	1,964,932	3,240,503

The accompanying notes on pages 18 to 29 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1 ACCOUNTING POLICIES

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), and the Charities Act 2011.

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS102:

- no cash flow statement is presented for the charity; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent charity as their remuneration is included in the totals for the group as a whole.

The consolidated financial statements include the accounts of Royal United Services Institute for Defence and Security Studies, and its subsidiary undertakings, RUSI Trading Limited, Royal United Services Institute (Nairobi) Limited, RUSI (US) Foundation and RUSI Europe AISBL. The results of the subsidiaries are included on a line-by-line basis.

a) Going concern

After reviewing the charity's forecasts and projections and its reserves, the trustees have concluded that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) Recognition of income

All incoming resources are taken to income when there is entitlement to funds, the receipt is probable, and the amount can be measured reliably. The proportion of subscriptions relating to periods subsequent to the balance sheet date are carried forward and included as subscriptions in advance under current liabilities.

Income relating to conferences, events and facilities hire is recognised at the date of the event. Income relating to research contracts is recognised over the duration of the contract term.

c) Expenditure

Expenditure is included on an accruals basis. The total resources expended have been categorised by activity and where costs are incurred in relation to more than one activity, these have been apportioned on the basis of staff time costs (see note 3). Governance costs are those costs which relate to the governance costs of the charity as opposed to those costs associated with raising funds or charitable activity. These costs include external audit, legal advice for trustees and costs associated with constitutional and statutory and strategic requirements.

d) Operating leases

Amounts payable under operating leases are charged to the Statement of Financial Activities evenly to the date of the next rent review. The benefit of any incentive to sign an operating lease is spread on a straight-line basis over the term of the lease.

e) Tangible fixed assets

Tangible fixed assets costing more than £300 are capitalised. Depreciation on fixed assets is provided on cost in equal annual instalments over their estimated useful lives at the following rates per annum:

Freehold land and buildings	Nil
Furniture and fittings	15%
Office equipment	33%
Leasehold improvements	over the term of the lease
Assets under construction	Nil until brought into use

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

The freehold land and buildings are the Institute's historic Grade II* Listed headquarters building in the Whitehall Conservation Area. They are revalued on a regular basis by obtaining an external valuation at least every five years, subject only to obtaining advice as to the possibility of any material movements between individual valuations.

No depreciation is charged on freehold land and buildings on the basis that it is immaterial. The charity adopts a revaluation model, whereby the property is revalued on a regular basis by obtaining an external valuation, and any depreciation would be written back on the upwards revaluation. The Trustees consider there to be no depreciation on the building element of the property.

f) Fund accounting

Unrestricted funds, being general funds, comprise those monies which may be used towards meeting the charitable objectives of the Institute at the discretion of the Trustees. Restricted funds are monies for which the funder has imposed conditions or restrictions as to their use.

g) Heritage assets

RUSI holds a collection of heritage assets of artistic and historical merit. These include books held in the library as well as paintings and silverware. The paintings and silverware were subject to a professional valuation in March 2018 and the library books were subject to a professional valuation in May 2016, in both cases by external valuers.

The cost of obtaining an annual valuation outweighs the value of any resultant benefit. These values have been reflected in the accounts, as permitted by the Charities SORP (FRS 102). The trustees consider the realisable value, or the value in use, is not less than the carrying value in the financial statements and therefore no depreciation has been charged.

h) Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate prevailing on the date of the transaction. Exchange differences are taken into account in arriving at net incoming resources.

i) Retirement Benefits

The Institute operates a defined contribution Group Personal Pension Plan. Employer contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

j) Trade debtors

Debtors are recognised at recoverable amount including any provision for doubtful debts.

k) Creditors and provisions

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

l) Judgements in applying accounting policies and key sources of estimation uncertainty

A key judgement made in the preparation of the financial statements relates to the recognition of income from research activities and related accrued or deferred income balances. The key judgement applied is in relation to assessment of the stage of completion of individual projects.

