

# **The Royal School of Needlework**

## **Annual Report and Consolidated Financial Statements**

31 August 2024

Company Registration Number  
00012192 (England and Wales)

Charity Registration Number  
312774

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## Reference and administrative information

<b>Patron</b>	HM The Queen
<b>President</b>	HRH The Duchess of Gloucester
<b>Council Members</b>	Ms Pip Wood – Chair of Trustees <sup>*x+</sup> Mr Keith Pickard – Honorary Treasurer <sup>**+</sup> Ms Louisa Christofidou <sup>+</sup> Prof Patsy Cullen <sup>x</sup> Ms Victoria Farrow Dr Paula Leftwich <sup>x+</sup> Ms Eleri Lynn <sup>x</sup> Mr Peter Mila Miss Sarah Mumford <sup>*</sup> Ms Clara Poon Ms Julie Richards Prof Dominic Tweddle <sup>*</sup>  <i>* Member of the Finance and Investment Committee</i> <i>x Member of the Education Committee</i> <i>+ Member of the Fellowship Committee</i>
<b>Chief Executive</b>	Dr Susan Kay-Williams (until August 2024) Ms Rhian Harris (from September 2024)
<b>Registered office</b>	Apartment 12A Hampton Court Palace East Molesey Surrey KT8 9AU
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Barclays Bank plc 8/12 Church Street Walton on Thames Surrey KT12 2QX

## Reference and administrative information

<b>Investment managers</b>	J M Finn & Co (until November 2024) 25 Copthall Avenue London EC2R 7AH
	CCLA (from November 2024) One Angel Lane London EC4R 3AB
<b>Company registration number</b>	00012192 (England and Wales)
<b>Charity registration number</b>	312774

## About the RSN

The RSN was established in 1872 to revive and teach the art of hand embroidery. Over our 152 years we have expanded our activities and extended our reach worldwide gaining an international reputation for the expertise and skills of our tutors and staff, and the excellence of work in our professional studio. No other single organisation covers the breadth of work we now undertake. We use our remarkable history and knowledge to teach, practise and promote the art of hand embroidery.

Based at Hampton Court Palace, in south-west London, the RSN offers an education programme for beginners through to those pursuing hand embroidery as a professional career. We estimate around 2,000 people undertake a course with us each year.

Validated by Kingston University, we run the only BA Honours degree course in Europe dedicated to hand embroidery. We teach one-day or weekly leisure courses online to embroiderers worldwide, and onsite primarily across the UK, and also in the US, Australia and Japan. We run an annual international summer school and offer pre-recorded video courses for people to study at their own pace. We hold classes in partnership with other organisations and venues and design bespoke courses on application.

Our Certificate & Diploma for stitchers wanting a higher level of technical tuition comprises modules on different techniques, each with around 40 hours of tuition and our Professional Embroidery and Tutor Programme prepares graduates for a career in professional embroidery and, or, teaching.

RSN trained embroiderers are well regarded by customers and in demand by other embroidery 'schools' because of their depth and breadth of knowledge and expertise. We recognise the extensive training they have undertaken through the RSN Fellowship programme.

Our professional studio specialises in bespoke commissions, and the restoration and conservation of historic textiles. All work is undertaken in the UK to a consistent and high standard by RSN trained professional embroiderers. It is the only UK studio with access to such a pool of highly skilled stitchers practising traditional and historical stitches and using this knowledge as inspiration for large and specialist commissions.

We further promote hand embroidery through exhibitions, talks (live and recorded), introductory taster sessions and schools' projects. Our extensive Archive and Collection informs and inspires. Comprising around 10,000 embroidered items and textiles collected and donated from all over the world, it provides inspiration to both recreate historical designs and encourage modern applications and interpretations. Access to the collection is currently limited, but we have now started digitising items which are published online via our website.

The RSN Stitch Bank was introduced in 2021 to mark our 150th anniversary. Currently containing nearly 500 stitches, it is a free online resource aiming to digitally record every known stitch. It is the largest free database of stitches in the world and is used by embroiderers as well as a wide variety of people such as curators, and historians of stitch.

## **About the RSN**

An online retail operation and physical store are based at Hampton Court Palace. Every purchase helps support the RSN. The RSN is a registered charity. We are very grateful to the organisations and individuals who support our work.

### **OUR MISSION**

Our mission is to preserve the heritage and lead the development of hand embroidery, enriching lives by inspiring, teaching and innovating to provide the widest access to our knowledge and skills. We deliver this through our values of Tradition, Quality and Innovation.

## **Chair of Trustees' Introduction** Year to 31 August 2024

The 2023–24 academic year was a real step forward for the RSN as we introduced a number of initiatives and developed a more collaborative approach to delivery.

Activities which have been the recent focus of fundraising came to fruition, including our long held ambition to digitise items from our Collection providing wider access via our website. We reviewed our tutor programme, launching the three-year Professional Embroidery Tutor course which better prepares individuals for a career in professional embroidery and or teaching and introduced the RSN Fellowship to recognise those who have completed the most intensive and rigorous training of all RSN courses.

We also updated our strategy to guide our work over the next few years and this will help us refocus and strengthen our ability to deliver the incredible breadth of educational courses and resources for which the RSN is known. It will also enable us to widen access to our extensive experience and expertise in hand embroidery built up and passed on over the past 152 years.

Central to this is our desire to reach out and work with a broad range of partners helping us reach new audiences at a scale and pace we could not achieve on our own and directly targeting our skills, knowledge and encouragement for the specific benefit of their members and stakeholders. Reviewing our operating model is also essential for our own organisational sustainability. The RSN has a financial deficit which must be reversed and we are now investing in the structure and plans needed to effect this.

The strategic development of this approach took place during 2023-24, and at the point of writing we are gearing up to deliver the initial projects with a range of partners under the programme brand of Fragile Threads. This initiative also helps focus our efforts to champion sustainability. Within our own operations we are committed to adopting working practices that will assist continued environmental improvement and through Fragile Threads we aim to raise awareness, improve understanding and, through the medium of embroidery, challenge behaviour which is leading to the loss of essential species. You can read more about this in our 'Looking to the Future' section on page 20.

Dr Susan Kay-Williams, our Chief Executive for the past 17 years, retired at the end of August 2024. Under her leadership the RSN introduced many new programmes and initiatives. She also helped navigate the path through the challenges of the pandemic when the RSN pivoted operations to an online model as Covid-19 locked us down. We thank her for her dedication and commitment to the RSN and wish her all the best for the future.

Our new Chief Executive, Rhian Harris, took up post in September 2024 and will lead our new strategic approach. She has worked with a range of historic and contemporary art, design and social history collections and has a passion for making heritage, culture, art, craft, and design accessible to a wide and diverse range of people, putting learning and participation at its heart. We are very excited about the skills and expertise Rhian brings, and the Trustees are looking forward to working with her to ensure the RSN continues to develop, grows stronger and becomes sustainable.

We welcomed Clara Poon to our Council of Trustees in September 2023 and Peter Mila joined at the start of the 2024/25 academic year. Both strengthen our Council further adding important skills needed for the oversight and delivery of our strategy.

## **Chair of Trustees' Introduction** Year to 31 August 2024

As a charitable body we are constantly checking activity in line with available funds. Our operation is reliant on the customer support of our commercial activities and the kind donations of individuals, charitable trusts and organisations who share our passion to preserve the heritage of hand embroidery and ensure its continued relevancy and contribution to modern society. We are very appreciative of all the support and the hard work and passion of our staff, tutors and volunteers who help deliver our vision, and to our students, customers and other beneficiaries who make it all worthwhile.

A handwritten signature in black ink, appearing to read 'P. Wood', written in a cursive style.

Pip Wood  
Chair of Trustees



## **Report of the Council** Year to 31 August 2024

This report highlights activity during the year ended 31 August 2024 and represents the breadth of our operations which contribute to our ambitions and objectives.

More details on these and many other of our activities can be found on our website [royal-needlework.org.uk](http://royal-needlework.org.uk)

The Members of the Council (as Trustees), present this report and the audited consolidated financial statements of The Royal School of Needlework for the year ended 31 August 2024. 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 on page 1, further information About the RSN (including our mission) on page 3, and the Message from the Chair on page 5 also form part of the report.

The financial statements have been prepared in accordance with the accounting policies on pages 44 to 48 of the attached financial statements, and comply with our 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.

### **OUR STRATEGY & AMBITIONS**

We have three key areas of focus.

- Provision of tuition and resources;
- Practice of hand embroidery;
- Promotion and insight into embroidery heritage and contemporary use.

To achieve our mission, we are focused on ambitions set out in our five-year strategy for 2022-2027. This aims to ensure activity is forward-looking, relevant, and underpinned by strong and sustainable finances and foundations.

We aim to engage and inspire and to put students, customers and wider beneficiaries at the heart of all we do so that we can deliver a bigger impact for a broader audience.

Our core ambitions are listed below

#### **Delivering A Forward-Looking, Relevant, And Customer-Driven Proposition**

1. Develop a collaborative programme that connects hand embroidery with a key societal issue highlighting its contemporary relevance to increase the accessibility of our activity.
2. Ensure we have a customer driven, relevant offer to broaden engagement and increase participation.
3. Leverage our legacy and share our expertise.

### **Developing Secure Finances**

4. Develop new Fundraising strategy.
5. Develop networking and external relationships to increase viability of our community delivery through groups and partnerships.
6. Grow profitable operations and develop new revenue streams.

### **Building Strong Foundations**

7. Embed engaging, empowering and collaborative culture.
8. Build awareness of our activities to encourage broader participation and engagement.
9. Review and improve operations and delivery.

## **DELIVERING A FORWARD-LOOKING, RELEVANT, AND CUSTOMER-DRIVEN PROPOSITION**

We use our experience and expertise to develop a range of courses and educational activities to further strengthen our leadership in hand embroidery.

1. **To develop a collaborative programme that connects hand embroidery with key societal issues highlighting its contemporary relevance to increase the accessibility of our activity.**

During numerous internal and external feedback sessions and consultations over the past couple of years we have heard the need to modernise the perception of hand embroidery and demonstrate its relevance to reach a wider audience. We must also help make the practice more accessible to those unable to afford classes – with the RSN or other organisations.

This goes to the heart of our founding purpose to preserve the broadest range of hand embroidery techniques which we did by providing training and work for women who had to earn a living to support their families.

During the year we have developed an approach to help raise awareness, understanding and challenge behaviour around Climate Change and the damage to biodiversity through species loss.

This programme, called Fragile Threads, will be delivered through enhancements to some of our programmes and by making hand embroidery more accessible through collaboration with like-minded partner organisations. It will launch in 2025 and you can read more details on page 20 in our 'Looking to the Future' section.

