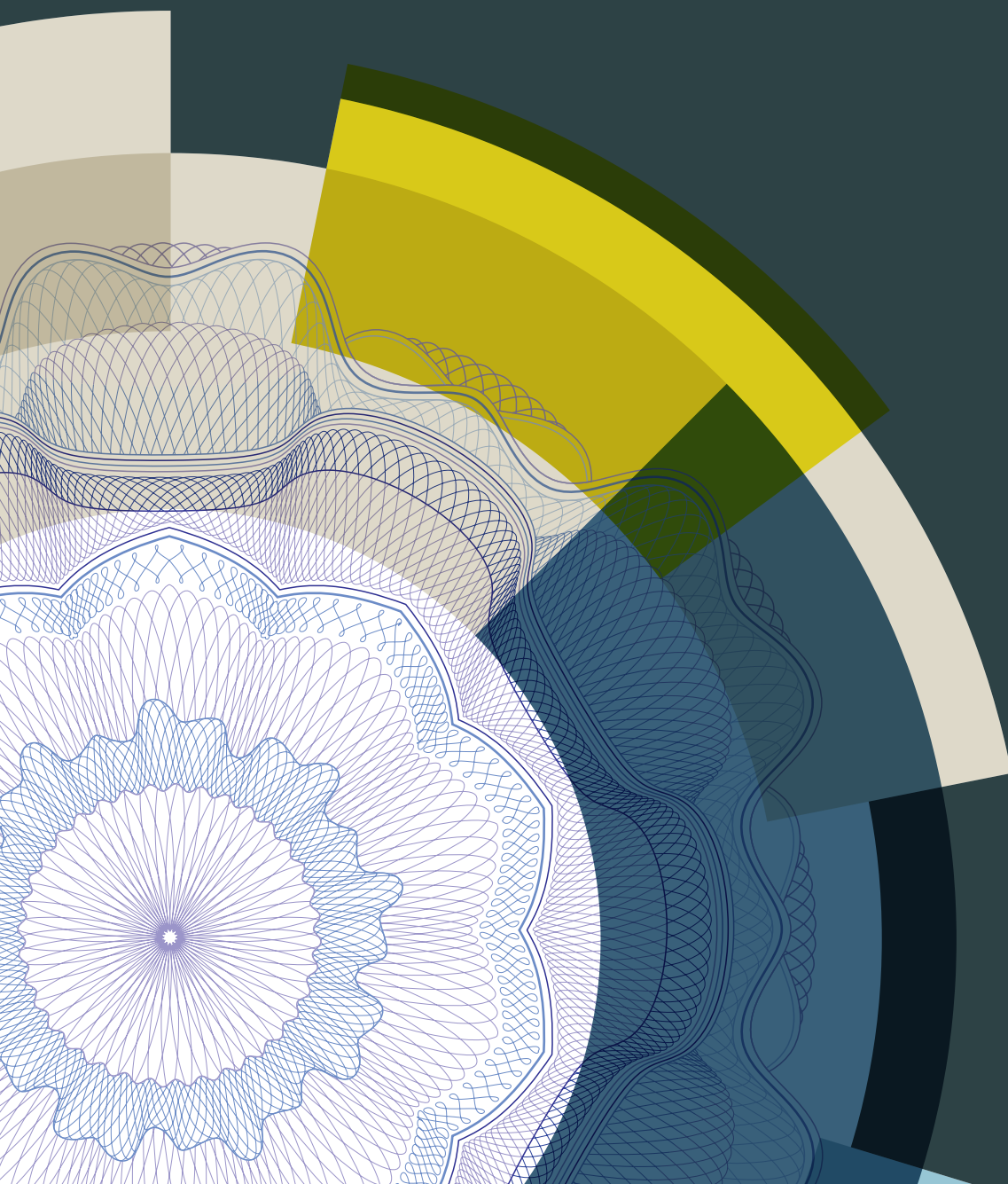




Royal Society of Chemistry

Financial Statements and Trustees' Report 2013



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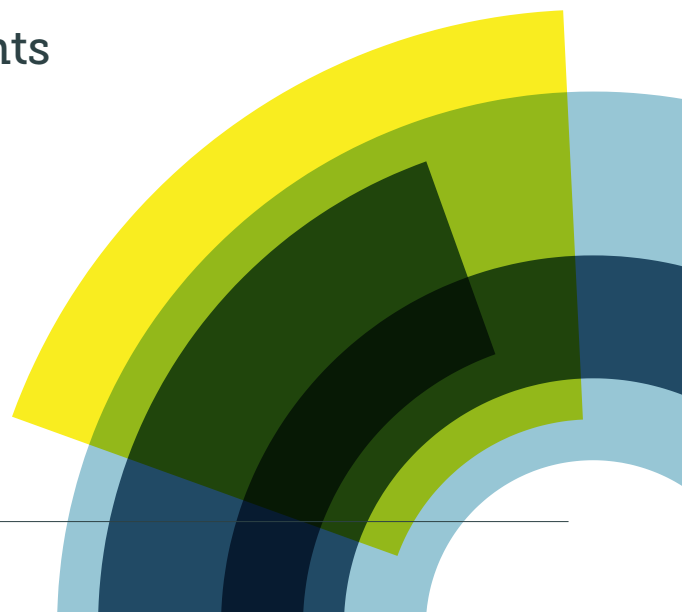
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Professor Lesley Yellowlees CBE FRSC FRSE

Welcome from the President

Looking back at a year of success

As I look back through all that we achieved during 2013, I feel so proud to have the honour of being the president of such a successful organisation. Our dedicated staff and membership have worked tirelessly these past twelve months, striving towards our mission of advancing excellence in the chemical sciences. In this report we outline the strategy that will shape all of our activities up until 2017 and look back at how we performed against our strategic priorities in 2013.

Our members, whether in the UK or abroad, are at the core of everything that we do. This year our membership increased to over 49,000, and nine out of ten renewed their membership for 2014. It is only through direct collaboration with our members that we will deliver on our strategic priorities and this is why I particularly enjoyed the new discussion format at this year's General Assembly. I was also delighted to see how our members engaged their MPs through letters and meetings, helping us to directly influence the UK science budget.

The world faces a number of global challenges: how are we going to feed the rapidly expanding population? How are we going to tackle the increasingly worrying problem of antibiotic resistance? How are we going to create and secure environmentally sustainable energy supplies? To answer these questions we must inspire the next generation of chemical scientists. We all remember our favourite teachers, and we support them in many ways to help their vital role in inspiring young minds.

This year we attracted nearly 21,000 students to take part in our Global Experiment – hats off to the teachers and students around the world who helped us do some inspiring, global chemistry.

We proved in 2013 why we are one of the world's leading scientific publishers. The quality and quantity of our journal portfolio went from strength to strength and we made strategically significant acquisitions, like MarinLit and The Merck Index*. Our unique collaboration with the Chinese Chemical Society led to the launch of our Frontiers journals in China, and our international publishing growth was recognised with the highest accolade any business can receive in the UK: the Queen's Award for Enterprise. It's something every employee and member of the Royal Society of Chemistry can be truly proud to have achieved.

You may have noticed this year's Trustees' Report has a great new look. Our brand refresh this year gave us an exciting, dynamic visual identity to work with, as well as greater clarity and cohesion as an organisation. It incorporated the knowledge, opinions and passions of our employees, our members, and the wider chemistry community, and will give us strength and focus for years to come.

I would like to offer my heartfelt thanks to all of our employees and members for their dedication and professionalism throughout 2013, a truly impressive year of success. I can't wait to see what our amazing community can achieve in 2014 and beyond.

* The name THE MERCK INDEX is owned by Merck Sharp & Dohme Corp., a subsidiary of Merck & Co., Inc., Whitehouse Station, NJ, USA, and is licensed to The Royal Society of Chemistry for use in the USA and Canada.

Objectives and Activities

Our strategy 2013-2017

We are the world's leading chemistry community, and our mission is to advance excellence in the chemical sciences. This mission is outlined in our Royal Charter, first awarded in 1848, along with our core objectives that, owing to foresighted drafting, remain valid and vital to this day

Our Royal Charter helps us shape our day-to-day activities and it describes the following as our primary objectives:

- **to foster and encourage the growth and application of such science [chemical science] by the dissemination of chemical knowledge;**
- **to establish, uphold and advance the standards of qualification, competence and conduct of those who practise chemistry as a profession;**
- **to serve the public interest by acting in an advisory, consultative or representative capacity in matters relating to the science and practice of chemistry; and**
- **to advance the aims and objectives of members of the Society so far as they relate to the advancement of the science or practice of chemistry.**

To deliver on our mission and these objectives from 2013-2017, we have chosen five strategic priorities that give focus to our efforts to advance excellence in the chemical sciences. Three of these are direct objectives that our employees and members contribute to, building knowledge, skills and community within the chemical sciences. The remaining two are cross-cutting, underpinning objectives that ensure we have an engaged membership and the organisational strength to deliver our strategy.

Knowledge – to provide global authority on behalf of the chemical sciences

We want to lead the world in sharing chemical science knowledge. Our aims are to provide a trusted and reliable basis for strategic decision-making and scientific developments and education, inform policy, and provide the basis for technological and sustainable solutions to societal challenges of global importance.

To do this, we will create a knowledge hub to enable the dissemination of chemical information, digital resources and learning, at all levels of chemical science, so that everyone can discover and has access to the chemical science information they need. We will grow our new Open Access Repository as the leading repository for chemical science Open Access articles, and build a research data management platform used by all academic chemical research institutions in the UK.

We will provide exceptional services to researchers, for the peer review of material and dissemination of quality content, and position the Royal Society of Chemistry as the first choice for authors, readers, educators, learners and decision-makers, with journals and books seen as world-leading in relevance and stature. And developing a global online platform for open innovation will engage academia, industry, SME's, venture capital and research council funders.

By increasing our influence and impact, evidenced by the growth in the use of and reliance on our resources, we will play a significant role in facilitating the generation of new scientific knowledge, and facilitate chemical science and scientists addressing global challenges. We will run a broad portfolio of high-quality conferences and workshops, and aim to nurture 1,000 chemical science-based SMEs around the world with new accelerator and mentoring schemes.



Skills – to develop and cultivate skills and talent in the chemical sciences at all levels

Global economy and wellbeing is dependent on the chemical sciences, so everyone – from scientists to school children – needs access to the appropriate level of skill and inspiration. We want to promote a scientifically-literate population, push forward boundaries of science, provide support for developing GDP and economic advancement promote professionalism within the chemical sciences, and ensure a supply of chemical scientists.

Engaging with the international education policy community will maximise the global impact of our education activities. We will campaign to influence the UK government so that every primary school in the UK has a science specialist teacher, and that all post-14 students in the UK are taught by a chemistry specialist.

We will work to nurture and retain talent at every stage of the skills pipeline and recognise and support all routes to the profession, widening participation and strengthening recognition. We will aim for the chemistry undergraduate demographic to reflect that of the wider population, and for all UK students and employers to have the right provision for vocational education.

We will deliver support, resources and activities relevant to each stage of an individual's education and professional development, supporting the skills pipeline for chemistry from primary education through to mid-career. By accrediting company training schemes, and training UK chemical scientists through our own schemes, we can support companies and chemists.

Positioning our online education platform Learn Chemistry as the home of chemistry education on the web will make it the first place teachers or students of chemistry, at any level, come for tools, resources, training activities and outreach materials.

Community – to strengthen the voice of the Royal Society of Chemistry community

Our collective voice has the power to achieve amazing things. We want to build on our influence and credibility with the wider chemical science community, support our outreach activities, connect individuals through networking activities, support the diversity agenda and put chemistry at the heart of scientific endeavour.

We will grow and support a diverse and engaged wider community of 500,000 people with access to the right tools to network, share knowledge and skills, and advocate for chemistry. We will achieve this by strengthening our existing communities, like growing our core membership, and more strongly engaging new communities through initiatives like a schools partnership scheme.

We will bring wider audiences into our community by providing chemical science expert views and raising awareness of the importance of chemistry for society and the economy to effect a positive change. Through policy campaigns on science and innovation, in the UK and around the world, we will achieve concrete policy changes for the benefit of the chemical sciences and society.

By conducting rigorous research, partnering with the outreach community and leading a high-profile public campaign we will engage, enthuse and inform the general public to increase understanding of the importance and impact of the chemical sciences.

We will facilitate the formation of networks that support community needs, and enable chemical scientists to fully participate in global communities addressing challenges of human health, sustainable energy and resource efficiency. We will build a global community of research exchange programme alumni and collaborations, including a strong proportion of early career researchers.

Member engagement – to recognise the importance of members at the heart of the Royal Society of Chemistry

Members are at the heart of the Royal Society of Chemistry's influence, expertise and passion. We want to strengthen our influence and credibility, demonstrate our impact and relevance to all members, and grow a stronger membership community.

We will increase member pride, loyalty and advocacy, maintaining our membership retention rate at 90% and maintaining our high net promoter score. And by supporting the rich diversity within the chemical sciences we can improve the gender balance of our membership and broaden our networks of international representation.

We will engage members across all our activities, making sure they are consulted on, and demonstratively contribute to, our strategy, and maximise volunteer efforts and activities in support of our campaigns. In turn we will champion the breadth of our activities to members and communicate opportunities for engagement.

To empower our member networks to fulfil their potential we will provide the direction, support and autonomy they need, and ensure all member networks are operating on a regional basis with clear routes to governance.

Organisational strength – to ensure long-term delivery of our charter objectives

It is our privilege and duty to steward the success and reputation of our 172-year-old organisation. We aim to provide leadership for the chemistry community, project a powerful voice on behalf of chemistry, strengthen our brand, and ensure that the Royal Society of Chemistry is a stronger organisation for future generations.

We will set out a clear and ambitious strategy, and equip ourselves with the tools that enable us to plan, prioritise and deliver on that strategy, with our rolling plan approved annually by Council. And to deliver on that strategy, we will empower and motivate staff and members, providing an organisational structure that drives excellent cross-team collaboration and communication.

With clearly defined leadership and governance structures that enable us to fulfil our Charter obligations as a charity, learned society and professional body, we will ensure decisions are made at the appropriate levels and reflect the changing environment in which we operate.

Our success as a business will be dependent on sustainability, so we will ensure our investment and reserves policies are robust, and campaign to demonstrate the necessity of a sustainable Open Access model in the UK and beyond. And growing an appropriate and visible international presence will help us deliver our mission, vision and strategic objectives, including more ambitious business operations in China, India and other places where chemistry is experiencing rapid growth.



Achievements and Performance

We use key performance indicators (KPIs) to measure the progress of our day-to-day activities against our outlined strategy.

The categories of charitable activities and the cost of generating voluntary income as detailed in the Statement of Financial Activities are noted below and the relevant categories are listed in relation to each strategic priority in the following sections.

Membership *[M]*

Library *[L]*

House Journal *[HJ]*

Scientific Affairs *[S]*

Conferences *[C]*

**International
Development** *[ID]*

**Qualifications and
Education** *[QE]*

**Cost of Generating
Voluntary Income** *[CGVI]*

Publishing *[P]*

The strategic priorities for 2013, leading through to 2017, were set out to support our vision to become the leading voice and trusted partner for science and humanity and we are delighted to report that we have made excellent progress in all five of our strategic priorities throughout the year.

Our strategic aim: to provide global authority on behalf of the chemical sciences (Knowledge) [P,S]

2013 in numbers...