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

m) Donated goods, facilities and services

Donated goods, facilities and services provided to the Institute are recognised at fair value, unless it is impractical to measure the fair value reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

2 ANALYSIS OF INCOME

	Unrestricted Funds 2024	Restricted Funds 2024	Year to 31 March 2024	Year to 31 March 2023
	£	£	£	£
Donations, grants and gifts	227,951	2,462,145	2,690,096	1,565,161
Income from charitable activities				
Conferences and events	104,682	-	104,682	257,783
Research	11,958,868	2,576,173	14,535,041	13,461,727
Subscriptions	1,160,432	-	1,160,432	1,322,174
Publications	193,471	-	193,471	189,852
Facilities / Room hire	31,924	-	31,924	(703)
Bank deposit interest received	281	-	281	4,168
	<hr/>	<hr/>	<hr/>	<hr/>
Total income	13,677,609	5,038,318	18,715,927	16,800,162
	<hr/>	<hr/>	<hr/>	<hr/>

In the year ended 31 March 2023, restricted funds income was £3,293,348 split into £1,545,846 in the form of donations and £1,747,502 in the form of research.

3 ANALYSIS OF EXPENDITURE

Total costs of activities comprise:

	Staff Costs	Direct Costs	Allocated Costs	Year to 31 March 2024	Year to 31 March 2023
	£	£	£	£	£
Facilities /room Hire	-	-	28,371	28,371	25,494
Fundraising	235,700	39,398	113,483	388,581	322,795
Total costs of raising funds	<hr/> 235,700	<hr/> 39,398	<hr/> 141,854	<hr/> 416,952	<hr/> 348,289
Conferences and Events	292,766	1,296,575	170,225	1,759,566	1,105,978
Research	4,991,418	4,664,627	1,730,618	11,386,663	10,960,411
Publications	560,384	495,416	198,596	1,254,396	722,163
Membership	336,345	150,302	170,225	656,872	740,939
Other support to members	2,050,207	93,648	397,191	2,541,046	2,001,985
Governance costs	77,682	51,070	28,371	157,123	111,952
Total cost of charitable activities	<hr/> 8,308,802	<hr/> 6,751,638	<hr/> 2,695,226	<hr/> 17,755,666	<hr/> 15,643,428
	<hr/> 8,544,502	<hr/> 6,791,036	<hr/> 2,837,080	<hr/> 18,172,618	<hr/> 15,991,717

Staff costs above include recruitment and other staff benefit costs of **£78,975** (2023: £36,253) which are not included in the separate analysis of staff costs below. These have been allocated directly to activities based on the time spent in each area of activity. Fundraising includes the costs of generating voluntary income and general promotional costs to raise the profile of the Institute.

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Allocated costs comprise:

	Establishment	Finance and Admin	Other	Year to 31 March 2024 Total	Year to 31 March 2023 Total
	£	£	£	£	£
Facilities /room Hire	9,029	19,131	211	28,371	25,494
Fundraising	36,115	76,523	845	113,483	101,978
Conferences and Events	54,173	114,784	1,268	170,225	152,966
Research	550,761	1,166,969	12,889	1,730,619	1,555,158
Publications	63,202	133,914	1,479	198,595	178,461
Membership	54,173	114,784	1,268	170,225	152,966
Other support to members	126,404	267,829	2,958	397,191	356,921
Governance costs	9,029	19,131	211	28,371	25,494
	<u>902,886</u>	<u>1,913,065</u>	<u>21,129</u>	<u>2,837,080</u>	<u>2,549,438</u>

Allocated costs, which do not include staff costs, have been calculated based on the estimated activity with regard to the staff time costs attributable to each function.

