

The Royal School of Needlework

Annual Report and Consolidated Financial Statements

31 August 2022

Company Registration Number
12192 (England and Wales)

Charity Registration Number
312774

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Reference and administrative information

Patron	HM The Queen Consort
President	HRH The Duchess of Gloucester
Council Members	Ms Pip Wood – Chair of Trustees* Mrs Stephanie Wright – Honorary Treasurer* Ms Louisa Christofidou Prof Patsy Cullen Ms Victoria Farrow Ms Claire Miller* Ms Julie Richards Ms Eleri Lynn Ritchie *Member of the Finance and Investment Committee
Chief Executive	Dr Susan Kay-Williams
Registered office	Apartment 12A Hampton Court Palace East Molesey Surrey KT8 9AU
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Barclays Bank plc 8/12 Church Street Walton on Thames Surrey KT12 2QX
Investment managers	J M Finn & Co 25 Copthall Avenue London EC2R 7AH
Company registration number	12192 (England and Wales)
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Chair of Trustees' Introduction Year to 31 August 2022

In 2022 we celebrated over 150 years of the Royal School of Needlework and there was no better tribute to the incredible achievements of many individuals over the years than our 150th Anniversary exhibition, '150 Years of the Royal School of Needlework: Crown to Catwalk' which ran for five months at the Fashion and Textile Museum in London.

This unique exhibition explored the RSN's contribution to the world of embroidery and our remarkable history. From collaborations with the Arts and Crafts movement and commissions for the British royal family, to contemporary works for top, international designers, and pieces by our own talented students, it featured pieces from our own extensive archive, as well as museums and collections from across the UK. Thank you to everyone who contributed to making this possible for the thousands of visitors that attended.

For our Council of trustees 2022 was also a time to reflect on the last couple of years in particular. While many similar organisations suspended activities during the bulk of 2020 and 2021 due to the global pandemic, the RSN kept going and our own operations had to undergo enormous change. We are very grateful to our dedicated and hardworking team of staff who responded to the challenge and made this possible.

However, the broader societal impacts of Covid are still to be fully understood and the external environment continues to adapt to numerous factors such as changing work patterns, the re-emerging popularity of many arts and crafts and an increasing appreciation of factors impacting mental health and wellbeing. Our own switch to online classes and activities attracted many new customers to the RSN who had previously been unable to join us face-to-face. We must take the best of that experience for those who prefer to stitch in their own home or who are unable to travel to us and combine it with our operation at Hampton Court Palace and other venues throughout the UK and beyond.

We undertook a listening exercise in Spring 2022 to better understand the experiences and views of a variety of stakeholder groups as we all emerged from the restrictions of the pandemic. On behalf of the trustees, I personally spoke to a number of individuals which was invaluable preparation in taking on the Chair of Trustee role at the beginning of September 2022. This exercise provided a rich pool of data and insights for us to consider our role going forward and how we best deliver that. As a result we have implemented a number of actions such as strengthening the staff team with additional resource and embarked on a series of reviews to underpin the foundations of our operation and delivery and improve our proposition for stakeholders.

In particular the exercise has led to a key piece of work entitled 'What If?'. The aim of this is to review our broader vision and values and our role in the wider community to ensure we are relevant and inspiring in the context of 2022 and beyond. The RSN is unique; no other single organisation covers the breadth of education, practice and promotional activity we undertake, or has our connections, collection, archive and heritage. In 1872, it was founded on two key principles: the preservation of hand embroidery as an art form and the support of women's independence through work. In the intervening 150 years, these goals have taken many different forms and at time of writing our 'What If?' review is posing some very interesting questions for us to consider. We have involved a broad range of stakeholders and look forward to analysing the findings in more detail and progressing the project as appropriate.

Chair of Trustees' Introduction Year to 31 August 2022

I took over as Chair of Trustees last September and look forward to helping the RSN navigate this journey with our Council of Trustees. We thank Andrew Palmer for his chairmanship over the past six years and also the five trustees whose terms came to an end during the year or for whom the demands of their own professional and personal circumstances meant they had to leave mid-term; Morgan Fowles, Elizabeth Braakenburg Dyce, Deborah Lamb, Reena Pastakia and Miranda Corti.

Our trustee team now spans a good range of tenures, and we welcomed three new trustees in Claire Miller, Julie Richards, and Louisa Christofidou just before the year end whose individual skills and experience strengthen our Council further. In addition, we have reviewed our committee structure to improve our governance further and will be recruiting more trustees in 2023.

Our strategic plans going forward involve ensuring we emerge from the pandemic stronger and more focused on the areas where we have specific skills and expertise and can make most difference. We are never short of ideas, but we must make sure we have solid foundations and the resources needed to achieve all that we want.

A handwritten signature in black ink, appearing to read 'P. Wood', with a stylized flourish at the end.

Pip Wood
Chair of Trustees

The Members of the Council (as Trustees), who are also the directors for the purposes of company law, present their annual report together with the audited consolidated financial statements of The Royal School of Needlework for the year ended 31 August 2022. The report has been prepared in accordance with the Charities Act 2011 and is also the group report of the directors for the purposes of the Companies Act 2006. The reference and administrative information set out on page 1 and the Chair of Trustees' Introduction set out on pages 2 to 3 also form part of the report.

The financial statements have been prepared in accordance with the accounting policies on pages 39 to 43 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and 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) and comply with the Office for Students' Accounts Direction 2020/21.

ACTIVITIES AND ACHIEVEMENTS

The values of the RSN are Quality, Tradition and Innovation all of which have been demonstrated throughout the year through teaching, the practise of Stitch in the RSN Studio and promotion. In addition, these values were particularly shown as we celebrated our 150th anniversary in 2022.

Public Benefit

A key part of the celebrations for the 150th was to offer more public benefit through exhibitions and events for the widest range of people from school pupils to embroidery enthusiasts. We launched the 150th anniversary year on 5 November 2021 with the inaugural 150 stitches as part of the RSN Stitch Bank. The RSN Stitch Bank aims to conserve every stitch in the world, giving people information about the stitch but more crucially, guidance on how to work the stitch through diagrams and video. Importantly, RSN Stitch Bank offers free access to all, and now comprises 250 stitches and is growing. Supported by charitable trusts and individual donors, this is ultimate public benefit and it has been exceptionally well received by stitchers all over the world and visitor numbers continue to increase.

After many months of lockdown and restrictions due to the pandemic we were delighted to be able to display work and see people in person again out in the community. In the Autumn of 2021 we attended the Knitting and Stitching Shows to promote the work of the RSN and also offered short courses led by Future Tutors for beginners through to experienced stitchers and the Studio attended Decorex featuring work from the RSN's archive of curtain designs by Alexander Fisher from around 1900.

We started 2022 showing all 12 of the Litany of Loreto pieces as part of *Worship and Glory II* at Ely Cathedral from late January to March with around 5000 people coming to see them. We then allowed two of the Litany to go to the Maryan Library at Daytona University, Ohio, America where they were centre stage in an exhibition of the work of the designer Ezio Anichini who created the original designs in Italy in the period 1914-20. In support of this exhibition Chief Executive Dr Susan Kay-Williams gave an online talk about the pieces to an audience of 600 people from all over the world including RSN Friends from the UK and beyond.

ACTIVITIES AND ACHIEVEMENTS (continued)

Public Benefit (continued)

As part of our public activities, we undertook demonstrations for some of our Livery partners for the Becket Pageant and for the Field of Cloth of Gold event by Painter Stainers. Many of our tutors and some students had work accepted for the Worshipful Company of Broderers' exhibition in London in February.

Then in April we opened our main anniversary event and our largest exhibition since 1997 at the Fashion and Textile Museum - *150 years of the RSN: Crown to Catwalk*, where we displayed a huge range of items from our own and other collections to tell the story of our work and teaching over the last 150 years. We promoted public benefit through schools events and Family workshops, both of which were supported by the Worshipful Company of Broderers. This gave us a broad outreach and encouraged many people, male and female of all ages to have a go at stitch for the first time, with several reporting back their continued stitching at home. The sessions were supported by Future Tutors, Degree students and RSN volunteers. The Museum also commented that our exhibition had more lenders than any other exhibition they had held. Since the close of the physical exhibition many of the objects have been highlighted in a special area of the RSN website so that people can see them online in detail, especially for those who could not get to the actual exhibition.

Sharing our knowledge and expertise we have offered online talks throughout the year both live twice a month and on demand after the event, we have visited UK based groups and given talks online to many in the US and Canada too. These talks also provided access to the RSN's extensive Collection and Archives which would not otherwise have been possible.

For the first time since 2019 we were able to hold the summer exhibitions for Degree, Certificate, Diploma and Future Tutors and welcomed both general Hampton Court and RHS flower show visitors as well as specific stitch visitors to see the work. This was followed by the launch of the first exhibition at HCP since 2019. *A Girl's education in Stitch* looked at the variety of work girls had made in school from small samplers to clothes from the period mid-18th century to mid-20th century and it will be followed up online.

Impact

The impact of all of these events and activities has been to bring the RSN to a wider range of people across the globe, it has broadened the interest and participation of those who have taken part in stitch and made us more accessible to many others. The online events certainly expanded the audience who can benefit from our activities and the accessible-to-all approach of our Family and School days helped make people realise that stitch is a positive activity that can really boost health and wellbeing and needs no prior requirement to be of a certain standard. These kinds of activities will be continued and expanded in our forward plans.

Perhaps the biggest impact has been from the RSN Stitch Bank which is introducing and making the exploration of hand stitching accessible worldwide. This single comment represents hundreds of responses.

Instagram comment on RSN Stitch Bank "Having so much fun exploring the stitches. What a wonderful resource. I'm so excited to use this and watch it grow. Thank you for all your hard work and attention to detail!"

ACTIVITIES AND ACHIEVEMENTS (continued)

A diversified portfolio

The RSN receives no income from government and so has to earn or raise all its income. As such it has a diverse portfolio of income sources in order to protect itself if any do less well than budgeted. The principal sources of income are taught courses including the Certificate and Diploma in technical hand embroidery, short courses and the Degree programme. We also run the Future Tutor programme as the only programme through which someone can teach for the RSN, although this often costs us money which we cover by raising funds for core costs and bursaries. We are also looking at new ways to enhance the portfolio hence our move to online courses, originally enforced by lockdown but now a staple part of the programme, and the development of the International Summer School which began in the US in 2018 but now operates both online in different time zones and onsite. In addition, we have the RSN Studio and our Retail operation which promote our skills and meet the needs of a variety of different customers.