*We published 10 times
more Open Access articles
than last year*

*150 members got involved
in our campaign for the
chemical sciences*

*24.8 million downloads of our
journal content – 26% growth*



Connect the world with the chemical sciences

Our global network of scientists in industry, academia and government, strong presence in emerging markets, and wide-ranging publishing activities put us in an excellent position to connect the world with the chemical sciences.

Our Global Chemistry Network, a concept of our products, services and technologies and our Chemical Sciences Article Repository make it easier for the chemical science community to deposit, share and discover high-quality open access research from across the chemical sciences.

We connect scientists in Africa through the Pan Africa Chemistry Network (PACN). In 2013 we organised a variety of meetings and events, including the 6th annual PACN congress in Addis Ababa, Ethiopia, in December, which gathered over 185 participants from 26 countries.

Being a hub of information for all chemical scientists

Publishing top-quality chemical science knowledge worldwide is a central part of why we exist, and we have measurably increased the quantity of our research publishing output throughout the year. We published 27,237 articles in 2013, representing 16% growth year-on-year, and we expanded our database of referees to 56,146, an increase of 28%.

In a unique new partnership with the Chinese Chemical Society we launched the first two titles of our new Frontiers journals in China: *Inorganic Chemistry Frontiers*, with the College of Chemistry and Molecular Engineering, Peking University; and *Organic Chemistry Frontiers*, with the Shanghai Institute of *Organic Chemistry*. We also launched our *Materials Horizons* and *Environmental Science Nano* journals in response to the community's needs.

Alongside the increase in quantity, we continued to improve the quality of our publications. We now publish six out of the top 20 multidisciplinary chemistry journals – more than any other publisher – and more than 30% of our journals have an Impact Factor of greater than 5,000; over 70% have an Impact Factor over 3,000. The top 200 universities in the Times' Higher Education World University Rankings subscribe to RSC Gold, our premier journals subscription package, and usage of our journal content has grown over 26% compared with 2012, to 24.8 million downloads.

In 2013, we launched four new journals:
Inorganic Chemistry Frontiers,
Organic Chemistry Frontiers,
Materials Horizons and
Environmental Science Nano.



We are supportive of sustainable Open Access (OA) publishing and in 2013 we published 10 times as many OA articles as the previous year (654 compared with 64). We are supporting the chemistry community's transition to OA through our Gold for Gold scheme, which grants publishing credits to institutes who subscribe to our journals and which David Willetts, UK Minister for Universities and Science, called "ingenious" in a UK parliamentary select committee.

Our books portfolio continued to grow in quality and quantity as we approved 92 new books in 2013, a 44% increase on 2012, and our publication times decreased from an average 23.4 weeks to 20 weeks. Two of our books won prestigious Gourmand awards: *Alcohol and its role in the evolution of human society* won the 'Best in the World in the Drink History category' and *Chocolate as medicine* was awarded the 'Best in the UK' and the '2nd Best in the World'.

We expanded our database collection through a number of acquisitions. In April, we printed 24,000 copies and launched an e-version of the 15th edition of The Merck Index and, in November, we expanded our natural product portfolio by acquiring MarinLit, a database dedicated to marine natural products research.

Provide a trusted and reliable basis for strategic decision-making

We provided input to 38 policy consultations in the UK, covering a broad range of topics, along with responding to four calls for oral evidence including the EPSRC Strategic Advisory Routes Consultation and a House of Lords Science and Technology Committee inquiry into waste opportunities.

Partnering for impact

When we share objectives with other organisations, we partner to deliver greater impact. We secured £700,000 of pledges in 2013 as we continued to work with those who share our passion for the chemical sciences. The success of our Reach and Teach Programme was instrumental in enabling us to secure £300,000 from the Mayor of London through the London Schools Excellence Fund that, in line with the fund's aims, will allow us to expand our network of Education Co-ordinators and provide quality training courses and resources to teachers in London to support science teaching. We also partnered with the Wilkinson Charitable Foundation for three years' support of our Initial Teacher Training programme.

Our partnerships during the year have also helped us to grow an appropriate and visible international presence. Dr Yusuf Hamied, chairman of Cipla, has agreed to a substantial donation over the next five years to help us establish an inspirational educational chemistry programme in India, consisting of a chemistry teacher training programme and chemistry summer camps run by the Salters' Institute.



Thanks to Yusuf Hamied's (second from left) donation, we will be able to support and inspire teachers and students across India.

Inform policy

We bring together science and policymakers to raise awareness of the role that chemistry will play in addressing global challenges. Over 100 delegates attended our second annual Science and Stormont event in Northern Ireland to discuss health and innovation. We co-ordinate the work of the Northern Ireland Assembly All-Party Group on Science and Technology and were influential in the decision to appoint a Chief Scientific Adviser in Northern Ireland. Our parliamentary events calendar also includes Science and the Assembly in Wales and Science and the Parliament in Scotland, both of which saw a record number of attendees in 2013.

We campaign to build political support for the chemical sciences, and to demonstrate that the UK needs a long-term commitment to our knowledge economy. We gained media coverage for our campaign messages in the Times, the Guardian, trade and regional media, and over 150 of our members sent letters to or met with their MPs ahead of the 2013 Spending Review. The published review included many of our recommendations, such as increased support for the Technology Strategy Board, and protection from cuts for both the capital and non-capital science budgets.

Provide the basis for technological and sustainable solutions to societal challenges of global importance

As the world's leading chemistry community we support chemical scientists to tackle global challenges in partnership with governments, professional bodies, non-governmental organisations, academics and industry across the world. Our 2008 report, *Chemistry for Tomorrow's World*, outlined the areas chemical sciences could play a role in solving those global challenges. Five years on, we reviewed how both science and our role have evolved. Throughout 2013, a number of our events and activities were linked directly to those challenges.

Solar fuels

In September, we held the *Challenges in Chemical Renewable Energy symposium* as part of our International Symposia on Advancing the Chemical Sciences (ISACS). Our representative talked about artificial photosynthesis on the BBC World Service, reaching 180 countries. New collections of solar-related content from our journals and books resulted in web traffic 20 times higher than usual, and a local company installed British-made solar panels at our Cambridge offices at Thomas Graham House.

Julian Huppert, MP for Cambridge (left), officially switched on the solar panels at our Cambridge offices (shown with Ryan O'Connell of installation company Evogreen).



Agricultural productivity

We helped to write the UK government's Agri-Tech Strategy, and presented our work at a Dow Agrosciences event targeting agricultural journalists.

Energy

Our Environment, Sustainability and Energy Division hosted an event with 75 delegates from academia and industry, which examined the role of environmental monitoring, the emerging area of shale gas extraction and the established nuclear sector. We also became a supporting organisation of the ReFINE (Researching Fracking In Europe) research consortium, an independent research consortium that focuses on the issue of shale gas and oil exploitation using fracking methods and its potential risks.

Health

We held a public debate, *Beating the Superbugs: Avoiding an Antibiotics Apocalypse*, during health-themed Chemistry Week. Chaired by journalist Michael Moseley and involving the UK Chief Medical Officer, Dame Sally Davies, we attracted 100 members of the public along with policymakers, senior scientists and VIPs to the event, and streamed the event to an online audience of 400. We also ran a number of workshops, partnering with the Biochemical Society.

Bio-based technologies

114 delegates from across chemistry, biology, academia and industry attended our one-day scientific meeting on the topic of sustainable chemicals from microalgae.



Members of the public, policymakers and scientists weighed in on the challenges of antibiotic resistance at our *Beating the Superbugs* panel debate.

Our strategic aim: to develop and cultivate skills and talent in the chemical sciences at all levels (Skills) [QE,M, ID]

2013 in numbers...

We attracted over 970,000 unique visitors to Learn Chemistry

Awarded 120 Registered Scientist and Registered Science Technician registrations

We took Spectroscopy in a Suitcase to 12,200 students



Promote a scientifically literate population

All school students should be aware of the fundamental principles of chemistry, the academic and vocational routes that they can take into careers in the chemical sciences and the positive impact that chemistry has on their lives. To make this happen, we are the largest non-governmental supporter of chemistry education in the UK.

Our partnership with the Wolfson Foundation has been instrumental in the last three years in ensuring that we can inspire students and teachers alike. Through the Wolfson Foundation-supported three-year, £900,000 Reach & Teach programme we reached 51,969 students through our ChemNet and Chemistry at Work events and 1,302 teachers through our continuing professional development (CPD) courses, including Chemistry for Non-Specialists and our newly developed modules concentrating on hard-to-teach topics.

We need to attract inspirational teachers to nurture the talent in our schools. In partnership with the Department for Education we awarded 70 Initial Teacher Training Scholarships, with each successful applicant receiving a £20,000 tax-free bursary and a support package including membership, mentoring, CPD courses, access to our networks of teachers, and a selection of materials including lab coats and other consumables.

We help teachers at all stages of their career. 2,257 teachers used our online community, Talk Chemistry, to share their knowledge, ideas and expertise – an increase of 88% compared with 2012. We piloted the first two modules of our online teacher CPD courses, and delivered our first two CPD workshops in India, to help teachers develop their skills and knowledge.

Learn Chemistry is the online home for educational and outreach chemistry resources, and it continued to grow in 2013 with over 900 new resources. We attracted over 970,000 unique visitors to the site, which won the 'Best Secondary Resources or Equipment – ICT' at the Education Show Resources Awards, and 1.57 million unique visitors to our Visual Elements Periodic Table page.

Everyone should have access to high-quality chemistry education that is engaging, inspiring and relevant. As part of our aim to widen participation in the subject, so that the demographics of the undergraduate population mirror that of the wider population, we began scoping a longitudinal social science study to identify successful schools outreach strategies for young people from socio-economically challenging backgrounds.

We invited our 70 first Initial Teacher Training scholars to Burlington House to find out more about creative teaching approaches.



Our regional Education Co-ordinators played a vital role in connecting our communities across the UK and Ireland, meeting 4,987 teachers, 1,775 trainee teachers, and hosting 70 ChemNet events.

Spectroscopy in a Suitcase (SIAS) is our flagship outreach activity in which researchers from universities take mobile spectrometers into schools, teaching students about spectroscopy through hands-on experience. We visited 336 schools this year, reaching over 12,200 students, and also won £75,000 from the Welsh government to expand our SIAS activities throughout Wales, this time including an NMR spectrometer.

UK Minister of State for Universities and Science David Willetts announced the winners of our inaugural Emerging Technologies competition at an event at Burlington House.



Push forward the boundaries of science

We support research chemists at every stage of their journey. We increased the number of delegates at our Marie Joliot Curie conference for early researchers, co-delivered with Imperial College London, by 63% and more than doubled the number of applications for our undergraduate summer research bursaries, co-funded with the Nuffield Foundation.

We agreed to sponsor six teams to take part in the Biotechnology and Biological Sciences Research Council (BBSRC) Young Entrepreneur Scheme competition, supported 15 early-career researchers from the UK to attend the Transatlantic Frontiers Chemistry conference in Germany, and supported our first Exchange Fellowship Workshop in drug discovery to address researcher mobility, run in partnership with the Biochemistry Society and the British Pharmacological Society.

We received three times as many applications to our Research Fund compared with 2012 and provided a total of £63,000 funding for 17 institutions to buy equipment and consumables that will allow them to continue their research into the chemical sciences.

We held our inaugural Emerging Technologies competition to help research-intensive small enterprises and academics commercialise their technology. David Willetts, the UK Minister of State for Universities and Science, announced our three winners who, as part of their prize, were assigned industry mentors to help commercialise their nascent technologies.

55 companies signed up to EnterprisePlus, a dedicated service we launched in 2013 to provide small companies with the tools and support to promote and develop their business.

Promote professionalism within the chemical sciences

We protect chemists and the public by maintaining standards of professionalism in all those who practise chemistry. We held a pilot licence to award access to the Science Council's new registers, Registered Scientist (RSci) and Registered Science Technician (RSciTech), and these have attracted significant interest from those seeking a non-academic route to professional membership. In June the Science Council upgraded our pilot licence to full status. We awarded more than 120 designations in 2013 and registered an additional 200 students to receive RSciTech following the completion of their course. To recognise outstanding technical support in education, research and industry, we also introduced our Chemistry Technician of the Year awards, which we awarded for the first time at our 2013 General Assembly.

Following consultation with our Education Division Council and our members in industry, we reviewed our degree accreditation programme in 2013 and implemented a number of recommendations to ensure that we continue to promote professionalism in the university education of chemical scientists. We accredited eight more universities in the UK, bringing our total to 345 courses at 43 universities, which includes ten international courses in six countries.

In Brussels, we held two workshops on risk and hazard with Chief Scientific Adviser to the President of the European Commission, Anne Glover, and Julie Girling MEP. We also launched four health and safety online training modules, and developed similar face-to-face programmes in India.

Sir John Holman (left) and RSC President Lesley Yellowlees (right) presented our first ever Technician of the Year Awards to our three winners at the General Assembly.



Ensure a supply of chemical scientists

The chemical and chemistry-using industries are an important driver of economic growth and will be vital in meeting the global challenges that we face in energy, health, sustainability and nutrition. For this to happen, there must be a steady supply of well-trained professional chemical scientists.

We helped prospective students decide where to study chemistry through our Meet the Universities events in London and Leeds, which provided over 450 students with an insight into 37 different institutions offering courses in chemical sciences.

We also help those who are looking for work in the chemical sciences. Over 250 people visited Burlington House for our inaugural *Chemistry World Jobs LIVE* event in November, to meet with recruiters, sign up for a one-to-one CV clinic, and network with dozens of exhibitors. Our ChemCareers pages had 1,693 unique views during 2013, compared with 1,300 in 2012, and over 100 people participated in our new online webinars. We also took positive action to bridge the academia/industry divide in India with our ChemCareers events in Hyderabad and Mumbai, which attracted over 1,500 participants.



Attendees of our first *Chemistry World Jobs LIVE* careers fair had a chance to network with employers and find out more about different career opportunities.

Our strategic aim: to strengthen the voice of the Royal Society of Chemistry community (Community) [C,L, HJ]

2013 in numbers...

Over 21,000 students took part in the Global Experiment

We increased our proportion of female Fellows from 5.4% to 7.4%

Over 1,500 students participated in our ChemCareers events in India

Build on our influence and credibility with the wider chemical science community

We use social media to both connect with our existing networks and to welcome new people into the wider chemical science community. Our Facebook following grew, with page Likes increasing from 5,000 to 12,000 over the year, and visits to our website from Facebook have increased from 107,000 to 153,000.

Through the Chemistry Centre in London we offer a professional and historic venue both for the chemistry community and for other clients wanting a unique, top-quality event space. We hosted 979 events at the Chemistry Centre in 2013 with an average monthly occupancy of 34%.

Our flagship news magazine *Chemistry World* had a particularly successful year, attracting 60% more visitors than in 2012, translating into over 200,000 visitors per month with 20% accessing the magazine from mobile devices. *Chemistry World's* social media presence continues to grow, with more than 320,000 followers on Facebook, Twitter and LinkedIn, and the magazine was shortlisted in the Online Media Awards for best specialist site for journalism.



We created links with a variety of organisations, including Novartis, through our Corporate Partner Programme throughout 2013.

