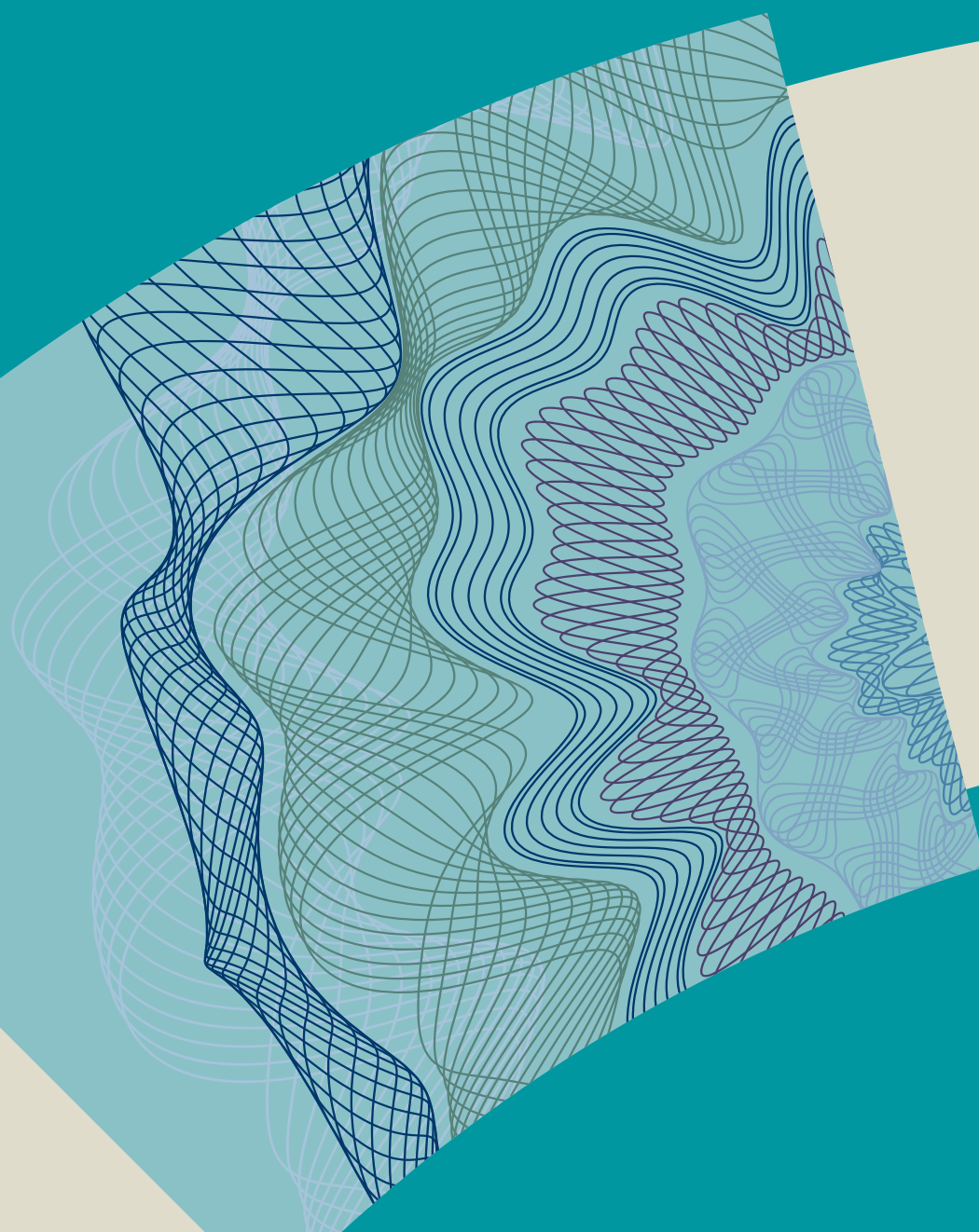




Royal Society of Chemistry **Financial Statements and Trustees' Report 2014**



Contents

We are the world's leading chemistry community and our mission is to advance excellence in the chemical sciences.

Welcome from the President	1
Trustees' Report	2
Objectives and Strategy	2
Achievements and Performance	3
Plans for the Future	11
Benevolent Fund	12
Financial Review	13
Structure, Governance and Management	16
Subsidiary Companies	20
Reference and Administrative Details	22
Auditor, Bankers and other Professional Advisors	23
RSC Council for the year 1 January 2014 to 31 December 2014	24
Responsibilities of the Trustees	25
Independent Auditors' Report to the Members of the Royal Society of Chemistry	26
Consolidated Statement of Financial Activities for year ended 31 December 2014	27
Consolidated Balance Sheet as at 31 December 2014	28
Royal Society of Chemistry Balance Sheet as at 31 December 2014	29
Consolidated Cash Flow Statement for year ended 31 December 2014	30
Notes to the Financial Statements	31



Welcome from the President



From my days as an eager young undergraduate at the University of Southampton, through to my time as Vice President of Research at Unilever, and my current position as Director of CECAM, I have been a proud member of the Royal Society of Chemistry. My professional body has been there for me for my entire working life, and I'm now honoured to serve as President until 2016.

