

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



**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2025  
Charity No. 210639**

**ROYAL UNITED SERVICES INSTITUTE  
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The trustees are pleased to present their report and the audited financial statements for the year ended 31 March 2025.

## **OBJECTIVES AND ACTIVITIES**

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

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

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

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

## **ACHIEVEMENTS AND PERFORMANCE**

A fuller description of RUSI's achievements over 2024-25 is provided in the online Activity Summary, hosted on RUSI's website. The overview below is intended to provide the very top-level context of RUSI's activities in the twelve months being reported on.

### **Research and Publications**

RUSI's research is relied on by politicians and policy makers around the globe, especially in the UK. Over the course of 2024-25 we issued more than 100 separate publications reflecting the full range of RUSI's research, alongside daily commentaries. We also regularly provide briefings and private publications to senior government officials.

### **Events**

Central to RUSI's mission is our ability to provide a forum for debate on defence and security, and our convening power is second to none. Through a combination of annual lectures, set piece conferences and ad-hoc events, also totalling more than 100 across the year, we bring together major figures from across the worlds of defence, security and geopolitics. These events include set piece conferences, such as our two-day Land Warfare Conference, as well as recurring flagship lectures, such as the Annual Defence Lecture given by the Chief of the Defence Staff.

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**Amplifying our Expertise**

Recognising our duty to inform public debate, we aim for our researchers and experts to reach as wide an audience as possible. RUSI's staff and work featured in more than 45,000 news articles in the twelve months being reported on.

Our social media following continues to grow; we have around 150,000 followers on X and more than 50,000 on LinkedIn.

Our media and social media presence contribute significantly to brand awareness and help drive traffic to our website. In 2024-25 over 1.9m active users generated more than 8.5m page views.

**Membership**

RUSI members are the bedrock of the communities and groups we bring together to discuss defence, security and geopolitics. They also support RUSI's wider work, providing £1,576,353 (2024: £1,153,532) in income that helps enable RUSI to continue to operate and deliver on our charitable mission.

At the end of March 2025, 2,076 individuals and 212 organisations held RUSI membership. Organisational membership was broadly static, up from 210 a year previously. However, individual membership has risen notably, increasing from 1,837 at the end of March 2024. This 13% rise can be attributed to an increased efforts to market membership to lapsed and potential new members and a renewed focus on delivering events most closely aligned with member interests.

**Leadership Centre**

Our Leadership Centre offers bespoke executive education programmes for junior and senior diplomats and civil servants, senior military officials and the private sector, enabling their careers to flourish. It continues to expand in terms of the number and types of programmes offered.

**61 Whitehall**

Our historic Whitehall building is in near constant use. As well as providing the space for our researchers and staff to undertake their work and collaborate with one another, it hosts hundreds of events each year. The increasing demand to host external meetings, events and conferences provides another growing income stream for RUSI, generating over £300,000 in income in 2024-25.

**Our Fundraising**

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

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

- i. Maintaining a close relationship with the donors who gave so generously to the capital appeal.
- ii. Supporting our research groups in identifying potential new sources of philanthropic support for their work.
- iii. Preparing for a potential new appeal in the future. For a new and potentially ambitious appeal to be successful, considerable effort is being put into identifying and building a pipeline of new donors.

The Institute complies with current guidance from the Charities Commission and the Fundraising Regulator where appropriate.

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## **Our People**

RUSI employed 118 people at the end of March 2025 (66 researchers and 52 operational staff). This is a decrease from the 132 staff at the end of March 2024 and broadly a return to staff levels seen at the end of the 2022-23 financial year, when we had 116 employees. This reflects the completion of a number of projects as well as the spin-off of our Open Source Intelligence Analysis Research Group.

There have been significant changes in senior leadership with a new Director General, Rachel Ellehuus, who replaced Karin von Hippel in January 2025 and a new Chief Financial Officer, Neil Tomkins, who joined in February 2025. Subsequent to the reporting year, we have hired a new Head of Human Resources, Sophie Tait, and are currently recruiting for a new Director of Research and new Director of Development.

We would like to thank Karin for her significant contribution to RUSI over many years and the transformation she helped lead. We are delighted to have welcomed Rachel and Neil who are already making a substantive impact and positioning RUSI for greater success.

## **FINANCIAL REVIEW**

### **Overview**

With a decrease in gross income, the Institute managed its expenditure over the course of 2024-25 and ended the year with a small surplus at Net Income level. An upwards valuation on the property at 61 Whitehall combined with the Net Income to generate a positive movement on funds in the year of £712,872 and Net Assets ended at £16,946,416 at 31 March 2025. However, it is important to note that the inclusion of a prior year adjustment to correct historic VAT has meant that the opening balance of funds at 1 April 2024 has been restated at £1,603,004 below the figures reported in last year's financial statements.

During the course of 2024/25 it was discovered that some aspects of VAT had been incorrectly treated in prior years. The incorrect treatment related partly to certain aspects of membership income that should have had VAT applied, but the main element was VAT reclaimed on costs that were reclaimed in full but should have only been partially reclaimed. Such costs were both items of expenditure and capital costs, the latter of which were significant during the time in question due to the refurbishment of 61 Whitehall.

A provision of £1,800,000 has been created at 31 March 2025 to cover the historic liabilities and interest. Given that the majority of the provision relates to 2023/24 and before, a prior year adjustment has been made. This is outlined in Note 17 in the financial statements.

### **Income & Expenditure**

Total gross income of the Institute decreased to £16,616,542, down by 11% on the previous 12 months, £12,462,354 of which is in unrestricted funds (2024 restated: £13,670,709). The principal source of funding is research activity, which accounts for 74% of total gross income. This fell by £2,169,081 in the year due principally to the end of some long-running funded projects and the Open Source Intelligence Analysis team moving out of house. Other sources of funding are donations, membership subscriptions, conferences and events, and publications. Donations are recognised when payments are received and hence this figure can vary considerably year on year. In 2024-25 donations, grants and gifts of £1,629,432 were lower than the previous year by £708,622. Nevertheless, the remaining sources of income showed a positive trend with growth of £785,218 over the prior year mainly driven by a significant increase in subscriptions and a rise in income from events.

With lower levels of research income, operating costs were also reduced. Underlying expenditure fell to £16,561,198 (2024 restated: £18,451,783) with charitable expenditure representing 94% of total expenditure.

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Overall, the Institute had net income for the year of £55,344 (2024 restated: £257,244), of which -£2,713,449 was in unrestricted funds and £2,768,793 was in restricted funds.