More teachers than ever now receive *Education in Chemistry*, with circulation expanding from 8,000 to 9,500 and it is now being distributed to all schools and colleges in the Republic of Ireland. We celebrated its 50th anniversary in Burlington House to coincide with its new website. And an *Education in Chemistry* video – ‘burning magnesium in dry ice’ – hit one million views on YouTube.

We create strong links with a wide variety of different organisations involved in the chemical sciences through our Corporate Partner Programme. 17 organisations joined the programme in 2013, bringing the total number of corporate partners up to 72, of which seven are international. New partners this year included the Chemical Society of Tunisia, GlaxoSmithKline, Thames Water, the University of Aberdeen, Severn Trent Water Analytical Services and Northumbria University.



Support our outreach activities

We want to better support advocates for chemistry when they enthuse and inspire school pupils and the general public with outreach activities. In April, our Council approved our new outreach strategy that provides more regional support for outreach activities, creates a single, accessible outreach fund, and better supports our advocates, through training and sharing best practice, to share their passion for chemistry safely.

Chemistry Week 2013 took place in November, with the aim of promoting a positive image of chemistry through the topic of human health. Our Education Co-ordinators organised 36 events that reached over 4,000 students across the UK and Ireland, and our members led many more diverse events around the country. Over 21,000 students from across five continents took part in our 2013 Global Experiment, testing fruits and vegetables for vitamin C and uploading their results to our database on Learn Chemistry.

We regularly engage the public at the Chemistry Centre, where we held 18 events on a variety of topics ranging from fighting food fraud to point-of-care diagnostics.

21,000 students from five continents measured the vitamin C content of fruits and vegetables during Chemistry Week in November.



Connect individuals through networking activities

We are committed to bringing scientists from across the world together, to share knowledge, expertise and experience and to develop closer global links for advancing the chemical sciences. We hosted 182 events that attracted 19,181 delegates, more than double compared with the previous year. Our 2013 Editors' Symposium was a truly international affair, and attracted 326 delegates to meet with those involved in our journals, magazines and books to exchange views and ideas on our publishing activities.

MyRSC is our online chemistry community that connects people with an interest in the chemical sciences. It was updated in terms of both appearance and content in line with our refreshed brand, and the number of MyRSC users increased by 47%, from 39,500 in 2012 to 58,000 in 2013.

Support the diversity agenda

We encourage inclusivity in the chemical sciences and diversity is embedded in all that we do. We completed our diversity audit and ran a successful campaign to invite female members to upgrade their membership, increasing the proportion of our Fellows who are female from 5.4% to 7.4%. We added many more inspirational people's stories to our 175 Faces of Chemistry website, through which we promote and celebrate diversity in the chemical sciences.

RSC Honorary Fellow and journalist Quentin Cooper interviewed experts for a BBC programme at our twelfth International Symposium for Advancing the Chemical Sciences.



Our strategic aim: to recognise the importance of members at the heart of the Royal Society of Chemistry (Member engagement) [M, HJ]

2013 in numbers...

49,000 members

**9 out of 10 members
renewed their membership
for 2014**

**We responded to 129
enquiries for careers support**



Grow a strong membership community

We continued to grow the size and loyalty of our membership community throughout 2013. By the end of the year our membership had increased by 5% to a record high of 49,114 and 89.8% of our members renewed their membership for 2014.

Demonstrate the impact and relevance of the Royal Society of Chemistry to all members

Members stay in our community because we provide them with useful, relevant services and networks. Our membership magazine, *RSC News*, which brings our members the latest information from us and our community, unveiled a new look in November, and we launched a member communications review.

We seek the opinions of our members directly throughout the year. We discussed the theme of widening participation within the community at our 2013 General Assembly in Brighton, and increased attendance at our nine regional meetings by 30%, where our members gave their input on our strategy and objectives for the year.

Supporting our members

When our members need help, we're there for them. In 2013, when several closures in the chemical science industry led to a number of our members' roles being made redundant, we responded with our redundancy support programme and on-site career consultations.

We also reviewed our Benevolent Fund to make sure that we use the funds effectively to support our members and their families in times of difficulty. We responded to 129 enquiries, providing a confidential service of advice and guidance on a wide range of issues, and provided financial assistance, either in the form of one-off grants or regular charitable support, to 15 beneficiaries. We held four training events for our network of 99 volunteers, and 60 delegates attended our biennial volunteer conference in June.

Our General Assembly offered members a chance to help shape our strategy and activities and to share experiences with each other.



Our strategic aim: to ensure long-term delivery of our charter objectives (Organisational Strength) [ID, C]

2013 in numbers...

*64 TV spots and
53 radio interviews*

*Over 7,000 people consulted
in our strategic brand refresh*

*Won the 2013 Queen's
Award for Enterprise for 45%
overseas earnings growth*

Provide leadership for the chemistry community and ensure that the Royal Society of Chemistry is a stronger organisation for future generations

In order to provide effective leadership for the chemistry community, we must ensure that our strength as an organisation continues to grow. In April, we won the prestigious Queen's Award for Enterprise in the International Trade category for our sustained and impressive international growth in publishing. The recommendations committee particularly commended our overseas earnings growth of 45% over six years, our exports to 86 countries, and our world-class portfolio of international scientific conferences. The award allows us to display the Queen's award emblem on our products and stationery for the next five years.

Project a powerful voice on behalf of chemistry

Our presence in the media helps us to both influence key decision-makers and engage with audiences beyond the chemical science community. We appeared in 64 TV spots and 53 radio interviews, providing expert opinion on subjects including education, science and policy.



Lord Lieutenant of Cambridgeshire Hugh Duberly (second from left) presented us with our Queen's Award for Enterprise at a reception at Thomas Graham House.

Strengthen brand reputation

Throughout 2013, we conducted a strategic brand refresh with branding agency Spencer du Bois. We consulted over 7,000 people including staff, members, leading industry figures, chemists and non-chemists alike, through face-to-face and telephone interviews and a web survey. The refreshed brand gives us a coherent voice and messaging and a dynamic new look that helps us to project our personality and passion in all that we do.

Grow an appropriate and visible international presence to deliver our mission, vision and strategic objectives

Our community is now truly global and we are growing our international presence to deliver on our strategic priorities across the world. We successfully conceived and organised 49 international events during the year, with some events, such as our 2nd UK-India MedChem Congress in Hyderabad, attracting over 500 delegates.

We started the process of setting up a Wholly Foreign-Owned Enterprise in China and launched our new Chinese website where Chinese nationals can discover our heritage, events, publishing activities, partners and community. The website will help us to foster connections and collaborations across national and scientific boundaries.



Our Beijing Local Section helps us inspire and enthuse local school children with chemistry through a variety of outreach activities.



Plans for the Future

Our strategy has been vital in forming our activities throughout 2013 and we shall continue to use the engagement of our members and strength of our organisation to focus on the strategic priorities of skills, knowledge and community up until 2017.

Our key goals for 2014-2017

Knowledge

- Effectively support and nurture 1,000 global small companies with chemistry mentoring, accelerator and coaching schemes, so that we are the leading global partner for chemical science companies.
- Ensure that our repository for the chemical sciences is the world's first choice repository for Green Open Access articles.
- Increase our portfolio of scientific conferences and workshops that support fundamental chemistry and address our roadmap challenges to 120 per year.
- Continue to increase the quality of our journal portfolio so that we have an average Impact Factor of 7.5.
- Continue to increase the quantity of our journal portfolio so that we publish over 50,000 articles per year by 2017.
- Use a highly effective online submission and peer review system to reduce our average publication time to 30 days.
- Develop *Chemistry World* into a truly global chemistry magazine, with relevant content and editions for key markets, and increase the unique visitors to the website per month to 500,000.

Skills

- Campaign so that every primary school in the UK has a specialist science teacher and all post-14 year olds are taught by a chemistry specialist.
- Widen participation within the chemical sciences so that the chemistry undergraduate population reflects the demographics of the wider population.
- Accredite the training schemes of 100 science and technology companies and 50 international chemical science courses, with a focus on south-east Asia.
- Award RSci and RSciTech designations to over 5,000 individuals.
- Ensure that all UK students and their employers have sufficient and appropriate provision for vocational education.
- Continue to promote professionalism by awarding our Chartered Chemist status to 1,000 new individuals.
- Train 1,000 UK-based chemical scientists through our training programmes.
- Attract 10 million unique users to Learn Chemistry.

Community

- Increase our wider community to 500,000 people worldwide.
- Increase our support for teachers by partnering with 5,000 schools and colleges.
- Initiate a network of 510 research exchange programme alumni and collaborations, including 20% early career researchers.
- Increase our support for young individuals with an interest in chemistry by increasing our ChemNet membership to 100,000 students.
- Continue to inform policy to the point where we are mentioned in all relevant parliamentary debates and government policy speeches and documents.
- Increase awareness amongst non-scientists to get them to appreciate that chemistry is a force for good.

Member engagement

- Continue to increase our core membership community. We aim to have 51,000 members by the end of 2014 and a total of 60,000 members by the time we come to the end of our five-year strategy in 2017.
- Continue to promote diversity amongst our membership, increasing the number of female fellows to 10% of the total and the number of female members to 30% of the total.
- Continue to engage our members with our campaigns, so that 10% of our core members are actively involved in our public affairs advocacy per year.
- Grow our international membership with 9 new International Sections and 23 new International Representatives.

Organisational strength

- Ensure long-term financial stability, as reflected in our reserves policy, so that the Royal Society of Chemistry continues to deliver its charter objectives.
- Invest £250 million to advance excellence in the chemical sciences.
- Achieve 10% annual compound growth in total revenues each year.
- Launch a new fundraising initiative to invest in three funds that support our work in chemistry engagement and education in the UK, through the Pan Africa Chemistry Network and as part of our Developing Talent in India programme.



Benevolent Fund - Review of Activities During the Year

The Benevolent Fund supports our members and their families in times of difficulty, providing a confidential service to offer advice and guidance on a wide range of issues. It also provides financial assistance to those in need, with an overarching charitable purpose to relieve poverty.

The Benevolent Fund Grants Committee is made up of RSC members who give strategic direction to the activities of the fund, and make decisions regarding financial support for individuals.

During 2013, the Committee:

- Considered 22 cases
- Assisted 15 beneficiaries financially (7 of these were outside the UK)
- Closed 5 cases

Financial support can take the form of one-off grants for those who need support to meet short term needs (such as for medical costs or domestic repairs), or regular charitable grants for those who do not have a sufficient regular income to support basic living costs – perhaps due to redundancy or disability. The service also works closely alongside our careers service and other charitable organisations to help our beneficiaries to become self-sufficient wherever possible.

Alongside the financial support, staff responded to 129 enquires, from people seeking confidential support in areas ranging from financial support, debt advice, assistance in claiming appropriate state benefits and care.

We have a network of 99 Volunteers, predominantly in the UK. Some are actively involved in visiting existing or potential beneficiaries to help them with the process or provide peer support, with other volunteers providing a local point of contact for isolated members of our community.

We held four training events for our volunteers in 2013, and our biennial volunteer conference in June had invited speakers from MIND, Age UK and the Citizens Advice Bureau, and was attended by 60 volunteers.

In 2013 the staff and Benevolent Fund Grants Committee initiated a review to ensure the funds available to the Benevolent Fund are used effectively, and to explore whether the scope of the fund's activity can be widened while still fully maintaining the fund's original purpose. This review will be completed in 2014.

Financial Review

Audited Financial Statements

The audited accounts for the year ended 31 December 2013 are included on page 40-69. The Trustees confirm that the Financial Statements comply with current statutory requirements and meet the requirements of its Charter. The Financial Statements include the following entities, Chemistry Limited, Chemistry Innovation Limited, RSC Worldwide Limited and RSC Worldwide (US) Inc.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) issued by the Charity Commission.

In 2013 the Royal Society of Chemistry reported a total surplus before gains and losses of £4.11m (2012: £6.70m) (m=£1,000,000). Unrealised and realised gains on the investment portfolio were £4.52m (2012: £6.52m). Net movement in funds for the year includes an increase of £1.50m (2012: £0.72m) resulting from actuarial gains on the Defined Benefit Pension Scheme. These actuarial gains represent differences between actuarial assumptions and actual performance of Pension Scheme assets and liabilities.

The Balance Sheet reserves and funds, including General Funds, increased from £86.89m on 1 January 2013 to £97.01m on 31 December 2013. This was the result of the 2013 surplus along with actuarial gains reported on the Defined Benefit Pension Scheme.

Benevolent Fund

The RSC Benevolent Fund operates within a well-defined strategy to provide a flexible range of financial and non-financial help to members and their dependants to relieve poverty.

The Benevolent Fund Committee reviews applications for financial assistance and makes recommendations on the types of help that can be offered. The reserves increased to £12.98m in 2013 from £12.49m in 2012, the surplus, which excludes investment gains decreased to £0.37m in 2013 from £0.81m in 2012.

The following are the key activities as noted in the Statement of Financial Activities (SoFA)

Membership

Membership increased to a record high of 49,114 at the end 2013 from 46,870 at the end of 2012; this is reflected in the general fund revenue increasing in 2013 to £3.68m from £3.48m in 2012. Overall membership revenue decreased to £3.77m in 2013 from £3.87m in 2012 due to an overstatement of designated income and expenditure in 2012 of £0.28m. Expenditure increased from £3.35m in 2012 to £3.59m in 2013, this is mostly due to increased levels of activity supporting the growing membership body, managed by a higher number of staff.

House Journal – *Chemistry World*

Revenue increased from £1.10m in 2012 to £1.25m in 2013 due to increased advertising revenue. The expenditure increased from £1.55m in 2012 to £1.84m in 2013 due to staffing increases in this area.



Conferences

A high quality programme of conferences was delivered. Revenue increased from £0.85m in 2012 to £1.36m in 2013. Expenditure increased from £1.25m in 2012 to £1.76m in 2013 due to the increased number of conferences both organised and supported in the year.

Education

Income decreased from £0.73m in 2012 to £0.23m in 2013 as a major HEFCE funded education project ended in 2012. Expenditure increased from £2.76m in 2012 to £3.32m in 2013 as the regional network has built up increasing levels of activity, supported by increased numbers of staff.

Publishing

2013 again saw an excellent performance in RSC publishing. In 2013 overall revenue increased to £38.09m from £35.70m in 2012, due to increased journal subscription revenue and sales of The Merck Index. Overall publishing expenditure increased from £25.82m in 2012 to £28.51m in 2013 again an increase in the number of articles published resulted in increased staff and overhead costs.

Chemistry Centre (incorporating the Library)

The use of the Chemistry Centre as a resource for the Chemistry Community has contributed to an increase in revenue from £0.28m in 2012 to £0.45m in 2013. The revenue includes £0.36m in 2013 increased from £0.25m in 2012 which is received from non primary purpose venue hire shown in Generated Funds in the SOFA carried out by Chemistry Limited. Expenditure has again decreased to £0.92m in 2013 from £1.13m in 2012, of which £0.20m is related to venue hire which has decreased from £0.22m in 2012.

Scientific affairs

Expenditure on scientific affairs was £6.49m, which was higher than the 2012 figure of £5.47m; revenue decreased from £2.02m in 2012 to £1.99m. The increases in expenditure are due, in part, to more international activity from our representation in China, India, Japan and Brazil.

A further contributing factor to the increased scientific affairs expenditure is the innovation, support and knowledge transfer delivered by the RSC's subsidiary Chemistry Innovation Limited.