Education

Education is the heart of the RSN, passing on the skills of hand embroidery across more than a dozen techniques to students through a wide range of courses. Students can start on short courses and move on to Certificate and Diploma or head straight for the Future Tutor or Degree programmes.

Short Courses

It was inevitable that as lockdowns lifted and people began to move around more, that they turned to other activities, so we were prepared for a reduction in take up of short courses, but in actual fact this happened less than was anticipated. We were helped by the special courses, especially Technical Tuesdays which, following the success of the initial launch last year, we expanded by adding a technique, Blackwork, and ran four classes, two of Jacobean stitches and two of Blackwork stitches each for 30 weeks.

The other short course offerings covered a wide range of techniques and were generally available on UK/Europe and American time zones. We also opened up Hampton Court Palace for onsite classes over seven weeks of the summer and while booking was initially slow, they did attract people from USA, Australia, New Zealand, Canada, Japan and Europe. All these strands resulted in income exceeding budget.

Impact

The impact of the Short courses is to give people access to a variety of stitch courses. Through the online offering we can enable more people to access our teaching regardless of location and have also expanded our own teaching capacity as we are not limited by our own on site facilities. As a result, this has increased the average number of classes taken by a student each year. For the students it means more enjoyment and for many that is relaxation and a positive enhancement of mental health and wellbeing. It has also had the effect of encouraging a number of people to move on to the Certificate and Diploma Programme.

“Learning online suits me perfectly as I care for my elderly father. I have found the RSN to be a very professional organisation in delivering the courses and in the back up support offered. I would say to anyone wishing to learn embroidery to take one of the many classes offered on the RSN website.”

ACTIVITIES AND ACHIEVEMENTS (continued)

Certificate and Diploma

Participation in our Certificate and Diploma (C&D) course has been growing back to pre-pandemic levels. All four of our UK regional satellites reopened in 2021-22 although some had greater take up than others. We also returned to North America for the first time since 2019, welcoming 12 students and offered a full eight weeks of Summer Intensives. During the eight weeks we had five students attending all eight weeks and achieving their certificate in the summer,

Also this year, C&D graduates were once again able to hold an exhibition and have a proper presentation ceremony with family on hand to witness.

The online C&D classes have held up well with three starting across the year on each time zone. Teaching Jacobean, Blackwork and Goldwork has proved very effective with students achieving similar marks to students receiving tuition face to face. Silk shading has proved slightly more challenging and the team are working on streamlining the choices and adding key stages to ensure students understand the steps involved. We now have more groups of Jacobean Crewelwork students wanting to stay together finding the peer support as important as the course. We are on the verge of having the first three students complete the Certificate course all online, a massive achievement in just over two years.

We are now looking to build on participation as we go forward. We are particularly grateful to the Tutors who have embraced online teaching, enabling them to work from home and the RSN to reach a broader audience.

Impact

Making the C&D, our flagship programme to many people, open online as well as on site has had a huge impact and brought in many students who have for years wanted to take this course but could not accommodate the travel distance and timing. Now with the online versions it is available wherever people are based.

C&D posts about students work were regularly liked on Instagram with some receiving 2,500 likes. The impact on individuals was often more than just technical learning,

"I attended a Certificate and Diploma open day at Bristol in May 2019 and decided to sign up for the course. I am studying purely for pleasure and find embroidery a great way to relax and unwind. I like the flexibility of studying with the RSN and find the quality of teaching, materials, and range of courses outstanding. I look forward to experimenting with my own ideas in the future, utilising the different skills I am learning with the RSN."

"Hand embroidery has been life changing for me; it improves my mental health, gives me a break from my work at the keyboard and is something I do just for me, no one else (hard to achieve sometimes when you are a working parent!). I have just started planning the first piece for my Diploma and am looking forward to being back at the RSN in September."

"That is absolutely exquisite! I really didn't appreciate canvas embroidery until I started seeing the Certificate student designs and now I'm really inspired by the possibilities of this technique."

ACTIVITIES AND ACHIEVEMENTS (continued)

Future Tutors

All technical tuition for our Future Tutor (FT) course returned to onsite in 2021 as lockdown restrictions eased, although the team still used online for art and design as the best use of time.

Meanwhile 2021 FT graduate Kate Pankhurst won London Embroidery House Hand & Lock's prize for Textile Art with her stunning *Lockdown o'clock* and current and graduate Future Tutors participated extensively in the Worshipful Company of Broderers' exhibition of contemporary embroidery held on Bankside in February 2022. This open exhibition was an excellent introduction to the art form and its many different formats and techniques. One third of the pieces on display had been created by RSN graduates from C&D, Future Tutors and Degree. The comments from visitors to the various Future Tutor exhibitions have all been extremely positive, with one gentleman remarking to the Course Leader, "It is wonderful that these traditions are being kept alive and passed on."

We particularly try to introduce live projects for the FTs and this year while in the Studio the Third year FT students had the opportunity to provide competing designs for an altar frontal, for St Paul's Old Ford Church, London. So much did the working group from the church like the designs that they incorporated two of them in the one frontal and the third year students then worked the piece, completing it just after graduation. This gave them a really excellent opportunity to work collectively which is one of the hallmarks of the RSN and also to work to budgets and deadlines.

Five students graduated this year and they were able to hold an exhibition and share the presentation of the awards with their family and friends. The FT graduates also took a lead role in the classes for school pupils and families, sponsored by the Worshipful Company of Broderers, at our Anniversary exhibition.

Impact

With all tuition returning to onsite this had a very positive impact on building community. Alongside this was the opportunity for the students to return to demonstrating and teaching at offsite events which is key to developing teaching skills. Using demonstration frames the students had the opportunity to show their skills and talk about the work, which was always a big draw.

Online comment on the Future Tutor programme

"What an impressive hands-on training opportunity! I had no idea that something as special & unique as this was available!! The students here will never forget these unbelievable experiences! To train & learn by experts of this calibre is a lifetime opportunity that will be treasured forever!! Bravo!!"

ACTIVITIES AND ACHIEVEMENTS (continued)

Degree

It was the third year students on our degree programme which was probably the most affected by the pandemic, interrupting their first year with lockdown, causing them to stay home in the second year, and so missing out on some of the shared experiences of university. Nevertheless, all students passed and at the top end there was work that sat well alongside that from other years. For example, Daisy Streatfeild has been selected by the Crafts Council as 'one to watch' making this the third year in a row that an RSN student has been selected as such by the Crafts Council.

Meanwhile, it was the largest ever intake into the first year with 26 students. The RSN prides itself on developing interesting partnerships especially for live projects. This year one such external project was called 'Fields of Everywhere': First and second year students created works based on the life stories of people living in Thamesmead for a 25m digitally printed balloon and the project also enabled us to work with Degree alumnus Livia Papiernik.

The second year live project gave all the second year students the opportunity to be inspired by the lingerie section of the RSN 150th Anniversary exhibition and create a new camisole, all made up in rapid speed by Degree Technician Emily Howse. The camisoles showed a great deal of variety, even to the point where some were clearly contemporary outerwear as opposed to underwear. It is a rare opportunity for first and second year degree students to have work on public display but this is something the RSN tries to offer its students because it requires them to think of the possibility of a piece going on show, considering more carefully the quality, finish and need to work to a deadline. These are skills which will be useful in the third year and in their professional life.

Behind the scenes much of the year was taken up with obtaining validation with Kingston University (KU). The aim of moving from validation with the University for the Creative Arts (UCA) to Kingston University is based around the proximity of resources, so it will be easier for students to access library resources for example, and to look at developing joint projects in a way that was not physically possible with the partner site at Farnham. Validation was achieved and for the next two years we will teach out the UCA students while taking on the first KU students.

The Degree was also able to hold its own show at Hampton Court and participate in New Designers as a live show, it having been online for two years. The value of the live show is the way students get to see the work of others and share feedback which just does not work the same online. The exhibition also led to a number of students being given commissions.

All of this is thanks to the teaching and time commitment given by the staff to the students.

Impact

The impact of the Degree is to show people what can be achieved in embroidery at the cutting edge of design and making. Each year students are challenged to develop their final major projects in exciting and challenging ways so that they achieve something new. This work is in contrast to the precision and two-dimensionality of much of the Future Tutor work and shows how embroidery can be brought alive and be very contemporary.

ACTIVITIES AND ACHIEVEMENTS (continued)

Degree (continued)

Impact (continued)

The listing of one of the graduates by the Crafts Council for the third year running is a great recognition of this course, as are the awards its students won from the Glovers' competition to achieving a first, second, third and commended from the Bradford Textile Competition.

The exhibition at the Fashion and Textile Museum showed the work of more than a dozen graduates of the Degree giving visitors a real chance to see what could be achieved with embroidery and gave the graduates a very important exhibition opportunity. Some of the best pieces have been on almost constant exhibition for the RSN and others since their creation which is an excellent start to their professional CVs.

"Oh my goodness! I want to do this so badly, seeing all your students sitting there working on their stunning pieces! Completely inspirational" Instagram post about the Degree

Talks and Bespoke classes

In response to popular demand the RSN has maintained its twice monthly talks, led by Chief Executive Dr Susan Kay-Williams on the history of the RSN, a key topic in this critical anniversary year, and Contextual Studies tutor Amy Hare on the treasures in the RSN's Collection and Archive. These have garnered interest from around the world and helped to build a community of those who love stitch but who may no longer be able to stitch themselves, but who enjoy the shared experience of seeing the wonderful examples of stitch from the RSN's Collection. Also this year we invited external speakers to talk about their work in stitch from Claire Hunter talking about Mary Queen of Scots to those talking about their own work.

In turn, alongside the talks, we worked with partners across this country from the D Day Story Museum in Portsmouth to the Royal Collection, although we were sad to have to abandon the long-planned workshops in association with the coronation exhibition at Windsor as they had been planned for the week after Her Majesty died. Notwithstanding the unfortunate dates, we will be looking to extend classes in this area in the future as people enjoy seeing the connections between RSN work and the techniques they can explore in classes and it also enables us to reach more people in their own communities.

New and existing partnerships also extended our hand embroidery classes to new customers and positioned us alongside leading museums and institutions. Two new key partners were Kensington Palace and The Courtauld. The partnership class at The Courtauld on 13 May included a Chinese student studying at the Royal College of Art; an MA student and a PHD student studying at The Courtauld, and several American students including one who watches our talks and was inspired to take a class with us while vacationing in London.