**2. A customer driven, relevant offer to broaden engagement and increase participation**

The RSN is renowned for the high standard of its teaching and expertise. We teach original methods and keep the cultural and societal relevance of hand embroidery alive. While our Professional Embroidery Tutor programme and our Certificate & Diploma have technical excellence at their core, we welcome stitchers of all levels through a broad range of classes and courses. All are delivered by expert RSN trained tutors who bring a wealth of experience, technical knowledge and enthusiasm.

Our future sustainability depends on presenting our knowledge and expertise in a relevant and attractive way to existing and potential embroiderers; this is at the core of our mission to both preserve the heritage and lead the development of hand embroidery.

We are always working to refine and develop our activities; during the year we carried out detailed reviews of some of our courses. Underpinning them all is continuing to train and develop a new generation of professional hand embroiderers and tutors.

**RSN Professional Embroidery Tuition**

Customers tell us they actively choose courses taught by RSN trained tutors because of the depth and breadth of their teaching and embroidery expertise.

We paused entry to our 'Future Tutor' programme in September 2023 to undertake a full review and ensure we were providing the best content to prepare graduates for a modern career in hand embroidery.

We launched a new syllabus in September 2024 with our three-year Professional Embroidery Tutor Programme (PET).

Under the guidance of our own expert tutors, participants are trained to the highest level in technical hand embroidery. They also receive classes in Art & Design and Business Skills, as well as opportunities for Teaching Practice and teaching opportunities with the RSN following graduation. The programme now offers more flexibility to help participants juggling study with home and family responsibilities. The course was fully subscribed in September 2024 and will now open to new entrants every other year.

We are working towards providing a Scholarship place in an effort to increase the diversity of tutors and role models graduating from the course. With the PET programme now running every other year we hope to offer a more holistic level of scholarship support beyond basic course fees.

**The RSN Fellowship**

Many people have been trained by the RSN. However, only those successfully graduating from our Apprenticeship, Future Tutor, or PET programmes have undertaken and passed the most intensive and rigorous training of all RSN courses and are uniquely qualified to teach and practise the highest standards in the broadest range of embroidery techniques.

In March 2024 we launched the RSN Fellowship to recognise their significant training and commitment. Fellows can now use post-nominal letters and the RSN Fellowship badge to publicly demonstrate and differentiate their level of training and expertise.

### **RSN Short Courses**

Our day, evening and weekly courses are often a customer's first experience of the RSN. They cover a broad range of techniques, often based on stitching a kit, and cater for beginners to advanced. Many courses are flexible to support a mixed ability of participants who learn in small and friendly groups. Classes are held at Hampton Court Palace and online which attracts a worldwide audience. During the year we ran more than 100 classes; nearly 50 comprised a single day with others being multiple days or a series of sessions over a number of weeks.

RSN Partnership Classes take place at a special venue, usually with an RSN connection, bringing our teaching to new locations and audiences. Many offer an 'added value experience' such as access to an otherwise private venue, exhibition entry or private curator-led talk.

These classes are very popular, and last year we ran 20, up from 16 the year before, with ten partners across 13 venues.

We had not reviewed the content, promotion and delivery of our short courses for a while so in Summer 2024, we invested significant time to understand and evaluate customer experiences and the thoughts of tutors delivering our classes.

### **RSN Summer Schools**

We run an annual International Summer School with day, or multiple day, classes at Hampton Court Palace and online. There are additional benefits such as talks, gifts and, for those at Hampton Court, exhibitions and a tour of our embroidery Studio.

In Summer 2024 we ran over 30 classes including two at our Durham centre and 11 online. A group of tutors travelled to the US to deliver a further 18 classes.

### **RSN Bespoke Classes**

We are uniquely placed to organise bespoke classes tailored to the interests of groups or individuals. Taught online or at Hampton Court Palace, participants travel from around the world to enjoy talks, exhibitions, curator-led viewing of objects from our Collection and Archives and embroidery courses.

### **Online Video Courses**

We offer a series of online video courses for stitchers to learn in their own time, at their own pace and in the comfort of their own home. Led by RSN Tutors, a growing range of courses cover a wide range of hand embroidery techniques and different designs. By the end of August 2024, 16 courses were available. The majority are equivalent to a three day class but two shorter introductory courses, equal to a one day course, were added this year and have been well received.

The programme includes video instruction to complete an exclusive kit and step-by-step written and photographic guides. Customers can interact with other participants through a private Facebook group.

This part of our offer has previously been marketed to customers by a third party operator but in September 2024 we brought the operation in house. Courses continue to sell well.

### **RSN Certificate & Diploma**

Many customers progress from short courses to our part-time Certificate & Diploma (C&D) course, the RSN's flagship leisure programme. This attracts several hundred students each year providing tuition to a very high technical standard.

Teaching takes place at Hampton Court Palace, online and around the UK (Bristol, Rugby, Durham and Glasgow) as well as Japan. Students can pace their learning or take an intensive course which runs a couple of times a year in the UK, US and in July 2024 we started teaching in Brisbane, Australia. Online classes run in three time zones: UK/Europe, North and South America and Australia/New Zealand/SE Asia.

The Certificate comprises four modules and the Diploma six. Each module averages eight days / 40 hours of tuition and is therefore a significant investment for the student. Students can mix online and in-person tuition which was particularly welcomed by some students adversely affected by the current cost of living.

Interest in C&D remains strong, and we increased our capacity to get students started on the first 'set' Jacobean module. Students then choose which technique they study next although many value their class community and stay together throughout the course.

This year we consulted with around 150 C&D students from Canada, USA, Australia, New Zealand and the UK to learn more about their thoughts on course assessment. As a result, we introduced a new assessment process in January 2025.

Students were also very complimentary on the standard of tuition and the accessibility of online tuition.

### **RSN BA (Hons) Hand Embroidery**

Our degree programme is strategically important to the RSN; it has an excellent reputation within the fashion and interiors industries and enables us to work collaboratively with fashion houses and creative partners.

It is the only full time BA (Hons) Degree programme specialising in hand embroidery in Europe, developed to provide an academic learning experience which connects creative practice, textile and design theory with a technical skills base of hand embroidery.

Validated by Kingston University, students use contemporary approaches to traditional hand embroidery techniques, venturing into creative careers in fashion, interiors or textile art.

Skills development is at the heart of the degree, and these are applied to real world projects, giving students the opportunity to experience and network with major potential employers and influencers. Students develop very different interpretations, becoming confident practitioners, designers, creative thinkers and innovators. Our graduates are sought after for their highly skilled work and professional conduct within external settings and gain employment in a wide variety of sectors such as couture, costume, interiors, and textile art.

Post covid applicant numbers dipped in September 2023, consistent with the sector. We worked hard to promote the course during the year and we welcomed a full complement of students to start their studies in September 2024.

We are however reviewing how to deliver a more financially sustainable programme as we heavily subsidise the course. The entire UK higher education sector is feeling the pressure of inflationary costs while being unable to increase tuition fees, the main source of income, to a more sustainable level. We are extremely grateful to those funders, including Livery Companies, Friends, individual donors, and people who have left us legacies to provide bursaries so that our students are able to afford to attend.

### **3. Leverage our legacy and share our expertise**

#### **The RSN Professional Embroidery Studio**

Originally called the workroom when the RSN was founded in 1872, our Studio at Hampton Court Palace today offers bespoke embroidery services attracting projects from all over the world, including from royalty, places of worship and Livery Companies to leading fashion and interior design houses and private individuals.

It is unique in being able to call on our network of RSN trained embroiderers and tutors as needed for large and urgent commissions.

In September 2023 our Head of Studio & Standards and Studio Manager were awarded Coronation Medals for their and the RSN's work on the Coronation of King Charles III and Queen Camilla (hereafter 'the Coronation'). They accepted the medals on behalf of the wider RSN team.

2023-24 was a more 'level' year. We had an increase in work from livery companies primarily due to our work on The Anointing Screen, gifted for the Coronation by the City of London Corporation and many participating livery companies.

We also undertook work for new, regular and returning customers. We saw an increase in design enquiries, particularly from interior designers looking for bespoke and special soft furnishing and furniture items, and larger scale pieces.

The RSN's activities are all interlinked and support each other and this is particularly true of the Studio. It supports the teaching of degree and PET students and also designs kits for sale in the RSN shop.

The RSN Studio designed and embroidered the Queen's Robe of Estate for the Coronation and we were delighted when Her Majesty agreed to the Studio producing a special 'sampler' featuring every flower and insect included on the robe, worked in the same techniques but at half the scale. It will become part of the RSN Collection & Archive.

The Studio also produced kits featuring six of the flowers. These went on sale in Autumn 2024, complementing 15 other kits produced and launched by the Studio during the 2023-24 year, one for each decade of the RSN's 150 years. All are available from the RSN shop and online.

### **RSN Collection and Archive**

The RSN Collection and Archive brings the heritage of hand embroidery to life and we use our legacy to inform activities and showcase our experience and expertise.

Our Collection is one of the largest of historical embroidery comprising around 10,000 embroidery and textile pieces, many of which are rare, dating from the 7th century. Our Archive documents the RSN's 150 year history of embroidery design and production.

The Collection both informs and teaches us about embroidery heritage and inspires the creation of future items.

Objects span the globe and the broadest range of techniques, stitches, and materials. It is an invaluable tool for RSN students and staff, as well as external researchers, historians, museum professionals, embroiderers, archivists, and artists.

Accessibility of the Collection has been largely limited to exhibitions, talks and tours, but in April 2024, thanks to generous donations from RSN Friends, Trusts and private individuals, we realised a long-held ambition to make it more accessible and launched the first 100 digitised pieces online giving a glimpse of the Collection's breadth and depth.

The new website is free of charge to view, and features comprehensive catalogue entries, high-definition images, makers' names, dates, places, stitches, motifs, techniques and extensive descriptions. Visitors can learn about the techniques and stitches featured via links to the RSN Stitch Bank.

Items can also reveal a stitcher's access to materials, education and travel and their inspiration for design, symbolism and meaning. Embroidery is particularly important for its ability to shed light on under-represented individuals, especially women and girls, members of poorer classes, and those in the margins of society. We are continuing to add to the online resource but must raise funds for this important work to continue further.

### **Exhibitions**

We regularly exhibit pieces from our Collection and Archive as well as students' work, at events around the UK and in exhibitions at Hampton Court Palace. These often provide an entry point to the RSN as many visitors go on to take our classes and courses. Exhibitions are complemented by talks, curated tours and private views.