International development

International development expenditure decreased slightly from £0.57m in 2012 to £0.55m in 2013. One of the activities in this area is the Pan Africa Chemistry Network, which aims to help African countries integrate into regional, national and international scientific networks. Revenue generated in this area was £0.01m for 2013 which remained in line with £0.01m in both 2012 and 2011.



Pensions

The RSC operates a Defined Benefit Pension Scheme for employees who joined before January 2003. Employees who joined after that date are entitled to join a Defined Contribution Scheme. The Defined Benefit scheme closed to future accrual in November 2011.

The FRS17 valuation of the deficit on the Defined Benefit Pension Scheme amounted to £3.70m at the end of 2013 (2012: £7.03m). The investment portfolio held by the scheme increased by £5.78m during the year, however this was offset by an increase in the liabilities of the scheme of £2.45m, attributable to changes in the actuarial assumptions.

The results of the latest triennial valuation of the pension scheme were received in 2011. The valuation highlighted a deficit of £8.7m, slightly increasing from the 2008 deficit figure of £7.2m. The RSC has agreed a recovery plan with the Pension Trustees to address the 2011 deficit resulting from this valuation. The recovery plan will see annual payments of £958k per annum by 31 March each year from 2013 to 2021 inclusive, when the shortfall is expected to be eliminated.

Investments

Responsibility for investment policy resides with the Investment Committee, which reports to the Finance Board. With advice from JLT Benefit Solutions, the committee decides on the ranges of investments within the portfolio. Investments are held with BlackRock, Royal London Asset Management, Schroders, Sarasin Partners and Kames Capital.

The Fixed Asset Investments of the General, Restricted and Designated Funds are combined for investment purposes in order to obtain lower management fees. The value of the portfolio increased from £78.06m in 2012 to £83.07m in 2013, due to favourable investment returns.

Investment income decreased slightly from £3.65m in 2012 to £3.47m in 2013 but still outperformed the required income based on the Reserves Policy.

The performance of the investment portfolio is monitored against benchmarks. In 2013 the Royal London Corporate Bonds outperformed against a benchmark of 0.9% by 1.8%. BlackRock UK All Stocks Corporate Bond Fund outperformed against a benchmark of 0.8% by 0.3%, BlackRock Global Corporate Bond Funds outperformed against a benchmark of 0.3% by 1.1%. Sarasin Equisar Global Thematic Equity Fund underperformed against a benchmark of 23.5% by -1.6%. Schroders QEP Global Active Value Fund underperformed against a benchmark of 24.3% by 1.4% and the Schroder UK Property Fund outperformed against a benchmark of 9.1% by 0.4%.



Reserves Policy

Council reviews the need for, and the appropriate level of, reserves on an annual basis. Council endeavours to take into account all relevant information when considering the review, including the risks identified in the Risk Register.

In defining its reserves policy, the RSC has considered what level of free reserves it is appropriate to hold in order to demonstrate appropriate financial management and financial sustainability. For the RSC, free reserves represent unrestricted general funds of the RSC and exclude both the restricted funds held and funds that have been designated by the Trustees. The free reserves also exclude any funds that could only be realised by disposing of fixed assets held for charitable use.

In line with this policy the level of free reserves held at 31 December 2013 were £61.87m and are targeted to be £50m by 2015 under the new reserves policy compared to the previous target of £70m. This will help support our strategy to invest £250m to advance excellence in the chemical sciences.

Reserves have been targeted at this level in order to generate a return of £2.5m per annum by 2015. A return of this level will ensure the sustainability of the RSC in the event that Publishing activities no longer achieve the current revenue levels or should the liability to the RSC of the Defined Benefit Pension scheme need to be addressed.

The strategy for the Benevolent Fund and Trust Funds is to maintain reserves at a level capable of generating income to meet current and future expenditure levels, currently set at £0.3m and £0.2m, respectively. These levels of income were achieved in 2013 by the Benevolent Fund which the Trust Funds underperformed by £0.07m, reserves held at 31 December 2013 being £22.23m.

The Designated Funds relate to branches of the RSC and include the RSC Local Sections, Regions and Interest Groups. The balance of the designated funds at the 31 December 2013 is £1.95m (2012: £1.97m). Each of the Groups has a committee, which meets during the year to discuss ideas and initiatives to further chemistry in local and specialist areas.

Grants

The approximate value of grants made by the RSC was £0.32m, which is not material in relation to the total expenditure and therefore no analysis of grants is provided in the notes to the accounts, and no grant-making policy is disclosed.



Structure, Governance and Management

The RSC is a registered charity governed by a Royal Charter that was granted on 15 May 1980.

The RSC is governed by a Council elected or appointed in accordance with its Charter and By-laws.

The Council comprises:

Elected members

President
 President Elect or Immediate Past President
 Honorary Treasurer
 Nine Ordinary Members of Council

Appointed members

Up to six members, who may be Chairs of the Boards or other persons appointed by Council.

Any member of the RSC may stand for election as an Ordinary Member of Council and any Fellow may stand for election as President or Honorary Treasurer. All members are eligible to nominate candidates and to vote in elections. Council itself may also make nominations. Voting takes place by post or electronically and is managed by an external provider approved by Council. Election of Ordinary Members of Council normally takes place every two years, the next election will be for Ordinary Members to take office after the 2015 AGM.

An organisational chart showing RSC governance is shown in Figure 1.

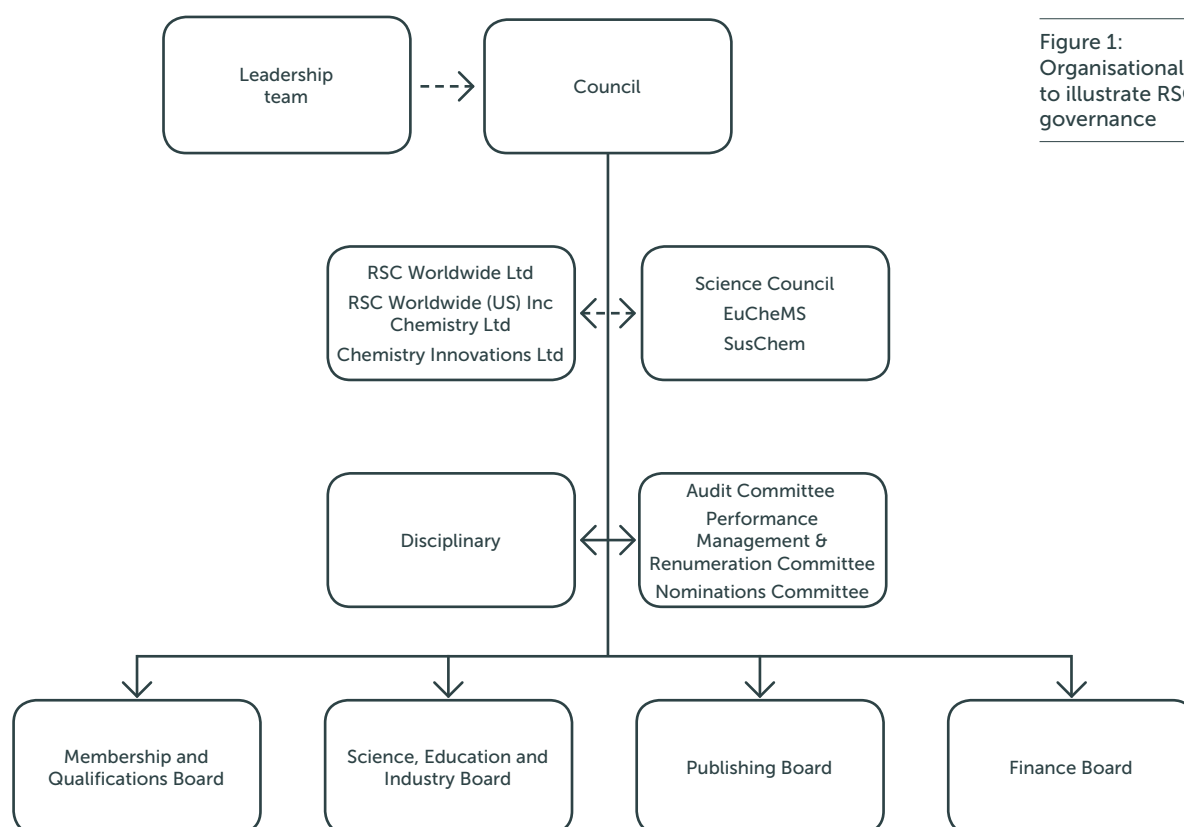


Figure 1: Organisational chart to illustrate RSC governance

RSC governance bodies develop strategic planning and policies with the support of staff and with approval by the Council, which delegates the day-to-day management and implementation through the Chief Executive to the staff. Members of staff provide updates on progress to the governance bodies, which, in turn, report to the Council on achievements against the RSC strategy.

Council has oversight of the RSC's involvement in the Science Council, the European Association for Chemical and Molecular Sciences (EuCheMS) and the European Technology Platform for Sustainable Chemistry (SusChem).

Science Council

The Science Council is a membership organisation that represents the learned societies and professional institutions across the breadth of science in the UK.

EuCheMS

The European Association for Chemical and Molecular Sciences promotes co-operation between non-profit-making scientific and technical societies in the field of chemistry and molecular sciences in Europe.

SusChem

The European Technology Platform for Sustainable Chemistry seeks to boost chemistry, biotechnology and chemical engineering research, development and innovation in Europe.

Audit Committee

The Audit Committee acts on behalf of Council to ensure that the RSC has in place adequate financial and other systems to fulfil its statutory obligations and for good governance and management, and to ensure that these systems are adhered to.

Composition

- Chair, appointed by Council, an Ordinary Member of Council
- Three Ordinary Members of Council; appointed by Council
- One member of the RSC with appropriate financial experience; appointed by Council
- Ex officio Honorary Treasurer; in advisory capacity, non-voting
- Secretary, appointed by the Chief Executive

Disciplinary Committee

The Disciplinary Committee investigates the conduct of any member of the RSC in accordance with the requirements of the By-laws and the Regulations made by Council.

Composition

- Chair, appointed by Council
- Vice Chair
- 13 members, six of whom shall represent the public interest
- Secretary, appointed by the Chief Executive



Finance Board

The Finance Board advises Council on all matters of policy and strategy in securing and managing financial resources and in their deployment in accordance with the strategy; it advises Council on investment strategy.

Composition

- Chair, ex officio Honorary Treasurer
- Four people with business/financial expertise; appointed by Council
- Ex officio Chair, Investment Committee which is a sub-committee of Finance Board
- Staff; including the Chief Executive and the Finance Director (non-voting)
- Secretary, appointed by the Chief Executive

Membership & Qualifications Board

This Board agrees with Council the strategy and budgets relating to the development and award of membership qualifications; admissions, recruitment and retention of members; the advancement and diversity of professional practice; opportunities for member networking; and the Benevolent Fund services.

Composition

- Chair, appointed by Council
- Three elected members; elected by the membership
- Six appointed members; appointed by Council
- Ex-officio Chairs of reporting bodies
- Staff (non-voting);
 - Executive Director - Membership, Operations and Organisational Development
 - Head of Membership
- Secretary, appointed by the Chief Executive



Nominations Committee

The purpose of the Committee is to advise and report to Council on how to make the best use of the skills available within the membership and, where appropriate, from outside the membership, through appointments and elections to the Council, Boards and the Disciplinary Committee.

Composition

- President (Chair)
- Immediate Past President/President Elect
- Three ordinary members of Council
- Chief Executive, by invitation (non-voting)
- Secretary, appointed by the Chief Executive

Performance Management & Remuneration Committee

The purpose of the committee is to provide general direction to the Chief Executive (By-law 74) on people-management issues, to provide guidance on matters of importance or difficulty and to set objectives for and review the performance of the Chief Executive and setting his/her salary in accordance with the RSC's performance management procedures.

Composition

- Honorary Treasurer (Chair)
- President
- Immediate Past President/President Elect
- By staff (non-voting);
 - Chief Executive
 - Executive Director, Membership, Operations and Organisational Development
- Secretary; Head of Human Resources and Organisational Development



Publishing Board

The Publishing Board advises Council on the contribution that publishing activities and the provision of information services can make to the fulfilment of the Charity's objectives. It advises Council on prospects for the RSC publishing business, including financial returns.

Composition

Appointed by Council

- Chair appointed by Council
- 8-12 Members, appointed by council according to their knowledge of publishing and their fit with the job description, one of whom would be Vice-Chair of Publishing Board
- *Staff (non-voting)*
 - RSC Chief Executive
 - Executive Director, Publishing
 - Executive Director, Finance
 - Executive Director, Sales, Marketing and Strategic Partnerships
 - Secretary, appointed by the Executive Director, Publishing

May attend as observers

- President, Past President/President Elect, Honorary Treasurer

Science, Education and Industry Board

This Board agrees with Council the strategy and budgets relating to the progress and application of the chemical sciences, the learning and teaching of the chemical sciences at all stages of education, and devises and progresses industrial and business related policies.

Composition

- Chair, appointed by Council
- Three elected members, elected by the membership
- Three appointed members, appointed by Council
- Nine presidents of Divisions
- Staff (non-voting);
 - Executive Director - Communications, Policy, and Campaigns
 - Executive Director - Science and Education
- Secretary, appointed by the Chief Executive



Trustees

At the date of signing the Trustees' Report, the Council Members are the Trustees of the RSC. A list of the appointed Trustees for the period from January 2013 to the date of this report is shown on page 37.

All Council members are required to attend Trustee training sessions covering the responsibilities of Trustees and RSC financial and business planning and strategy development. Trustees are also offered access to external training.

The RSC takes governance very seriously and has in place an induction programme for new trustees to educate them and provide assistance in their new role. The RSC also provides a Governance Handbook and trustee induction pack that they are asked to familiarise themselves with. A skills audit is also carried out to ensure the make-up of Council reflects the diversity of skills that is required to drive the RSC strategy forward.

The Trustees have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 to consider the public benefit guidance published by the Charity Commission. The Trustees are satisfied that RSC activities provide public benefit by advancing chemical sciences through publishing chemistry books, journals and magazines; informing and influencing policymakers; supporting and advancing chemical science education; recognising and regulating professional standards in the chemical sciences; organising meetings, conferences and networking events and informing and engaging the public.

All members of Council and its Boards and committees give of their time voluntarily to the RSC. In addition to an amount of £32k (2012: £66k) that was reimbursed to Trustees for travel to meetings and related expenses in 2013, two members of Council were paid a total of £0.35k (2012: £2k) in respect of royalty payments for contributing to RSC publications. The payments were appropriately authorised and transacted under normal terms; further details are disclosed within note 22 of the financial statements. Qualifying third-party indemnity provision is in place for the benefit of the Trustees



Subsidiary Companies

The RSC has two wholly owned UK registered subsidiaries, Chemistry Limited and RSC Worldwide Limited. The profit on ordinary activities before taxation for Chemistry Limited was £nil (2012: £16k). The loss on ordinary activities before taxation for RSC Worldwide Limited was £814k (2012: £632k loss).

The principal activity of RSC Worldwide Limited is to facilitate RSC activities overseas; included in this is holding the ChemSpider asset. ChemSpider is a free chemical structure database providing fast text and structure search access to over 28 million structures from hundreds of data sources. In 2013 RSC Worldwide Limited continued to facilitate operations in the US, China, India, Japan, Brazil and Germany. The expenditure associated with RSC Worldwide Limited activities is the result of the RSC continuing to advance the chemical sciences internationally.