ACTIVITIES AND ACHIEVEMENTS (continued)

Talks and Bespoke classes (continued)

Impact

The online talks in particular continue to have a strong impact. With the addition of external speakers who may have their own followings this has also opened the RSN talks to more people. In 2021-22, we staged 20 talks each attracting an average of 170 viewers. We have built up an international online community of regular attendees from an average of 12 countries, but up to 36 countries in total, across the globe who converse with us and each other in the Chat during the talks and send us emails of thanks after each talk. Here is an example sent in February 2022 from an Australian devotee:

"I think we have been truly blessed and privileged to see all these amazing treasures from the RSN Collection and sometimes items from the tutors' private collections!! You could not possibly have shared all these items in an exhibition of any sort!! And, the new perspective every presentation and interview gives us on how embroidery developed and what influenced over the decades - I am just fascinated!! I leap up at 4.45am to get connected and enjoy each presentation! It is so worthwhile!!"

With the partnership classes the impact has been to reach new audiences and offer classes in different places enabling more people who can access the RSN perhaps for the first time but can then build a future relationship and in holding classes alongside pieces made by the RSN it helps to put stitch and the RSN's work in a wider context.

150th anniversary events

Project Manager Emma Daggart worked extremely hard over the year to build partnerships for our special anniversary. Two of particular note were with Fullers Builders, also celebrating 150 years, and the children's programmes at the Fashion and Textile Museum with the Worshipful Company of Broderers. These enabled us to reach new audiences and show our work in different ways attracting a diverse range of individuals to stitch.

The highlight was undoubtedly the *150 years of the RSN Crown to Catwalk* exhibition at the Fashion and Textile Museum (FTM) curated by the RSN Chief Executive and the team at the FTM. The aim was to surprise visitors, showing even those who thought they knew the RSN well, that there were things to surprise them in the RSN's past. Reports back showed this had been achieved. The exhibition had well over 100 objects from the largest number of lenders that the FTM had ever worked with and covered the full span of the RSN's 150 years. The standout pieces were the royal Robe of Estate of Her Majesty Queen Elizabeth from 1937 and the cope of Edward VII from 1902 which had stunning almost three-dimensional flowers, lent courtesy of Her late Majesty the Queen and the Royal Collection.

Also for this special year the Chief Executive produced a history of the RSN *An Unbroken Thread*, as there was no such review of the whole era. With a foreword by our Patron, now the Queen Consort, this was an appropriate publication for all the fans and supporters of the RSN.

ACTIVITIES AND ACHIEVEMENTS (continued)

150th anniversary events (continued)

At the exhibition, with the support of the Worshipful Company of Broderers we were able to run school and family events. We were somewhat thwarted by train strikes and the decision of the FTM that the school classes had to be early morning, but this was made up for by the enthusiastic participation of families. All age groups from Grannies to young school age participated, Mums and Dads, Sons and Daughters in an overwhelmingly quiet and productive environment. Many people discovered a new hobby and saw its potential, actively wanting to pursue it further at home.

During the summer we introduced a participation activity that could also be a fundraiser for the RSN, called Sip and Stitch. Launched on World Embroidery Day it was taken up by groups from around the world and raised money for the RSN Stitch Bank. We encouraged groups to sit and stitch but also have fun around embroidery with quizzes about stitching and the RSN. We will be extending this initiative next year.

We also partnered with another company which celebrated its 150th anniversary, Fullers Builders, a heritage building and conservation specialist company and so from the start we had many things in common. We held skill swap days so that we could learn about the trades and crafts of each other. The company also supported the exhibition and gave staff a tour round.

Impact

The impact of our 150th events was to extend our reach bringing the RSN to the attention of more people and the exhibition achieved its aim of surprising people by the variety of the work the RSN had accomplished as well as the high skill level shown across so many techniques both in the past and today.

150th Anniversary Exhibition quotes from social media

"It was glorious . Whole thing such a joy. Every word and visual Thank you"

"A wonderful exhibition. Well worth a visit I was truly inspired"

"I really enjoyed my visit and the workshop on the Thursday was very therapeutic."

"This is a lovely exhibition, I saw and learned so much"

The biggest impact of the Exhibition was the schools and Family Days. All eight School days were fully booked and we added extra Family Days due to demand, even abandoning the planned lunch break due to the popularity so everyone who wanted to could take part. Each day approximately 150-200 people attended the exhibition and almost all of them dropped in to have a go on the nine Family Days.

ACTIVITIES AND ACHIEVEMENTS (continued)

150th anniversary events (continued)

Impact (continued)

Teachers commented on the positive effect the exhibition had had on pupils and perhaps the greatest endorsement is the teacher who wrote and asked what we were offering for pupils this year.

“I was writing to enquire if we could possibly organise another trip ...with our pupils. We loved our trip and it really started an embroidery craze towards the end of the year.”

“I just wanted to write and thank you for the incredible experience we had with you yesterday morning. Our pupils have come back and are still sewing (we had a few tapestry rings at school). They are so excited about learning new stitches”

And from Family days we had comments like;

“We loved the hands on embroidery session - ended up buying a hoop and threads for my daughter and she’s been loving experimenting with different stitches.”

The Sip and Stitch event attracted 65 event hosts registered from countries round the world, including UK, USA, Australia, New Zealand, Spain and South Africa which is a broader spread than we could have anticipated.

International Summer School 2022

As people were more willing to travel, it was decided to make the 2022 Summer School both on line and face to face at Hampton Court Palace, once again celebrating our 150th anniversary through eight special classes, seven of which were then repeated online, with some additional shorter classes online that could reach from New Zealand to the West Coast of North America. People travelled from a wide range of countries to be part of the onsite anniversary Summer School and for this special year, the event was not just the taught class but also comprised a tea party, a visit to our 150th Anniversary Exhibition and a visit to the RSN Studio. Overall the Summer School generated almost as much income as the preceding year which is no mean achievement when people had many more choices of what to do in the summer than they had in 2021.

However, we recognise that five day events were quite expensive and so, going forward we will be looking at shorter sessions so that more people can participate.

Impact

Overall, we were thrilled with the numbers taking part and those who came in person for the eight onsite classes were particularly happy with the extras that had been laid on. While online students were happy to take the class at home and still feel part of the wider event.

One student used the Summer School to road test us and see if she liked us...by the end of the week she had joined as a Friend, signed up for C&D and bought a set of trestles and she is now onsite regularly and is partway through her Jacobean and always comes to say hello!

ACTIVITIES AND ACHIEVEMENTS (continued)

International Summer School 2022 (continued)

Impact (continued)

"I am still full of the joy that I got from the time at the RSN - it was so wonderful! Thank you for making it such a memorable experience. I'll never forget the tea in the garden, and I cherish the lovely gifts in the goody bag - thank you." (Netherlands)

"Just a quick note to send you and the team a big THANK YOU for all your time and effort put into organizing an online Summer School. I've had so much fun with Kate's class and have actually finished my piece today. I am very proud of my achievement and in general how much I've learned at the RSN in the last year. Embroidery is giving me so much joy, I am really glad I found the RSN. And: I've signed up for the certificate last week :-)" (Germany)

"Thank you so much for hosting the wonderful reception (I joined the UK one)! It was great to meet some of the RSN leaders and participants." (UK)

"I think I can safely say we all loved taking your class. Great coaching, excellent camera work, wonderful patience, fine sense of humour and lively conversation. I loved Stretching the class out over weeks - felt I could actually have time to do the project." (USA)

Retail

Inspired by our 150th Anniversary the retail offering of the RSN endeavoured to reflect our history selecting three images to represent the different periods of the RSN – a design by Selwyn Image from the 19th Century, a 1950s laid work student piece of a curlew and a piece by Degree Graduate Livia Papiernik who graduated in 2018. We also worked with specialist cutlery to produce some limited edition embroidery scissors which proved very popular.

We also added a range of pens, pencils and stationery including an inspiration book which featured over 60 images of works in the RSN Textile Collection with a blank page opposite so that people could devise their own drawings and designs based on the pieces they saw.

Also available through the shop was the book written by RSN Chief Executive Dr Susan Kay-Williams, *An Unbreakable Thread* of the 150 year history of the RSN, who personally signed many copies. At the year end the shop showed a higher profit than previous years having been able to open its physical doors as Hampton Court Palace opened again to the public and will be working with the new Director of Operations to develop this further.

Impact

For many the retail department is the first part of the RSN they encounter so it provides a service not just for retail but across the RSN.

Friends

Friends are tremendous supporters of the RSN and we are always happy to see RSN Friends at events. During the year Friends played an important part in providing funding for student bursaries on both the Degree and Future Tutor programmes. They also supported many of our exhibitions and especially the talks online.

ACTIVITIES AND ACHIEVEMENTS (continued)

Friends (continued)

We also introduced a special one-week advance booking period for Friends for each season of courses and Friends get a ten per cent discount on those courses. This has proved popular and a good reason for being a Friend, especially on popular classes.

We also recognise Friends as having the potential to help us with legacy gifts and this was the case this year with a large legacy from a Canadian Friend. This will be an area that we continue to promote given the demographic of our supporters by showing how transformative a legacy can be to the work we can do for future generations.

Impact

Friends are a strong community of very loyal people, many of whom have supported the RSN for years. The funding from the Friends meant that we could offer more bursaries and enhance some of them so that we could better support the students. This was really appreciated by the students whether it was used for basics like travel and food or, especially for the third years, for quality materials for their final projects.

I used a huge range of materials for the embroidery, ranging from hundreds of beads, to beetle wings to mirrors. Having the bursary has ensured that I have been able to use as many different materials as I need. The silk dupion and silk velvet was also a large cost in the project so having the bursary helped to cover the cost of these. The bursary also allowed me to invest in more sewing tools.

This Degree student whose bursary was sponsored by the Friends was identified by the Crafts Council as 'one to watch' having seen her final graduate showcase.

Promotion

Our small team of Marketing and External Relations staff, expanded this year with the addition of its first Digital Marketing Officer in April, worked very hard to extend the reach of the RSN through as many channels as possible; perhaps the highest achievement being a two page article in the weekend Financial Times to coincide with our 150th Anniversary. Articles like this bring us to different audiences and so can have a very positive effect. We also featured in regional and local magazines, making the cover of two, and in some magazines internationally thanks to some of our supporters. However, the main promotion has been through social media where the RSN has built a solid following especially on Facebook and Instagram. This has helped us to promote events, classes and retail items. 'Live' content through video and Instagram Reels has been key. We produced videos to open the RSN doors to our newly acquired international audience with 11 'RSN 150' videos and four 'Welcome to...' videos covering various departments.

It has been particularly important to market online tuition, the 'new way' of learning which has increased the RSN's potential audience over the last year, producing student case studies to illustrate the ease of accessibility and how much it has been needed and loved by students learning in countries across the world.