In July 2023 we opened 'The Royal School of Needlework & Five Coronations 1902 – 2023' which was scheduled to run until mid-November 2023 and was extended to May 2024 due to demand. We ran nearly 60 tours all of which sold out.

In August 2024, a free exhibition of items from the Collection opened at the Stirling Smith Art Gallery and Museum in Scotland. 'Embroidered Excellence: Treasures from the RSN Collection', ran until mid-November 2024 and brought together some of the finest examples of embroidery in our Collection.

'Tales of Textiles: The RSN Collection in Focus' is now running from September 2024 to June 2025, and focuses on English embroidery and many of the first 100 objects to be digitised and catalogued.

### **RSN Online Talks**

Online talks were introduced in 2020 in response to restrictions imposed during the pandemic but have become an established feature. They help us develop an online community around the world and to stay engaged with RSN supporters who may no longer be able to stitch.

Many talks feature items from our Collection & Archive and are entertaining and educational. Viewers make a donation to watch the talks. Talks are recorded and available on demand after the event on our website.

Speakers include RSN staff members and guest speakers such as authors, historians, and curators from some of our venue partners.

Fifteen talks were held this year with participants from over 20 countries including more unusual locations of Lithuania, Croatia, Mexico and Turkey. The most popular featured dress historian and broadcaster, Amber Butchart, which was only surpassed by an event promoting the RSN Stitch Bank attended by nearly 1,000 viewers.

### **RSN Stitch Bank**

RSN Stitch Bank goes to the core of our mission, making knowledge of stitches freely available to preserve heritage and ensure hand embroidery continues to develop. It features videos, written instructions, illustrations, photographs and the history and use of stitches as well as images of examples from our Collection.

It is used by students, curators, historians and practitioners and currently contains nearly 500 stitches. It is the largest free database of stitches in the world with an aim to digitally preserve every stitch. While some of the earlier stitches to be featured were those in more common use, the Winter 2023 'release' featured late 16th / early 17th centuries stitches that have fallen out of use, as well as different ways of working familiar stitches. We are very grateful to our generous funders for enabling us to add more stitches to RSN Stitch Bank and to keep it as a free resource.



## **DEVELOPING SECURE FINANCES**

Like most charities, we have to raise funds to support our operations and charitable objectives, and we are ever mindful of the need to develop strong and sustainable sources of finance and allocate funds appropriately to get maximum return.

### **4. Develop new Fundraising strategy**

The RSN does not receive any statutory funding. In particular, we raise funds for all new projects as well as for student bursaries.

This year we recruited a dedicated Fundraising Manager to strengthen our fundraising efforts across the board including from Trusts and Foundations, Legacy Fundraising, Individual Giving and Major Donors. We will be developing a new and robust fundraising strategy to take us forward.

We are also hugely indebted to the many individuals and organisations who respond to requests to help fund specific projects, including RSN Stitch Bank and the digitisation of RSN Collection and Archive. These important projects help conserve knowledge, skills and embroidered textiles, and also provide important reference resources.

We are particularly grateful to those Livery Companies, Charitable Trusts and individuals who supported our students through bursaries this year and to those who support the RSN including a number of livery companies: The Worshipful Company of Broderers, The Worshipful Company of Dyers, The Worshipful Company of Girdlers, The Worshipful Company of Gold and Silver Wyre Drawers, The Worshipful Company of Haberdashers, The Worshipful Company of Needlemakers; a number of charitable trusts this year including The Coats Foundation Trust, The Honourable Society of Knights of the Round Table, The Pitt Rivers Trust, The Arts Society, The Radcliffe Trust, The Headley Trust, Newby Trust, Lord Barnby's Foundation, SE Franklin's Charitable Trust Number 3, Trapp Family Foundation, The Henry Lumley Charitable Trust.

### **RSN Friends**

Friends support the RSN through advocacy, engagement with core activities and donations making a vital contribution in supporting our work and ongoing development.

This year we introduced new membership options to distinguish between Friends who want to support the RSN but who no longer stitch and those who continue to practise hand embroidery.

As well as supporting our work, Friends receive benefits including exclusive biannual newsletters, advance information and priority booking notifications for classes and events, along with 10% discount on RSN Shop purchases, Exhibition Tours, and Online Talks.

RSN Stitching Friends receive the same benefits plus 10% discount on selected Day and Short Courses (and our International Summer School).

We also hold exclusive events such as the Private Views of the Degree Show and also of the work of our Future Tutors and Certificate & Diploma Graduates in July 2024 at Hampton Court Palace.

**5. Develop networking and external relationships to increase viability of our community delivery through groups and partnerships**

We have good links with many organisations involved with or connected to similar pursuits and related backgrounds. Several of our online talks and classes revolve around partners who share information about textile items in their own collections and we run classes at their venues providing a new location to reach communities.

Developing new relationships is at the heart of the new Fragile Threads programme which will connect us with organisations which can help introduce the enjoyment and benefits of hand embroidery to new audiences at a pace and scale we could not achieve on our own.

**Schools and engagement programmes**

Inspiring a new generation of stitchers is an important part of our mission. Since 2018 we have offered the free 'Embroider a Selfie' project to schools thanks to support from the Worshipful Company of Girdlers. Schools can apply for free needlework supplies and access to a host of ideas and demonstration videos.

For the second year running thanks to the support of the Worshipful Company of Broderers, we ran Family Days and School Workshops with partners at seven different venues which showcased hand embroidery to hundreds of children and families, up 40% over the previous year.

We will continue to build on these programmes and bring innovative ways to introduce embroidery and engage the next generation.

**6. Grow profitable operations and develop new revenue streams**

The reviews conducted this year will increase the relevance and attractiveness of our courses and help fund the free resources we provide. We also improved and developed areas of particular strength such as Talks and Partnership Classes (see page 10) and the RSN Shop.

**The RSN Shop**

During the year we introduced new products and ranges resulting in a significantly more dynamic and engaging offer to complement staple embroidery products. The refreshed offer and a programme of themed marketing helped deliver an increase in sales.

In particular kits designed by RSN tutors and presented under a consistent brand have sold well and unique products such as the six coronation kits (see page 13) have appealed to avid collectors with some customers buying the complete set. Our initial stock of the kits sold out within two months and has now been replenished.

Significant growth is difficult given space constraints at Hampton Court Palace, but we will be upgrading our online shop and stock management system this year to improve efficiency.

Whilst maintaining our ethos of UK handmade, we are working alongside British Heritage brands to create low cost/high volume branded equipment suitable for wholesale. These products will sit alongside higher value branded products offering retailers a full range and will also help showcase and promote the RSN Retail brand at Trade Shows, Exhibitions and Pop-Up Shops.

#### **New Revenue streams**

We have continued to develop new courses where there is recognised need playing to the RSN's purpose and strengths as a leader in the practice and heritage of hand embroidery.

#### **Hand Embroidery: Skills and Studies**

Developed by RSN Tutor Tracy Franklin and launched in September 2024 at our Durham centre, this course includes learning traditional methods and techniques, experimenting with new approaches, and investigating domestic and international contemporary and historic embroideries. Students build a body of personal work and research which they are encouraged to share and contribute to a collection of stitch which will grow over time.

#### **RSN History of Embroidery Course**

During the year we began development of this online course which explores embroidery in context. It will be the only leisure-based History of Embroidery course of this depth. Launch is scheduled for 2025

#### **RSN Masters Programme**

We have paused progression of a postgraduate Masters course to focus on other activities during the current challenging economic climate.

### **BUILDING STRONG FOUNDATIONS**

We need the appropriate resources and systems in place to support our staff in the delivery of our ambitions.

#### **7. Embed engaging, empowering and collaborative culture**

Hampton Court Palace is a popular location for our offices and primary teaching spaces and in September 2023 we took additional space to house our Archiving and Digitisation project and several of our Education administrative team.

However, we are spread out in different locations around the Palace making it more challenging for staff and students to always work together effectively. Our staff survey in Spring 2024 provided feedback on potential improvements to our ways of working and this is a key task for our new Chief Executive.

The effectiveness, efficiency and retention of our employees through developing a fulfilling career at the RSN is fundamental to our success. In May 2024 we appointed a HR professional in the new role of Director of Staff and Customer Engagement to work with our new Chief Executive to support employees and embed an empowering and collaborative culture which puts students, customers and beneficiaries at the heart of all we do.

**8. Build awareness of our activity to encourage broader participation and engagement**

**RSN Sip and Stitch**

In November 2023 we held our first online 'RSN Sip & Stitch' event live from Hampton Court Palace with over 700 people registering for the event worldwide. Two smaller onsite events at our Bristol and Durham satellites sold out. While primarily an event organised to encourage wider participation, it also stimulated donations to the RSN Stitch Bank and increased engagement with significant spikes in website visitor numbers.

**Marketing and Communications**

Our work for the Coronation continued to feature in marketing and communications. We celebrated Goldwork at The Knitting & Stitching Shows in London and Harrogate in the autumn, and Fashion & Embroidery at the Birmingham NEC in the spring. On Boxing Day 2023, the BBC Documentary, *Charles III: The Coronation Year*, attracted an audience of 4.8 million and featured footage from Their Majesties' visit to the RSN to see our work underway.

In May 2024, the first ever digitised version of the Coronation Roll, the official record of the Monarch's accession and crowning, was unveiled and we were honoured to feature in an interview.

Digital Marketing has become an extremely important area, targeting regions and audiences with our online offer. Our Instagram and TikTok accounts saw the biggest growth. The latter reached a new audience with behind-the-scenes videos of Degree and C&D students discussing the inspiration behind their work. Subscription to our eNewsletters has continued to grow.

In September 2023 we opened our doors at Hampton Court Palace as part of the Open House Festival, inviting visitors to see behind the scenes of our Embroidery Studio, not usually open to Palace visitors. We gave free one-hour tours of our Education department to around 400 visitors – most of whom were new to the RSN.

**9. Review and improve operations and delivery**

Online is the primary method for our educational operations and delivery from booking a talk to taking a class, so the enhancement of our digital provision is critical.

This year we have invested in a significant upgrade to our internet line, to achieve greater resilience and quality of online experience for students and staff. We have also taken on delivery of the online video courses as detailed on page 10. The RSN Studio website also received a rebrand.

We continue to upskill staff in using collaboration and file sharing tools to enhance productivity and cross organisational communication.

**SUSTAINABILITY**

Sustainability takes different forms at the RSN.

**Our Operations**

We are based at Hampton Court Palace which is looked after and managed by the independent charity Historic Royal Palaces. In undertaking daily duties, we accept our staff will have an influence on the environment and we are committed to adopting working practices that will help to have a positive effect, assist towards continued environmental improvement, and reduce unavoidable negative influences while acknowledging that we must conform with the requirements of operating within a Grade 1 listed building.