I was immensely proud to deliver the closing address at our General Assembly in Manchester this year, where I discussed our strategy and activities with our most engaged and generous members. I took the opportunity to outline the priorities for my presidency, and I'm delighted to relay in this Trustees' Report that we have made significant progress in these areas and in many more.

My predecessor, Professor Lesley Yellowlees, made diversity and inclusion the clear theme of her presidency. Diversity should permeate through the bedrock of everything that we do; it's not something that we can allow to come and go as presidents come and go. So we can be proud, I feel, of the great service Lesley has continued to give us as chair of our newly-formed Inclusion & Diversity Committee, as well as the more than 50% increase in the proportion of female Fellows following our targeted efforts.

With experience in both industry and academia, I'm driven to support closer relationships between the two – this is where true innovation is born. Through schemes like EnterprisePlus providing much needed support for chemistry Small and Medium Enterprises (SME's) and increased training and networking support that brings scientists in both fields together, I feel we are making a real difference and opening new routes to collaboration.

Greater access to scientific information – specifically open access publishing – offers exciting opportunities to the chemistry community, and I'm pleased that we are leading the way with bold initiatives such as making our flagship journal, Chemical Science, Gold Open Access from 2015. As we build a better understanding of the needs of the community, we will continue to offer new ways of sharing your best scientific research with the widest possible audience.



Our members offer so much dedication, generosity and passion, but one particular area I would like to highlight is campaigning. For our policy campaigns, launched in 2014, we have seen over a thousand emails from members to their MPs, enhancing our campaign messages with personal stories and local issues. As we receive more feedback from parliamentarians and policymakers about the impact we are making, I know I can count on our members to keep campaigning for the chemical sciences.

None of the fantastic achievements in this report would be possible without the tireless efforts of our employees, representatives and, most importantly, our 51,000 members around the world. I thank each and every one of you for your continued support for chemistry, and for playing a vital role in making us the world's leading chemistry community.

Trustees' Report

Objectives and Strategy

We are the world's leading chemistry community and our mission is to advance excellence in the chemical sciences.

This has been the case since 1841 when 77 scientists – including doctors, academics, manufacturers and entrepreneurs – formed the Chemical Society of London, with dialysis inventor Thomas Graham as its first President. Seven years later Queen Victoria granted a Royal Charter to the Society, confirming its purpose of “the general advancement of Chemical Science”.

Our objectives as laid out in our Charter are:

- to foster and encourage the growth and application of such 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.

After 173 years our mission is just as relevant and valid, but we pursue it on a scale those initial 77 members would find inconceivable. We now have over 51,000 members across the world, an internationally-renowned and award-winning not-for-profit knowledge business, and a reputation as an influential champion for the chemical sciences. Our global community now spans hundreds of thousands of scientists, librarians, teachers, students, pupils and people who love chemistry.

To most effectively and efficiently achieve our mission of advancing excellence in the chemical sciences, we will bring together chemical scientists and help them to share their knowledge and ideas – we will connect the world with the chemical sciences.

From the first Chemical Society meeting in 1841 to the present day, we have used our three core strengths to advance excellence in the chemical sciences:

- our reputation as a globally-trusted provider and interpreter of top-quality, accessible chemical science **knowledge**;
- our deep understanding of the needs and solutions for developing **skills** in the chemical sciences at all levels; and
- our ability to create, facilitate and grow the chemical sciences **community**.

These core strengths reflect our strategic priorities as an organisation – how we can best use our talents and resources to achieve our mission: by connecting people with the chemical sciences through knowledge, skills and community.

We must also engage our members to the fullest – as members both lead and support our organisation – and ensure we build a strong, sustainable organisation that will endure with growing success and influence, as it has done for over 170 years. To this end we also place strategic priority on **member engagement** and **organisational strength**.