	Group and Charity Year to 31 March 2024 £	Group and Charity Year to 31 March 2023 £
Total expenditure includes:		
Salaries and wages	6,500,849	5,549,189
Pension costs - defined contributions scheme	553,864	354,811
National insurance	800,112	634,469
Holiday pay reserve	176,184	223,392
	<u>8,031,009</u>	<u>6,761,861</u>

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	Group and Charity Year to 31 March <u>2024</u>	Group and Charity Year to 31 March <u>2023</u>
	No	No
The average number of staff employed during the year was:	125	127
Employees remuneration between £60,000 and £69,999	10	7
Employees remuneration between £70,000 and £79,999	8	6
Employees remuneration between £80,000 and £89,999	6	2
Employees remuneration between £90,000 and £99,999	1	3
Employees remuneration between £100,000 and £109,999	3	1
Employees remuneration between £120,000 and £129,999	1	0
Employees remuneration between £130,000 and £139,999	0	1
Employees remuneration between £150,000 and £159,999	0	1
Employees remuneration between £170,000 and £179,999	1	1
Employees remuneration between £180,000 and £189,999	1	0

The following key management personnel received a total of **£722,987** (2023: £646,288) in remuneration and benefits:

Karin von Hippel
Malcolm Chalmers
Deborah Pourkarimi
Jonathan Eyal
Andre Meyer

The remuneration and benefits received by the Director General were as follows:

Karin von Hippel **£230,277** (2023: £209,484)

	Group and Charity Year to 31 March <u>2024</u>	Group and Charity Year to 31 March <u>2023</u>
	£	£
Net income for the year is stated after charging:		
Auditors' remuneration for: Audit fees	43,200	17,520
Under accrual in previous year	8,000	-
Depreciation	243,513	321,736
Operating lease rentals – plant and machinery	19,604	25,717
– land and buildings	326,920	545,337

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	Group and Charity Year to 31 March <u>2024</u> £	Group and Charity Year to 31 March <u>2023</u> £
Governance costs comprise:		
Staff costs	77,682	84,328
Establishment costs	9,029	9,278
Administration costs	9,878	1,784
Finance costs	60,323	14,262
Other costs	211	2,300
	157,123	111,952
	157,123	111,952

No remuneration was paid to the trustees in the current or preceding periods. In the current period no trustee has been reimbursed expenses in connection with services provided to the Charity (2023: Nil).

4 TAXATION

The Institute is registered under the Charities Act 2011 and accordingly it is not liable for corporation tax on its income, including capital gains, arising from charitable activities.

5a. TANGIBLE FIXED ASSETS – Group and Charity

	Freehold land & buildings £	Assets under Construction £	Other Tangible Fixed Assets £	Total £
Cost or value				
At 1 April 2023	10,000,000	-	2,072,404	12,072,404
Additions		2,946,354	410,444	3,356,798
Transfer	2,946,354	(2,946,354)	-	-
Disposals		-	(1,316,966)	(1,316,966)
Revaluation	8,753,646	-	-	18,753,646
At 31 March 2024	21,700,000	-	1,165,882	22,865,882
Accumulated depreciation				
At 1 April 2023	-	-	1,628,866	1,628,866
Charge for the year	-	-	243,513	243,513
Disposals	-	-	(1,316,966)	(1,316,966)
At 31 March 2024	-	-	555,413	555,413
Net book value				
At 31 March 2024	21,700,000	-	610,469	22,310,469
At 31 March 2023	10,000,000	-	443,538	10,443,538

All the fixed assets of the Institute are held for charitable purposes. The net book value of **£610,469** (2023: £443,538) in relation to other tangible fixed assets comprises leasehold improvements of **£9,550** (2023: £27,747) and office equipment and fittings of **£600,919** (2023: £415,791).

**ROYAL UNITED SERVICES INSTITUTE
FOR DEFENCE AND SECURITY STUDIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

A full valuation of freehold land and buildings was undertaken by Savills, a firm of chartered surveyors, as at 31 March 2024, this gave a valuation of the freehold land and buildings of £21.7m. The redevelopment of the building was completed in July 2023 and the business relocated back into the freehold premises.

5b. HERITAGE ASSETS—Group and Charity

	Paintings Silverware, Furniture Marble £	Library Books £	Total £
<u>Cost or value and Net Book Amount</u>			
At 1 April 2023	908,110	448,145	1,356,255
Additions	7,558	-	7,558
At 31 March 2024	915,668	448,145	1,363,813

Paintings and silverware were subject to an external professional valuation in March 2018 by Bonhams Valuers and Auctioneers and were valued at £718,640 on an open market basis taking account of expected selling costs. Library books were subject to an external professional valuation in May 2016 by Bernard Quaritch Limited (who are antiquarian booksellers) and were valued at £447,000 on an open market basis taking account of expected selling costs. The historical cost of Paintings, Silverware and Library Books is not available.