ACTIVITIES AND ACHIEVEMENTS (continued)

Promotion (continued)

Impact

With investment in targeted social media and Google advertising alongside influencer marketing, the RSN website attracted a new audience of 14% with similar increases across individual platforms such as Facebook, Instagram and Twitter. This increased audience then helped us achieve our targets or better across the short courses and Summer School.

RSN Studio

This year the Studio was asked to create two large hangings for the Katie Paterson Studio, they were to depict extinct flowers so they were worked in black thread. To ensure the flowers were represented authentically the stitch team used tablets to show detailed drawings of each plant which they worked but they had the freedom to then work the final pieces in a more freestyle way than in many projects. The pieces were needed to a tight timescale as they were both going on exhibition, one in Scotland and one in Norway. Working with a team of stitchers, both of the hangings were finished on time. It was great for the Studio to work on something which was clearly seen as art rather than craft.

The team also worked on a project with Jay Blades' Company to enhance and restore two Parker Knoll chairs which formed the centrepiece of our display for Decorex. This project gave us the chance to use the archive as a design source and view the piece differently and in a more commercial manner by combining print and stitch. Other work continued in the classic tradition of the RSN Studio to be a mixture of small jobs from wedding veils and christening robes to samplers and historic garments while most larger jobs this year were around conservation for banners, altar frontals and standards, including a private commission for Her late Majesty The Queen, our final piece of work for her which was of personal significance, finished shortly before she died.

At the beginning of the year the RSN Studio was invited to make a piece for the Worshipful Company of Broderers' exhibition held in February. The Studio took the opportunity to make a modern twist on Jacobean Crewelwork. The piece also featured in our 150th Anniversary exhibition at the Fashion and Textile Museum and will be of great use in the future to show how different embroidery techniques can be brought forward to today.

Impact

The new partnerships and projects this year show the potential of the Studio to work in creative and contemporary ways and will enable us to promote its work to new potential customers such as Interior Designers and architects. As previously mentioned, it was great for the Studio to work on something which was clearly seen as art rather than craft as we continue to promote the practise and relevance of embroidery in the current day.

ACTIVITIES AND ACHIEVEMENTS (continued)

Fundraising declaration

One disappointment of the year was that, in the scramble for additional staff that many organisations faced as they emerged from Covid, the RSN could not find suitably qualified and skilled people to take on the key fundraising roles. This is particularly important as the RSN has to earn or raise all its income, receiving nothing from government. Funds are raised to run core programmes, especially the Future Tutors and for students in the form of bursaries on the Future Tutor and Degree programme. As a result all Future Tutors received a bursary this year and more than 60 per cent of Degree students received a bursary. This is a very high level of support for undergraduate students where, generally, bursaries are rare. Fundraising also supported the development of the RSN Stitch Bank and is helping complete the funding for the Digitisation programme which will enable our Collection and key parts of our Archive to be put online as part of our public benefit programme and one of our 150 legacy projects for everyone to access. These new projects would not happen at all without fundraising.

What was of particular importance in fundraising terms was that the RSN sees the 150th anniversary not as an ending but as a beginning of the future. The RSN sees much scope for its work, not just at higher education and elite levels but increasingly at community levels to which end it has now launched a new campaign for the future called **150 Forward**. The **150 Forward** campaign aims to underpin a range of activities, to pump prime them and bring them to fruition more quickly. This will be an ongoing campaign to really support our future plans, these can be explored in more detail in the Future plans section.

An appeal was sent out in August and from the initial response we were able to conclude the funding for the Digitisation programme as well as save some for the future projects. This Campaign has further to run and more work will be done on this over the coming year as the RSN moves through the anniversary into the future. In undertaking this appeal the RSN abides by the codes of the Fundraising Regulator and the GDPR requirements and removes from any appeal any supporter who requests this. This year the RSN received no fundraising complaints.

Donors to the RSN included many City Livery Companies including the Worshipful Companies of Broderers, Dyers, Girdlers, Gold and Silver Wyre Drawers, Haberdashers, Needlemakers and charitable trusts including the Barbara Whatmore, Headley, Coats, Knights of the Round Table the RK Trapp Family Foundation, heritage builders Fullers Builders and partner organisation David and Charles.

IT

IT continues to be of increasing importance to delivering our programmes online. Over the year we have reviewed some of our future needs so that in 2022-23 we can put in place a timetable of activity for further development of the retail online site, the website and for general administration and operations.

ACTIVITIES AND ACHIEVEMENTS (continued)

Complaints

Two complaints were received this year in relation to our Future Tutors course which were reviewed by the Trustees. We are committed to ensuring our activities address stakeholder needs. We reflected on the comments made and additional feedback sought and put several improvements in place as well as reviewing policies and procedures. We continue to review how we deliver our broader educational activities and welcome all feedback.

Staffing

The relatively small team of RSN staff 'punched above its weight' once again over the last twelve months, and in our broader listening exercise many people commented on the wide range of activities delivered by so few people and we thank them for their commitment and dedication. We appreciate that we can only deliver so much with the current resource and are currently reviewing our operations to ensure we are focused on priorities. We are also introducing a small number of additional posts which will have a substantial impact on our ability to deliver activities to a high standard, introduce new ways of working and look to the future.

Overall review of performance

The year was a mixture of continued living with the effects of the pandemic through to emerging from restrictions and starting to live a more normal life again. Where not essential for students and customers to be at Hampton Court Palace we delivered short courses online, finally re-introducing onsite classes in late Spring and Summer. We were also delighted that celebrations for our 150th Anniversary which had been planned to ramp up from April 2022 with the launch of our major exhibition at the Fashion & Textile Museum in London were largely unaffected. We celebrated the RSN's anniversary in style and in as many ways as possible, using public exhibitions as our primary way of showcasing the heritage and achievements of the RSN to the public. These proved very popular and enabled us to hold multiple talks and classes on the back of the exhibitions.

The Certificate and Diploma, short courses and international summer school all achieved positive income levels above budget which helped underpin the whole. Degree with a fixed income, given that student fees have not increased, benefited from a few extra international students and from spending less than budgeted, FTs benefited from additional fundraised income that supported the whole course. Income was up for Retail, thanks in part to merchandise sourced specifically in support of our 150th Anniversary year and the Studio also attracted some substantial commissions including two large hangings.

Future developments

The Year Ahead

While the RSN continues to celebrate its 150th anniversary into 2023, we are also looking ahead and using the feedback and insights gained from the listening exercise undertaken in the first half of the year to build on the solid foundations of 150 years and ensure the RSN grows stronger and remains relevant for stitchers today.

ACTIVITIES AND ACHIEVEMENTS (continued)

Future developments (continued)

The Year Ahead (continued)

We have introduced a new position of Director of Education and made an appointment which will take effect in February 2023. This is a new post which will take on overall responsibility for all our core educational programmes. One of the first tasks will be to undertake a strategic review of our current course offerings and make recommendations for improvements and developments.

We are currently reviewing our broader vision and values and our role in the wider community asking a variety of stakeholder groups to help us answer the question 'What If?'. We want to ensure we are actively working to put stitch into the heart of the community, showing how stitch can enhance wellbeing and bringing people together through the shared language of stitch. We want to grow programmes for young people, for refugees and international communities based in Britain, especially those that come from countries with strong stitch cultures. We want to show how stitch can indeed help build mental health and wellbeing through the repetitive, almost meditative activity of taking a needle through fabric in a deliberate way such that a calm can come over the stitcher,

Undertaking these new programmes will be our leap forward, 150 Forward, and we will be raising funds to help deliver our ambitions in the coming year.

To help promote and deliver our work to a broader audience we want to build more partnerships across the UK in locations that contain RSN textiles and develop ongoing effective partnerships that can build up over time. We are also looking to build more licensing opportunities to help spread the RSN name more broadly. In addition to extending our reach 'at home' our ambitions include plans to launch a touring exhibition for both the UK and North America comprising Treasures of the RSN Collection with complementary classes, talks and other activities.

We are inspired by the potential of the 'What If' question while also ensuring efficient delivery of our core operations.

FINANCIAL REVIEW

Financial report for the year

The consolidated statement of financial activities for the year shows a net surplus (before investment gain and losses) of £228,203 (2020/21: surplus of £109,195).

The overall income for the year 2021/22 amounted to £2,747,686 (2020/21: £2,272,430), a year-on-year increase of 21%. Income from donations and legacies increased by 19% to £513,330 (2020/21: £430,171). This includes legacies totalling £260,157 (2020/21: £73,415) and £3,444 (2020/21: £129,496) of grant income from the Government Job Retention Scheme and other Local Government grants. Donations and legacies remain an extremely important source of income, particularly for the Degree and Future Tutor programmes, neither of which receives any government funding, and for all new initiatives.

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

The trading subsidiary's income of £381,464 (2020/21: £288,112) increased by 33% as the Studio activity has no longer been hampered by social distancing and the physical shop has reopened.

Income from charitable School activities amounted to £1,694,473 (2020/21: £1,405,564) a 21% increase year on year due to the continued popularity of online learning, return to more in-person classes and the International Summer School that was held both online and in-person in July 2022. Investment income increased by 7% to £158,419 (2020/21: £148,583).

The restricted fund income of £134,175 (2020/21: £177,142) consisted of resources earmarked for the Degree and Future Tutor programmes, the RSN Stitch Bank and Collection and Archive Digitisation Campaigns. Restricted expenditure of £176,706 (2020/21: £210,212) was incurred against the Degree and Future Tutor programmes, for the RSN Stitch Bank project, the Schools/Family workshops at the Fashion and Textile Museum and also the ongoing depreciation on the capital costs of the set-up of the new classrooms at Hampton Court Palace in 2015.

Total expenditure for the year was £2,519,483 (2020/21: £2,163,235), an increase of 16%. Costs have increased in 2021/22 to help deliver the charitable School activities.

Net realised and unrealised losses on investments for the year amounted to £755,541 (2020/21: £887,626 net realised and unrealised gains). At the balance sheet date, net assets totalled £5,770,238 (2021: £6,297,516) of which £2,620,471 (2021: £2,711,355) are unrestricted income funds.

The Royal School of Needlework has an investment of £100 (2020/21: £100) in the share capital of RSN Enterprises Limited, a wholly owned company which is incorporated in England and Wales. The net trading income of the company for the year amounted to a deficit of £3,899 (2020/21: deficit of £8,572).