**Balance Sheet**

The Institute owns the freehold of its headquarters building at 61 Whitehall. The value of the freehold of the building was valued at £21,700,000 following the redevelopment work that was completed in July 2023. The annual assessment of value has resulted in an increase in the valuation to £22,500,000. The revaluation effect meant that the total movement in funds for the year was a healthy increase of £712,872 (2024: increase of £7,948,127).

The balance sheet shows net current assets of £1,671,943 (2024 restated: £1,851,838); the figure for current liabilities on the balance sheet includes subscriptions received in advance of £1,021,716 (2024: £928,535) which will be recognised as income in 2025-26. A provision has been included for VAT both at 31 March 2025 (£1,800,000) and by restating at 31 March 2024 (£1,603,004). Net assets at year-end have increased from £16,233,544 (as restated at 31 March 2024) to £16,946,416 at 31 March 2025 for the reasons outlined above.

The Institute has long-term borrowings of £9,041,414 (2024: £9,292,576) and total borrowings of £9,269,528 (2024: £9,580,526). These borrowings consist of a mortgage used to purchase the freehold of 61 Whitehall, and a development loan to help fund the redevelopment of the building. RUSI holds fundraising pledges that will be redeemed over the next 1 to 5 years which will be used to pay the outstanding development loan.

**Subsidiary Undertakings**

Incorporated in these results is the financial performance of the Institute's subsidiary RUSI Trading Ltd. The turnover of RUSI Trading Ltd was £830,039 (2024: £499,977) and the profit for the year was £437,060 (2024: £208,840).

These results also include those relating to the Royal United Services Institute (Nairobi) Limited, a company controlled by the Institute, incorporated in Kenya and limited by guarantee. Royal United Services Institute (Nairobi) Limited undertakes local research work on behalf of the Institute, on an exclusive basis, and does not have any additional trading activities. During the year, the Institute remitted funds totalling £238,490 (2024: £343,216) for this purpose. The expenses incurred in relation to the research projects undertaken by the Royal United Services Institute (Nairobi) Limited are included within the consolidated statement of financial activities. At 31 March 2025, Royal United Services Institute (Nairobi) Limited retained cash at bank and in hand of £64,784 (2024: £64,989).

The results also include those of RUSI Europe, an international not-for-profit organisation ("AISBL") based in Brussels. RUSI Europe studies, promotes, debates and reports on issues relating to international defence and security in Europe and abroad. Research projects undertaken in RUSI Europe during the year generated a net loss of £125,027 (2024: net income of £219,444). These results are included within the consolidated statement of financial activities. At 31 March 2025 RUSI Europe retained cash at bank and in hand of £295,511 (2024: £142,536).

**Reserves**

The Institute's total funds at 31 March 2025 stand at £16,946,416 (2024 restated: £16,233,544) of which £3,599,405 (2024: £2,387,924) is restricted and not available for the general purposes of the charity. The general fund stands at £4,998,600 (2024 restated: £6,154,737) and the revaluation reserve at £8,348,411 (2024 restated: £7,690,883).

RUSI defines its free reserves as the general fund. Five years ago, the trustees set a target for the Institute to aim to maintain, in normal circumstances, unrestricted reserves sufficient to cover future operating expenditure for at least six months. At 31 March 2025 the unrestricted reserves (General Fund) of £4,998,600 represented 5.4 months of budgeted expenditure for the subsequent year (2024 restated: 6.1 months).

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## **Risks**

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

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

- The risk that data security and IT systems of the Institute are compromised in some way leading to a loss of data and reputation as well as possible breaches of the Data Protection Act 1998 and GDPR.

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

The Cyber Security Committee, a subcommittee of the Council of Trustees, provides governance over cyber security risk at the Institute and the risk-management of cyber security issues.

Nevertheless, the Institute and its staff continue to be vigilant and aware that a cyber-attack is always a possibility. Staff are regularly tested and challenged through mock phishing attacks and other drills.

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

***Plan/strategy to manage this risk:*** The Institute manages this risk by ensuring that staff are remunerated competitively, and there are open and regular communications channels with staff at all levels, not only during the annual appraisal process, but throughout the year. For example, the new Director General has introduced monthly Town Halls and regular email updates from the senior management team to staff, and we retain existing channels such as the Staff Committee, an anonymous staff questions form, and staff surveys. There have been several recent initiatives not only on staff well-being and mental health, but also on improving diversity and inclusion. Staff data and sentiment (via the surveys) are reviewed on a regular basis by Trustees. Improving the Professional Development of staff will be a priority for the coming year.

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

***Plan/strategy to manage this risk:*** The Institute continues to monitor the situation as it develops and is pleased that it now holds a significant free reserve which provides some security against the uncertainty of deteriorating external conditions. At the same time, the Institute continues to watch closely its income pipeline, to hold down costs wherever it can, and to diversify its income streams as much as possible. Cashflow forecasts are made and cash is managed to ensure that there are sufficient funds available to support immediate and medium-term operating activities.

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**Plans for Future Periods**

With the appointment of a new Director-General and other changes in the senior leadership of the Institute and its Trustees, work is underway to update RUSI's long-term strategic plan. This plan will be in place for the next annual reporting cycle.

While RUSI's overall purpose and objectives as set out at the start of this statement will remain the same, the new plan will take advantage of and invest in our strengths, including our people and the quality of our research, our overall brand, and our locations in London and Brussels.

The unpredictable and volatile strategic environment globally has increased demand for RUSI expertise. We intend to meet this demand by leveraging our existing research teams to conduct more innovative, cross-cutting research in five areas:

- i. International Systems Realignment
- ii. Economic Security and Societal Resilience
- iii. Technological Change on the Battlefield and in the Armed Forces
- iv. Defence Industrial and Supply Chain Solutions
- v. Climate, Energy and Strategic Resilience

The new plan will also take steps to diversify our sources of funding and reduce the percentage of our gross income derived from research funding. We expect this will be accomplished through a combination of the following:

- Significantly increasing our income from membership, both individual and corporate.
- Steadily increasing our income from the Leadership Centre.
- Continuing to increase our income from the hiring out of 61 Whitehall for external events.
- Philanthropic activities centred on a Strategic Appeal fundraising campaign to celebrate our Bicentenary in 2031.
- Exploring a broadening of RUSI's advisory work and/or syndication of our research and data.

As before, to safeguard the Institute and to protect staff against unforeseen shocks, we will continue to target maintaining six months of operating spending as unrestricted reserves.

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

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

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

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

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

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

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

RUSI Trading Limited is the wholly owned trading subsidiary of the charity. Its results are consolidated within the group financial statements (see note 10 for further details).