RSC Worldwide Limited made a loss during the year mainly due to an increase in administrative costs which will reduce in 2014. The levels of revenue generated by ChemSpider are expected to increase over the next three years with operations expected to show a profit from 2015.

RSC Worldwide Limited is in the process of setting up a Wholly Foreign Owned Entity in China and a Wholly Owned Subsidiary in India. Both are expected to become fully functioning in 2014.

The principal activity of Chemistry Limited is to facilitate the non-primary purpose trading of the RSC.

The RSC owns 67% of Chemistry Innovation Limited. The loss on ordinary activities before taxation was £5k (2012: profit of £5k). The minority interest is disclosed in note 18 of the financial statements. The principal activity of Chemistry Innovation Limited is to facilitate knowledge transfer, collaborative working and research and development projects between chemistry related industries and the science base. This activity is primarily funded through grant income. In 2013 Chemistry Innovation Limited continued to provide coherent support mechanisms to stakeholders in addressing key societal and industry needs.

RSC Worldwide (US) Inc is a wholly owned subsidiary of RSC Worldwide Limited and is incorporated for the principal activity of employing US staff to facilitate RSC and RSC Worldwide Limited activities in the United States of America (US). The loss on ordinary activities before taxation for RSC Worldwide (US) Inc was £103k (2012: profit of £131k).

Consolidation

We have reflected all the entities covered by the RSC charity registration, together with Chemistry Limited, RSC Worldwide Limited, RSC Worldwide (US) Inc and Chemistry Innovation Limited, in the RSC's Consolidated Statement of Financial Activities and Balance Sheet.

The minority interest in Chemistry Innovation Limited has not been recognised separately in the financial statements on the grounds of materiality. However it is shown in note 18 of the financial statements.



Connected charities

The RSC jointly administers the Sir George Beilby Memorial Fund. An annual prize of £1k is awarded and sustained by a trust fund commemorating Sir George Beilby FRS, President of the Society for Chemical Industry (SCI) (1898-99), the Institute of Chemistry (1909-12) and The Institute of Metals (1916-1918) and founding Chairman of the Fuel Research Board. The award is administered in rotation by the RSC, the Institute of Materials, Minerals and Mining and the SCI. It recognises substantial work of exceptional practical significance in chemical engineering, applied materials science, energy efficiency or related field, and is made to scientists or engineers. The assets of the fund are held in a named portfolio with Schroders Investment Management Limited. The RSC's share of the fund has not been consolidated within the Consolidated Balance Sheet and Statement of Financial Activities on the basis of materiality.

The RSC works with a broad range of UK and international charities; details are available on request.

Risks

The Audit Committee considers major risks facing the RSC and how to mitigate them and maintains a detailed Risk Register addressing the significant risks to which the RSC is exposed. This is strategically reviewed and amended at least once a year by the Audit Committee. The most recent update was approved by Council on 5 December 2013.

The RSC uses the following controls to mitigate risk: formal agendas for all committee and board activity, detailed terms of reference for all committees, comprehensive strategic planning, budgeting and management accounting, established organisational structure, clear lines of reporting and clear authorisation levels. The RSC mitigates risk from economic conditions by regularly reviewing its risk profiles to make sure all relevant risks are captured and the level of risk along with any mitigating factors are covered.

The RSC has two locations in the UK and has infrastructure in place to keep essential operations functioning from either location. It has a detailed business continuity plan, which is revised regularly. It maintains insurance against loss of business and assets, as well as Trustee indemnity insurance and reviews all insurance cover annually using independent advisers.

Fixed assets are periodically reviewed to make sure their net book value does not exceed their recoverable amount. No excess valuations were identified in 2013, so a more detailed impairment review was not necessary.

Where appropriate, forward exchange contracts are used to manage exposure to currency exchange risk. Contracts to the value of US \$29,000k and €480k (2012: \$7,000k and €250k), were entered into during the year ended 31 December 2013. Given the level of sales in US\$, these deals secure the strength of US\$ income.

Credit risk is reduced by a large proportion of income being received in advance, and although some risk remains, this is mitigated by using robust credit control.

Liquidity risk is kept low by maintaining significant levels of cash, near-cash holdings, avoiding long-term loans, and undertaking regular cash-flow forecasting and good cash control.



Reference and Administrative Details

Charity Number

The Royal Society of Chemistry's (RSC) charity registration number is 207890 and this registration encompasses the RSC Benevolent Fund, the RSC and its regional and interest groups.

Leadership team at 31 December 2013

Chief Executive

Dr Robert Parker CSci CChem FRSC

Executive Director, Publishing

Dr James Milne (resigned 30 August 2013)

Executive Director, Strategic Innovation

Dr David James FRSC

Executive Director, Membership, Operations and Organisational Development

Dr Helen Pain CSci CChem FRSC

Executive Director, Science and Education

Professor James Iley CSci CChem FRSC
(resigned 2 April 2014)

Executive Director, Communications, Policy and Campaigns

Ms Clare Viney CSci CChem MRSC

Executive Director, Finance

Mr Nick Hills ACA

Executive Director, Sales, Marketing and Strategic Partnerships

Mr Stephen Hawthorne



Auditor, Bankers and Other Professional Advisors

Auditor

Baker Tilly UK Audit LLP

25 Farringdon Street
London
EC4A 4AB

Kames Capital Plc

4th Floor
77 Gracechurch Street
London
EC3V 0AS

Bankers

National Westminster Bank plc

Market Street Branch
23 Market Street
Cambridge
CB2 3PA

Cater Allen

9 Nelson Street
Bradford
BD1 5AN

Close Brothers Ltd

10 Crown Place
London
EC2A 4FT

Scottish Widows

PO Box 12757
67 Morrison Street
Edinburgh
EH3 8YJ

Investment Managers

Schroder Investment Management (UK) Limited

31 Gresham Street
London
EC2V 7QA

BlackRock

33 King William Street
London
EC4R 9AS

Royal London Asset Management

55 Gracechurch Street
London
EC3V 0UF

Sarasin & Partners LLP

Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Investment Adviser

JLT Benefit Solutions

36 Ridgmont Road
St Albans
AL1 3AB

Legal Advisers

Charity matters:

Hewitsons

7 Spencer Parade
Northampton
NN1 5AB

Taylor Vinters

Merlin Place
Milton Road
Cambridge
CB4 0DP

Commercial matters

Mills & Reeve LLP

Botanic House
100 Hills Road
Cambridge
CB2 1PH

Bristows

Lincoln's Inn Fields
London
WC2A 3AA

Principal Office

Royal Society of Chemistry

Burlington House
Piccadilly
London
W1J 0BA

RSC Council for the Year 1 January 2013 to 31 December 2013

Patron

Her Majesty The Queen

Council Members

Honorary Officers

President

Professor Lesley Yellowlees CBE FRSC FRSE

Professor Tina L Overton CChem FRSC
(retired 5 December 2013)

President Elect

Professor Dominic Tildesley FRSC
(from 9 July 2013)

Professor David Cole-Hamilton CChem
FRSC FRSE (retired 9 July 2013)

Immediate Past President

Professor David Phillips CBE CSci CChem
FRSC (to 9 July 2013)

Professor Annie Powell CChem FRSC
(retired 9 July 2013)

Honorary Treasurer

Dr Peter Machin CChem FRSC
(retired 9 July 2013)

Professor Keith Smith CChem FRSC FLSW
(retired 9 July 2013)

Professor David Grayson CChem FRSC
(appointed 9 July 2013)

Professor Tom Welton CChem FRSC
(appointed 9 July 2013)

Professor Alison Rodger CChem FRSC
(appointed 9 July 2013)

Appointed Members

Professor Mike Ashfold CChem FRSC FRS
Chair, Science, Education and Industry
Policy Board

Professor Peter Knowles CChem FRSC
FLSW (appointed 9 July 2013)

Dr Helen Neville FRSC
(appointed 9 July 2013)

Professor Helen Fielding CChem FRSC
Chair, Publishing Board

The Council members named above are
the trustees as at the date of signing the
Trustees' report.

Dr Janette Waterhouse EurChem CChem
FRSC

Staff

Chair, Membership and Qualifications
Board

The RSC headcount at year end for 2013
was 502 people (2012: 412), of which 460
(2012: 390) were employees, the rest being
temporary staff employed through agencies
or third-party contractors. There were 40
(2012: 33) staff working part-time at the end
of the year.

Professor Dr Ben Feringa CChem FRSC
(appointed 9 July 2013)

Staff turnover (all leavers) during the year
averaged 11.57% (2012: 15.03%).

Ordinary Members

Professor Duncan Bruce CChem FRSC

Dr Annette Doherty OBE FRSC

There were two redundancies during the
year (2012: one).

Professor Emma Raven CChem FRSC

Professor Gillian Reid FRSC

Dr Derek Stevenson CChem FRSC

No members of staff retired during 2013
(2012: none).



Responsibilities of the Trustees

Statement of Trustees' responsibilities in respect of the Trustees' report and the accounts

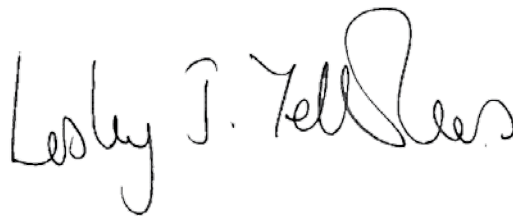
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law that is applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 RSC will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the group and the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Trustees



Professor Lesley Yellowlees CBE FRSC FRSE

Independent Auditor's Report to the Trustees of the Royal Society of Chemistry

We have audited the financial statements of Royal Society of Chemistry for the year ended 31 December 2013 on pages 40 to 69. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 38 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/>

UK-Private-Sector-Entity-(issued-1-December-2010).aspx

Opinion on financial statements

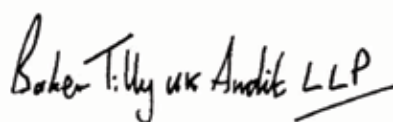
In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2013 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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



BAKER TILLY UK AUDIT LLP

Statutory Auditor
25 Farringdon Street
London
EC4A 4AB



Consolidated Statement of Financial Activities for the Year Ended 31 December 2013

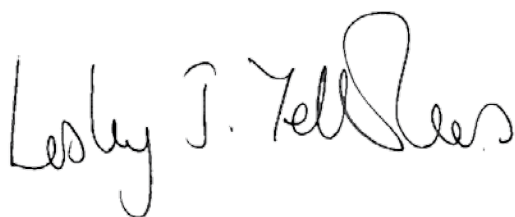
		Unrestricted Funds		Restricted Funds	2013 Total	2012 Total
	Note	General Funds	Designated Funds			
		£000	£000	£000	£000	£000
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Income	2	7	55	569	631	881
Activities for Generating Funds		358	-	-	358	251
Investment Income	3	2,651	16	807	3,474	3,648
Total Incoming Resources from Generated Funds		3,016	71	1,376	4,463	4,780
Incoming Resources from Charitable Activities						
Membership		3,680	89	-	3,769	3,873
House Journal		1,250	-	-	1,250	1,097
Conferences		429	929	-	1,358	853
Qualifications and Education		103	-	125	228	730
Publishing		37,645	-	448	38,093	35,697
Library		94	-	-	94	33
Scientific Affairs		1,783	-	202	1,985	2,022
International Development		10	-	-	10	10
Other Incoming Resources		34	-	-	34	31
Defined Benefit Pension Scheme	8	318	-	-	318	-
Total Incoming Resources		48,362	1,089	2,151	51,602	49,126
Resources Expended						
Costs of Generating Funds						
Voluntary Income	5	299	-	-	299	279
Cost of Activities for Generated Funds	5	201	-	-	201	222
Investment Management Costs	5	66	-	9	75	84
Total Cost of Generating Funds		566	-	9	575	585
Charitable Activities						
Membership		3,221	-	372	3,593	3,354
House Journal		1,836	-	-	1,836	1,548
Conferences		666	1,098	-	1,764	1,248
Qualifications and Education		2,972	-	345	3,317	2,761
Publishing		28,122	-	386	28,508	25,823
Library		720	-	-	720	905
Scientific Affairs		6,241	-	253	6,494	5,471
International Development		552	-	-	552	573
Governance Costs	5, 7	132	-	-	132	162
Total Resources Expended	5	45,028	1,098	1,365	47,491	42,430
Net Incoming Resources Before Transfers		3,334	(9)	786	4,111	6,696
Gross Transfer Between Funds	1	12	(12)	-	-	-
Net Group Incoming Resources Before Recognised Gains and Losses		3,346	(21)	786	4,111	6,696
Gains on investment assets	12	4,304	-	217	4,521	6,520
Actuarial gains on Defined Benefit Pension Scheme	8	1,495	-	-	1,495	72
Net Movement in Funds		9,145	(21)	1,003	10,127	13,288
Reconciliation of Funds						
Fund Balances brought forward at 1 January		60,923	1,973	23,991	86,887	73,599
Fund Balances carried forward at 31 December		70,068	1,952	24,994	97,014	86,887

The notes on pages 40-69 form an integral part of these Financial Statements. All activities in 2013 are continuing.