Reserves policy and financial position

The Council has examined the requirements for free reserves, i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. During 2021/22, the Council reviewed the Charity's reserves policy and confirmed it to be five months' total expenditure at any one time plus the additional commitments on the licence at Hampton Court. In coming to this conclusion, the Council considered the nature of the charity's work and the discretionary nature of a significant proportion of income. Based upon budgeted expenditure levels for 2022/23, the maximum expenditure for five consecutive months plus commitments on the Hampton Court licence would be in the region of £1,534,000. The Council is of the opinion that this provides sufficient flexibility to cover temporary shortfalls in incoming resources due to timing differences in income flows, adequate working capital to cover core costs and will allow the charity to cope with and respond to unforeseen emergencies whilst specific action plans are implemented.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

The charity has total reserves of £5,770,238 (2021: £6,297,516). This includes endowment funds and restricted funds of £2,885,367 (2021: £3,275,767) and £259,520 (2021: £305,574) respectively and designated funds of £856,029 (2021: £610,000). After deducting funds represented by tangible fixed assets and shareholders' funds, this leaves free reserves at 31 August 2022 of £1,725,209 (2021: £2,057,035). There is currently an excess of free reserves over the target level of £1,534,000. Given the current economic uncertainty, the Council is of the opinion that the level of free reserves held is prudent at this time.

The Council has continued to formally designate £856,029 towards the planned developments within the strategic plan (2021: £610,000). The Council will review this designation on an ongoing basis. The funds that are designated are for future strategic projects, including the ongoing RSN Stitch Bank project and digitisation of the archive.

Investment policy

Under the Memorandum and Articles of Association, The Royal School of Needlework has the power to make any investments, which the Council sees fit. The Finance and Investment Committee keeps a close eye on investments and returns to ensure maximum benefit for the RSN and meetings are held regularly with the investment managers to ensure that the balance of the portfolio remains appropriate particularly given political uncertainties and the ongoing potential for market volatility.

The tenor of the investment policy remains to maintain the real value of the RSN funds through continued growth of the asset base, seeking to achieve this with an appropriate balance between sustained cash flow and capital growth, to generate over the long term, defined as a period of not less than five years, a total return on capital invested that reflects the risk appetite.

During the year, the Council also considered and reaffirmed its risk appetite for the investments, which has been mandated as medium.

During 2021/22 markets have been impacted by the Russian invasion of Ukraine and the steep rise in inflationary pressures, while in the UK ongoing political instability has brought ongoing uncertainty to markets. At the charity's 31st August 2022 year end, the investment portfolio was valued at £5,381,018, having depreciated -10.5% in total return terms over the past 12 months. (in total return terms, net of fees). This is behind the 70% FTSE All-Share /30% FTSE UK Gilt Index return of -5.2%, while CPI+3% returned +13.3%. The portfolio has an 11 year annualised return of +7.0% per annum, which remains comfortably ahead of the comparators.

Markets have continued to be volatile since then, and with levels of confidence low. Central banks around the world are expected to continue to raise interest rates over the coming year, although we believe we are nearing the end of this current interest rate raising cycle. The key for future market direction and confidence is the war in Ukraine. The Finance and Investment Committee continues to have regular meetings with the investment managers.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Royal School of Needlework was founded in 1872 and incorporated in England and Wales, on 16 April 1878 as a company limited by shares, the word 'limited' being omitted by licence of the then Board of Trade. The RSN is also registered as a charity with the Charity Commission, under the number 312774.

Council Members' Induction and Training

On appointment, Council members are provided with the Charity Commission publication about trustees' roles and responsibilities, are invited to come and spend a day with senior managers and their teams learning about the work of each team, and are provided with copies of the annual report, strategic plan and campaign presentation.

Council members have been provided with Charity Commission guidance on fundraising regulations. Council members are informed of training courses run by our advisors, which they may attend.

Organisational Structure and Key Management

The key management personnel of the RSN in charge of directing and controlling, running and operating the charity comprise the Council and the Chief Executive, Dr Susan Kay-Williams. The Chief Executive is supported in day-to-day operations by a small senior management team and other staff. The RSN is a small organisation with at most only three levels of hierarchy but in practice, much of it operates at a more hands-on level.

The salary of the Chief Executive is set by the Council. The salaries of all staff are considered annually by the Finance and Investment Committee and approved by the Council.

As at 31 August 2022, the RSN employed eleven full time and 14 part-time management and administrative staff and core teams of five part time stitchers in the Studio and 17 part time tutors. In addition, there are around 20 volunteers who assist with the library, donated items, Studio Talk and Tours, marketing and data entry.

Trading subsidiary

The RSN has a wholly owned trading subsidiary RSN Enterprises Limited, a company incorporated in England and Wales with a share capital of £100. The principal activity of the company is that of undertaking the commercial and retail activities of The Royal School of Needlework. The company comprises the RSN Studio, which undertakes commissions for individuals and public bodies and a retail outlet within the premises of The Royal School of Needlework. The retail outlet also offers products for sale via its website.

All taxable profits of the trading subsidiary are donated to the School under the Gift Aid scheme. During the year the company made a loss of £3,899 (2020/21: loss of £8,572).

This report is approved by the Council on 1 February 2023 and signed on its behalf by:



P Wood
Chair of Trustees



Dr S Kay-Williams
Chief Executive

Statement of Corporate Governance and Internal Control Year to 31 August 2022

The following statement is provided to enable readers of the annual report and financial statements of the Royal School of Needlework to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2021 to 31 August 2022 and up to the date of the approval of the annual report and financial statements.

The Royal School of Needlework endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Trustees recognise that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Royal School of Needlework is a registered charity and a private company limited by shares. The trustees are the shareholders and their liability is limited to the value of shares held.

The Trustees, who are also Council Members and referred to as both in this report, confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

Council and Trustees

The governing body of the RSN is the Council. This comprises the Chair of Trustees, Honorary Treasurer and up to 12 ordinary members.

Members of the Council (who are also Trustees of The Royal School of Needlework for the purposes of charity law) who served during the year and up to the date of this report were:

Statement of Corporate Governance and Internal Control Year to 31 August 2022

Council and Trustees (continued)

Council members (Directors)	Appointed / Retired
Ms Pip Wood (Chair of Trustees)*	Appointed 5 October 2021 Appointed Chair of Trustees 1 September 2022
Mr Andrew Palmer (Chair of Trustees)**	Retired 31 August 2022
Mrs Elizabeth Braakenburg Dyce	Retired 23 June 2022
Ms Louisa Christofidou	Appointed 26 July 2022
Ms Nicola Clarke*	Retired 14 December 2022
Ms Miranda Corti (Honorary Treasurer)*	Appointed 5 October 2021 Appointed Honorary Treasurer 16 February 2022 Retired 10 August 2022
Prof Patsy Cullen	
Ms Victoria Farrow	
Mrs Morgan Fowles	Retired 4 May 2022
Miss Samantha Hoe-Richardson (Honorary Treasurer)*	Retired 5 October 2021
Ms Deborah Lamb	Retired 4 May 2022
Ms Claire Miller*	Appointed 28 July 2022
Ms Reena Pastakia	Retired 10 January 2022
Ms Julie Richards	Appointed 28 July 2022
Ms Eleri Lynn Ritchie	Appointed 5 October 2021
Mrs Stephanie Wright (Honorary Treasurer)*	Appointed Honorary Treasurer 5 October 2022

* indicates members of the Finance and Investment Committee, which met four times during the year under the chairmanship of the Honorary Treasurer.

** Since retiring, Andrew Palmer has attended one Finance and Investment Committee meetings as an Observer.

In addition to the Council there is one committee which reports to the Council:

The Finance and Investment Committee, usually meets four times a year and ensures that the finances of the RSN are well managed and accurately reported, and that the investments are handled in accordance with the agreed risk appetite.

During the year working parties comprising Trustees and staff have looked at the RSN Strategic Plan, the exhibition at the Fashion and Textile Museum in 2022 and RSN Policies.

Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year.

All Council Members at 31 August 2022 held one £10 share (2021: one £10 share) in the capital of the charitable company.

The Finance Director maintains a register of financial and personal interest of the members of the Council. This can be obtained by contacting Hannah Warwick at the RSN's registered office (see page 1).

Statement of the Council's responsibilities

The Council Members (who are also directors of The Royal School of Needlework for the purposes of company law) are responsible for preparing the report of the Council and financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires the Council to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the group for that period. In preparing these financial statements, the Council is required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Council Members confirms that:

- ◆ so far as the Council Member is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Council Member has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Council meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Council met formally six times in 2021/22.

The Royal School of Needlework has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair of Trustees and Accounting Officer are separate.

Appointment to Council

Council members serve a term of three years and may serve a second term of three years before retirement.

Approximately biennially, the Council members undertake a skills analysis, the Chair of Trustees and the Chief Executive review the skills available, the likely retirement dates of Council members and the future needs of the charity in order to start searching for new potential Council members.

Council Performance

The Council has made a strong contribution to the improvements made in 2021/22 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Council meetings. The Council provides robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Council business.

Committees

Finance and Investment Committee

The Finance and Investment Committee is responsible to the Council of Trustees in discharging its responsibilities for monitoring the integrity of the RSN's financial statements, the effectiveness of financial controls with regard to internal risk assessment, the performance and objectivity of external auditors and the performance of investments.

The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To take the lead in reviewing the financial risks, aiming to minimise and mitigate any that appear or will potentially impact the charity and that are within its power to affect.

Committees (continued)

Finance and Investment Committee (continued)

- ♦ To satisfy itself that satisfactory arrangements are in place to manage the RSN's investments and to monitor their performance

Internal Control

Scope of responsibility

The Council is ultimately responsible for the organisation's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Council has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive is also responsible for reporting to the Council any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Risk management

The Council and senior managers have reviewed the principal financial, reputational, operational and governance risks that might impact on the organisation during the year, especially in the light of Covid and its impact and updated the risk register accordingly. The review enables the RSN to reflect upon the impact of both internal and external changes and the longer-term impact they may have, ensuring that mitigation is updated to respond to the changes. While known risks can be mitigated there will always be unanticipated events of which the ongoing Covid situation has been an unwelcome example.

The Finance and Investment Committee continues to take the lead in reviewing the financial risks, aiming to minimise and mitigate any that appear or will potentially impact the charity and that are within its power to affect.

The Council has reviewed the RSN's internal financial controls and is satisfied that these are appropriate in minimising any risks to its funds.

Risk management (continued)

The top three risks that could have a negative impact on achieving the RSN's strategic plan have been identified as:

- ◆ The challenges of meeting financial targets when the RSN is a luxury purchase in a period of recession;
- ◆ The impact of limited physical space for RSN activities as potentially limiting income – we will be looking for additional space for certain areas of work during the year;
- ◆ If the proposed website development does not happen to schedule and/or has usability issues this could impact sales, overall activity and reputation. The project will however, be closely monitored to ensure this does not happen and that it meets the needs of internal and external customers.