The following organisations are also controlled by RUSI:

RUSI (US) Foundation, a US 501 (c) (3) tax-exempt charity with its own board of trustees,  
Royal United Services Institute (Nairobi) Limited, a company incorporated in Kenya and limited by guarantee,  
RUSI Europe, an AISBL established in Belgium.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

The charity registration number is 210639.

The principal address of the charity is:

61 Whitehall  
London  
SW1A 2ET

### **The Patron**

His Majesty The King

### **The President**

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



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**Senior Vice Presidents**

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

**Trustees**

Ms Divyata Ashiya  
General Sir Nick Carter GCB CBE DSO  
Mr Laurence Geller CBE  
Ms Jan Hall OBE  
Admiral Sir Philip Jones GCB DL  
The Rt. Hon. Sir David Lidington KCB CBE – **Chair**  
Mr Rageh Omaar  
Ms Suzanne Raine  
The Lord Ricketts GCMG GCVO – **Vice-Chair**  
The Rt. Hon. Amber Rudd  
The Rt. Hon. Jack Straw  
Ms Sharon Thorne (appointed 21 October 2024)  
His Grace the Duke of Wellington OBE DL  
Sir Alexander Younger KCMG

**The Advisory Board**

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

**Senior Management**

Dr Karin von Hippel – Director-General (resigned 6 January 2025)  
Ms Rachel Ellehuus – Director-General (appointed 6 January 2025)  
Mr Andre Meyer – Interim Chief Finance Officer and Chief Operating Officer (resigned 11 February 2025)  
Mr Neil Tomkins – Chief Finance Officer (appointed 11 February 2025)  
Professor Malcolm Chalmers – Deputy Director-General (resigned 1 August 2025)  
Dr Jonathan Eyal – Associate Director, Strategic Research Partnerships

**Principal Advisers:**

**Auditors**

Price Bailey LLP  
24 Old Bond Street  
London  
W1S 4AP

**Bankers**

HSBC Bank PLC  
69 Pall Mall  
London  
EC2M 1QS

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

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

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

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

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

Signed on behalf of the Council of Trustees



Sir David Lidington KCB CBE  
Chairman

25 September 2025

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

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

**Opinion**

We have audited the financial statements of the Royal United Services Institute for Defence and Security Studies (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report of Trustees. Our opinion on the group and parent charity financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**Matters on which we are required to report by exception**

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

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

**Responsibilities of trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit.

We carried out specific procedures to address the risks identified. These included the following:

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

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To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

This description forms part of our auditor's report.

**Use of our report**

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



**Price Bailey LLP**

**Statutory Auditor**

24 Old Bond Street, London

W1S 4AP

Date: 30 September 2025

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

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2025**

		Unrestricted Funds <u>2025</u> £	Restricted Funds <u>2025</u> £	Year to 31-Mar <u>2025</u> £	Year to 31-Mar <u>2024 (Restated)*</u> £
	<u>Note</u>				
<b>Income</b>					
Donations, grants and gifts		983,465	645,967	1,629,432	2,338,054
Charitable activities		10,643,511	3,508,221	14,151,732	15,870,715
Other trading activities		830,039	-	830,039	499,977
Income from investments		5,339	-	5,339	281
<b>Total income and endowments</b>	<b>2</b>	<b>12,462,354</b>	<b>4,154,188</b>	<b>16,616,542</b>	<b>18,709,027</b>
<b>Expenditure</b>					
Raising funds		1,016,729	-	1,016,729	924,590
Charitable activities		14,159,074	1,385,395	15,544,469	17,527,193
<b>Total expenditure</b>	<b>3</b>	<b>15,175,803</b>	<b>1,385,395</b>	<b>16,561,198</b>	<b>18,451,783</b>
<b>Net income/(loss)</b>	<b>3</b>	<b>(2,713,449)</b>	<b>2,768,793</b>	<b>55,344</b>	<b>257,244</b>
Transfers between funds	15	1,557,312	(1,557,312)	-	-
<b>Other recognised gains/(losses)</b>					
Revaluation of freehold land and buildings	5	657,528	-	657,528	7,690,883
<b>Net movement in funds</b>		<b>(498,609)</b>	<b>1,211,481</b>	<b>712,872</b>	<b>7,948,127</b>
Opening Funds as previously stated		15,448,624	2,387,924	17,836,548	8,539,593
Prior Year Adjustments	17	(1,603,004)	-	(1,603,004)	(254,176)
<b>Adjusted Opening Balances</b>		<b>13,845,620</b>	<b>2,387,924</b>	<b>16,233,544</b>	<b>8,285,417</b>
<b>Balances at 31 March 2025</b>	<b>14</b>	<b>13,347,011</b>	<b>3,599,405</b>	<b>16,946,416</b>	<b>16,233,544</b>

Of the consolidated income and expenditure, **£14,242,224** (2024 restated: £15,986,726) of income and **£14,348,697** (2024 restated: £18,034,831) of expenditure relate to the charity.

\*See note 17 for Prior Year Adjustment detail.

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

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2025**

		<b>31 March 2025</b>		<b>31 March 2024 (Restated)*</b>	
	Note	£	£	£	£
<b>Tangible Fixed Assets</b>	5a		22,937,501		22,310,469
<b>Heritage Assets</b>	5b		1,378,386		1,363,813
			<b>24,315,887</b>		<b>23,674,282</b>
<b>Current Assets</b>					
Debtors	6	4,675,869		9,509,030	
Cash At Bank		5,078,495		1,964,932	
		<b>9,754,364</b>		<b>11,473,962</b>	
<b>Creditors</b>					
<b>Amounts Falling Due Within One Year</b>					
Creditors	7	6,054,307		7,731,170	
Bank Loan	8	228,114		287,950	
Provisions	9	1,800,000		1,603,004	
		<b>8,082,421</b>		<b>9,622,124</b>	
<b>Net Current Assets</b>			<b>1,671,943</b>		<b>1,851,838</b>
<b>Total Assets Less Current Liabilities</b>			<b>25,987,830</b>		<b>25,526,120</b>
<b>Amounts Falling Due After More Than One Year</b>	8		<b>9,041,414</b>		<b>9,292,576</b>
<b>Net Assets</b>			<b>16,946,416</b>		<b>16,233,544</b>
<b>Funds Employed</b>					
<b>Unrestricted Fund</b> - General Fund	14		4,998,600		6,154,737
<b>Unrestricted Fund</b> - Revaluation Reserve			8,348,411		7,690,883
<b>Restricted Funds</b>	15		3,599,405		2,387,924
<b>Net Assets</b>			<b>16,946,416</b>		<b>16,233,544</b>

\* See note 17 for Prior Year Adjustment detail.