Within our own operations, we continue to look at further prioritising efficient use of resources and materials. We reuse and recycle, practise responsible procurement where possible and aim for 'minimum waste'.

This year we reviewed our investment manager and the investment of our reserves moving to an ethical investment fund run by an Investment Manager which promotes a healthy society and environment. Assets are carefully selected for long-term value and act collectively to encourage systemic change helping to accelerate progress in meeting major sustainability challenges.

**Our Ethos**

Sustainability is also rooted in our purpose to sustain the art of hand embroidery by preserving the heritage and promoting its contemporary relevance. Our Studio undertakes restoration and conservation work and makes a much-valued contribution to social sustainability.

We think positively about sustainability, and this is actively taught and embraced by our students. We are an advocate for positive change in sustainable fashion, often featuring historic items from our Collection that have been repurposed for another use or owner. We teach and engage people in visible mending techniques to reduce waste in textiles and fashion and this class ran regularly this year.

We encourage the donation of unwanted items to our Archive and Collection, for student and customer use, and as project resources for beneficiaries such as schools.

### **Agitating for Change through the Language of Stitch**

This year we have developed a collaborative programme to work with partners to raise awareness, understanding and challenge behaviour around climate change and species loss (see Looking to the Future).

### **LOOKING TO THE FUTURE**

During 2023/24 we developed a new approach to widen access to our extensive experience and expertise and the result, which will be introduced during 2024/2025, is a new initiative called Fragile Threads which tackles one of the world's most urgent contemporary issues; Climate Change and biodiversity loss.

For centuries nature has inspired extraordinary pieces of embroidery and at the same time unique, rich embroidery traditions have used stitching to record events, impart knowledge, and make powerful statements of intent.

Fragile Threads places this tradition of self-expression and an exploration of the current fragility of the natural world side by side. Through collaborative partnerships it will help raise awareness, understanding and challenge behaviour around species loss through the medium of hand embroidery.

Different species work together to maintain viable eco-systems and provide us with key benefits such as food, clothing, and medicine. Yet estimates suggest 50% of all species will vanish within the next century and globally one million species are thought to be at risk. Fragile Threads will develop compelling narratives, explain and educate by empowering individuals, groups, and communities to tell their own biodiversity stories through hand embroidery.

We aim to share their learning and the impacts on their lives, through curated events, raising awareness, understanding, and challenging behaviour to help protect our natural world. The programme has been warmly received by many organisations and individuals already approached and a number of collaborations are confirmed for launch in Spring/Summer 2025. This will take the art of hand embroidery to new and more diverse groups at a scale and pace we could not achieve on our own.

Fragile Threads aims to reach and impact a broad and diverse audience, and key objectives are to:

- Create and preserve the heritage of hand embroidery techniques and traditions
- Widen access, engagement, and participation through the universal language of embroidery
- Promote the positive impact to a person's mental health and wellbeing through mindfulness and creative activity
- Raise awareness, improve understanding, and challenge behaviour around the impacts of climate change and loss of biodiversity through the empowering medium of embroidery
- Champion sustainability
- Re-energise and re-focus the RSN's ongoing relevance to assist its future development.

We are incredibly grateful to the wide range of individuals and organisations who have helped us develop this programme by sharing their experience, expertise and enthusiasm and look forward to developing and extending the programme further.

## **FINANCIAL REVIEW**

### **Financial report for the year**

The consolidated statement of financial activities for the year shows a net deficit (before investment gains) of £477,417 (2022/23: deficit of £317,373).

The overall income for the year 2023/24 of £2,969,245 was £213,197 higher than that of the previous financial year (2022/23: £2,756,048). Income from donations and legacies was £113,199 higher than the prior year, at £315,131 (2022/23: £201,932), largely due to the fact that the prior year figure contained a charge of £99,473 against legacy income; excluding this, the increase in income over the prior year would have been £13,726. Donation income for the year includes a very generous donation of £89,361 in the form of shares from one of the charity's major supporters. No grant income was received during the year (2022/23: £nil). 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.

The trading subsidiary's turnover of £612,513 (2022/23: £587,577) increased by 4% driven by an increase in retail sales through the shop. Studio income was lower than the prior year, as a range of items for the Coronation of King Charles III and Queen Camilla were commissioned during that period.

Income from charitable School activities amounted to £1,887,974 (2022/23: £1,807,188) a 4% increase year on year. The year saw the first International Summer School in the US since the Covid 19 lockdowns, with this income being offset by a reduction in student numbers and therefore fees for the undergraduate Degree programme. Investment income fell by 6% to £145,384 (2022/23: £154,888).

The restricted fund income of £111,832 (2022/23: £143,701) consisted of resources earmarked for the Degree and Future Tutor programmes, the RSN Stitch Bank, the Collection and Archive Digitisation Campaigns including a specific campaign regarding the digitisation of the Grove Book, the Schools/Family workshops programme and funding for the tuition of a student. Restricted expenditure of £173,521 (2022/23: £182,891) was incurred against this income and in addition the Embroider a Selfie project.

Total expenditure for the year was £3,446,662 (2022/23: £3,073,421), an increase of 12%. The year was the first full year of new staff posts, and increased sales activity in the retail operation drove higher purchases. In addition, travel and accommodation costs were higher than the prior year due to the International Summer School delivered in the US.

Net realised and unrealised gains on investments for the year amounted to £358,583 (2022/23: £481,906 net realised and unrealised losses). During the year, a tender exercise for the provision of investment management services was undertaken and the decision made to transfer the management of the investment portfolio from JM Finn to CCLA. The transfer of investments took place after 31 August 2024 and has now largely been completed other than one stock for which trading is currently suspended.

At the balance sheet date, net assets totalled £4,852,165 (2023: £4,970,099) of which £1,853,026 (2023: £2,100,301) are unrestricted income funds.

The Royal School of Needlework has an investment of £100 (2022/23: £100) in the share capital of RSN Enterprises Limited, a wholly owned company which is incorporated in England and Wales. The net trading result of the company for the year amounted to a loss of £3,063 (2022/23: profit of £44,336).

### **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 2023/24, the Council reviewed the Charity's reserves policy and confirmed it to remain at five months' total expenditure at any one time, excluding the additional commitments on the licence at Hampton Court Palace. 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 2024/25, the maximum expenditure for five consecutive months would be in the region of £1,598,000. 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.

The charity held net assets at 31 August 2024 totalling £4,852,165 (2023: £4,970,999). This is represented by endowment funds and restricted funds of £2,836,226 (2023: £2,646,096) and £157,993 (2023: £219,682) respectively and designated funds of £158,527 (2023: £701,126). After deducting funds represented by tangible fixed assets and shareholders' funds, this leaves free reserves at 31 August 2024 of £1,629,357 (2023: £1,366,807), which is in excess of the target level of £1,598,000 by £31,357. The Council is of the opinion that the level of funds overall is satisfactory and does not cast doubt on the ability of the charity to continue as a going concern.

The Council has continued to formally designate £158,527 towards the planned developments within the strategic plan (2023: £701,126). During the year the Council made the decision to undesignate £542,000 of funds previously designated for the Futures campaign in the light of the deficit for the year. The Council will review the designation of funds on an ongoing basis. The funds that are designated at the balance sheet date are for the 150 Forward project and the digitisation of the archive and collection.

### **Investment policy and performance**



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.

The Trustees have a moderate / medium attitude to risk, with the level of risk mitigated by having a diversified portfolio of assets. During the year the portfolio was managed on a discretionary basis by the investment manager, JM Finn. Since the year end, the investment portfolio has been transferred to CCLA for investment in a pooled fund, of which the investment aims and decisions are compatible with the RSN's investment policy and its environmental, social and governance standards, covering the following areas:

- Protection of the global environment, its climate and its biodiversity including the reduction and future elimination of fossil fuel exploration and production;
- Promotion of human rights, including but not limited to the equality of gender, race and sexuality; and
- Promotion of good business ethics and good employment practices.

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 manager to ensure that the balance of the portfolio remains appropriate particularly given political uncertainties and the ongoing potential for market volatility.

During the financial year, the market value of the investment portfolio strengthened in each of the second, third and fourth quarters, with the UK, and towards the end of the year, the UK Gilts in the portfolio strengthened following the interest rate cut in August 2024 and expectation of further interest rate cuts. At the charity's 31<sup>st</sup> August 2024 year end, the investment portfolio was valued at £5,258,977, having increased +9.5% in total return terms over the past 12 months. This is behind the ARC Steady Growth Index return of +12.4% and the 70% FTSE All-Share/30% FTSE UK Gilt Index return of +13.9%, while CPI+3% returned +5.3%. The portfolio has a 13 year annualised return of +6.1% per annum, in-line with the comparators.

The UK markets have suffered a steep fall in confidence following the increase to Employer National Insurance costs in the October 2024 budget, together with higher than expected inflation, which is making further interest rate cuts unlikely.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution and Legal Status**

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 Trustees are the shareholders, and their liability is limited to the value of shares held. The RSN is also registered as a charity with the Charity Commission, under the number 312774.

Our Memorandum of Association sets out our objects and powers, and we govern in accordance with our Articles of Association.

### **How we are governed**

The Board of Trustees, or 'Council', is the RSN's governing body and has legal, financial and managerial responsibility. Council members are directors for the purpose of company law and trustees for the purpose of charity law and are referred to as both in this report.

Council is responsible for overseeing the establishment of strategy, policy, and the control framework. Key governance documents are reviewed and updated at the start of each year and policies are reviewed on a rolling cycle or more frequently as needed.

Council comprises 12 members including the Chair of Trustees and Honorary Treasurer. Those who served during the year and up to the date of this report are listed on page 28.

Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears on page 29 of these financial statements.

### **Trustee recruitment, induction & training**

Council members complete a skills audit periodically to record and review their expertise relative to the RSN's strategic needs. Outputs are used to help inform future recruitment and trustee appointments.

Positions are advertised broadly, and a trustee panel shortlists and interviews applicants before making recommendations to the full Council. Trustees use external advisors where appropriate.

Trustees are appointed by Council for a three-year term and can be re-elected for a further two terms. On appointment, they are provided with Charity Commission guidance on trustee roles and responsibilities, and documents such as the RSN's annual report, strategic plan and governance framework and code.

They are invited to spend time with senior managers and staff learning about and seeing the RSN in action. Trustees may also observe Committee meetings (see page 25) if they are not appointed members, ensuring they have the information and tools needed to fulfil their legal obligations and play an effective role within the governing body.