Consolidated Balance Sheet as at 31 December 2013

		2013	2012
	Note	£000	£000
Fixed Assets			
Intangible Assets	10	642	853
Tangible Assets	11	11,249	11,284
Investments	12	83,066	78,056
		94,957	90,193
Current Assets			
Stock - Books and Paper		756	662
Debtors	13	14,499	10,138
Cash at Bank and in Hand		19,931	16,655
		35,186	27,455
Current Liabilities			
Creditors	14	5,445	5,051
Deferred Income			
Journal and Membership Subscriptions	15	23,989	18,685
		29,434	23,736
Net Current Assets		5,752	3,719
Total Assets Less Current Liabilities		100,709	93,912
Net Assets Excluding Pension Liability		100,709	93,912
Defined Benefit Pension Liability	8	(3,695)	(7,025)
Net Assets Including Pension Liability	16	97,014	86,887
Accumulated Funds			
Unrestricted Funds:			
General Funds		77,332	70,532
Funds Retained within non-charitable Subsidiaries	18	(3,569)	(2,584)
Pension Reserve	8	(3,695)	(7,025)
Designated Funds	1	1,952	1,973
		72,020	62,896
Restricted Funds	19	24,994	23,991
Total Charity Funds		97,014	86,887

Approved by Council and authorised for issue on 10 April 2014



Professor Lesley Yellowlees, President

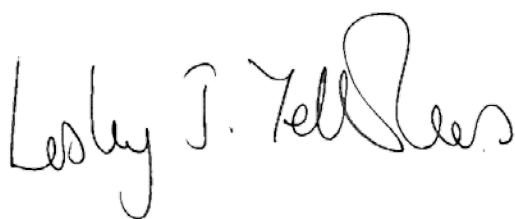
The notes on pages 40-69 form an integral part of the Financial Statements



Royal Society of Chemistry Balance Sheet as at 31 December 2013

		2013	2012
	Note	£000	£000
Fixed Assets			
Intangible Assets	10	538	540
Tangible Assets	11	11,175	11,226
Investments	12	83,066	78,056
		94,779	89,822
Current Assets			
Stock - Books and Paper		757	662
Debtors	13	13,708	9,713
Long Term Debtors	13	3,881	3,235
Cash at Bank and in Hand		18,820	16,084
		37,166	29,694
Current Liabilities			
Creditors	14	3,682	4,332
Deferred Income			
Journal and Membership Subscriptions	15	23,977	18,685
		27,659	23,017
Net Current Assets		9,507	6,677
Total Assets Less Current Liabilities		104,286	96,499
Net Assets Excluding Pension Liability		104,286	96,499
Defined Benefit Pension Liability	8	(3,695)	(7,025)
Net Assets Including Pension Liability	16	100,591	89,474
Accumulated Funds			
Unrestricted Funds:			
General Funds	20	77,340	70,538
Designated Funds	1	1,952	1,973
Pension Reserve	8	(3,695)	(7,025)
		75,597	65,486
Restricted Funds	19	24,994	23,988
Total Charity Funds		100,591	89,474

Approved by Council and authorised for issue on 10 April 2014



Professor Lesley Yellowlees, President

The notes on pages 40-69 form an integral part of the Financial Statements

Consolidated Cash Flow Statement for the Year Ended 31 December 2013

	2013	2012	
Note	£000	£000	
Net Cash Inflow from Operating Activities	2,834	1,717	
Returns on Investment and Servicing of Finance			
Investment income received	3,152	3,648	
Capital Expenditure and Financial Investment			
Purchase of Intangible Fixed Assets	10 (77)	(540)	
Purchase of Tangible Fixed Assets	11 (2,200)	(3,322)	
Purchase of Investments	12 (9,931)	(13,389)	
Net movements on cash held for investment	12 28	(93)	
Proceeds from Sale of Investments	12 9,470	8,198	
Net Financing Inflow/(Outflow) and Capital Expenditure	3,276	(3,781)	
Increase/(Decrease) in Cash	3,276	(3,781)	
	Net funds at start of year	Net funds at end of year	
	2012	Movement	
	£000	2013	
		£000	
Analysis of Change in Cash During the Year			
Cash at Bank and in Hand	16,655	3,276	19,931
Total	16,655	3,276	19,931
	2013	2012	
	£000	£000	
Reconciliation of Net Incoming Resources to Net Cash Inflow from Operating Activities			
Net Incoming Resources before transfers	4,111	6,696	
Depreciation and Amortisation	2,405	1,902	
Loss on disposal of fixed assets	118	-	
Investment Income (Note 3)	(3,474)	(3,648)	
Investment Income Reinvested	267	61	
(Increase) in Stock	(95)	(222)	
(Increase) in Debtors	(4,361)	(6,228)	
Increase in Creditors and Accruals	394	1,477	
Increase in Deferred Income	5,304	2,873	
Defined Benefit Pension payments	(1,674)	(1,362)	
Pension (Surplus)/Cost	(161)	168	
Net Cash Inflow/(Outflow) from Operating Activities	2,834	1,717	

Investment income directly reinvested relates to investment income which is not received as cash but is automatically reinvested into the fund which generated the income.

The notes on pages 40-69 form an integral part of the Financial Statements



Notes to the Financial Statements

1. Accounting Policies

Accounting Convention

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain investments and in accordance with the recommendations set out in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) published in March 2005, the Charities Act 2011, and applicable UK Accounting Standards. These have been reviewed by the Board of Trustees in accordance with Financial Reporting Standard ('FRS') 18, "Accounting Policies" and have been applied consistently, except where noted. The going concern basis of accounting is considered to be appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of The Society to continue as a going concern.

Consolidation

The consolidated statement of financial activities and the consolidated balance sheet include the financial statements of the charity and its subsidiaries, Chemistry Limited, RSC Worldwide Limited, Chemistry Innovation Limited and RSC Worldwide (US) Inc. consolidated on a line by line basis. Intra group transactions and profits are eliminated fully on consolidation.

Chemistry Limited and RSC Worldwide Limited are wholly owned subsidiaries of the RSC.

RSC Worldwide (US) is a wholly owned subsidiary of RSC Worldwide Limited.

33% of the shares in Chemistry Innovation Limited are owned by the Institution of Chemical Engineers (IChemE). The minority interest of the IChemE is shown in note 18 of the Financial Statements.

The Divisional Regions, Local Sections, Interest Groups and Benevolent Fund are separately constituted by Trust Deeds. Their results and net assets are consolidated in these Financial Statements.

No separate SoFA has been presented for the Society alone as permitted by paragraph 397 of the SORP. The amount of gross income and the surplus for the year is disclosed in note 20.

General Funds

The General Funds mainly represent undesignated monies earned from publishing activities that are held in the form of investments. The Funds are managed in order to maintain the Society's investment income stream and thus help finance the cost of the Society's charitable activities.

Designated and Restricted Funds

The Designated Funds relate to branches of the Society and include the Society's Local Sections, Regions and Interest Groups.

Designated Funds include a transfer from General Funds for grants of £274K made by the Society to Local Sections to support activities at that level. The gross transfer of funds shown on the SOFA is £12K due to a reclassification between the general fund and designated fund of £286K. Each Section has, as its objects, those that are embodied in the Society's Charter.

The income within the designated funds is taken and held directly by the Interest Groups and used solely for the purposes of that group. As such it is classified as designated fund income and not recognised as general fund income.

The Society's Restricted Funds are the Benevolent and Trust Funds and restricted grants.

The Benevolent Fund provides financial and non-financial assistance to the Society's members.

The various Trust Funds are restricted to specific aspects of the Society's activities. The income of the various Trust Funds finances lectureships, awards, prizes, and research grants.



1. Accounting Policies (continued)

The restricted grants are restricted to specific projects by the donors that further the Society's charitable activities. Income is recognised when the Society is entitled to the grant, which is usually when the grant is received, except for performance related grants: revenue for these is recognised when a specified output is achieved.

Revenue Recognition

Revenue from publishing activities is recognised in two separate ways, dependent on the specific product:

- Revenue for the sales of Institutional subscriptions, Package subscriptions & Consortium deals is recognised in equal monthly proportions during the subscription year.
- Revenue for the sales of Journal Archive & EBooks is recognised when the access of the product is passed to the customer.

Conference Income

Revenue for conferences is recognised in the year of the event.

Deferred Income

Income received in the year or invoiced in advance for Journal and Membership subscriptions relating to the following year is shown as deferred income in the Balance Sheet. The income is treated as incoming resources in the year the subscription covers. Conference income received in advance is deferred and treated as incoming resources in the year the respective conference is held.

Voluntary Income

Voluntary income, including legacies, is recognised in the SoFA when any conditions for receipt have been met and when the entitlement is certain and measurable. Amounts included are net of any legal or other fees paid, or payable, in connection with the income.

Investment Income

Investment income is recognised on an accruals basis and apportioned between funds on the basis of the level of funds invested.

Life Membership

Life membership subscriptions are accounted for on a received basis. In 2013 these subscriptions amounted to £11K relating to 34 members (2012: £21K, 43 members).

Intangible Income

No value has been placed on the support given to the Society by way of volunteer assistance. The Society has not received any other intangible income or gifts in kind.

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on a basis consistent with the use of resource.

Governance costs include expenditure on compliance with constitutional and statutory requirements.

Costs of generating funds include investment management fees and corporate fundraising costs. Fundraising costs include the salaries and overheads of the staff who directly undertake fundraising activities plus allocated support costs.



1. Accounting Policies (continued)

Apportionment of Support Costs

Support costs are all apportioned on the basis of head count for each of the departments.

Grants

Grants made by the Benevolent Fund are treated as outgoing resources as soon as they are approved by the Benevolent Fund Committee and as there is an expectation of receipt by the Beneficiary. Other grants made from Designated Funds represent grants made to Local, Regional and Interest Groups, which are treated on a cash payment basis.

Leases

Rentals under operating leases are charged to the SoFA on a straight-line basis over the lease term allocated to the charitable activities.

Taxation

The Royal Society of Chemistry is registered as a charity (Charity Commission Reference 207890) and as such the income arising from and expended on its charitable activities is exempt from Corporation Tax. It is also registered for Value Added Tax with HM Revenue and Customs and is subject to partial exemption rules. Any irrecoverable VAT is either included in fixed asset costs or in support costs that are then allocated to the charitable activities as applicable.

Intangible Fixed Assets

Intangible assets are capitalised at cost, including any directly attributable costs. These are currently amortised on a straight-line basis over a five year period. A full impairment review is carried out in the year of acquisition with consideration given in subsequent years to whether any indicator of impairment exists.

Tangible Fixed Assets and Depreciation

Items of a capital nature are capitalised at cost if their individual purchase price or the project price exceeds £1,000. Purchased software is capitalised at cost. Depreciation is charged on a straight-line basis. The main depreciation rates are as follows:

Leasehold Land and Buildings:

Leasehold Property	the lower of 2% - 5% or the life of the lease
--------------------	---

Fixtures, Fittings and Equipment:

Computer Software	20% - 33%
Personal Computers	25%
Other Computer Hardware	20%
Other Furniture	20% - 25%

Fixed Assets are written down to their realisable value if it is considered that there has been a permanent diminution in their value. Assets are reviewed annually for impairment.

Investments

Quoted investments are stated at market value at the Balance Sheet date. Account is therefore taken of both realised and unrealised gains in the Statement of Financial Activities (SoFA). Investment income is stated on an accruals basis. Unquoted investments are valued at the latest available bid valuation provided by the relevant fund.

Investment in Subsidiary Undertakings

Investments in subsidiary undertakings are stated at cost, but are written down to their realisable value if it is considered that there has been a permanent diminution in their value.

Stocks

Stocks are valued at the lower of cost and net realisable value and include publications and paper stocks.

1. Accounting Policies (continued)

Heritage Assets

No valuation is attributable to the library or other historic material in the Financial Statements. The Trustees believe that an accurate valuation of the historic collection is not possible. The Society was founded in 1841 and the library collection has been built over time to contain a large number of unique and irreplaceable historical items. Therefore due to the number of books held and the lack of comparable market values these assets have not been recognised on the balance sheet as any value attributed to these assets would be purely subjective and of limited practical use.

Recognition of Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefit as a result of past transactions or events.

Pensions

The Society has two types of pension scheme:

Defined contribution plan

For the defined contribution scheme, contributions are made to individual retirement plans and are currently set at between 10% to 12% of basic salary. The employee rate is a minimum of 5% to 7% of basic salary to qualify for the employer's contribution. The Society's contributions are charged to the SoFA during the period in which the employee is an active member of the scheme. The cost of administering the scheme and providing for death in service are met by the Society.

Defined benefit plan

The Society operates a defined benefit pension scheme. The Society closed the defined benefit plan to new entrants on 31 December 2002 and was closed to future accrual on 30 November 2011.

The pension liability recognised in the balance sheet is the obligation of the Society being the present value of the scheme's liabilities less the bid value of the assets in the scheme.

The pension costs for the scheme are analysed into (i) current service cost, (ii) past service cost, (iii) expected return on plan assets and (iv) interest on pension obligations. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the SoFA. Net expected return on the plan assets comprises the expected return on the plan assets less interest on scheme liabilities.

The actuarial gains and losses which arise from any new valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are taken to the SoFA.

Benevolent Fund House Nomination Rights

The Benevolent Fund has four contracts that allow it to nominate occupation of 22 units of sheltered housing. In accordance with FRS 11, the value is held as zero as these rights have no realisable value.



1. Accounting Policies (continued)

Foreign Currency

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date or at the appropriate forward contract rate. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction or at an appropriate average rate as allowed under SSAP 20. Exchange differences are taken into account in arriving at the operating result.

Forward exchange contracts are used to manage the exposure to foreign exchange rate risks related to US Dollar and Euro income and cash balances.

The balance sheet values of RSC Worldwide (US) Inc have been translated at the closing rate on 31 December 2013. The profit and loss transactions have been translated at an average rate for the year.

2. Voluntary Income

				2013	2012
	General Funds	Designated Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000	£000
Donations	5	55	542	602	567
Bequests and Legacies	2	-	27	29	314
Total	7	55	569	631	881

3. Investment Income

				2013	2012
	General Funds	Designated Funds	Restricted Funds	Total	Total
	£000	£000	£000	£000	£000
Assets in the UK					
Fixed Interest	1,840	-	661	2,501	2,481
Unit Trusts	250	-	62	312	307
Interest	75	16	18	109	338
Assets outside the UK					
Fixed Interest	164	-	66	230	243
Equities	322	-	-	322	279
Total	2,651	16	807	3,474	3,648

4. Total Staff Costs

	2013	2012
	£000	£000
Staff Costs were:		
Gross wages and salaries	17,705	15,641
National Insurance	1,800	1,624
Pension and related cost	1,594	853
Total	21,099	18,118

The number of employees who earned more than £60K (including taxable benefits in kind) during the year is shown below.

	2013	2012
Number of Employees		
Employee earnings:		
£60,000 - £69,999	10	9
£70,000 - £79,999	9	8
£80,000 - £89,999	8	2
£90,000 - £99,999	2	3
£100,000 - £109,999	3	2
£110,000 - £119,999	-	2
£120,000 - £129,999	3	1
£130,000 - £139,999	-	1
£170,000 - £179,000	1	-
£180,000 - £189,000	1	1

The number of employees who earned more than £60K, for whom pension benefits are accruing under the defined contribution scheme is 26 (2012: 19).

In 2013 the Society paid a total of £21K (2012: £22K) in respect of statutory and other employment severance-related payments.

The employer contributions made to the defined contribution pension scheme for employees who earned more than £60K were £236K (2012: £132K)

	2013	2012
Average Monthly Number of Employees		
Membership	35	30
House Journal	11	6
Conferences	8	7
Qualifications and Education	23	15
Publishing	258	204
Library	7	4
Scientific Affairs	47	47
Support	-	1
Management and Administration	86	94
International Development	14	11
Fundraising	2	3
Total	491	422



5. Total Resource Expended

General Funds

	Direct Staff Costs	Direct Costs	Support Costs	Total 2013	Total 2012
	£000	£000	£000	£000	£000
Cost of Generating Funds					
Costs of Generating Voluntary Income	130	111	58	299	279
Costs of Activities for Generating Funds	-	201	-	201	222
Investment Management Costs	-	66	-	66	64
Total	130	378	58	566	565
Charitable Activities					
Membership	1,286	1,007	928	3,221	3,071
House Journal	695	850	291	1,836	1,548
Conferences	268	179	219	666	466
Qualifications and Education	1,014	1,349	609	2,972	1,814
Publishing	10,646	10,684	6,792	28,122	25,823
Library	225	321	174	720	905
Scientific Affairs	3,083	2,512	646	6,241	4,910
International Development	6	177	369	552	573
Governance Costs	19	113	-	132	160
Sub Total	17,242	17,192	10,028	44,462	39,270
Total resources expended	17,372	17,570	10,086	45,028	39,835

Total staff costs include payments to temporary staff and contractors of £147K (2012; £84K).