The financial statements were approved and authorised for issue by the trustees on 22 September 2025.



Sir David Lidington KCB CBE  
Chairman



The Lord Ricketts GCMC GCVO  
Vice-Chairman

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
CHARITY BALANCE SHEET  
AS AT 31 MARCH 2025**

		31 March 2025		31 March 2024 (Restated)*	
	Note	£	£	£	£
<b>Tangible Fixed Assets</b>	5a		22,921,418		22,282,208
<b>Heritage Assets</b>	5b		1,378,386		1,363,813
<b>Investment in Subsidiary</b>	10		100		100
			<b>24,299,904</b>		<b>23,646,121</b>
<b>Current Assets</b>					
Debtors	6	3,929,456		6,648,190	
Cash At Bank		4,057,416		1,424,213	
		<b>7,986,872</b>		<b>8,072,403</b>	
<b>Creditors</b>					
<b>Amounts Falling Due Within One Year</b>					
Creditors	7	5,349,642		5,218,444	
Bank Loan	8	228,114		287,950	
Provision for VAT	9	1,800,000		1,603,004	
		<b>7,377,756</b>		<b>7,109,398</b>	
<b>Net Current Assets</b>			<b>609,116</b>		<b>963,005</b>
<b>Total Assets Less Current Liabilities</b>			<b>24,909,020</b>		<b>24,609,126</b>
<b>Amounts Falling Due After More Than One Year</b>	8		<b>9,041,414</b>		<b>9,292,576</b>
<b>Net Assets</b>			<b>15,867,606</b>		<b>15,316,550</b>
<b>Funds Employed</b>					
<b>Unrestricted Fund</b> - General Fund	14		3,919,790		5,237,743
<b>Unrestricted Fund</b> - Revaluation Reserve			8,348,411		7,690,883
<b>Restricted Funds</b>	15		3,599,405		2,387,924
<b>Net Assets</b>			<b>15,867,606</b>		<b>15,316,550</b>

\* See note 17 for Prior Year Adjustment detail.

The financial statements were approved and authorised for issue by the trustees on 22 September 2025

Sir David Lidington KCB CBE  
Chairman

The Lord Ricketts GCMC GCVO  
Vice-Chairman

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.



**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2025**

	Year to 31 March <u>2025</u> £	Year to 31 March <u>2024(Restated)*</u> £
<b>Cash flows from operating activities:</b>		
Net cash generated/(absorbed) by operating activities	<u>3,592,266</u>	<u>(547,987)</u>
<b>Cash flows from investing activities:</b>		
Interest from investments	5,339	281
Purchase of property, plant and equipment	(158,471)	(3,356,798)
Purchase of heritage assets	(14,573)	(7,558)
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	(310,998)	(36,679)
Cash inflows from new borrowing	-	2,673,170
<i>Net cash from financing activities</i>	<u>(310,998)</u>	<u>2,636,491</u>
<i>Change in cash and cash equivalents in the reporting period</i>	<b>3,113,563</b>	<b>(1,275,571)</b>
Cash and cash equivalents at the beginning of the reporting period	<u>1,964,932</u>	<u>3,240,503</u>
<i>Cash and cash equivalents at the end of the reporting period</i>	<u><b>5,078,495</b></u>	<u><b>1,964,932</b></u>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
Net income for the reporting period (as per The Statement of Financial Activities)	55,344	257,244
Adjustments for:		
Depreciation charges	188,967	243,513
Dividends, interest and rent from investments	(5,339)	(281)
Decrease/(increase) in debtors	4,833,161	(200,391)
(Decrease) in creditors	(1,479,867)	(848,073)
<i>Net cash generated/(absorbed) by operating activities</i>	<u><b>3,592,266</b></u>	<u><b>(547,987)</b></u>
Analysis of cash and cash equivalents		
Cash in hand	<u>5,078,495</u>	<u>1,964,932</u>
<i>Total cash and cash equivalents</i>	<u><b>5,078,495</b></u>	<u><b>1,964,932</b></u>

\* See note 17 for Prior Year Adjustment detail.

The accompanying notes on pages 18 to 32 form an integral part of these financial statements.

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

## **1. ACCOUNTING POLICIES**

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

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

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

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

**a) Going concern**

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

**b) Recognition of income**

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

Income relating to conferences, events and facilities hire is recognised at the date of the event. Income relating to research contracts is recognised over the duration of the contract term or based on specific deliverables as determined by the terms of each contract.

**c) Expenditure**

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

**d) Operating leases**

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

**e) Tangible fixed assets**

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

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

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

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

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

f) Fund accounting

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

The revaluation reserve represents the accumulated adjustments to the value of the building at 61 Whitehall over time. At the balance sheet date it stands at £8,348,411 (2024 restated: £7,690,883).

g) Heritage assets

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

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

h) Foreign currency

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

i) Retirement Benefits

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

j) Trade debtors

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

k) Creditors and provisions

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

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

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

m) Donated goods, facilities and services

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

## 2 ANALYSIS OF INCOME

	Unrestricted Funds 2025	Restricted Funds 2025	Year to 31 March 2025	Year to 31 March 2024
	£	£	£	£
Donations, grants and gifts	983,465	645,967	1,629,432	2,338,054
Other Trading activities	830,039	-	830,039	499,977
<b>Income from charitable activities</b>				
Conferences and events	85,754	-	85,754	27,671
Research	8,818,739	3,508,221	12,326,960	14,496,041
Subscriptions	1,576,353	-	1,576,353	1,153,532
Publications	162,665	-	162,665	193,471
<b>Income from Investments</b>				
Bank deposit interest received	5,339	-	5,339	281
<b>Total income</b>	<b>12,462,354</b>	<b>4,154,188</b>	<b>16,616,542</b>	<b>18,709,027</b>

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

In the year ended 31 March 2024, restricted funds income was £5,038,318 split into £2,462,145 in the form of donations and £2,576,173 in the form of research.