The Siborne model of the Waterloo Campaign was valued by Bonhams Valuers and Auctioneers in May 2012 at £350,000. The model is currently on display at the National Army Museum (“NAM”) and is owned jointly (on a 50/50 basis) between RUSI and NAM.

Five-year summary of heritage asset transactions

	2024 £	2023 £	2021 £	2020 £	2019 £
Additions					
Purchases	7,558	10,550	-	-	-
Donations	-	-	-	3,360	3,360
Disposals					
Carrying value	-	-	-	-	175,000
Sales proceeds	-	-	-	-	-

6 DEBTORS

	Group Year to 31 March <u>2024</u> £	Charity Year to 31 March <u>2024</u> £	Group Year to 31 March <u>2023</u> £	Charity Year to 31 March <u>2023</u> £
Trade debtors	5,499,190	4,771,898	5,855,751	2,484,313
Sundry debtors and prepayments	4,009,840	1,425,108	3,452,888	3,062,950
Amounts owed by group undertaking	-	451,184	-	310,817
	9,509,030	6,648,190	9,308,639	5,858,080

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7 CREDITORS

	Group Year to 31 March <u>2024</u> £	Charity Year to 31 March <u>2024</u> £	Group Year to 31 March <u>2023</u> £	Charity Year to 31 March <u>2023</u> £
Trade creditors	917,310	504,420	816,871	571,033
Sundry creditors and accruals	1,712,587	880,013	2,196,917	1,634,635
Deferred income	5,101,273	3,736,390	5,851,519	2,780,403
Amount owed to group undertaking	-	97,621	-	227,480
	<u>7,731,170</u>	<u>5,218,444</u>	<u>8,865,307</u>	<u>5,213,551</u>

**Analysis of movement in deferred income
Group and charity**

	Balance at 1 April 2023 £	Income Released in Yr £	Income Deferred in Yr £	Exchange Diff £	Balance at 31 March 2024 £
Deferred research income	5,250,120	(4,773,985)	3,706,372	(9,769)	4,172,738
Subscriptions in advance	601,399	(601,399)	928,535	-	928,535
	<u>5,851,519</u>	<u>(5,375,384)</u>	<u>4,634,907</u>	<u>(9,769)</u>	<u>5,101,273</u>

**8 AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR**

	Group Year to 31 March <u>2024</u> £	Charity Year to 31 March <u>2023</u> £	Group Year to 31 March <u>2023</u> £	Charity Year to 31 March £
Loans	<u>9,292,576</u>	<u>9,292,576</u>	<u>6,854,087</u>	<u>6,854,087</u>

Loans are repayable as follows:-

	Group Year to 31 March <u>2024</u> £	Charity Year to 31 March <u>2024</u> £	Group Year to 31 March <u>2023</u> £	Charity Year to 31 March <u>2023</u> £
Within one year	287,950	287,950	89,948	89,948
Between two and five years	9,292,576	9,292,576	6,854,087	6,854,087
	<u>9,580,526</u>	<u>9,580,526</u>	<u>6,944,035</u>	<u>6,944,035</u>

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Loans consist of the following advances:

1. A £5.8 million loan was drawn for the purpose of assisting with the purchase of the freehold interest in 61 Whitehall. The term of the loan was 10 years from 27 March 2015 with the interest rate being 2.5% per annum over the Bank of England base rate. However, from 27 March 2018, for a period of 60 months, the interest rate was fixed at 3.75%. With the expiration of the fixed rate arrangement, this facility was replaced by a new agreement dated 23 May 2023 in the sum of £5.1 million. The term of the loan is 5 years from 23 May 2023 with the interest rate being 1.75% above the Bank of England base rate. However, from 23 May 2023 for a period of 24 months, the interest rate is fixed at 6.29%. The loan is secured by a first legal charge over the freehold property at 61 Whitehall. As at 31 March 2024 the outstanding balance on this loan was **£5,062,258** (2023: £5,117,205).
2. The group drew down £1,826,830 on 21 February 2024 from a £4.5million term loan facility, to assist in funding the redevelopment work at 61 Whitehall. Further drawdowns of £2,000,000 on 16 June 2023 and £673,170 on 31 July 2023 were undertaken to fully utilise the facility. The loan was scheduled to be repayable in full after 1 year and 3 months of the date of the drawdown and the interest rate to be paid on this facility was 2.75% per annum above the Bank of England base rate. This facility was replaced by a new agreement dated 23 January 2024 for £4.5 million. The term of the loan is 5 years from 23 January 2024 with the interest rate being 1.75% over the Bank of England base rate. The loan is secured by a legal charge over the freehold property at 61 Whitehall. As at 31 March 2024 the outstanding balance on this loan was **£4,518,268** (2023: £1,826,830).

9 INVESTMENT IN SUBSIDIARY

RUSI Trading Limited (company number 3147032) was incorporated on 16 January 1996 with an authorised share capital of 1,000 shares of £1 each. The issued and fully paid-up capital is £100. RUSI Trading Limited is wholly owned by the Institute and its principal activity in the year was the provision of function and conference activities.

RUSI Trading Limited's profit and loss account for the year ended 31 March 2024 was as follows:

	Year to 31 March 2024 £	Year to 31 March 2023 £
Turnover	499,978	221,232
Expenses	291,138	299,397
Profit /(Loss) for the year before gift aid	208,840	(78,165)
Retained (loss) at 1 April 2023	(78,165)	-
Qualifying charitable donation to RUSI	(130,675)	-
Profit /(Loss) for the year	-	(78,165)

The profit in the year to 31 March 2024 was **£208,840** (2023: loss (£78,165)). The loss for the prior year was retained. At 31 March 2024 RUSI Trading Limited had assets of £427,850, liabilities of £427,750 and share capital of £100.

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10 RELATED PARTIES

The Institute controls, through the ability to appoint the majority of trustees, a US Not For Profit organisation **RUSI (US) Foundation**, which has a tax status of 501 (C) 3. This is used as a conduit between US Foundation and the Institute in the UK.

The Institute also controls **Royal United Services Institute (Nairobi) Limited**, a company incorporated in Kenya and limited by guarantee. Royal United Services Institute (Nairobi) Limited undertakes local research work on behalf of the Institute, on an exclusive basis, and does not have any additional activities. During the year, the Institute remitted funds totalling **£343,216** (2023: £287,750) for this purpose. The expenses incurred in relation to the research projects undertaken by Royal United Services Institute (Nairobi) Limited are included within the consolidated statement of financial activities. At 31 March 2024 Royal United Services Institute (Nairobi) Limited retained cash at bank and in hand of **£64,989** (2023: £34,157).

During 2018/19 the Institute established **RUSI Europe**, an international not-for-profit organisation ("AISBL") based in Brussels. RUSI Europe is controlled by the Institute through the ability to appoint the Board of Directors. At 31 March 2024, RUSI Europe retained cash at bank and in hand of **£142,536** (2023: £320,596).

There are no other related party transactions (2023: none)

11 LEASE OBLIGATIONS

The Institute had total future commitments under non-cancellable operating leases in respect of land and buildings, and equipment, as follows:

	Land & Buildings	Equipment	Year to 31 March <u>2024</u>	Year to 31 March <u>2023</u>
	£	£	£	£
Due within one year	-	24,853	24,853	224,203
Due after one year and within five years	-	31,991	31,991	56,844
Due in more than five years	-	-	-	1,818
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	-	56,844	56,844	282,865
	=====	=====	=====	=====

12 CAPITAL COMMITMENTS

In November 2021, RUSI entered into a standard building contract with Coniston Limited to have refurbishment, alteration and extension work carried out at 61 Whitehall. The final contract sum was for £9,498,132. As at 31 March 2024, RUSI had paid £9,355,650 to Coniston under this contract, leaving an outstanding retention balance of £142,472.