Review of effectiveness

As the Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Finance and Investment Committee also receive regular reports, which include recommendations for improvement. The Council agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Finance and Investment Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2022 by considering documentation from the senior management team, and taking account of events since 31 August 2021.

Based on above and reports by the Chief Executive, the Council is of the opinion that the organisation had an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2022 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Council believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Going Concern

Details on Board's going concern assessment are set out on page 39.

Approved by order of the Board of Trustees and signed on its behalf by:



P Wood
Chair of Trustees



Dr S Kay-Williams
Chief Executive

Date: 1 February 2023

Independent auditor's report to the Members of The Royal School of Needlework

Opinion

We have audited the financial statements of The Royal School of Needlework (the 'parent charitable company') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company's balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 and parent charitable company's affairs as at 31 August 2022 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2021/22.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2021/22 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 4 to these financial statements has been materially misstated.

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 parent charitable company 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 Council Members' 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 and charitable parent company'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 Council Members with respect to going concern are described in the relevant sections of this report.

Other information

The Council Members are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the report of the Council, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the report of the Council, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the report of the Council.

Matters on which we are required to report by exception (continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Council Members' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Council Members were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Council Members

As explained more fully in the statement of the Council's responsibilities, the Council Members (who are also the directors of the charitable company for the purposes of company law) 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 Council Members 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 Council Members are responsible for assessing the group and parent charitable company'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 Council Members either intend to liquidate the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Council meetings.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Gained an understanding of the processes in place for the management of the charitable company's investments; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ Review of the minutes of meetings of those charged with governance;
- ◆ Enquiring of management as to actual and potential litigation and claims; and

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud
(continued)

- ◆ Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charity's Council Members, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charitable company's Members and the parent charitable company's Council Members 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 parent charitable company, the parent charitable company's Members as a body and the parent charitable company's Council Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Gumayel Miah, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 3 February 2023

Consolidated statement of financial activities (including the Income and Expenditure Account) Year ended 31 August 2022

		Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Income and expenditure	Notes					
Income from:						
Donations and legacies	1	379,155	134,175	—	513,330	430,171
Investments	2	158,419	—	—	158,419	148,583
Other trading activities	3	381,464	—	—	381,464	288,112
Charitable activities						
. School activities	4	1,694,473	—	—	1,694,473	1,405,564
Total income		2,613,511	134,175	—	2,747,686	2,272,430
Expenditure on:						
Raising funds	5	485,000	6,753	—	491,753	395,030
Charitable activities						
. Costs of school activities	6	1,857,477	169,953	300	2,027,730	1,768,205
Total expenditure		2,342,477	176,706	300	2,519,483	2,163,235
Net income/(expenditure) before investment gains and losses	8	271,034	(42,531)	(300)	228,203	109,195
Realised losses on investments	11	(73,745)	(718)	(79,488)	(153,951)	(398)
Unrealised (losses)/gains on investments	11	(288,173)	(2,805)	(310,612)	(601,590)	888,024
Net movement in funds		(90,884)	(46,054)	(390,400)	(527,338)	996,821
Reconciliation of funds:						
Fund balances brought forward at 1 September 2021		2,711,355	305,574	3,275,767	6,292,696	5,295,875
Fund balances carried forward at 31 August 2022		2,620,471	259,520	2,885,367	5,765,358	6,292,696

Balance sheets 31 August 2022

	Notes	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
Fixed assets					
Tangible assets	9	39,233	44,320	39,233	44,320
Investments	11	5,381,018	6,181,660	5,381,118	6,181,760
		5,420,251	6,225,980	5,420,351	6,226,080
Current assets					
Stocks	12	77,535	66,368	31,736	25,037
Debtors	13	411,357	137,430	492,729	215,950
Cash at bank and in hand		571,937	488,761	559,962	467,668
		1,060,829	692,559	1,084,427	708,655
Creditors: amounts falling due within one year	14	(710,842)	(621,023)	(678,864)	(585,440)
Net current assets		349,987	71,536	405,562	123,215
Total net assets		5,770,238	6,297,516	5,825,914	6,349,295
Represented by:					
Capital and reserves					
Called up share capital	16	230	240	230	240
Capital redemption reserve	17	4,650	4,580	4,650	4,580
		4,880	4,820	4,880	4,820
The funds of the charity:					
Endowment funds	18	2,885,367	3,275,767	2,885,367	3,275,767
Restricted funds	19	259,520	305,574	259,520	305,574
Unrestricted funds:					
. General fund		1,764,442	2,101,355	1,820,118	2,153,134
. Designated funds	20	856,029	610,000	856,029	610,000
		5,765,358	6,292,696	5,821,034	6,344,475
		5,770,238	6,297,516	5,825,914	6,349,295

Approved by the Council of Members on 1 February 2023 and signed on its behalf by:



P Wood
Chair of Trustees



S Wright
Honorary Treasurer

The Royal School of Needlework: Company Registration Number 12192

Consolidated statement of cash flows Year to 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(113,141)	(58,102)
Cash flows from investing activities:			
Investment income		158,419	148,583
Purchase of tangible fixed assets		(7,263)	(13,639)
Proceeds from the disposal of investments		1,486,906	763,930
Purchase of investments		(1,457,964)	(811,122)
Net cash provided by investing activities		180,098	87,752
Cash flows from financing activities:			
Repurchase of share capital		(10)	(20)
Increase in capital redemption reserve		70	20
Repayment of loan		—	(50,000)
Net cash provided by financing activities		60	(50,000)
Change in cash and cash equivalents in the year		67,017	(20,350)
Cash and cash equivalents at 1 September 2021		517,073	537,423
Cash and cash equivalents at 31 August 2022	B	584,090	517,073

Notes to the statement of cash flows for the year to 31 August 2022

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(527,338)	996,821
Adjustments for:		
Depreciation charge	12,350	12,626
Losses/(gains) on investments	755,541	(887,626)
Investment income	(158,419)	(148,583)
(Increase)/Decrease in stocks	(11,167)	5,385
Increase in debtors	(273,927)	(3,835)
Increase/(Decrease) in creditors	89,819	(32,890)
Net cash used in operating activities	(113,141)	(58,102)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	571,937	488,761
Cash held by investment managers	12,153	28,312
Total cash and cash equivalents	584,090	517,073

Consolidated statement of cash flows Year to 31 August 2022

C Reconciliation of net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	517,073	67,017	584,089
Total cash and cash equivalents	517,073	67,017	584,089

Principal accounting policies Year to 31 August 2022

General information

The Royal School of Needlework is a company, limited by shares and is registered in England and Wales. The registered number is 12192 and the registered office is Apartment 12A, Hampton Court Palace, East Molesey, Surrey, KT8 9AU.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Council Members and management to make certain judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include: stock provisions, estimating the useful economic life of tangible fixed assets and legacy recognition.

In addition to the above, the impact of high inflation and recession creates the risk that estimates used in the accounts, particularly with respect to the value of listed investments (see note 11) may be subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under “going concern”, the Council has considered the impact of the current economic circumstances on the charity and has concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Assessment of going concern

The Council has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Council has made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)

The Council has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Council is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The RSN currently has unrestricted reserves that are £191k in excess of the level set in its reserves policy. Cash flow is being monitored closely and in recent years there has been no need to liquidate investments. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 August 2023, the most significant areas that affect the carrying value of the assets held by the charity are maintaining a blended model of online and in-person classes, the level of donations and legacies, the level of investment return and the performance of the investment markets.

Consolidation

Consolidated financial statements ("group financial statements") have been prepared in respect of the charity and its wholly owned subsidiary, RSN Enterprises Limited. The results of RSN Enterprises Limited have been consolidated on a line-by-line basis.

A separate statement of financial activities for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Charities SORP FRS 102. The company has also taken advantage of the exemption in the Companies Act 2006 Section 408 not to present its own statement of financial activities. Net deficit of £523,440 (2020/21: £1,005,393 surplus) is attributable to The Royal School of Needlework.

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and legacies, grants, investment income, income from trading activities and school income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued when the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds or where the donation is specifically for a subsequent period, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102, volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Income recognition (continued)

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from school activities is accounted for on an accruals basis; where fees are received for courses commencing in the following financial period, the income is deferred to the next financial period.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, the costs of the trading subsidiary company and costs incurred in encouraging people and organisations to contribute financially to the charity.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the direct cost of operating the school and support costs.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure including governance costs. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

Support costs (which are predominantly staff costs for the Chief Executive and marketing and finance teams) are apportioned between expenditure on raising funds and on charitable activities (which comprises costs of school activities) based on an estimate of the proportion of the time spent on each area. Governance costs are all included within expenditure on charitable activities (costs of school activities).

Principal accounting policies Year to 31 August 2022

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at the following annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life:

♦ Fixtures and fittings	10% on cost
♦ Office equipment	20% on cost
♦ Leasehold improvements	10% on cost or if shorter over the remaining term of the lease

Fixtures and fittings and office equipment with a cost greater than £1,000 are capitalised.

Heritage assets

The Royal School of Needlework possesses a collection of historic embroidery, the value of which has not been included in the financial statements, as the Council does not believe that the value of ascertaining their market value would be commensurate with the associated cost. Further details are disclosed in note 10 to the financial statements.

Investments

Investments are included on the balance sheet at their market value at the end of the financial period. Investment income is credited to income on an accruals basis, using dates of payment for dividends and daily accruals for interest. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Materials	- At purchase cost on a first-in, first-out basis
Work-in-progress, finished work and goods held for re-sale	- At purchase cost or at cost of direct materials and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The unrestricted general fund comprises those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the Council.

The designated fund comprises monies set aside out of unrestricted funds for future projects or purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor.

The endowment funds comprise permanent endowments, where the capital is held indefinitely and the income is used for prizes and training for students and expendable endowments, where both the capital and income can be used for student scholarships or the general purposes of the charity.