### 3 ANALYSIS OF EXPENDITURE

**Total costs of activities comprise:**

	Staff Costs	Direct Costs	Allocated Costs	Year to 31 March 2025	Year to 31 March 2024 (Restated)
	£	£	£	£	£
Other Trading activities	251,043	35,282	120,562	<b>406,887</b>	240,095
Fundraising	241,486	118,768	249,588	<b>609,842</b>	684,495
<b>Total costs of raising funds</b>	<b>492,529</b>	<b>154,050</b>	<b>370,150</b>	<b>1,016,729</b>	924,590
Conferences and Events	130,544	112,403	13,841	<b>256,788</b>	199,979
Research	5,000,517	5,034,378	1,976,220	<b>12,011,115</b>	13,856,719
Publications	595,254	70,557	26,255	<b>692,066</b>	683,051
Membership	222,163	120,492	241,021	<b>583,676</b>	577,189
Other support to members	1,828,151	-	41,088	<b>1,869,239</b>	2,073,695
Governance costs	84,216	33,959	13,410	<b>131,585</b>	136,560
<b>Total cost of charitable activities</b>	<b>7,860,845</b>	<b>5,371,789</b>	<b>2,311,835</b>	<b>15,544,469</b>	17,527,193
	<b>8,353,374</b>	<b>5,525,839</b>	<b>2,681,985</b>	<b>16,561,198</b>	18,451,783

**Allocated costs comprise:**

	Establishment	Finance and Admin	Other	Year to 31 March 2025	Year to 31 March 2024 (Restated)
Facilities /room Hire	15,395	84,454	20,713	<b>120,562</b>	99,086
Fundraising	31,870	174,838	42,880	<b>249,588</b>	374,710
Conferences and Events	1,767	9,696	2,378	<b>13,841</b>	4,620
Research	252,347	1,384,349	339,524	<b>1,976,220</b>	2,404,428
Publications	3,353	18,391	4,511	<b>26,255</b>	32,299
Membership	30,776	168,836	41,409	<b>241,021</b>	176,960
Other support to members	5,247	28,782	7,059	<b>41,088</b>	23,488
Governance costs	1,712	9,394	2,304	<b>13,410</b>	7,808
	<b>342,467</b>	<b>1,878,740</b>	<b>460,778</b>	<b>2,681,985</b>	3,123,399

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

	Group and Charity Year to 31 March 2025	Group and Charity Year to 31 March 2024
	£	£
<b>Total expenditure includes:</b>		
Salaries and wages	6,556,365	6,500,849
Pension costs - defined contributions scheme	535,760	553,864
National Insurance	803,355	800,112
Holiday pay reserve	-	176,184
	<b>7,895,480</b>	<b>8,031,009</b>

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

	<b>Group and Charity Year to 31 March <u>2025</u></b>	<b>Group and Charity Year to 31 March <u>2024</u></b>
	No	No
The average number of staff employed during the year was:	113	125
Employees remuneration between £60,000 and £69,999	7	10
Employees remuneration between £70,000 and £79,999	7	8
Employees remuneration between £80,000 and £89,999	2	6
Employees remuneration between £90,000 and £99,999	5	1
Employees remuneration between £100,000 and £109,999	1	3
Employees remuneration between £110,000 and £119,999	3	0
Employees remuneration between £120,000 and £129,999	0	1
Employees remuneration between £130,000 and £139,999	1	0
Employees remuneration between £150,000 and £159,999	1	0
Employees remuneration between £160,000 and £169,999	0	0
Employees remuneration between £170,000 and £179,999	1	1
Employees remuneration between £180,000 and £189,999	0	1

The following key management personnel received a total of £707,432 (2024: £722,987) in remuneration and benefits:

Malcolm Chalmers  
Jonathan Eyal  
Rachel Ellehuus  
Karin von Hippel  
André Meyer  
Neil Tomkins

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

Karin von Hippel £167,167 (2024: £230,277)  
Rachel Ellehuus £54,522 (2024: NA)

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

		<b>Group and Charity Year to 31 March <u>2025</u> £</b>	<b>Group and Charity Year to 31 March <u>2024</u> £</b>
Net income for the year is stated after charging:			
Auditor's remuneration for :	Audit fees	<b>54,202</b>	43,200
	(over)/under accrual in prior years	<b>(44,045)</b>	8,000
Depreciation		<b>188,967</b>	243,513
Operating lease rentals	-plant and machinery	<b>27,814</b>	19,604
	-land and buildings	-	326,920

	<b>Group and Charity Year to 31 March <u>2025</u> £</b>	<b>Group and Charity Year to 31 March <u>2024</u> (Restated) £</b>
<b>Governance costs comprise:</b>		
Staff costs	84,216	77,682
Establishment costs	1,712	959
Administration costs	3,469	1,746
Finance costs	39,884	54,767
Other costs	2,304	1,406
	<hr/> <b>131,585</b> <hr/>	<hr/> <b>136,560</b> <hr/>

No remuneration was paid to the trustees in the current or preceding periods. In the current period no trustee has been reimbursed expenses in connection with services provided to the Charity (2024: Nil).

#### **4 TAXATION**

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

**ROYAL UNITED SERVICES INSTITUTE  
FOR DEFENCE AND SECURITY STUDIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**5a. TANGIBLE FIXED ASSETS – Group and Charity**

	Freehold land & buildings £	Other Tangible Fixed Assets £	Total £
<b>Cost or value</b>			
At 1 April 2024	21,700,000	1,165,882	<b>22,865,882</b>
Additions	142,472	15,999	<b>158,471</b>
Revaluation	657,528	-	<b>657,528</b>
<b>At 31 March 2025</b>	<b>22,500,000</b>	<b>1,181,881</b>	<b>23,681,881</b>
<b>Accumulated depreciation</b>			
At 1 April 2024	-	555,413	<b>555,413</b>
Charge for the year	-	188,967	<b>188,967</b>
<b>At 31 March 2025</b>	<b>-</b>	<b>744,380</b>	<b>744,380</b>
<b>Net book value</b>			
<b>At 31 March 2025</b>	<b>22,500,000</b>	<b>437,501</b>	<b>22,937,501</b>
At 31 March 2024	21,700,000	610,469	<b>22,310,469</b>

All the fixed assets of the Institute are held for charitable purposes. The net book value of **£437,501** (2024: £610,469) in relation to other tangible fixed assets comprises leasehold improvements of **£3,476** (2024: £9,550) and office equipment and fittings of **£434,025** (2024: £600,919).

A full valuation of freehold land and buildings was undertaken by Savills, a firm of chartered surveyors, as at 31 March 2024, this gave a valuation of the freehold land and buildings of £21.7m. The annual assessment of value as at 31 March 2025 resulted in an increase in the valuation to £22.5m.