Designated Funds

	Direct Staff Costs	Direct Costs	Support Costs	Total 2013	Total 2012
	£000	£000	£000	£000	£000
Charitable Activities					
Conferences	-	1,098	-	1,098	782
Total resources expended	-	1,098	-	1,098	782

Restricted Funds

	Direct Staff Costs	Direct Costs	Support Costs	Total 2013	Total 2012
	£000	£000	£000	£000	£000
Cost of Generating Funds					
Investment Management Costs	-	9	-	9	20
Total	-	9	-	9	20
Charitable Activities					
Membership	48	324	-	372	283
Conferences	-	-	-	-	-
Scientific Affairs	-	253	-	253	561
Qualifications and Education	-	345	-	345	947
Publishing	-	386	-	386	-
Governance Costs	-	-	-	-	2
Sub Total	48	1,308	-	1,356	1,793
Total resources expended	48	1,317	-	1,365	1,813

6. Support Costs - General Funds

	Management	Finance	Information Technology	Comms	Human Resources	Accomm.	Total 2013	Total 2012
	£000	£000	£000	£000	£'000	£000	£000	£000
Basis of Allocation	Head Count	Head Count	Head Count	Head Count	Head Count	Head Count		
Cost of Generating Voluntary Income	5	6	17	5	11	14	58	77
Costs of Activities for Generating Funds	-	-	-	-	-	-	-	3
Membership	72	100	278	88	166	224	928	768
House Journal	22	32	87	28	52	70	291	154
Conferences	17	24	65	21	39	53	219	180
Qualifications and Education	47	66	182	58	109	147	609	385
Publishing Activities	523	735	2,032	644	1,218	1,640	6,792	5,237
Library	14	19	52	16	31	42	174	103
Scientific Affairs	50	70	193	61	116	156	646	950
International Development	28	40	111	35	66	89	369	282
Total	778	1,092	3,017	956	1,808	2,435	10,086	8,139

7. Governance Costs

		2013	2012
		£000	£000
Trustee Expenses	Note 22	32	66
Legal Fees		18	21
Audit and Accounting Fees		62	55
Support staff Costs		20	20
Total		132	162

Analysis of Auditors Remuneration

	2013	2012
	£000	£000
Fees payable for the audit of the RSC and consolidated accounts - Baker Tilly UK Audit LLP	35	37
Fees payable for the audit of the RSC's subsidiaries		
- Baker Tilly UK Audit LLP	13	10
- Mitchell Charlesworth	9	-
Accounting, Tax and Other Services		
- Baker Tilly Tax and Accounting Limited	5	4
- PricewaterhouseCoopers	-	4
Total	62	55



8. Pension Fund

Group and Society

The Society operates a defined benefit (final salary) pension scheme. The scheme is closed to new entrants and provides benefits based on final pensionable pay. The assets are held separately from those of the Society and are invested in a fund administered by Investment Managers. Under the terms of the Trust Deed, the scheme is administered by the Pension Trustees who delegate routine administration to professional pension administrators.

Payment of £1,674K (2012; £1,200K) was made as a contribution towards the deficit. An additional payment of £Nil (2012; £162K) was made as a contribution towards the administration costs of the scheme as these costs were met directly by the society. The best estimate of contributions to be paid by the Society for the period commencing 1 January 2014 is £958K.

The scheme closed to future accrual on 30 November 2011. The recovery plan dated 20 March 2012 details future deficit reduction contributions of £958K per annum, payable in annual instalments due no later than 31 March each year until 31 March 2021.

The costs of administering the scheme are met directly by the Society.

A full actuarial valuation was carried out at 1 January 2011 and updated to December 2013 by a qualified independent actuary using approximate actuarial techniques and available information.

The overall expected rate of return of the plan assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

The scheme holds quoted securities and these have been valued at current bid-price.

The Society also operates a defined contribution scheme, the Society contributes between 10% and 12% of salary for employees making their own contribution of at least 5% to 7% of salary to the scheme. The contributions are administered by Investment Managers on behalf of the employees. The cost for the year to the employer was £1,437K (2012; £685K).

	Value at 31/12/13	Value at 31/12/12
	£000	£000
Employee benefit obligations		
Present value of funded obligations	93,097	90,643
Fair value of scheme assets	(89,402)	(83,618)
Deficit	3,695	7,025
Net liability	3,695	7,025

	Value at 31/12/13	Value at 31/12/12
	£000	£000
Statement of Financial Activities Impact		
Current service cost	157	151
Interest on obligation	3,806	4,093
Expected return on plan assets	(4,124)	(4,076)
Total (income)/expense	(161)	168

	Value at 31/12/13	Value at 31/12/12
	£000	£000
Amount recognised in the Statement of Financial Activities after net incoming resources		
Net actuarial gains recognised in year	1,495	72
Net cumulative actuarial gains	3,423	1,928

8. Pension Fund (continued)

	Value at 31/12/13	Value at 31/12/12
	£000	£000
Reconciliation of fair value of plan liabilities and assets		
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	90,643	84,740
Service cost	157	151
Interest cost	3,806	4,093
Actuarial losses	2,989	4,209
Benefits paid	(4,498)	(2,550)
Closing defined benefit obligation	93,097	90,643
Change in the fair value of plan assets:		
Opening fair value of plan assets	83,618	76,450
Expected return	4,124	4,076
Actuarial gains	4,484	4,280
Contributions by employer	1,674	1,362
Benefits paid	(4,498)	(2,550)
Closing fair value of plan assets	89,402	83,618

	At 31/12/13	At 31/12/12
	%	%
Principal actuarial assumptions at the balance sheet date		
Rate of discount	4.50	4.30
Inflation (RPI)	3.40	2.25
Inflation (CPI)	2.40	2.00
Salary increases until 2019	4.65	3.50
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.40	2.00
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.30	2.25
Allowance for pension in payment increases of RPI or 3.5% p.a. if less	2.80	2.10
Allowance for commutation of pension for cash at retirement	70% of Post A Day	70% of Post A Day

	At 31/12/13	At 31/12/12
The mortality assumptions adopted at 31 December 2013 imply the following life expectancies: at age 60 (years)		
Male retiring in 2013 (2012)	26.9	26.8
Female retiring in 2013 (2012)	29.2	29.1
Male retiring in 2033 (2032)	28.9	28.8
Female retiring in 2033 (2032)	31.3	31.2

	At 31/12/13	At 31/12/12
	%	%
Assets in the plan as a percentage of total plan assets		
Equities and Diversified Growth Funds	60	59
Bonds	39	41
Cash	1	0

	Period commencing 1 January 2013 % per annum	At 1 January 2012 % per annum
The expected long term rates of return applicable for each period are as follows:		
Equities and Diversified Growth Funds	5.90	6.00
Bonds	4.10	4.75
Cash	0.50	0.50
Overall for scheme	5.02	5.37



8. Pension Fund (continued)

	2013	2012
	£000	£000
Actual return on plan assets	8,608	8,356

	2013	2012	2011	2010	2009
	£000	£000	£000	£000	£000
History of experience gains and losses					
Defined benefit obligation	(93,097)	(90,643)	(84,740)	(88,755)	(84,606)
Plan assets	89,402	83,618	76,450	73,495	67,299
Deficit	(3,695)	(7,025)	(8,290)	(15,260)	(17,307)
Experience adjustments on plan liabilities	66	1,752	5,424	2,309	200
Experience adjustments on plan assets	4,484	4,280	(2,217)	2,191	7,995

	2013	2012
	£000	£000
Movement in net liability during the year		
Net liability at beginning of the year	7,025	8,290
<i>Movement in year</i>		
Employer's current service cost	157	151
Employer's contributions	(1,674)	(1,362)
Expected return on plan assets	(4,124)	(4,076)
Actual return less expected return on plan assets	(4,484)	(4,280)
Interest on pension liabilities	3,806	4,094
Experience gains arising on the plan liabilities	(66)	(1,752)
Changes in assumptions underlying the plan liabilities	3,055	5,960
Total movement	(3,330)	(1,265)
Deficit in plan at end of the year	3,695	7,025

Defined Contribution Scheme		
	2013	2012
	£000	£000
Employer contributions	1,437	685

9. Operating Leases

Charges under operating leases to the Statement of Financial Activities during the year were as follows:

	2013	2012
	£000	£000
Furniture and Equipment	60	57
Land and Buildings	3	3
	63	60

At 31 December the Group was committed to making the following payments during the next year in respect of operating leases:

	2013		2012	
	Land and Buildings	Furniture and Equipment	Land and Buildings	Furniture and Equipment
	£000	£000	£000	£000
Leases which expire:				
Within two to five years	-	60	-	57
Over five years	3	-	3	-
	3	60	3	57



10. Intangible Fixed Assets

Group

	Index	Database	Total
	£000	£000	£000
Cost			
Balance at 1 January 2013	540	1,042	1,582
Additions	-	77	77
Balance at 31 December 2013	540	1,119	1,659
Accumulated Depreciation			
Balance at 1 January 2013	-	729	729
Charge for Year	73	215	288
Balance at 31 December 2013	73	944	1,017
Net Book Value at 31 December 2013	467	175	642
Net Book Value at 31 December 2012	540	313	853

Society

	Index	Database	Total
	£000	£000	£000
Cost			
Balance at 1 January 2013	540	-	540
Additions	-	77	77
Balance at 31 December 2013	540	77	617
Accumulated Depreciation			
Balance at 1 January 2013	-	-	-
Charge for Year	73	6	79
Balance at 31 December 2013	73	6	79
Net Book Value at 31 December 2013	467	71	538
Net Book Value at 31 December 2012	540	-	540

The intangible asset index relates to the intellectual property rights of The Merck Index acquired for \$750k by the RSC during 2012.

The intangible asset database relates to ChemSpider owned by RSC Worldwide Limited and MarinLit owned by the RSC.

RSC Worldwide Limited is a wholly owned subsidiary of the Royal Society of Chemistry.

11. Tangible Fixed Assets

Group

	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Total
	£000	£000	£000
Cost			
Balance at 1 January 2013	8,510	12,071	20,581
Additions	-	2,200	2,200
Disposals	(37)	(164)	(201)
Balance at 31 December 2013	8,473	14,107	22,580
Accumulated Depreciation			
Balance at 1 January 2013	3,696	5,601	9,297
Disposals	-	(83)	(83)
Charge for Year	284	1,833	2,117
Balance at 31 December 2013	3,980	7,351	11,331
Net Book Value at 31 December 2013	4,493	6,756	11,249
Net Book Value at 31 December 2012	4,814	6,470	11,284

Society

	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Total
	£000	£000	£000
Cost			
Balance at 1 January 2013	8,510	11,887	20,397
Additions	-	2,148	2,148
Disposals	(37)	(164)	(201)
Balance at 31 December 2013	8,473	13,871	22,344
Accumulated Depreciation			
Balance at 1 January 2013	3,717	5,454	9,171
Disposals	-	(83)	(83)
Charge for Year	284	1,797	2,081
Balance at 31 December 2013	4,001	7,168	11,169
Net Book Value at 31 December 2013	4,472	6,703	11,175
Net Book Value at 31 December 2012	4,793	6,433	11,226

Heritage Assets

As one of the foremost chemical societies in the world, the RSC is the guardian of an extensive historical collection of over 3,500 books, the oldest of which dates back to 1505, and over 2,000 journals. The collection is primarily composed of materials from the Chemical Society, further augmented by the collections of other societies and further added to by donations, bequests and loans.

The library provides access to items of interest to walk in visitors, whilst other, older and more valuable items are kept securely elsewhere throughout Burlington House. Many of the items within the collection are irreplaceable originals to which no reliable value can be attributed.

Accordingly, these assets are not capitalised in the financial statements. The Trustees take the view that any further and detailed particulars of the numerous items making up this collection would unduly clutter the accounts and thus detract from their primary purpose.

Due to the importance of the collection the RSC has a policy to not dispose of any items held within it.

There were no disposals and 12 new additions to the collection during 2013. All additions in the period were donated to the collection.



12. Fixed Asset Investments

Group and Society

	General Funds	Restricted Funds	2013 Total Funds	2012 Total Funds
	£000	£000	£000	£000
Investments listed on recognised stock exchange in the UK				
Fixed Interest	24,086	10,957	35,043	44,103
Unit Trusts	7,413	1,564	8,977	8,702
Investments listed on recognised stock exchange outside the UK				
Fixed Interest	4,082	1,645	5,727	5,879
Equities	30,364	2,338	32,702	19,166
Property	307	-	307	-
Total investments listed on recognised stock exchange	66,252	16,504	82,756	77,850
Cash held for investment	100	36	136	108
Liquid assets within funds	174	-	174	98
Total investments	66,526	16,540	83,066	78,056

	General Funds	Restricted Funds	2013 Total Funds	2012 Total Funds
	£000	£000	£000	£000
Market value at 1 January	61,762	16,294	78,056	66,312
Less: Disposal proceeds including share exchanges	(7,600)	(1,870)	(9,470)	(8,198)
Add: Purchases at cost including share exchanges	8,037	1,894	9,931	13,389
Realised and unrealised gains	4,304	217	4,521	6,646
Net movements on cash held for investment	23	5	28	(93)
Market value at 31 December	66,526	16,540	83,066	78,056

Material Investments which represent greater than 5% of total Fixed Asset Investments by market value included above are as follows:

	2013	2012
	£000	£000
BlackRock UK Fixed Interest Corporate Bonds	12,658	13,104
BlackRock Global Fixed Interest Corporate Bonds	5,727	5,879
Royal London Asset Management Corporate Bonds	8,107	8,248
Royal London Asset Management Sterling Extra Yield Bond Fund	14,277	22,771
Sarasin & Partners Equisar Global Thematic Fund	10,814	8,870
Schroder QEP Global Active Fund	11,146	9,072
Schroder Exempt Property Units	8,976	8,422
Kames Global Equity Income Fund	9,426	-

12. Fixed Asset Investments (continued)

Society

	Note	Investment	Capital and Reserves
		£	£000
RSC Worldwide Limited*	18	100	(3,670)
Chemistry Innovation Limited**	18	67	19
RSC Worldwide (US) Inc***	18	6,250	83
Chemistry Limited*	18	2	(1)

* RSC owns 100% of the Issued Share Capital.

** RSC owns 67% of the Issued Share Capital.

*** RSC Worldwide Limited owns 100% of the Issued Share Capital.

RSC Worldwide Limited is registered in England and Wales and its principal activity is to enable the RSC to operate internationally.

Chemistry Innovation Limited is registered in England and Wales and its principal activity is supporting innovation in chemistry.

RSC Worldwide (US) Inc is registered in the State of North Carolina, USA and its principal activity is to enable RSC Worldwide Limited to operate in the US.

Chemistry Limited is registered in England and Wales and its principal activity is to facilitate the non primary purpose trading of the RSC.

RSC Worldwide Limited is in the process of setting up a Wholly Foreign Owned Entity in China and a Wholly Owned Subsidiary in India. Both are expected to become fully functioning in 2014.



13. Debtors

Group

	2013	2012
	£000	£000
Trade Debtors	10,932	6,619
Other Debtors	865	1,006
Prepayments and Accrued Income	2,702	2,513
	14,499	10,138

Included in other debtors for 2013 is £nil (2012: £150K) which is due after one year relating to donations and £63K (2012: £31k) in relation to Programme Related Investments.

Society

	2013	2012
	£000	£000
Trade Debtors	10,708	6,486
Other Debtors	827	957
Amounts due from group undertakings	4,108	3,235
Prepayments and Accrued Income	1,946	2,270
	17,589	12,948

Included in other debtors for 2013 is £nil (2012: £150K) which is due after one year relating to donations and £63K (2012: £31k) in relation to Programme Related Investments.

The amounts due from group undertakings includes a loan to RSC Worldwide Limited by the RSC which is subject to interest charged at LIBOR plus 2% and this is due in more than one year. The loan balance at 31 December 2013 was £3,881K (2012: £3,211K). This loan is unsecured.