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
2022				
Donations	115,554	134,175	—	249,729
Legacies	260,157	—	—	260,157
Grants	3,444	—	—	3,444
Total funds	379,155	134,175	—	513,330
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2021 £</i>
2021				
Donations	51,118	176,142	—	227,260
Legacies	72,415	1,000	—	73,415
Grants	129,496	—	—	129,496
Total funds	253,029	177,142	—	430,171

2 Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
2022				
Bank and deposit interest received	15	—	—	15
Income from listed investments	158,404	—	—	158,404
Total funds	158,419	—	—	158,419
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Endowment funds £</i>	<i>Total 2021 £</i>
2021				
Bank and deposit interest received	87	—	—	87
Income from listed investments	148,496	—	—	148,496
Total funds	148,583	—	—	148,583

3 Income from trading activities

The Royal School of Needlework has a wholly owned trading subsidiary which is incorporated in England and Wales. RSN Enterprises Limited undertakes the retail activities of The Royal School of Needlework. The company will donate any taxable profits to the charity under Gift Aid. A summary of the company's trading results is shown below. Audited financial statements have been filed with the Registrar of Companies.

3 Income from trading activities (continued)

RSN Enterprises Limited – Statement of comprehensive income

	Total 2022 £	Total 2021 £
Turnover	383,508	292,185
Cost of sales	(276,992)	(204,531)
Gross profit	106,516	87,654
Other operating income	556	635
Administrative expenses	(110,971)	(96,861)
Operating loss	(3,899)	(8,572)
Gift Aid donation to The Royal School of Needlework	—	—
Retained loss for the financial year	(3,899)	(8,572)

In the year ended 31 August 2022, turnover includes £2,600 (2021: £4,708) of income received by RSN Enterprises Limited from the charity, which is eliminated upon consolidation.

4 Income from school activities

Income from school activities is wholly unrestricted and comprises mainly fees for the Degree programme, Certificate and Diploma programme, Future Tutors and Short Courses.

Income from school activities includes:

	2022 £	2021 £
Fee income for taught awards (Higher Education)	—	—
Fee income from non-qualifying courses	1,089,115	892,754
	1,089,115	892,754
Higher Education income from sub-contractual arrangements with other providers	462,726	379,985
Other income from School activities	142,632	132,825
	1,694,473	1,405,564

Fee income for taught awards (Higher Education) shows as zero above due to all Higher Education income arriving through sub-contractual arrangements with other providers.

5 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
2022				
Costs of trading subsidiary	385,770	—	—	385,770
Investment managers' fees	45,101	—	—	45,101
Advertising and literature	40,635	—	—	40,635
Fundraising costs	10,301	6,753	—	17,054
Travelling & other costs	3,193	—	—	3,193
Total funds	485,000	6,753	—	491,753
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
2021				
Costs of trading subsidiary	299,423	—	—	299,423
Investment managers' fees	45,284	—	—	45,284
Advertising and literature	26,649	—	—	26,649
Fundraising costs	6,648	14,434	—	21,082
Travelling & other costs	817	1,775	—	2,592
Total funds	378,821	16,209	—	395,030

6 Costs of school activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
2022				
Staff costs	1,250,115	95,821	—	1,345,936
Other costs	607,362	74,132	300	681,794
Total funds	1,857,477	169,953	300	2,027,730
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £
2021				
Staff costs	1,122,001	92,768	—	1,214,769
Other costs	452,201	101,235	—	553,436
Total funds	1,574,202	194,003	—	1,768,205

7 Staff costs

	2022 £	2021 £
Wages and salaries	1,384,089	1,218,456
Social security costs	95,612	83,465
Pension costs	52,200	49,039
	1,531,901	1,350,960
Staff costs by function were as follows:		
Cost of school activities	1,345,936	1,214,769
Cost of raising funds (fundraising and trading subsidiary)	185,965	136,191
	1,531,901	1,350,960

The average monthly number of employees during the year was 47 (2021: 48) and on a full time equivalent basis was 26 (2021: 26).

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer's pension contributions) during the year was as follows:

	2022	2021
£60,001 - £65,000	1	—
£95,001 - £100,000	—	1
£100,001 - £105,000	1	—

Pension contributions in respect of these employees were £8,071 (2021: £4,995).

Three Council Members received reimbursement of travelling expenses in the year totalling £1,069 (2021: none).

No remuneration was paid to the Council Members in the year (2021: none).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the Council and the Chief Executive. The total cost of the remuneration (including taxable benefits, employer's national insurance and pension contributions) of the key management personnel for the year was £118,963 (2021: £116,906).

Chief Executive Remuneration

	2022 £	2021 £
Basic salary	97,883	99,893
Salary sacrifice arrangements	(7,915)	(3,996)
Bonus	4,000	—
Pension contribution	12,810	8,991
Total remuneration after salary sacrifice	106,778	104,888

7 Staff costs (continued)

The RSN has given regard to the “Higher Education senior staff remuneration code” published by the Committee of University Chairs when determining senior staff remuneration. Staff who are part of the pension scheme operate under a salary sacrifice arrangement where they give up an amount of salary and in return the charity makes an equivalent contribution directly into their pension on their behalf.

The Chief Executive’s remuneration shown in year was considered and reviewed by the Council.

The Chief Executive’s basic salary as a multiple of the median of all staff was 2.1 (2021: 2.3).

The Chief Executive’s total remuneration as a multiple of the median of all staff was 2.2 (2021: 2.3)

8 Net income/(expenditure) before investment gains and losses

These are stated after charging:

	2022 £	2021 £
Depreciation	12,350	12,626
Auditor’s remuneration		
. Charity audit	9,085	8,955
. Trading subsidiary audit	2,240	2,088
. Other services	3,040	1,696
Lease expenses		
. Land and buildings	191,655	188,222
. Other	14,435	15,460

9 Tangible fixed assets

Group and Charity	Leasehold improve- ments £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 September 2021	150,509	110,639	70,386	331,534
Additions	—	7,263	—	7,263
At 31 August 2022	150,509	117,902	70,386	338,797
Depreciation				
At 1 September 2021	150,509	89,216	47,489	287,214
Charge for year	—	7,424	4,926	12,350
At 31 August 2022	150,509	96,640	52,415	299,564
Net book values				
At 31 August 2022	—	21,262	17,971	39,233
At 31 August 2021	—	21,423	22,897	44,320

10 Heritage assets

The RSN is rich in heritage assets comprising embroidered textiles, designs, company archives, photographs and student pieces. The RSN does not generally have the funds to acquire pieces so most of the Collection has been donated. The acquisition policy relates firstly to items that have an RSN connection, then to items of a high standard of work and/or types of work not already included in the collection.

The Collection of textiles comprises objects almost all of which have been donated to the RSN and which are mostly examples of embroidery, with some examples of lace. Whilst there are a few pieces from the 16th century, most date from the 19th and 20th centuries.

They comprise many embroidery techniques from the UK and around the world. Also included are a number of pieces worked by the RSN and its students, especially from the original Diploma course, which ran from the late 19th century until 1960, which have been given back to the RSN by the families.

The Archive comprises registers, minutes and other paperwork relating to the management of the RSN, photographs and ephemera from various events. It also contains workbooks of jobs undertaken from the 1940s onwards, some with samples, and drawings. The largest holding is of designs relating to work undertaken in the Studio.

The RSN Collection and Archive is unique and though it is only minimally catalogued, researchers are given access to specific parts of the archive if it can be identified. The Collection and Archive are made available for student research and for public exhibition.

10 Heritage assets (continued)

The RSN also endeavours to offer public access to the Collection through exhibitions and study days both at Hampton Court and elsewhere. Researchers wishing to access the archive can also make appointments but with the caveat that we do not have a resident archivist or curator and most parts of the archive are not catalogued, especially the designs. The most popular requests are whether a family member worked for the RSN (until the registers are digitised this will not be possible to answer), and also in relation to the work the RSN did in therapeutic stitch during the First World War.

Heritage assets have not been capitalised in the financial statements as the Council considers that the significant costs involved in valuing the charity's collection of historic embroidery would outweigh the benefits derived from such an exercise.

11 Investments

	2022 £	2021 £
Listed investments and cash holdings	5,381,018	6,181,660
Group total	5,381,018	6,181,660
Shares in subsidiary undertaking at cost	100	100
Charity total	5,381,118	6,181,760

The charity owns the entire issued share capital of RSN Enterprises Limited which is incorporated in England and Wales. Its registered number is 3158058 and its registered address is the same as the RSN.

	2022 £	2021 £
Aggregate share capital and reserves of RSN Enterprises Limited	(55,577)	(52,679)

	2022 £	2021 £
Listed investments & cash holdings		
Market value at 1 September	6,153,348	5,218,530
Additions at cost	1,457,964	811,122
Disposal proceeds	(1,486,906)	(763,930)
Realised losses	(153,951)	(398)
Unrealised (losses)/gains	(601,590)	888,024
Market value at 31 August	5,368,865	6,153,348
Cash held by investment managers	12,153	28,312
	5,381,018	6,181,660

11 Investments (continued)

Listed investments held at 31 August comprised the following:

	2022 £	2021 £
Fixed interest	202,491	814,363
UK equities	1,635,836	2,118,989
Overseas equities and equity funds	1,752,252	1,732,633
Other listed investments	1,778,286	1,487,363
	5,368,865	6,153,348
Listed investments at cost	4,189,647	3,861,799

At 31 August 2022, listed investments included the following individual holdings deemed material when compared with the overall valuation of listed investments as at that date:

	Percentage %	Value £
Findlay Park Funds	5.0%	267,349
JP Morgan American Investment Trust	4.8%	256,221
I Shares Core	4.7%	254,405

12 Stocks

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Materials	31,736	25,037	31,736	25,037
Finished work and goods held for resale	45,799	41,331	—	—
	77,535	66,368	31,736	25,037

13 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	41,276	12,745	25,694	4,479
Prepayments and accrued income	370,081	124,685	345,439	121,638
Amounts owed by subsidiary company	—	—	121,596	89,833
	411,357	137,430	492,729	215,950

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	45,476	32,731	38,218	26,470
Other taxes and social security costs	32,203	44,002	26,299	29,076
Accruals and deferred income	633,163	544,290	614,347	529,894
	710,842	621,023	678,864	585,440

15 Deferred income (included above)

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Brought forward at 1 September	493,261	457,716	493,261	447,621
Deferred in the year	388,243	324,829	379,967	324,829
Released in the year	(310,668)	(289,284)	(310,668)	(279,189)
Carried forward at 31 August	570,836	493,261	562,560	493,261

Deferred income is fees received in advance of the course taking place and donations received for the following academic year.