**5b. HERITAGE ASSETS—Group and Charity**

	Paintings Silverware, Furniture Marble £	Library Books £	Total £
<b><u>Cost or value and Net Book Amount</u></b>			
At 1 April 2024	915,668	448,145	1,363,813
Additions	14,573	-	14,573
<b>At 31 March 2025</b>	<b>930,241</b>	<b>448,145</b>	<b>1,378,386</b>

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

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

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**Five-year summary of heritage asset transactions**

	<u>2025</u>	<u>2024</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£	£
<b>Additions</b>					
Purchases	14,573	7,558	10,550	-	-
Donations	-	-	-	-	3,360

**6 DEBTORS**

	<b>Group Year to 31 March <u>2025</u> £</b>	<b>Charity Year to 31 March <u>2025</u> £</b>	<b>Group Year to 31 March <u>2024</u> £</b>	<b>Charity Year to 31 March <u>2024</u> £</b>
Trade debtors	2,318,992	1,972,627	5,499,190	4,771,898
Sundry debtors and prepayments	2,356,877	1,477,123	4,009,840	1,425,108
Amounts owed by group undertaking	-	479,706	-	451,184
	<hr/>	<hr/>	<hr/>	<hr/>
	4,675,869	3,929,456	9,509,030	6,648,190
	<hr/>	<hr/>	<hr/>	<hr/>

**7 CREDITORS**

	<b>Group Year to 31 March <u>2025</u> £</b>	<b>Charity Year to 31 March <u>2025</u> £</b>	<b>Group Year to 31 March <u>2024</u> £</b>	<b>Charity Year to 31 March <u>2024</u> £</b>
Trade creditors	538,094	436,286	917,310	504,420
Sundry creditors and accruals	1,413,697	1,227,277	1,712,587	880,013
Deferred income	4,102,516	3,492,074	5,101,273	3,736,390
Amount owed to group undertaking	-	194,005	-	97,621
	<hr/>	<hr/>	<hr/>	<hr/>
	6,054,307	5,349,642	7,731,170	5,218,444
	<hr/>	<hr/>	<hr/>	<hr/>

**Analysis of movement in deferred income**

**Group and charity**

	<b>Balance at 1 April 2024 £</b>	<b>Income Released in Year £</b>	<b>Income Deferred in Year £</b>	<b>Exchange Diff £</b>	<b>Balance at 31 March 2025 £</b>
Deferred research income	4,172,738	(2,831,958)	1,740,599	(579)	3,080,800
Subscriptions in advance	928,535	(928,535)	1,021,716	-	1,012,716
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,101,273	(3,760,493)	2,762,315	(579)	4,102,516
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



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

	Group Year to 31 March <u>2025</u> £	Charity Year to 31 March <u>2025</u> £	Group Year to 31 March <u>2024</u> £	Charity Year to 31 March <u>2024</u> £
Loans	9,041,414	9,041,414	9,292,576	9,292,576

Loans are repayable as follows:-

	Group Year to 31 March <u>2025</u> £	Charity Year to 31 March <u>2025</u> £	Group Year to 31 March <u>2024</u> £	Charity Year to 31 March <u>2024</u> £
Within one year	228,114	228,114	287,950	287,950
Between two and five years	9,041,414	9,041,414	9,292,576	9,292,576
	<u>9,269,528</u>	<u>9,269,528</u>	<u>9,580,526</u>	<u>9,580,526</u>

Loans consist of the following advances:

1. A £5.8 million loan was drawn for the purpose of assisting with the purchase of the freehold interest in 61 Whitehall. The term of the loan was 10 years from 27 March 2015 with the interest rate being 2.5% per annum over the Bank of England base rate. However, from 27 March 2018, for a period of 60 months, the interest rate was fixed at 3.75%. With the expiration of the fixed rate arrangement, this facility was replaced by a new agreement dated 23 May 2023 in the sum of £5.1 million. The term of the loan is 5 years from 23 May 2023 with the interest rate being 1.75% above the Bank of England base rate. However, from 23 May 2023 for a period of 24 months, the interest rate was fixed at 6.29%. The loan has now reverted to the variable rate arrangement with effect from May 2025. The loan is secured by a first legal charge over the freehold property at 61 Whitehall. As at 31 March 2025 the outstanding balance on this loan was **£4,896,345** (2024: £5,062,258).
2. The group drew down £1,826,830 on 21 February 2023 from a £4.5million term loan facility, to assist in funding the redevelopment work at 61 Whitehall. Further drawdowns of £2,000,000 on 16 June 2023 and £673,170 on 31 July 2023 were undertaken to fully utilise the facility. The loan was scheduled to be repayable in full after 1 year and 3 months of the date of the drawdown and the interest rate to be paid on this facility was 2.75% per annum above the Bank of England base rate. This facility was replaced by a new agreement dated 23 January 2024 for £4.5 million. The term of the loan is 5 years from 23 January 2025 with the interest rate being 1.75% over the Bank of England base rate. The loan is secured by a legal charge over the freehold property at 61 Whitehall. As at 31 March 2025 the outstanding balance on this loan was **£4,373,183** (2024: £4,518,268).

**9 PROVISIONS**

	Group Year to 31 March <u>2025</u> £	Charity Year to 31 March <u>2025</u> £	Group Year to 31 March <u>2024 (Restated)</u> £	Charity Year to 31 March <u>2024 (Restated)</u> £
Provision for VAT	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,603,004</u>	<u>1,603,004</u>

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During the course of 2024/25 it was discovered that some aspects of VAT had been incorrectly treated in prior years. The incorrect treatment related partly to certain aspects of membership income that should have had VAT applied, but the main element was VAT reclaimed on costs that were reclaimed in full but should have only been partially reclaimed. Such costs were both items of expenditure and capital costs, the latter of which were significant during the time in question due the refurbishment of 61 Whitehall.

A provision of £1,800,000 has been created at 31 March 2025 to cover the historic liabilities and interest. Given that the majority of the provision relates to 2023/24 and before, a prior year adjustment has been made. This is outlined in Note 17 below.

The movements on the provision in 2024/25 were as follows:

	£
<b>Provision for VAT at 31 March 2024</b>	<b>1,603,004</b>
Movement in 2024/25:	
Finance expenditure	168,061
Membership income	28,935
Total for 2024/25	196,996
<b>Provision for VAT at 31 March 2025</b>	<b><u>1,800,000</u></b>

## 10 INVESTMENT IN SUBSIDIARY

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

RUSI Trading Limited's profit and loss account for the year ended 31 March 2025 was as follows:

	<b>Year to 31 March 2025 £</b>	Year to 31 March 2024 £
Turnover	<b>830,039</b>	499,977
Expenses	<b>(392,969)</b>	(291,137)
Profit for the year before gift aid	<b>437,060</b>	208,840
Retained (loss) at 1 April 2023	-	(78,165)
Qualifying charitable donation to RUSI	<b>(437,060)</b>	(130,675)
Profit /(Loss) for the year	<b><u>-</u></b>	<b><u>-</u></b>

The profit in the year to 31 March 2025 was **£437,060** (2024: £208,840). At 31 March 2025 RUSI Trading Limited had assets of £269,548, liabilities of £269,448 and share capital of £100.