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13 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Total funds</u> £
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	23,674,282	-	23,674,282
Current assets	7,283,878	4,190,084	11,473,962
Current liabilities	(6,216,960)	(1,802,160)	(8,019,120)
Long term liabilities	(9,292,576)	-	(9,292,576)
Total net assets	<u>15,448,624</u>	<u>2,387,924</u>	<u>17,836,548</u>

	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Total funds</u> £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	11,799,793	-	11,799,793
Current assets	8,525,896	4,023,246	12,549,142
Current liabilities	(7,670,731)	(1,284,524)	(8,955,255)
Long term liabilities	(6,854,087)	-	(6,854,087)
Total net assets	<u>5,800,871</u>	<u>2,738,722</u>	<u>8,539,593</u>

14 RESTRICTED FUNDS

	Balance 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance 31 March 2024 £
The Thales Charitable Trust	7,538	-	-	-	7,538
Duke of Wellington	250	-	-	-	250
61 Whitehall Fund	-	2,462,145	-	(1,962,145)	500,000
Research grants and donations	2,730,934	2,494,206	(1,058,613)	(2,348,657)	1,817,870
Reade Griffith	-	81,967	(19,701)	-	62,266
	<u>2,738,722</u>	<u>5,038,318</u>	<u>(1,078,314)</u>	<u>(4,310,802)</u>	<u>2,387,924</u>

	Balance 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance 31 March 2023 £
The Thales Charitable Trust	7,538	-	-	-	7,538
The 1831 Fund	26,772	-	-	(26,772)	-
Duke of Wellington	-	9,500	(9,250)	-	250
Google, Inc	100,844	-	-	(100,844)	-
61 Whitehall Fund	3,677,049	1,536,346	-	(5,213,395)	-
Research grants and donations	1,713,378	1,747,502	(817,046)	87,100	2,730,934
	<u>5,525,581</u>	<u>3,293,348</u>	<u>(826,296)</u>	<u>(5,253,911)</u>	<u>2,738,722</u>

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Purpose and use of restricted funds

The Thales Charitable Trust – to support youth and education programmes at the Institute.

The 1831 Fund – for investment in research and in the Institute’s historic headquarters at 61 Whitehall.

Google, Inc – to support fitting out a fully equipped audio-visual studio at 61 Whitehall.

61 Whitehall Fund – for the redevelopment of the Institute’s building at 61 Whitehall.

Research grants and donations fund – to provide funding for a number of specific ongoing research projects currently being undertaken by the Institute.

Transfers comprise a combination of capital expenditure costs in respect of the redevelopment of 61 Whitehall, salary costs which are all initially designated as unrestricted expenditure and following on from the completion of projects any balance which is not deemed to be refundable back to the funder.

15 PRIOR YEAR FIGURES

Prior year Statement of Financial Activities for the year ended 31 March 2023.

	Unrestricted Funds <u>2023</u> £	Restricted Funds <u>2023</u> £	Year to 31 March <u>2023</u> £
Income			
Donations, grants and gifts	19,315	1,545,846	1,565,161
Charitable activities	13,484,034	1,747,502	15,231,536
Other trading activities	(703)	-	(703)
Income from investments	4,168	-	4,168
	-----	-----	-----
Total income and endowments	13,506,814	3,293,348	16,800,162
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Expenditure			
Raising funds	348,289	-	348,289
Charitable activities	14,817,131	826,296	15,643,427
	-----	-----	-----
Total expenditure	15,165,420	826,296	15,991,716
	-----	-----	-----
Net income/(expenditure)	(1,658,606)	2,467,052	808,446
Transfers between funds	5,253,911	(5,253,911)	-
Other recognised gains			
Revaluation of freehold land & buildings	(4,461,798)	-	(4,461,798)
	-----	-----	-----
Net movement in funds	(866,493)	(2,786,589)	(3,653,352)
Balances at 1 April 2022	6,667,364	5,525,581	12,192,945
	-----	-----	-----
Balances at 31 March 2023	5,800,781	2,738,722	8,539,593
	=====	=====	=====