16 Share capital

	Issued, called up and fully paid	
	2022 £	2021 £
Ordinary shares of £10 each	230	240

17 Capital redemption reserve

	2022 £	2021 £
465 Ordinary shares of £10 each (2021: 458)	4,650	4,580

18 Endowment funds

	At 1 September 2021 £	Income £	Expenditure £	Investment losses £	At 31 August 2022 £
2022					
Victoria Adams Fund	2,320,157	—	—	(276,300)	2,043,857
General Endowment Fund	635,942	—	—	(75,732)	560,210
Hilda Watson Fund	3,814	—	(100)	(454)	3,260
Charrington / Broderers Fund	3,935	—	(100)	(469)	3,366
Wendy Hogg Fund	21,555	—	(100)	(2,567)	18,888
HB Allen Fund	290,364	—	—	(34,578)	255,786
	3,275,767	—	(300)	(390,100)	2,885,367

18 Endowment funds (continued)

	At 1 September 2020 £	Income £	Expenditure £	Investment gains £	At 31 August 2021 £
<i>2021</i>					
<i>Victoria Adams Fund</i>	1,989,415	—	—	330,742	2,320,157
<i>General Endowment Fund</i>	545,288	—	—	90,654	635,942
<i>Hilda Watson Fund</i>	3,270	—	—	544	3,814
<i>Charrington / Broderers Fund</i>	3,374	—	—	561	3,935
<i>Wendy Hogg Fund</i>	18,482	—	—	3,073	21,555
<i>HB Allen Fund</i>	248,972	—	—	41,392	290,364
	<u>2,808,801</u>	<u>—</u>	<u>—</u>	<u>466,966</u>	<u>3,275,767</u>

- a) The Victoria Adams Fund is an expendable endowment fund for student scholarships and the general purposes of the charity.
- b) The General Endowment Fund provides for the training of students.
- c) The Hilda Watson Fund provides prizes for Silk Work.
- d) The Charrington / Broderers Fund provides prizes for students.
- e) The Wendy Hogg Fund is an expendable scholarship / prize fund for students.
- f) The HB Allen Fund provides support for the Future Tutor programme.

19 Restricted funds

	At 1 September 2021 £	Income £	Expenditure £	Investment gains £	Transfers between funds £	At 31 August 2022 £
2022						
Janet Churm Fund	29,584	—	(18,229)	(3,523)	—	7,832
Future Tutor Programme	—	52,934	(52,934)	—	—	—
Degree Programme	—	32,440	(32,440)	—	—	—
Campaign HCP New Rooms	8,015	—	(8,015)	—	—	—
Collection & Digitisation	206,060	8,715	(2,176)	—	—	212,599
Embroider a Selfie	8,896	—	(600)	—	—	8,296
Stitch Bank	25,030	28,586	(53,616)	—	—	—
School/Family Workshops	—	11,500	(8,696)	—	—	2,804
Other Restricted Legacy	27,989	—	—	—	—	27,989
	305,574	134,175	(176,706)	(3,523)	—	259,520
	At 1 September 2020 £	Income £	Expenditure £	Investment gains £	Transfers between funds £	At 31 August 2021 £
2021						
Janet Churm Fund	62,254	—	(43,019)	10,349	—	29,584
Degree Building Improvements	5,386	—	(5,386)	—	—	—
Future Tutor Programme	—	67,541	(67,541)	—	—	—
Degree Programme	—	42,551	(42,551)	—	—	—
Campaign HCP New Rooms	10,056	—	(2,041)	—	—	8,015
Collection & Digitisation	158,255	52,620	(4,815)	—	—	206,060
Embroider a Selfie	11,363	—	(2,467)	—	—	8,896
Stitch Bank	52,992	14,430	(42,392)	—	—	25,030
Other Restricted Legacy	27,989	—	—	—	—	27,989
	328,295	177,142	(210,212)	10,349	—	305,574

- a) The Janet Churm Fund provides support for both the Degree and Future Tutor programmes and was funded by a generous legacy from the estate of the late Mrs Janet Churm.
- b) The Future Tutor Programme Fund specifically provides bursaries, prizes and day-to-day support for the Future Tutor programme and includes restricted donations and legacies from a number of donors.
- c) The Degree Programme Fund specifically provides bursaries, prizes and day-to-day support for the Degree Programme and includes restricted donations and legacies from a number of donors.
- d) The Campaign HCP New Rooms Fund was established to fund the improvement works and equipment required to set up additional rooms at Hampton Court Palace, which were taken on in 2015 to accommodate expansion. It was funded by donations from a wide number of RSN Friends and other donors. Expenditure includes depreciation on capital works.

19 Restricted funds (continued)

- e) The RSN Collection & Digitisation Appeal includes donations from a large number of RSN Friends, supporters and other donors towards the Cataloguing and Digitisation of the RSN Archive and Collection. This project is in the planning stages and it is anticipated that it will get underway in the latter part of 2021/22.
- f) The Embroider a Selfie fund is a project to introduce stitch to young people.
- g) The Stitch Bank fund is a project that aims to digitally conserve and preserve every stitch in the world, becoming the biggest repository of stitch in the world. The first phase went live in 2021/22.
- h) The School/Family workshops started in 2022 to engage young people with stitch at the RSN's 150th Anniversary exhibition at the Fashion and Textile museum
- i) The Other Restricted Legacy Fund relates to a legacy received in 2016/17, which will provide support for the Future Tutor Programme.
- j) The Degree Building Improvements Fund was established when the RSN Degree programme commenced. Expenditure relates to the depreciation on leasehold and other improvements, which were required to set up the Degree rooms at Hampton Court Palace. This fund was spent in full in 2020/21.

20 Designated funds

	At 1 September 2021 £	New Designations £	Utilised/ released £	At 31 August 2022 £
2022				
Futures campaign	610,000	—	(40,000)	570,000
Stitch Bank	—	40,000	(11,971)	28,029
Collection & Digitisation	—	88,000	—	88,000
150 Forward	—	170,000	—	170,000
	610,000	298,000	(51,971)	856,029
	At 1 September 2020 £	New Designations £	Utilised/ released £	At 31 August 2021 £
2021				
<i>Futures campaign</i>	<i>610,000</i>	<i>—</i>	<i>—</i>	<i>610,000</i>

The Futures campaign fund comprises monies set aside for various campaign projects. During 2021/22, £40,000 was released for expenditure on the Stitch Bank project to enable it to continue momentum. During 2021/22, £88,000 has been designated for future expenditure on the Collection and Digitisation project. A further £170,000 for future initiatives has been designated from funds raised as part of the 150th Anniversary '150 Forward' campaign.

21 Analysis of net assets between funds

Group	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2022 £
Tangible fixed assets	—	—	39,233	—	39,233
Investments	—	7,831	2,487,820	2,885,367	5,381,018
Current assets	4,880	286,689	769,260	—	1,060,829
Creditors: amounts falling due within one year	—	(35,000)	(675,842)	—	(710,842)
Total net assets	4,880	259,520	2,620,471	2,885,367	5,770,238

Group	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2021 £
Tangible fixed assets	—	8,015	36,305	—	44,320
Investments	—	29,584	2,876,309	3,275,767	6,181,660
Current assets	4,820	308,500	379,239	—	692,559
Creditors: amounts falling due within one year	—	(40,525)	(580,498)	—	(621,023)
Total net assets	4,820	305,574	2,711,355	3,275,767	6,297,516

Charity	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2022 £
Tangible fixed assets	—	—	39,233	—	39,233
Investments	—	7,831	2,487,920	2,885,367	5,381,118
Current assets	4,880	286,689	792,858	—	1,084,427
Creditors: amounts falling due within one year	—	(35,000)	(643,864)	—	(678,864)
Total net assets	4,880	259,520	2,676,147	2,885,367	5,825,914

Charity	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2021 £
Tangible fixed assets	—	8,015	36,305	—	44,320
Investments	—	29,584	2,876,409	3,275,767	6,181,760
Current assets	4,820	308,500	395,335	—	708,655
Creditors: amounts falling due within one year	—	(40,525)	(544,916)	—	(585,441)
Creditors falling due in more than one year	—	—	—	—	—
Total net assets	4,820	305,574	2,763,133	3,275,767	6,349,294

22 Operating lease commitments

As at 31 August 2022, the group and charity had the following future minimum payments under non-cancellable licences and operating leases:

2022	Land and buildings £	Equipment £	2022 £
Operating lease payments due:			
within the next year	196,974	12,480	209,454
between two and five years	193,013	—	193,013
	389,987	12,480	402,467
2021	Land and buildings £	Equipment £	2021 £
Operating lease payments due:			
within the next year	202,209	13,836	216,045
between two and five years	380,817	8,538	389,355
	583,026	22,374	605,400

23 Related party transactions

RSN Enterprises Limited donates any profits via Gift Aid to the charity. During the year the RSN Enterprises Limited was loss making and so no donation was made (2021: £nil).

At 31 August 2022, £121,598 is due by RSN Enterprises Limited to the charity (2021: £89,833).

Council Members paid an aggregate of £2,044 (2021: £2,970) for classes and events, £120 (2021: £190) for Friends' subscriptions at standard un-discounted rates and donations of £50 (2021: £473).

24 Comparative statement of financial activities for the year ended 31 August 2021

		Unrestricted funds	Restricted funds	Endowment funds	2021 Total funds
<i>Income and expenditure</i>	<i>Notes</i>	£	£	£	£
<i>Income from:</i>					
<i>Donations and legacies</i>	1	253,029	177,142	—	430,171
<i>Investments</i>	2	148,583	—	—	148,583
<i>Other trading activities</i>	3	288,112	—	—	288,112
<i>Charitable activities</i>					
<i>. School activities</i>	4	1,405,564	—	—	1,405,564
<i>Total income</i>		<u>2,095,288</u>	<u>177,142</u>	<u>—</u>	<u>2,272,430</u>
<i>Expenditure on:</i>					
<i>Raising funds</i>	5	378,821	16,209	—	395,030
<i>Charitable activities</i>					
<i>. Costs of school activities</i>	6	1,574,202	194,003	—	1,768,205
<i>Total expenditure</i>		<u>1,953,023</u>	<u>210,212</u>	<u>—</u>	<u>2,163,235</u>
<i>Net income/(expenditure) before investment gains and losses</i>	8	142,265	(33,070)	—	109,195
<i>Realised losses on investments</i>	11	(184)	(5)	(209)	(398)
<i>Unrealised gains on investments</i>	11	410,495	10,354	467,175	888,024
<i>Net movement in funds</i>		552,576	(22,721)	466,966	996,821
<i>Reconciliation of funds:</i>					
<i>Fund balances brought forward at 1 September 2020</i>		<u>2,158,779</u>	<u>328,295</u>	<u>2,808,801</u>	<u>5,295,875</u>
<i>Fund balances carried forward at 31 August 2021</i>		<u>2,711,355</u>	<u>305,574</u>	<u>3,275,767</u>	<u>6,292,696</u>