## 11 RELATED PARTIES

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

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The Institute also controls **Royal United Services Institute (Nairobi) Limited**, a company incorporated in Kenya and limited by guarantee. Royal United Services Institute (Nairobi) Limited undertakes local research work on behalf of the Institute, on an exclusive basis, and does not have any additional activities. During the year, the Institute remitted funds totalling **£238,490** (2024: £343,216) for this purpose. The expenses incurred in relation to the research projects undertaken by Royal United Services Institute (Nairobi) Limited are included within the consolidated statement of financial activities. At 31 March 2025 Royal United Services Institute (Nairobi) Limited retained cash at bank and in hand of **£64,784** (2024: £64,989).

During 2018/19 the Institute established **RUSI Europe**, an international not-for-profit organisation ("AISBL") based in Brussels. RUSI Europe is controlled by the Institute through the ability to appoint the Board of Directors. At 31 March 2025, RUSI Europe retained cash at bank and in hand of **£295,511** (2024: £142,536).

In August 2023 the Institute received a pledge for £1m from the International Churchill Society (ICS). At the time that the pledge was made Laurence Geller, a Trustee of RUSI, was also member of the ICS board. £506k of this has been paid to date with the remaining amounts due up to December 2033.

In December 2024, the Institute received £25,000 from the Duke and Duchess of Wellington Charitable Trust (2024: £12,500) as part of a wider pledge towards the funding for 61 Whitehall. His Grace the Duke of Wellington is a trustee and senior vice president of the Institute.

There are no other related party transactions (2024: none).

## 12 LEASE OBLIGATIONS

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

	Land & Buildings	Equipment	Year to 31 March 2025	Year to 31 March 2024
	£	£	£	£
Due within one year	-	24,853	<b>24,853</b>	24,853
Due after one year and within five years	-	7,138	<b>7,138</b>	31,991
Due in more than five years	-	-	-	-
	<u>-</u>	<u>31,991</u>	<u><b>31,991</b></u>	<u>56,844</u>

## 13 CAPITAL COMMITMENTS

In November 2021, RUSI entered into a standard building contract with Coniston Limited to have refurbishment, alteration and extension work carried out at 61 Whitehall. The final contract sum was for £9,498,132. As at 31 March 2025, this had been fully paid (2024: retention balance outstanding of £142,472).

## 14 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
<b>Fund balances at 31 March 2025 are represented by:</b>			
Tangible fixed assets	24,315,887	-	24,315,887
Current assets	5,264,144	4,490,220	9,754,364
Current liabilities	(7,191,606)	(890,815)	(8,082,421)
Long term liabilities	(9,041,414)	-	(9,041,414)
<b>Total net assets</b>	<u><b>13,347,011</b></u>	<u><b>3,599,405</b></u>	<u><b>16,946,416</b></u>

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	Unrestricted <u>Funds</u> Restated £	Restricted <u>Funds</u> £	Total <u>Funds</u> Restated £
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	23,674,282	-	23,674,282
Current assets	7,283,878	4,190,084	11,473,962
Current liabilities	(7,819,964)	(1,802,160)	(9,622,124)
Long term liabilities	(9,292,576)	-	(9,292,576)
Total net assets	<u>13,845,620</u>	<u>2,387,924</u>	<u>16,233,544</u>

## 15 RESTRICTED FUNDS

	Balance 1 April 2024 £	Income £	Expenditure £	Transfers £	Balance 31 March 2025 £
The Thales Charitable Trust	7,538	-	-	-	7,538
Wellington military history award medals	250	-	-	(250)	-
61 Whitehall Fund	500,000	645,967	-	(645,967)	500,000
Research grants and donations	1,817,870	3,508,221	(1,385,395)	(911,095)	3,029,601
Reade Griffith	62,266	-	-	-	62,266
	<u>2,387,924</u>	<u>4,154,188</u>	<u>(1,385,395)</u>	<u>(1,557,312)</u>	<u>3,599,405</u>
	<u><u>2,387,924</u></u>	<u><u>4,154,188</u></u>	<u><u>(1,385,395)</u></u>	<u><u>(1,557,312)</u></u>	<u><u>3,599,405</u></u>
	Balance 1 April 2023 £	Income £	Expenditure £	Transfers £	Balance 31 March 2024 £
The Thales Charitable Trust	7,538	-	-	-	7,538
Wellington military history award medals	250	-	-	-	250
61 Whitehall Fund	-	2,462,145	-	(1,962,145)	500,000
Research grants and donations	2,730,934	2,494,206	(1,058,613)	(2,348,657)	1,817,870
Reade Griffith	-	81,967	(19,701)	-	62,266
	<u>2,738,722</u>	<u>5,038,318</u>	<u>(1,078,314)</u>	<u>(4,310,802)</u>	<u>2,387,924</u>

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## 16 PRIOR YEAR FIGURES

Prior year Statement of Financial Activities for the year ended 31 March 2024:

		<b>Unrestricted Funds 2024 (Restated)</b>	<b>Restricted Funds 2024</b>	<b>Year to 31-Mar 2024 (Restated)</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>				
Donations, grants and gifts		2,338,054		2,338,054
Charitable activities		10,832,397	5,038,318	15,870,715
Other trading activities		499,977		499,977
Income from investments		281		281
<b>Total income and endowments</b>	<b>2</b>	<b>13,670,709</b>	<b>5,038,318</b>	<b>18,709,027</b>
<b>Expenditure</b>				
Raising funds		924,590		924,590
Charitable activities		16,448,879	1,078,314	17,527,193
<b>Total expenditure</b>	<b>3</b>	<b>17,373,469</b>	<b>1,078,314</b>	<b>18,451,783</b>
<b>Net income/(loss)</b>	<b>3</b>	<b>(3,702,760)</b>	<b>3,960,004</b>	<b>257,244</b>
Transfers between funds		4,310,802	(4,310,802)	-
<b>Other recognised gains/(losses)</b>				
Revaluation of freehold land and buildings		7,690,883	-	7,690,883
<b>Net movement in funds</b>		<b>8,298,925</b>	<b>(350,798)</b>	<b>7,948,127</b>
Balances at 1 April 2023		5,546,695	2,738,722	8,285,417
<b>Balances at 31 March 2024</b>	<b>14</b>	<b>13,845,620</b>	<b>2,387,924</b>	<b>16,233,544</b>

## 17 PRIOR YEAR ADJUSTMENTS

The comparative figures for the year ended 31 March 2024 have been restated to reflect errors arising from two sources: the incorrect treatment of VAT in previous periods as described in Note 9 above, and the misallocation of items within income and expenditure categories. The latter has no impact on the SOFA and Balance Sheet beyond reclassifications between different categories of income and between charitable and fundraising expenditure.