The loan to RSC Worldwide Limited has not been impaired by the RSC as there is an expectation the revenues generated by the ChemSpider asset will increase over the next three years and together with opportunities to expand activities overseas a reduction in the loan can be anticipated within the next three years. The activities of RSC Worldwide Limited are fully supported by the RSC as these activities are furthering the Charities objectives.

14. Creditors

Amounts falling due within one year

Group

	2013	2012
	£000	£000
Trade Creditors	1,384	2,168
Other Creditors	1,390	1,205
Taxes	35	35
Accruals	2,636	1,643
	5,445	5,051

Society

	2013	2012
	£000	£000
Trade Creditors	1,303	2,101
Other Creditors	214	431
Amounts due to group undertakings	40	200
Accruals	2,125	1,600
	3,682	4,332

15. Deferred Income

Amounts falling due within one year

Group

	2013	2012
	£000	£000
Journal Subscriptions		
Balance at 1 January	17,174	14,353
Amounts released in year	(17,174)	(14,353)
Amounts deferred in year	22,701	17,174
Balance at 31 December	22,701	17,174
Membership Subscriptions		
Balance at 1 January	1,511	1,459
Amounts released in year	(1,511)	(1,459)
Amounts deferred in year	1,288	1,511
Balance at 31 December	1,288	1,511

Society

	2013	2012
	£000	£000
Journal Subscriptions		
Balance at 1 January	17,174	14,353
Amounts released in year	(17,174)	(14,353)
Amounts deferred in year	22,689	17,174
Balance at 31 December	22,689	17,174
Membership Subscriptions		
Balance at 1 January	1,511	1,459
Amounts released in year	(1,511)	(1,459)
Amounts deferred in year	1,288	1,511
Balance at 31 December	1,288	1,511



16. Analysis of Net Assets Between Funds

Group

	General Funds	Designated Funds	Restricted Funds	Total
	£000	£000	£000	£000
Fund Balances at 31 December 2013 are represented by:				
Tangible Assets	11,249	-	-	11,249
Intangible Assets	642	-	-	642
Investments	66,526	-	16,540	83,066
Net Current Assets/(Liabilities)	(4,654)	1,952	8,454	5,752
Pension Liability	(3,695)	-	-	(3,695)
Total Net Assets	70,068	1,952	24,994	97,014

Society

	General Funds	Designated Funds	Restricted Funds	Total
	£000	£000	£000	£000
Fund Balances at 31 December 2013 are represented by:				
Tangible Assets	11,175	-	-	11,175
Intangible Assets	538	-	-	538
Investments	66,526	-	16,540	83,066
Net Current Assets/(Liabilities)	(899)	1,952	8,454	9,507
Pension Liability	(3,695)	-	-	(3,695)
Total Net Assets	73,645	1,952	24,994	100,591

17 Financial Derivatives

Given the level of Publishing sales in US\$ and Euro paid in advance, forward exchange contracts are used to manage exposure to currency exchange risk. Contracts to the value of US\$29,000K and €480K were entered into during the year ended 31 December 2013 (2012: US\$7,000K and €250K). Contacts totalling US \$20,000K and €480K (2012: US\$ 14,000K and €250K) matured during 2013. As at 31 December 2013 US \$18,000K is outstanding and will mature in 2014.

	2013	2012
	£000	£000
Gains/(losses) on Forward Contracts	479	(57)

18. Investment in Subsidiaries

	Chemistry Innovation Limited		RSC Worldwide Limited		RSC Worldwide (US) Inc		Chemistry Limited	
	2013	2012	2013	2012	2013	2012	2013	2012
	£000	£000	£000	£000	£000	£000	£000	£000
Profit and Loss Account								
Turnover - Publishing	-	-	512	670	1,215	1,082	-	-
Turnover - Science and Technology	1,783	1,725	1,567	862	-	-	-	-
Turnover - non Primary Purpose	-	-	-	-	-	-	358	251
Cost of Sales - Publishing	-	-	(1,237)	(1,352)	(1,206)	(951)	-	-
Cost of Sales - Science and Technology	(1,788)	(1,720)	(1,564)	(731)	-	-	-	-
Cost of sales - non Primary Purpose	-	-	-	-	-	-	(358)	(251)
Operating Profit/(Loss)	(5)	5	(722)	(551)	9	131	-	-
Interest Receivable/(Payable)	-	-	(91)	(81)	-	-	-	-
Tax Payable	-	-	(51)	-	(112)	-	-	-
Net Profit before and after Taxation	(5)	5	(864)	(632)	(103)	131	-	-
Balance Sheet								
Fixed Assets								
Tangible Assets	-	-	72	55	2	3	-	-
Intangible Assets	-	-	104	313	-	-	-	-
Investments	-	-	6	6	-	-	-	-
Current Assets								
Debtors	770	254	111	119	57	173	139	81
Cash at Bank	884	513	89	39	45	18	93	-
Current Liabilities								
Creditors	(1,635)	(743)	(4,052)	(3,338)	(21)	(8)	(233)	(81)
Net Assets/(Liabilities)	19	24	(3,670)	(2,806)	83	186	(1)	(1)
	£000	£000	£000	£000	£000	£000	£000	£000
Intercompany Balances								
Debtor	-	-	11	-	51	172	5	15
Creditor	(5)	-	(3,892)	(3,235)	(11)	-	(227)	-



18. Investment in Subsidiaries (continued)

The Consolidated Balance Sheet on page 41 incorporates the above balance sheets of these subsidiary companies after elimination of the intercompany debtor and creditor balances due to and from the Society.

The Net Assets of Chemistry Innovation Limited include a minority interest of £6K in respect of the IChemE shareholding. This has not been recognised separately on the basis of materiality.

The directors of RSC Worldwide Limited and Chemistry Limited have passed a resolution to Gift Aid any taxable profits made to the RSC.

The interest charged of the intercompany balance owed by RSC Worldwide Limited is the British Bankers Association London Interbank Offered Rate plus 2%. The loan is unsecured and was set up for a term of three years from 7 May 2012.

The Intercompany balances due from RSC Worldwide (US) Inc are free from interest and repayable on demand.

The activities of RSC Worldwide Limited span across Scientific Affairs, Publishing, Membership and Education. RSC Worldwide Limited is a wholly owned subsidiary of the RSC. The accounts of RSC Worldwide Limited have been prepared on the going concern basis, on the understanding that the RSC will continue to financially support the company for the foreseeable future. The levels of revenue generated by the ChemSpider asset are expected to increase over the next one to three years. International activities are planned to increase, notably in China, where these operations are expected to show a surplus from 2015.

RSC Worldwide Limited is in the process of setting up a Wholly Foreign Owned Entity in China and a Wholly Owned Subsidiary in India. Both are expected to become fully functioning in 2014.

The activities of Chemistry Limited fall within non primary purpose and is wholly owned by the RSC. The activities of Chemistry Innovation Limited fall entirely within Scientific Affairs. RSC owns 67% of the share capital of Chemistry Innovation Limited. The accounts for Chemistry Innovation Limited have been prepared on a break-up basis.

19. Restricted Funds

Group and Society

	Movement in Funds				Balance at 31 December
	Balance at 1 January	Incoming Resources	Expenditure	Gains on Investment Assets	
	2013				
	£000	£000	£000	£000	2013
Benevolent Fund	12,488	472	(107)	126	12,979
Trust Funds (Note 23)	9,076	405	(263)	91	9,309
Grant Income	2,427	1,274	(995)	-	2,706
Total	23,991	2,151	(1,365)	217	24,994

The RSC Benevolent Fund operates within a well defined strategy to provide a flexible range of financial and non-financial help to members and their dependants to relieve poverty.

20. Royal Society of Chemistry

Summary Unconsolidated Statement of Financial Activities of the Society

	2013	2012
	£000	£000
Total Incoming Resources	49,183	45,809
Total Resources Expended	(44,082)	(38,632)
Net incoming resources before recognised gains and losses	5,101	7,177
Gains on investment assets	4,521	6,520
Actuarial gains on defined benefit pension scheme	1,495	72
Net Movement in Funds	11,117	13,769
Fund Balances brought forward at 1 January	89,474	75,705
Fund Balances carried forward at 31 December	100,591	89,474



21. Connected Charities

Sir George Beilby Memorial Fund

	2013	2012
	£000	£000
Accumulated Fund	57	51
Represented by:		
Investments	71	64
RSC Creditor	(14)	(13)
	57	51

This fund is jointly administered by the Society, the Society of Chemical Industry, and the Institute of Materials. The Society's share of the above figures are not included in the Statement of Financial Activities, Society's Balance Sheet or Consolidated Balance Sheet on the basis of materiality.

22. Transactions with Trustees

Trustees' Royalty Payments

	2013	2012
	£	£
Name of Member		
Prof D Phillips	298	197
Prof P O'Brien - retired from Council July 2012	-	2,041
Prof A Rodger	55	-
Total Trustees' Royalty Payments	353	2,238

The Trustees' royalty payments were relating to contributions made to RSC publications. The payments are made in accordance with a formal Memorandum of Agreement.

No Trustees received or waived remuneration during the year (2012: £nil)

Reimbursement of Trustees' Expenses

An amount of £32,400 was reimbursed to 15 (2012: 18) Trustees in respect of travel to meetings and related expenses in 2013 (2012: £65,644).

Trustees' Indemnity Insurance

The amount paid in 2013 for Trustees' Indemnity Insurance was £5,000 (2012: £5,000).

Related Parties

The Society has taken advantage of the exemption included in Financial Reporting Standard No.8 'Related Party Disclosures' for wholly owned subsidiaries not to disclose transactions with entities that are part of the group.

23. Trust and Lecture Funds

Fund Balances as at 31 December

	2013				2012	
	Opening Balance	Accumulated Investment Movement	Income	Expenditure	Closing Balance	Closing Balance
	£000	£000	£000	£000	£000	£000
Appleyard Fund	54	1	2	2	55	54
Ethel Behrens Fund	33	-	1	1	33	33
William Briggs Fund	185	2	8	8	187	185
Centenary Fund	533	7	24	23	541	533
Chemical Council Fund	105	1	4	33	77	105
Corday Morgan Medal and Prize Fund	224	3	10	18	219	224
Corday Morgan Memorial Fund	719	9	32	3	757	719
Faraday Lecture Fund	32	-	1	4	29	32
Robert John Flintoff Trust	30	-	1	1	30	30
Edward Frank Harrison Memorial Trust	27	-	1	-	28	27
Haworth Memorial Fund	21	-	1	2	20	21
Liversidge Lecture Fund	33	-	1	-	34	33
Pedler Lecture Fund	44	1	2	5	42	44
Research Fund	1,429	1	64	26	1,468	1,429
Robert Robinson Lecture Fund	113	1	5	5	114	113
Saville Fund	116	1	5	5	117	116
Simonsen Lecture Fund	24	-	1	-	25	24
Tilden Lecture Fund	191	2	8	17	184	191
Ronald Nyholm Lecture Fund	26	-	1	6	21	26
Christopher Ingold Lecture Fund	29	-	1	3	27	29
Spiers Memorial Fund	30	-	1	4	27	30
Bourke Lecture and Medal Fund	14	-	1	2	13	14
Marlow Medal and Award Fund	77	1	3	3	78	77
John Jeyes Lectureship Fund	47	1	2	1	49	47
BOC (Gases Division) Trust	161	2	7	-	170	161
Edward Horton Bequest	57	1	3	-	61	57
Ludwig Mond Trust	96	1	4	5	96	96
Industrial Division Endowment Lecture Fund	119	2	5	-	126	119
Henderson Memorial Lecture Fund	34	-	2	-	36	34
PF Frankland Memorial Lecture Fund	65	1	3	3	66	65
W J Hickinbottom Bequest	1,347	17	61	4	1,421	1,347
Whittle Memorial Fund	14	-	1	-	15	14
R A Robinson Memorial Fund	160	2	7	-	169	160
E Frankland Prize and Lecture Fund	28	-	1	1	28	28
Barrer Award	28	-	1	-	29	28
A Spinks Symposia Fund	98	1	6	2	103	98
Rhone –Poulenc Lectureship	29	-	1	5	25	29
Marriot Legacy	192	2	9	6	197	192
A Robertson Bequest	172	2	8	-	182	172
E Frankland Fellowship	78	1	4	2	81	78
W A Waters	213	3	10	7	219	213
J O Cutter	701	9	32	30	712	701
S F Boys – A Rahman Lecture Fund	26	-	1	2	25	26



23. Trust and Lecture Funds

Fund Balances as at 31 December (continued)

	2013				2012	
	Opening Balance	Accumulated Investment Movement	Income	Expenditure	Closing Balance	Closing Balance
	£000	£000	£000	£000	£000	£000
C Sulzbacher	87	1	4	4	88	87
A Albert	556	7	25	12	576	556
J Chatt Lectureship	54	1	2	2	55	54
G Wilkinson Lectureship	69	1	3	-	73	69
Colman-Porter Fund	291	4	13	1	307	291
Memorial Fund	107	1	5	4	109	107
Bill Carruthers Lectureship	19	-	1	-	20	19
Brian Scarlett Memorial Fund	2	-	-	-	2	2
Lord Lewis Award	15	-	1	-	16	15
Charles Rees Award	91	1	4	-	96	91
Harry Shalgosky Bequest	31	-	1	1	31	31
Total	9,076	91	405	263	9,309	9,076

Represented by:

Investments	7,663	7,636
Balance at Banks (inc. Deposits)	29	21
Funds invested by RSC on behalf of Trust Fund	1,582	1,419
Accrued Income	69	-
	9,343	9,076
Less: Sundry Creditors	(3)	(3)
Accrued Expenses	(31)	-
Value of Funds reflecting Investments at Market Value	9,309	9,073

Note 23 Trust and Lecture Funds (continued)

Further details regarding Trust Funds with an accumulated balance in excess of £250k are disclosed below.

A Albert

The fund was founded in 1962 by a bequest from Adrien Albert. The fund gives financial support to lecturers and prizes likely to promote interest in the study of the laws connecting chemical structure with biological activity.

Centenary Fund

In July 1947 the Chemical Society celebrated the centenary of its foundation which was commemorated by the creation of a capital fund. The fund is administered by the Council of the Society and the interest earned on the capital investment is employed to further the objectives of the Society, such as, the promotion of international interchange of new chemical knowledge.

Colman-Porter Fund

The fund was founded in 1999 following a bequest from Mrs I V Colman-Porter for the purpose of helping needy but able post-graduate chemistry students. The capital is invested and the interest used to provide bursaries to students to allow their attendance at courses peripheral to their research but essential to their understanding of the world of business and current practises in industry.

Corday Morgan Memorial Fund

The fund was founded in 1940 following a bequest by Sir Gilbert Morgan. The funds are to be applied for the unification of the chemical professions within the British Empire by grants or other awards to the Chemical Council or to any other representative body of British Chemists in such a manner as the Chemical Society may in their absolute and uncontrolled discretion determine.

J O Cutter

The fund was founded in 1987 following a bequest by John Cutter. The income from the bequest is to establish and maintain a scholarship at a university approved by The Royal Society of Chemistry.

Hickinbottom Fund

The fund was founded in 1979 and incorporates the William Briggs Scholarship. The funds are used to endow a prize for notable contributions to the practice of organic chemistry.

Research Fund

The fund has been established to promote original research in the science of chemistry. The fund is administered by the Chemical Society and are awarded by the Research Fund Committee which is authorised to make a limited number of awards in any one year.





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