Training is available to Trustees as required. A number of online training resources were undertaken during the year. All trustees are provided with any new relevant information and publications as they become available.

### **Meeting Procedures**

Formal agendas, papers and reports are supplied to Trustees in a timely manner, prior to Council meetings. Briefings are also provided as needed. Reports include financial status and information such as performance against targets, proposed capital expenditure, quality and personnel related matters such as health and safety.

### **Council Procedures and Decision-making**

Trustees understand their responsibilities, including their duty to act in the RSN's best interests and to use reasonable skill and care to make balanced and informed decisions for the RSN to further its purpose and mission.

## **Report of the Council** Year to 31 August 2024

They consider current factors and likely consequences, and potential impacts decisions may have now and in the future.

The Council met formally seven times in 2023/24 and held a Strategy Day with the senior management to review performance and shape future activity and the resources needed to deliver this.

An additional meeting was held to discuss the recruitment and appointment of a new Chief Executive and, following consultation with, and subsequent approval from, The Charity Commission (CC), an EGM was held to approve a change to our governing document to allow us to provide payment to Trustees in return for goods or services.

This amendment was sought in particular regard to the Fragile Threads programme as we did not have the capability or capacity within our staff team to provide the visioning and strategic development needed but did have this expertise on our Board. As it was outside the normal scope of a Trustee's role we believed it was appropriate to provide payment and did so following best practice and relevant CC guidelines. We are grateful to our Trustee for undertaking this significant task at a fee well below market rate. A separate governance framework was developed for this work with delegated authority to oversee development within the scope and budget approved by full Council.

The RSN has a strong and independent non-executive element; no individual or group dominates decision-making process. We consider each non-executive member is independent of management and free from business or other relationships which could materially interfere with exercising their independent judgement. There is a clear division of responsibility as the roles of Chair of Trustees and Accounting Officer are separate.

Council oversees the RSN's key management which has responsibility for operations.

### **Employees**

During the year a new Chief Executive was recruited, with her employment starting on 30 September 2024. Two new members of the senior management team (Finance Director and Director of Staff and Customer Engagement) also joined.

Council sets the Chief Executive's salary and staff salaries are considered annually by the Finance and Investment Committee following performance review and approved by Council.

At 31 August 2024, the RSN employed 13 full time and 24 part-time staff, core teams of 5 part time stitchers in the Studio and 22 part-time tutors. In addition, around 20 volunteers assisted with the library, donated items, Research, Studio Talk and Tours, marketing and data entry. The RSN also used the services of a number of self-employed stitchers and tutors.

### **Committees**

Council delegates specific responsibilities to three committees detailed below which report back to Council and may make recommendations.

### **Finance and Investment Committee**

The Finance and Investment Committee (F&I) usually meets four times a year and provides oversight for all aspects of the RSN's finances, including financial management, financial policies, 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, the mitigation of risk by insurance and the performance of investments. F&I members are also the directors of RSN Enterprises Limited.

### **Education Committee**

The Education Committee had its first full year in 2023/24 and met three times. This will increase to four times going forwards to give greater scrutiny to our educational activities, results and developments.

It is responsible for overseeing academic quality and standards across education and learning activities and for monitoring and assuring compliance with Office for Students conditions or registration.

Tutor and student representatives are invited to join meetings. The committee also has an external independent educational advisor and we are grateful to Stuart Nicholson who filled this post in 2023/2024.

### **Fellowship Committee**

A committee was established to oversee the newly formed RSN Fellowship programme including Fellowship experience, setting and maintaining standards, approval of Fellowship applications and annual activity. It met formally three times. Fellow representatives are invited to join meetings.

### **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. Its principal activity is to undertake the commercial and retail activities of The Royal School of Needlework. It comprises the RSN Studio, and our retail business. 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 £3,063 (2022/23: profit of £44,336).

This report was approved by the Council on 5<sup>th</sup> February 2025 and signed on its behalf by:



P Wood  
Chair of Trustees



R Harris  
Chief Executive

## **Statement of Corporate Governance and Internal Control** Year to 31 August 2024

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 2023 to 31 August 2024 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.

### **PATRON, PRESIDENT AND BOARD OF TRUSTEES**

**Patron: Her Majesty Queen Camilla**

**President: Her Royal Highness The Duchess of Gloucester**

Following a major review of more than 1,000 Royal Patronages and charity Presidencies, Her Majesty The Queen has retained her Patronage of the RSN which began in 2017.

Her Royal Highness The Duchess of Gloucester is our president and has supported the RSN since the 1990s.

## Statement of Corporate Governance and Internal Control Year to 31 August 2024

### The Board of Trustees

Council Members (who are also Trustees of The Royal School of Needlework for the purposes of charity law) are shown below and except for any instance mentioned have served throughout the year.

Council members (Directors)	Appointed / Retired
Ms Pip Wood (Chair of Trustees)**+	
Ms Louisa Christofidou+	
Prof Patsy Cullen*	
Ms Victoria Farrow	
Dr Paula Leftwich**	
Mr Peter Mila	Appointed 9 October 2024
Miss Sarah Mumford*	
Mr Keith Pickard (Honorary Treasurer)*+	
Ms Clara Poon	Appointed 28 September 2023
Ms Julie Richards	
Ms Eleri Lynn *	
Prof Dominic Tweddle*	

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

x indicates members of the Education Committee which met three times during the year under the chairmanship of Prof Patsy Cullen.

+ indicates members of the Fellowship Committee which met three times during the year under the chairmanship of the Director of Education.

During the year working parties comprising Trustees and staff looked at the development of Fragile Threads, a new strategic approach detailed on page 20.

### Board of Trustees' interests

All Council Members at 31 August 2024 held one £10 share (2023: one £10 share) in the capital of the charitable company.

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

## **KEY STATEMENTS AND POLICIES**

### **Public Benefit**

Our Annual Report demonstrates the depth and breadth of activities undertaken during the year to further our charitable purpose for public benefit.

The RSN preserves the heritage and leads the development of the art of hand embroidery primarily through education. This includes practical courses to pass on the heritage and skill, as well as imparting knowledge of historical significance and context of many hand embroidery traditions and practices through events such as exhibitions, talks and 'taster' sessions.

We aim to inspire and innovate, attracting beginners through to expert stitchers, and invest in training professional hand embroiderers and tutors to the highest standards to share skills and expertise.

The practice of hand embroidery provides significant mental health and wellbeing benefits and we are committed to providing the widest access possible to our activities.

We have invested in the provision of significant online resources; the RSN Stitch Bank (RSNSB) (see page 14) is free to all and provides detailed instructions and videos on how to embroider nearly 500 stitches across a broad range of techniques. It is becoming established as the online source of information on stitches and is used extensively by stakeholders such as students, curators, historians of stitch and practitioners for a wide range of purposes including identifying and researching stitches, and as a teaching aid.

The RSNSB is linked to items in our Collection and Archive. This year we digitised the first 100 objects and continue to add pieces as quickly as we can. The two resources complement each other showing the stitches in detail and their application in historical pieces.

The RSN complies with its duty, under Section 17 of the Charities Act 2011, to show due regard for the Charity Commission's general guidance on public benefit.

### **Fundraising declaration**

Fundraising continues to be an ongoing challenge, in a climate of social change and economic uncertainty, and we are really grateful to all our donors for their continual and valuable support.

Fundraising events included the Sip and Stitch week in November 2023, attended by many RSN Friends and Supporters, which raised funds for the RSN Stitch Bank.

Legacies: we are extremely grateful for the legacy from the estate of Marjorie Piper.

Campaigns: thank you to all the Friends who supported our Grove Book campaign and to raise funds to digitise our Collection and Archive.

Bursaries: this year we were able to raise over £50,000 for our Bursary fund which will support our students through their studies at the RSN.

## **Statement of Corporate Governance and Internal Control** Year to 31 August 2024

We would like to thank all Major Donors to the RSN including Dorothy Jones, the Worshipful Companies of Broderers, Dyers, Girdlers, Gold and Silver Wyre Drawers, Haberdashers, Needlemakers and charitable trusts including The Coats Foundation Trust, The Honourable Society of Knights of the Round Table, the Pitt Rivers Trust, The Arts Society, The Radcliffe Trust, The Headley Trust, Newby Trust, Lord Barnby's Foundation, SE Franklin's Charitable Trust Number 3, Trapp Family Foundation and The Henry Lumley Charitable Trust.

In undertaking its fundraising, 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.

The following statement is provided to enable readers of our Annual Report and Accounts to better understand our governance and legal structure and covers the period from 1 September 2023 to 31 August 2024 and up to the date of the approval of the annual report and financial statements.

The RSN 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 and 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.

As a body entrusted with both public and private funds, trustees recognise they have a particular duty to observe the highest standards of corporate governance at all times.

### **Statement of the Council's responsibilities**

Council Members are responsible for preparing the report of Council and financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires 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, Council is required to:

- select suitable accounting policies and 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;



## Statement of Corporate Governance and Internal Control Year to 31 August 2024

- 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 it to ensure financial statements comply with the Companies Act 2006 and the Charities Act 2011. It is also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Each Council Member confirms that:

- so far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- they have taken all steps they ought to have taken as a trustee to make themselves 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.

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.

### **Council Performance**

Council has made a strong contribution to performance in 2023/24 through the setting of challenging targets; regular analysis, scrutiny and challenge; and strong performance management at Council meetings. Trustees are pro-active in their oversight and involved in planning and discharging Council business. They regularly review their own performance and governance processes and implement improvements if required. The Chair has a regular individual performance review.

## **STATEMENT OF INTERNAL CONTROL**

### **Scope of responsibility**

Council is ultimately responsible for the RSN's system of internal control and for reviewing its effectiveness.

Council delegates day-to-day responsibility to the Chief Executive, as Accounting Officer, for maintaining a sound internal control system that supports the achievement of policy aims and objectives, whilst safeguarding public funds and assets. The Chief Executive is also responsible for reporting to 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 eliminate all risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance of effectiveness against material misstatement or loss.

It is based on an ongoing process designed to identify and prioritise risks, evaluate likelihood of their being realised and the potential impacts, and manage them efficiently, effectively and economically. This system has been in place for the year ended 31 August 2024 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 the RSN during the year, and updated the risk register accordingly.

The review enables reflection upon the impact of both internal and external changes and the longer-term impact they may have, ensuring mitigation is updated to respond to changes. While known risks can be mitigated there will always be unanticipated events.

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

We have reviewed internal financial controls and are satisfied these are appropriate in minimising any risks to funds.

The top three risks that could have a negative impact on achieving our strategic plan have been identified as:

- Meeting the financial and fundraising targets in the current environment, especially at a time of investment for the RSN;
- The threat of cyber-crime and its potential to impact the RSN's activities.
- Failure to develop successful new income streams.