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The adjustments relating to the reallocation of income and cost items are shown below:

**NOTE 2 ANALYSIS OF INCOME**

	Previously stated at 31 March 2024	Reallocation of income	Year to 31 March 2024 (Restated)	Net Impact on SOFA
	£	£	£	£
Donations, grants and gifts	2,690,096	(352,042)	2,338,054	
Other Trading activities	-	499,977	499,977	
<b>Income from charitable activities:</b>				
Conferences and events	104,682	(77,011)	27,671	
Research	14,535,041	(39,000)	14,496,041	
Subscriptions	1,160,432	-	1,160,432	
Publications	193,471	-	193,471	
Facilities/room hire	31,924	(31,924)	-	
<b>Income from Investments:</b>				
Bank deposit interest received	281	-	281	
<b>Total income</b>	<b>18,715,927</b>	<b>-</b>	<b>18,715,927</b>	<b>-</b>

**NOTE 3 ANALYSIS OF EXPENDITURE**

**Total costs of activities comprise:**

	Previously stated at 31 March 2024	Reallocation of costs	Year to 31 March 2024 (Restated)	Net Impact on SOFA
	£	£	£	£
Other Trading activities	28,371	204,536	232,907	
Fundraising	388,581	268,731	657,312	
<b>Total costs of raising funds</b>	<b>416,952</b>	<b>473,267</b>	<b>890,219</b>	<b>473,267</b>
Conferences and Events	1,759,566	(1,559,923)	199,643	
Research	11,386,663	2,243,049	13,629,712	
Publications	1,254,396	(573,688)	680,708	
Membership	656,872	(92,521)	564,351	
Other support to members	2,541,046	(469,055)	2,071,991	
Governance costs	157,123	(21,129)	135,994	
<b>Total cost of charitable activities</b>	<b>17,755,666</b>	<b>(473,267)</b>	<b>17,282,399</b>	<b>(473,267)</b>
	<b>18,172,618</b>	<b>-</b>	<b>18,172,618</b>	<b>-</b>

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However, the adjustments for VAT have a significant impact on the SOFA and Balance Sheet of 2023/24. They are summarised in the following table:

<b>Group:</b>	As previously stated at 31 March 2024 £	Membership Income overstated £	Finance & Research Expenditure understated £	Costs on Capital Items understated £	<b>As Restated at 31 March 2024 £</b>	<b>Net impact on Surplus and Reserves £</b>
<b><u>SOFA</u></b>						
Income	18,715,927	(6,900)			18,709,027	
Expenditure	(18,172,618)		(279,165)		(18,451,783)	
<b>Net Income</b>	<b>543,309</b>	<b>(6,900)</b>	<b>(279,165)</b>	<b>-</b>	<b>257,244</b>	
Revaluation of freehold land and buildings	8,753,646			(1,062,763)	7,690,883	
Opening Balance of Funds	8,539,593	(17,337)	(236,839)		8,285,417	
<b>Balance of Funds at 31 March 2024</b>	<b>17,836,548</b>	<b>(24,237)</b>	<b>(516,004)</b>	<b>(1,062,763)</b>	<b>16,233,544</b>	<b>(1,603,004)</b>
<b><u>Balance Sheet</u></b>						
Provision for VAT (Note 9)		(24,237)	(516,004)	(1,062,763)	(1,603,004)	
<b>Net Assets/Reserves</b>	<b>17,836,548</b>	<b>(24,237)</b>	<b>(516,004)</b>	<b>(1,062,763)</b>	<b>16,233,544</b>	<b>(1,603,004)</b>
<b>Charity:</b>	As previously stated at 31 March 2024 £	Membership Income overstated £	Finance & Research Expenditure understated £	Costs on Capital Items understated £	<b>As Restated at 31 March 2024 £</b>	<b>Net impact on Surplus and Reserves £</b>
<b><u>SOFA</u></b>						
Income	15,993,626	(6,900)			15,986,726	
Expenditure	(17,755,666)		(279,165)		(18,034,831)	
<b>Net Income</b>	<b>(1,762,040)</b>	<b>(6,900)</b>	<b>(279,165)</b>	<b>-</b>	<b>(2,048,105)</b>	<b>(286,065)</b>
<b><u>Balance Sheet</u></b>						
Provision for VAT (Note 9)		(24,237)	(516,004)	(1,062,763)	(1,603,004)	(1,603,004)
<b>Net Assets</b>	<b>16,919,554</b>	<b>(24,237)</b>	<b>(516,004)</b>	<b>(1,062,763)</b>	<b>15,316,550</b>	<b>(1,603,004)</b>
General Fund	5,777,984	(24,237)	(516,004)		5,237,743	(540,241)
Revaluation Reserve	8,753,646			(1,062,763)	7,690,883	(1,062,763)
<b>Balance of Funds at 31 March 2024</b>	<b>16,919,554</b>	<b>(24,237)</b>	<b>(516,004)</b>	<b>(1,062,763)</b>	<b>15,316,550</b>	<b>(1,603,004)</b>

As a consequence of the above changes, the allocation of costs analysis in Note 3 has also been adjusted. The adjustments are set out below and have no impact on any other part of these accounts as the figures are effectively subsumed into the overall analysis of expenditure. Allocated costs are not included anywhere else in the accounts for the prior year.

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**Allocated costs comprise:**

	Previously stated at 31 March 2024	Reallocation of costs	VAT	Year to 31 March 2024 (Restated)
	£	£	£	£
Facilities /room Hire	28,371	63,526	7,189	99,086
Fundraising	113,483	234,043	27,184	374,710
Conferences and Events	170,225	(165,940)	335	4,620
Research	1,730,619	499,379	174,430	2,404,428
Publications	198,595	(168,640)	2,344	32,299
Membership	170,225	(6,103)	12,838	176,960
Other support to members	397,191	(375,407)	1,704	23,488
Governance costs	28,371	(21,125)	562	7,808
	<u>2,837,080</u>	<u>59,733</u>	<u>226,586</u>	<u>3,123,399</u>