## Statement of Corporate Governance and Internal Control Year to 31 August 2024

### Review of effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control.

This is informed by:

- the work of the external auditors;
- the work of RSN senior managers responsible for developing and maintaining the internal control framework; and
- comments made by the 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 its 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.

We regularly consider risk and control and receive reports thereon from senior management and the Finance and Investment Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At our December 2024 Council meeting, we carried out our annual assessment for the year ended 31 August 2024 by considering documentation from the senior management team, and taking account of events since 31 August 2023.

Based on this and reports by the Chief Executive, we are of the opinion that the RSN has an adequate and effective framework for governance, risk management and control to manage achievements of objectives for the year ended 31 August 2024 and we have fulfilled our 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

We have considered our 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 RSN, that after due enquiry and to the best of our knowledge, we believe we are able to identify any material irregularity or improper use of funds by the RSN, or material non-compliance with terms and conditions of funding under our 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.

**Statement of Corporate Governance and Internal Control** Year to 31 August 2024

**Going Concern**

Details on the Board's going concern assessment are set out on page 44.

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



P Wood  
Chair of Trustees



R Harris  
Chief Executive

Date: 5<sup>th</sup> February 2025

**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 2024 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 2024 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.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 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;
- ◆ Reviewed journal entries to identify unusual transactions;
- ◆ 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 (if any).

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](http://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: 6 February 2025

**Consolidated statement of financial activities (including the Income and Expenditure Account)** Year ended 31 August 2024

		Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
<b>Income and expenditure</b>	Notes					
<b>Income from:</b>						
Donations and legacies	1	205,854	109,277	—	<b>315,131</b>	201,932
Investments	2	145,384	—	—	<b>145,384</b>	154,888
Other trading activities	3	620,756	—		<b>620,756</b>	592,040
Charitable activities						
School activities	4	1,885,419	2,555	—	<b>1,887,974</b>	1,807,188
<b>Total income</b>		<b>2,857,413</b>	<b>111,832</b>	<b>—</b>	<b>2,969,245</b>	2,756,048
<b>Expenditure on:</b>						
Raising funds	5	748,349	—	—	<b>748,349</b>	651,151
Charitable activities						
Costs of school activities	6	2,524,292	173,521	500	<b>2,698,313</b>	2,422,270
<b>Total expenditure</b>		<b>3,272,641</b>	<b>173,521</b>	<b>500</b>	<b>3,446,662</b>	3,073,421
<b>Net expenditure before investment gains and losses</b>						
	8	(415,228)	(61,689)	(500)	<b>(477,417)</b>	(317,373)
Realised losses on investments	12	(3,439)	—	(3,903)	<b>(7,342)</b>	(51,479)
Unrealised gains/(losses) on investments	12	171,392	—	194,533	<b>365,925</b>	(430,427)
<b>Net movement in funds</b>		<b>(247,275)</b>	<b>(61,689)</b>	<b>190,130</b>	<b>(118,834)</b>	(799,279)
<b>Reconciliation of funds:</b>						
<b>Fund balances brought forward at 1 September 2023</b>		<b>2,100,301</b>	<b>219,682</b>	<b>2,646,096</b>	<b>4,966,079</b>	5,765,358
<b>Fund balances carried forward at 31 August 2024</b>		<b>1,853,026</b>	<b>157,993</b>	<b>2,836,226</b>	<b>4,847,245</b>	4,966,079

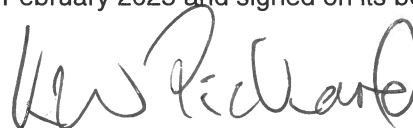
## Balance sheets 31 August 2024

	Notes	Group		Charity	
		2024 £	2023 £	2024 £	2023 £
<b>Fixed assets</b>					
Intangible assets	9	18,360	—	18,360	—
Tangible assets	10	46,782	32,368	46,782	32,368
Investments	12	5,258,977	4,959,508	5,259,077	4,959,608
		<b>5,324,119</b>	<b>4,991,876</b>	<b>5,324,219</b>	<b>4,991,976</b>
<b>Current assets</b>					
Stocks	13	108,857	94,461	43,869	34,627
Debtors	14	128,206	199,323	195,167	258,058
Cash at bank and in hand		249,776	514,356	199,331	483,395
		<b>486,839</b>	<b>808,140</b>	<b>438,367</b>	<b>776,080</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(946,091)</b>	<b>(829,017)</b>	<b>(883,314)</b>	<b>(785,715)</b>
<b>Net current (liabilities)/assets</b>		<b>(459,252)</b>	<b>(20,877)</b>	<b>(444,947)</b>	<b>(9,635)</b>
<b>Creditors: amounts falling due in more than one year</b>	17	<b>(12,702)</b>	<b>—</b>	<b>(12,702)</b>	<b>—</b>
<b>Total net assets</b>		<b>4,852,165</b>	<b>4,970,999</b>	<b>4,866,570</b>	<b>4,982,341</b>
<b>Represented by:</b>					
<b>Capital and reserves</b>					
Called up share capital	18	220	240	220	240
Capital redemption reserve	19	4,700	4,680	4,700	4,680
		<b>4,920</b>	<b>4,920</b>	<b>4,920</b>	<b>4,920</b>
<b>The funds of the charity:</b>					
Unrestricted funds:					
. General fund		1,694,499	1,399,175	1,708,904	1,410,517
. Designated funds	22	158,527	701,126	158,527	701,126
		<b>1,853,026</b>	<b>2,100,301</b>	<b>1,867,431</b>	<b>2,111,643</b>
Endowment funds	20	2,836,226	2,646,096	2,836,226	2,646,096
Restricted funds	21	157,993	219,682	157,993	219,682
<b>Total charitable funds</b>		<b>4,847,245</b>	<b>4,966,079</b>	<b>4,861,650</b>	<b>4,977,421</b>
<b>Total funds</b>		<b>4,852,165</b>	<b>4,970,999</b>	<b>4,866,570</b>	<b>4,982,341</b>

Approved by the Council of Members on 5<sup>th</sup> February 2025 and signed on its behalf by:



P Wood  
Chair of Trustees



K Pickard  
Honorary Treasurer

The Royal School of Needlework: Company Registration Number 00012192

## Consolidated statement of cash flows Year to 31 August 2024

	Notes	2024 £	2023 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(518,282)	(145,233)
<b>Cash flows from investing activities:</b>			
Investment income		145,384	154,888
Purchase of fixed assets		(37,060)	(6,880)
Proceeds from the disposal of investments		977,166	940,828
Purchase of investments		(821,058)	(1,011,521)
<b>Net cash provided by investing activities</b>		<b>264,432</b>	<b>77,315</b>
<b>Cash flows from financing activities:</b>			
New share capital issued / (repurchase) of share capital		—	40
Capital element of finance lease repayments		(3,097)	—
<b>Net cash (outflows) / inflows from financing activities</b>		<b>(3,097)</b>	<b>40</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(256,947)</b>	<b>(67,878)</b>
Cash and cash equivalents at 1 September 2023		516,212	584,090
<b>Cash and cash equivalents at 31 August 2024</b>	B	<b>259,265</b>	<b>516,212</b>

### Notes to the statement of cash flows for the year to 31 August 2024

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

	2024 £	2023 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(118,834)</b>	<b>(799,279)</b>
<b>Adjustments for:</b>		
Depreciation & amortisation charges	23,299	13,745
Donations of shares in specie	(89,361)	—
Gains / (losses) on investments	(358,583)	481,906
Investment income	(145,384)	(154,888)
Increase in stocks	(14,396)	(16,926)
Decrease in debtors	71,117	212,034
Increase in creditors	113,860	118,175
<b>Net cash used in operating activities</b>	<b>(518,282)</b>	<b>(145,233)</b>

#### B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	249,776	514,356
Cash held by investment managers	9,489	1,856
<b>Total cash and cash equivalents</b>	<b>259,265</b>	<b>516,212</b>

## Consolidated statement of cash flows Year to 31 August 2024

### C Analysis of change in net debt

	At 1 September 2023 £	Cash flows £	New finance leases £	At 31 August 2024 £
Cash and cash equivalents	516,212	(256,947)	—	259,265
Finance lease liabilities	—	3,097	(19,013)	(15,916)
<b>Net debt</b>	<b>516,212</b>	<b>(253,850)</b>	<b>(19,013)</b>	<b>243,349</b>

## **Principal accounting policies** Year to 31 August 2024

### **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 2024.

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 and intangible fixed assets and legacy income recognition.

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 £31k above the target level set in its reserves policy. At the balance sheet date, designated funds were £159k, and any or all of these funds are able to be undesignated upon the decision of the Council. The Council is of the opinion that the level of funds overall is satisfactory and does not cast doubt on the ability of the charity to continue as a going concern. Cash flow continues to be monitored closely.

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 2025, the most significant areas that affect the financial position of the charity are maintaining a profitable 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. A net deficit of (£115,771) (2022/23: £843,614 deficit) 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.

Donations of assets such as shares are recognised at the fair value of the shares at the date of transfer of ownership. Where the shares are traded on a public exchange, the fair value is considered to be the market value.

**Income recognition** (continued)

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.

Dividend income is recognised upon receipt of the dividend payment. 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 2024

### Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- |             |           |
|-------------|-----------|
| ♦ Software: | 3-5 years |
|-------------|-----------|

### 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 11 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 2024 £
<b>2024</b>				
Donations	153,690	109,277	—	<b>262,967</b>
Legacies	52,164	—	—	<b>52,164</b>
<b>Total funds</b>	<b>205,854</b>	<b>109,277</b>	<b>—</b>	<b>315,131</b>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<b>2023</b>				
Donations	111,063	143,701	—	254,764
Legacies	(52,832)	—	—	(52,832)
<b>Total funds</b>	<b>58,231</b>	<b>143,701</b>	<b>—</b>	<b>201,932</b>

## 2 Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
<b>2024</b>				
Bank and deposit interest received	1,724	—	—	<b>1,724</b>
Income from listed investments	143,660	—	—	<b>143,660</b>
<b>Total funds</b>	<b>145,384</b>	<b>—</b>	<b>—</b>	<b>145,384</b>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<b>2023</b>				
Bank and deposit interest received	1,580	—	—	1,580
Income from listed investments	153,308	—	—	153,308
<b>Total funds</b>	<b>154,888</b>	<b>—</b>	<b>—</b>	<b>154,888</b>

## 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 are filed with the Registrar of Companies.

**3 Income from trading activities (continued)**

RSN Enterprises Limited – Statement of comprehensive income:

	Total 2024 £	Total 2023 £
<b>Turnover</b>	<b>612,513</b>	587,577
Cost of sales	<b>(484,446)</b>	(428,453)
<b>Gross profit</b>	<b>128,067</b>	159,124
Other operating income	<b>18,714</b>	4,463
Administrative expenses	<b>(149,844)</b>	(119,251)
<b>Operating (loss)/profit</b>	<b>(3,063)</b>	44,336
Gift Aid donation to The Royal School of Needlework	—	—
<b>Retained (loss)/profit for the financial year</b>	<b>(3,063)</b>	44,336

In the year ended 31 August 2024, turnover includes £10,471 (2023: £ nil) 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 mostly unrestricted and comprises mainly fees for the Degree programme, Certificate and Diploma programme, Future Tutors and Short Courses.

Income from school activities includes:

	2024 £	2023 £
<b>Unrestricted funds</b>		
Fee income for taught awards (Higher Education)	—	—
Fee income from non-qualifying courses	<b>1,282,693</b>	1,181,019
	<b>1,282,693</b>	1,181,019
Higher Education income from sub-contractual arrangements with other providers	<b>409,956</b>	456,618
Other income from School activities	<b>192,770</b>	169,551
<b>Total unrestricted income from school activities</b>	<b>1,885,419</b>	1,807,188
<b>Restricted funds</b>		
Income for private tuition of individual	<b>2,555</b>	—
<b>Total income from school activities</b>	<b>1,887,974</b>	1,807,188

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 2024 £
<b>2024</b>				
Costs of trading subsidiary	621,829	—	—	<b>621,829</b>
Investment managers' fees	39,473	—	—	<b>39,473</b>
Advertising and literature	47,234	—	—	<b>47,234</b>
Fundraising costs	35,720	—	—	<b>35,720</b>
Travelling & other costs	4,093	—	—	<b>4,093</b>
<b>Total funds</b>	<b>748,349</b>	<b>—</b>	<b>—</b>	<b>748,349</b>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<b>2023</b>				
Costs of trading subsidiary	547,704	—	—	547,704
Investment managers' fees	39,604	—	—	39,604
Advertising and literature	46,456	—	—	46,456
Fundraising costs	13,540	400	—	13,940
Travelling & other costs	3,447	—	—	3,447
<b>Total funds</b>	<b>650,751</b>	<b>400</b>	<b>—</b>	<b>651,151</b>

## 6 Costs of school activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
<b>2024</b>				
Staff costs	1,697,831	29,578	—	<b>1,727,409</b>
Other costs	826,461	143,943	500	<b>970,904</b>
<b>Total funds</b>	<b>2,524,292</b>	<b>173,521</b>	<b>500</b>	<b>2,698,313</b>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<b>2023</b>				
Staff costs	1,501,880	63,952	-	1,565,832
Other costs	737,499	118,539	400	856,438
<b>Total funds</b>	<b>2,239,379</b>	<b>182,491</b>	<b>400</b>	<b>2,422,270</b>

## 7 Staff costs

	2024 £	2023 £
Wages and salaries	1,840,385	1,683,421
Social security costs	133,985	123,206
Pension costs	70,796	62,615
	<b>2,045,166</b>	<b>1,869,242</b>
Staff costs by function were as follows:		
Cost of school activities	1,727,409	1,565,832
Cost of raising funds (fundraising and trading subsidiary)	317,757	303,410
	<b>2,045,166</b>	<b>1,869,242</b>

**7 Staff costs** (continued)

The average monthly number of employees during the year was 64 (2023: 55) and on a full time equivalent basis was 34 (2023: 31).

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:

	2024 No.	2023 No.
£60,000 - £64,999	1	1
£65,000 - £69,999	1	—
£100,000 - £104,999	—	1
£110,000 - £114,999	1	—

Five Council Members had their expenses met for travel / accommodation costs incurred in connection with exercising their duties as Council Members in the year totalling £4,236 (2023: £2,149). No remuneration was paid to the Council Members in the year for their duties as Council members. Note 25 below contains information regarding a payment of £20,000 to one of the Council Members in relation to a service provided by them. (2023: 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 during the year and the prior year comprised the Council, the Chief Executive and the Senior Management Team of five). 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 £449,173 (2023: £396,505).

**Chief Executive Remuneration**

	2024 £	2023 £
Basic salary	110,311	103,415
Salary sacrifice arrangements	(11,031)	(6,185)
Pension contribution	16,546	11,320
Total remuneration after salary sacrifice	115,826	108,550

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 2.9 (2023: 2.8).

The Chief Executive's total remuneration as a multiple of the median of all staff was 2.9 (2023: 2.8)

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

These are stated after charging:

	2024 £	2023 £
Depreciation	18,709	13,745
Amortisation	4,590	—
Auditor's remuneration		
. Charity audit	12,270	10,500
. Trading subsidiary audit	3,655	3,325
. Other services	2,813	1,591
Lease expenses		
. Land and buildings	216,347	197,955
. Other	1,938	13,584

**9 Intangible fixed assets**

Group and Charity	Restricted Computer software £	Total £
<b>Cost</b>		
At 1 September 2023	—	—
Additions	22,950	22,950
At 31 August 2024	22,950	22,950
<b>Depreciation</b>		
At 1 September 2023	—	—
Charge for year	4,590	4,590
At 31 August 2024	4,590	4,590
<b>Net book values</b>		
At 31 August 2024	18,360	18,360
At 31 August 2023	—	—

## 10 Tangible fixed assets

Group and Charity	Leasehold improve- ments £	Office equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2023	150,509	124,782	70,386	345,677
Additions	—	33,123	—	33,123
Disposals	—	(6,967)	—	(6,967)
At 31 August 2024	150,509	150,938	70,386	371,833
<b>Depreciation</b>				
At 1 September 2023	150,509	105,457	57,343	313,309
Charge for year	—	15,354	3,355	18,709
Disposals	—	(6,967)	—	(6,967)
At 31 August 2024	150,509	113,844	60,698	325,051
<b>Net book values</b>				
At 31 August 2024	—	37,094	9,688	46,782
At 31 August 2023	—	19,325	13,043	32,368

The net book value of assets held under finance leases was £15,210 at 31 August 2024 (31 August 2023: £nil).

## 11 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.



## 11 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 full-time 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.

## 12 Investments

	2024 £	2023 £
Listed investments and cash holdings	5,258,977	4,959,508
<b>Group total</b>	<b>5,258,977</b>	<b>4,959,508</b>
Shares in subsidiary undertaking at cost	100	100
<b>Charity total</b>	<b>5,259,077</b>	<b>4,959,608</b>

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.

	2024 £	2023 £
Aggregate share capital and reserves of RSN Enterprises Limited	(14,305)	(11,242)

	2024 £	2023 £
<b>Listed investments &amp; cash holdings</b>		
Market value at 1 September	4,957,652	5,368,865
Additions at cost	821,058	1,011,521
Donated shares received at market value	89,361	—
Disposal proceeds	(977,166)	(940,828)
Realised losses	(7,342)	(51,479)
Unrealised gains/(losses)	365,925	(430,427)
Market value at 31 August	5,249,488	4,957,652
Cash held by investment managers	9,489	1,856
	<b>5,258,977</b>	<b>4,959,508</b>

## 12 Investments (continued)

Listed investments held at 31 August comprised the following:

	2024 £	2023 £
Fixed interest	649,247	597,643
UK equities	1,849,019	1,661,263
Overseas equities and equity funds	2,036,935	1,748,233
Other listed investments	714,287	950,513
	<b>5,249,488</b>	<b>4,957,652</b>
Listed investments at cost	<b>4,325,272</b>	<b>4,353,934</b>

At 31 August 2024, 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	260,908
JP Morgan American Investment Trust	5.2	274,390
I Shares Core	4.9	257,398
Invesco Nasdaq	4.8	251,315

## 13 Stocks

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Materials	43,869	34,627	43,869	34,627
Finished work and goods held for resale	64,988	59,834	—	—
	<b>108,857</b>	<b>94,461</b>	<b>43,869</b>	<b>34,627</b>

## 14 Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	47,243	48,683	—	43,817
Prepayments and accrued income	80,963	150,640	63,977	110,820
Amounts owed by subsidiary company	—	—	131,190	103,421
	<b>128,206</b>	<b>199,323</b>	<b>195,167</b>	<b>258,058</b>

**15 Creditors: amounts falling due within one year**

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	135,229	72,392	118,023	47,883
Other taxes and social security costs	53,624	32,836	33,834	29,434
Accruals and deferred income	754,024	723,789	728,243	708,398
Finance lease creditor (note 17)	3,214	—	3,214	—
	<b>946,091</b>	<b>829,017</b>	<b>883,314</b>	<b>785,715</b>

**16 Deferred income (included above)**

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Brought forward at 1 September	653,368	570,836	646,603	562,560
Deferred in the year	436,510	400,261	436,510	400,261
Released in the year	(457,000)	(317,729)	(456,235)	(316,218)
Carried forward at 31 August	<b>632,878</b>	<b>653,368</b>	<b>626,878</b>	<b>646,603</b>

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

**17 Creditors: amounts falling due in more than one year**

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Finance lease creditor (see below)	12,702	—	12,702	—
	<b>12,702</b>	<b>—</b>	<b>12,702</b>	<b>—</b>

Liabilities in respect of finance leases fall due as follows:

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Within one year (note 15)	3,214	—	3,214	—
More than one, but less than five years (note 17)	12,702	—	12,702	—
	<b>15,916</b>	<b>—</b>	<b>15,916</b>	<b>—</b>

**18 Share capital**

	Issued, called up and fully paid	
	2024 £	2023 £
Ordinary shares of £10 each	<b>220</b>	<b>240</b>

## 19 Capital redemption reserve

	2024 £	2023 £
470 Ordinary shares of £10 each (2023: 468)	4700	4,680

## 20 Endowment funds

2024	At 1 September 2023 £	Income £	Expenditure £	Investment gains £	At 31 August 2024 £
Victoria Adams Fund	1,874,653	—	—	135,054	2,009,707
General Endowment Fund	513,832	—	—	37,017	550,849
Hilda Watson Fund	2,890	—	(200)	208	2,898
Charrington / Broderers Fund	2,987	—	(100)	215	3,102
Wendy Hogg Fund	17,124	—	(200)	1,234	18,158
HB Allen Fund	234,610	—	—	16,902	251,512
	2,646,096	—	(500)	190,630	2,836,226

2023	At 1 September 2022 £	Income £	Expenditure £	Investment losses £	At 31 August 2023 £
Victoria Adams Fund	2,043,857	—	—	(169,204)	1,874,653
General Endowment Fund	560,210	—	—	(46,378)	513,832
Hilda Watson Fund	3,260	—	(100)	(270)	2,890
Charrington / Broderers Fund	3,366	—	(100)	(279)	2,987
Wendy Hogg Fund	18,888	—	(200)	(1,564)	17,124
HB Allen Fund	255,786	—	—	(21,176)	234,610
	2,885,367	—	(400)	(238,871)	2,646,096

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

## 21 Restricted funds

	At 1 September 2023 £	Income £	Expenditure £	Investment gains £	Transfers between funds £	At 31 August 2024 £
<b>2024</b>						
Future Tutor Programme	—	29,829	(29,829)	—	—	—
Degree Programme	—	47,729	(47,729)	—	—	—
Collection & Digitisation	187,867	4,632	(74,852)	—	—	<b>117,647</b>
Digitisation of Grove Book	—	7,490	—	—	—	<b>7,490</b>
Embroider a Selfie	1,671	—	(1,435)	—	—	<b>236</b>
Stitch Bank	—	11,997	(11,997)	—	—	—
School/Family Workshops	2,155	7,600	(5,124)	—	—	<b>4,631</b>
Funding for tuition	—	2,555	(2,555)	—	—	—
Other Restricted Legacy	27,989	—	—	—	—	<b>27,989</b>
	<b>219,682</b>	<b>111,832</b>	<b>(173,521)</b>	<b>—</b>	<b>—</b>	<b>157,993</b>

	At 1 September 2022 £	Income £	Expenditure £	Investment gains £	Transfers between funds £	At 31 August 2023 £
<b>2023</b>						
Janet Churm Fund	7,832	—	(7,184)	(648)	—	—
Future Tutor Programme	—	63,200	(63,200)	—	—	—
Degree Programme	—	54,490	(54,490)	—	—	—
Collection & Digitisation	212,599	1,605	(26,337)	—	—	<b>187,867</b>
Embroider a Selfie	8,296	—	(6,625)	—	—	<b>1,671</b>
Stitch Bank	—	21,406	(21,406)	—	—	—
School/Family Workshops	2,804	3,000	(3,649)	—	—	<b>2,155</b>
Other Restricted Legacy	27,989	—	—	—	—	<b>27,989</b>
	<b>259,520</b>	<b>143,701</b>	<b>(182,891)</b>	<b>(648)</b>	<b>—</b>	<b>219,682</b>

- 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 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.
- e) The Digitisation of the Grove Book Appeal includes donations from RSN Friends, supporters and other donors towards the digitisation of the Grove Book, one of the treasures of the RSN Collection.
- f) The Embroider a Selfie fund is a project to introduce stitch to young people.

## 21 Restricted funds (continued)

- 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.
- h) The School/Family workshops started in 2022 to engage young people with stitch at the RSN's 150<sup>th</sup> Anniversary exhibition at the Fashion and Textile museum
- i) The Funding for Tuition restricted fund is income received to fund the private tuition of a named individual.
- j) The Other Restricted Legacy Fund relates to a legacy received in 2016/17, which will provide support for the Future Tutor Programme.

## 22 Designated funds

	At 1 September 2023 £	New Designations £	Utilised/ released £	At 31 August 2024 £
<b>2024</b>				
Futures campaign	542,000	—	(542,000)	—
Stitch Bank	599	—	(599)	—
Collection & Digitisation	88,000	—	—	<b>88,000</b>
150 Forward	70,527	—	—	<b>70,527</b>
	<b>701,126</b>	<b>—</b>	<b>(542,599)</b>	<b>158,527</b>

	At 1 September 2022 £	New Designations £	Utilised/ released £	At 31 August 2023 £
<b>2023</b>				
Futures campaign	570,000	—	(28,000)	542,000
Stitch Bank	28,029	20,000	(47,430)	599
Collection & Digitisation	88,000	—	—	88,000
150 Forward	170,000	—	(99,473)	70,527
Website development	—	8,000	(8,000)	—
	<b>856,029</b>	<b>28,000</b>	<b>(182,903)</b>	<b>701,126</b>

The Futures campaign fund comprises monies set aside for various campaign projects. Given the deficit for the year ended 31 August 2024, the decision was made to undesignate all of the £542,000 brought forward at 1 September 2023. During 2022/23, £20,000 was designated for expenditure on the Stitch Bank project to enable it to continue momentum, and the small balance remaining on these funds was used in 2023/24. The £88,000 designated in the financial year 2021/22 for the Digitisation of the Archive and Collection remains unspent as it is currently being financed with restricted funds. The 150 Forward fund was designated in the 2021/22 financial year from funds raised as part of the 150<sup>th</sup> Anniversary campaign.

## 23 Analysis of net assets between funds

Group	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2024 £
Intangible fixed assets	—	18,360	—	—	18,360
Tangible fixed assets	—	2,665	44,117	—	46,782
Investments	—	—	2,422,751	2,836,226	5,258,977
Current assets	4,920	184,268	297,651	—	486,839
Creditors: amounts falling due within one year	—	(47,300)	(898,791)	—	(946,091)
Creditors: amounts falling due in more than one year	—	—	(12,702)	—	(12,702)
Total net assets	4,920	157,993	1,853,026	2,836,226	4,852,165

Group	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2023 £
Tangible fixed assets	—	—	32,368	—	32,368
Investments	—	—	2,313,412	2,646,096	4,959,508
Current assets	4,920	236,591	566,629	—	808,140
Creditors: amounts falling due within one year	—	(16,909)	(812,108)	—	(829,017)
Total net assets	4,920	219,682	2,100,301	2,646,096	4,970,999

Charity	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2024 £
Intangible fixed assets	—	18,360	—	—	18,360
Tangible fixed assets	—	2,665	44,117	—	46,782
Investments	—	—	2,422,851	2,836,226	5,259,077
Current assets	4,920	184,268	249,178	—	438,366
Creditors: amounts falling due within one year	—	(47,300)	(836,013)	—	(883,313)
Creditors: amounts falling due in more than one year	—	—	(12,702)	—	(12,702)
Total net assets	4,920	157,993	1,867,431	2,836,226	4,866,570

Charity	Share-holders funds £	Restricted funds £	Un-restricted funds £	Endowment funds £	Total 2023 £
Tangible fixed assets	—	—	32,368	—	32,368
Investments	—	—	2,313,512	2,646,096	4,959,608
Current assets	4,920	236,591	534,569	—	776,080
Creditors: amounts falling due within one year	—	(16,909)	(768,806)	—	(785,715)
Total net assets	4,920	219,682	2,111,643	2,646,096	4,982,341

## 24 Operating lease commitments

As at 31 August 2024, the group and charity had the following future minimum payments under non-cancellable licences and operating leases:

<b>Group</b>	Land and buildings £	Equipment £	<b>2024 £</b>
Operating lease payments due:			
within the next year	220,513	918	221,431
between one and two years	227,129	—	227,129
	<u>447,642</u>	<u>918</u>	<u>448,560</u>

<b>Charity</b>	Land and buildings £	Equipment £	<b>2024 £</b>
Operating lease payments due:			
within the next year	220,513	—	220,513
between one and two years	227,129	—	227,129
	<u>447,642</u>	<u>—</u>	<u>447,642</u>

<b>Group</b>	Land and buildings £	Equipment £	<b>2023 £</b>
Operating lease payments due:			
within the next year	202,900	711	203,611
between two and five years	403,571	—	403,571
	<u>606,471</u>	<u>711</u>	<u>607,182</u>

<b>Charity</b>	Land and buildings £	Equipment £	<b>2023 £</b>
Operating lease payments due:			
within the next year	202,900	—	202,900
between two and five years	403,571	—	403,571
	<u>606,471</u>	<u>—</u>	<u>606,471</u>



## **25 Related party transactions**

RSN Enterprises Limited donates any profits via Gift Aid to the charity. During the year RSN Enterprises Limited reported a loss of £3,063. No Gift Aid donation was made during the year as the company has accumulated losses from prior years and no reserves available for distribution (2023: £nil).

During the year, intercompany charges of £3,389 (2023: £nil) took place between The Royal School of Needlework and RSN Enterprises Ltd, which have been eliminated upon consolidation. At 31 August 2024, £131,190 is due by RSN Enterprises Limited to the charity (2023: £103,421).

Council Members paid an aggregate of £1,065 (2023: £1,821) for classes and events, £1,151 (2023: £222) for Friends' subscriptions at standard un-discounted rates and donations of £320 (2023: £300). The figures reported in these financial statements include an amount of £20,000 invoiced by one of the Trustees for a strategic consultancy review. The invoice was paid in September 2024.

During the year, the Royal School of Needlework sought and obtained permission from the Charity Commission to change its governing document in order to allow payment to members of Council where permitted in accordance with the Charities Act 2011. The amendment to the governing document was approved at an extraordinary general meeting on 19 June 2024.

**26 Comparative statement of financial activities for the year ended 31 August 2023**

		Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £
<i>Income and expenditure</i>	<i>Notes</i>				
<i>Income from:</i>					
<i>Donations and legacies</i>	1	58,231	143,701	—	201,932
<i>Investments</i>	2	154,888	—	—	154,888
<i>Other trading activities</i>	3	592,040	—	—	592,040
<i>Charitable activities</i>					
<i>School activities</i>	4	1,807,188	—	—	1,807,188
<i>Total income</i>		<u>2,612,347</u>	<u>143,701</u>	<u>—</u>	<u>2,756,048</u>
<i>Expenditure on:</i>					
<i>Raising funds</i>	5	650,751	400	—	651,151
<i>Charitable activities</i>					
<i>Costs of school activities</i>	6	2,239,379	182,491	400	2,422,270
<i>Total expenditure</i>		<u>2,890,130</u>	<u>182,891</u>	<u>400</u>	<u>3,073,421</u>
<i>Net income/(expenditure) before investment gains and losses</i>	8	(277,783)	(39,190)	(400)	(317,373)
<i>Realised (losses) on investments</i>	12	(25,893)	(69)	(25,517)	(51,479)
<i>Unrealised (losses) on investments</i>	12	(216,494)	(579)	(213,354)	(430,427)
<i>Net movement in funds</i>		(520,170)	(39,838)	(239,271)	(799,279)
<i>Reconciliation of funds:</i>					
<i>Fund balances brought forward at 1 September 2022</i>		<u>2,620,471</u>	<u>259,520</u>	<u>2,885,367</u>	<u>5,765,358</u>
<i>Fund balances carried forward at 31 August 2023</i>		<u>2,100,301</u>	<u>219,682</u>	<u>2,646,096</u>	<u>4,966,079</u>