2014	2013
Revenue of £53.94 million	Revenue of £51.60 million
Investment of £55.20 million	Investment of £47.49 million
91% membership retention	89% membership retention
8.2% of Fellows are female	5.4% of Fellows are female
1.6 million unique visitors to Learn Chemistry ¹	970,000 unique visitors to Learn Chemistry
242 new Registered Scientists certified	120 new Registered Scientists certified
256 new Chartered Chemists certified	200 new Chartered Chemists certified
36,251 published journal articles	27,237 published journal articles
33 million article downloads	24.2 million article downloads
51,561 core members	49,114 core members
17,345 ChemNet members ²	7,008 ChemNet members
2,227 Learn Chemistry Partnership members ³	N/A
180 companies signed up as EnterprisePlus members ⁴	55 companies signed up as EnterprisePlus members

¹ Learn Chemistry is our online teaching and learning platform

² ChemNet is our community for 14- to 18-year-olds interested in chemistry

³ Learn Chemistry Partnership is a free programme for schools, which includes membership for teachers, discounts on products and services, and special schools-only content

⁴ EnterprisePlus is our service for micro, small and medium-sized companies, giving access to networks, tools and funding opportunities

Achievements and Performance

"The meeting was in a nice atmosphere, interesting topics were included during the meeting and the reception after the meeting was very useful to meet RSC people."

"It brought to my attention several ways in which I can get more out of my membership."

"A good chance to chat with old friends and meet new members. An opportunity to hear how the society is exploring the best ways to communicate chemistry to the nation."

Feedback from regional member meetings



Member Engagement

Our members are an essential part of the fabric of the Royal Society of Chemistry.

They form the core of our governance and decision-making processes, and they contribute to and sign off our strategies and budgets. Employees and representatives are accountable to them, and our Charter mandates that we take our lead from them and support them in advancing excellence in the chemical sciences.

But they also deliver our strategy on the ground. They are scientists, they are teachers, they are students, and they are campaigners. They inspire children and they connect with the elderly. They organise events, they give careers talks, and they represent us to their MPs.

We are implementing specific plans to more deeply incorporate the members into all levels of operation at the Royal Society of Chemistry – from strategic development to on-the-ground delivery – and have made significant progress in 2014.

Headline achievements in 2014

- Our member retention rate rose to 91%.
- We increased attendance at our nine Regional Meetings by 30%, and attracted record attendance to our General Assembly in Manchester, where members discussed and challenged organisational strategy.
- We completed a review project that explored how we could best communicate with members, and how best to facilitate member-to-member communication. The recommendations of the review are being taken forward in 2015.
- Our members sent more than 1,000 emails to their MPs communicating our campaign messages, many of whom received supportive responses.

Knowledge

Strategic objective: make the best chemical science knowledge accessible to all those who need it.

We are one of the world's leading sources of reliable chemical science knowledge. Our global chemistry community contains the expertise of hundreds of thousands of people, we have over 170 years' worth of chemical science research publications, data and conference reports, and we publish tens of thousands of high-quality primary research articles, reviews and books each year.

Our goal is to connect people with chemical science knowledge by harnessing all of our information and expertise and making it easily accessible.

Publishing and data

As a leading chemical science publisher, we build on our success by increasing the quality, quantity and accessibility of our portfolio. We nurture and grow our high impact journals and books by focusing on excellent customer service and uncompromising standards. We will also diversify how we serve the community by launching new databases, author tools and services.



Open access is at the top of the agenda for publishers, governments, regulatory bodies and funding councils, and we see it as an opportunity to make chemical science information even more accessible. We provide both Gold and Green publishing routes with our Chemical Sciences Article Repository, which we are growing into the number one repository for open access chemical science research. We aim to lead the field by developing a portfolio of pure Gold open access journals and publishing the highest impact Gold open access chemistry articles.

Scientists around the world need more sophisticated and powerful tools to access and analyse chemical data, which is often locked away in unreadable formats. To help them access it we are developing a collection of tools that connect people with data in unprecedented ways. As our community helps us evolve the tools, we are incorporating them into a global chemistry network that gives people access to the best chemical science information.

Innovation

Innovation in the chemical sciences is driven by sharing ideas and information, but the challenge is connecting people with the knowledge they need. Through open innovation we are connecting scientists in multinational companies, SMEs, academia and not-for-profit organisations, allowing them to share knowledge and data. By linking industrial R&D partners with our academic partners we enable companies to access knowledge outside of their own organisation and drive innovation.

Education

All school students should be aware of the fundamental principles of chemistry, and have access to high quality educational resources. We are the largest non-government investor in UK chemistry education and we are aiming to make it inspiring, engaging and relevant for every school pupil.

Testing the impact of that education should be robust, representative and inclusive. We are working with policymakers and our partner societies to make sure curricula and assessments are fit for purpose, for example retaining the importance of practical teaching in chemistry.

Learn Chemistry, our award-winning education website, attracts hundreds of thousands of teachers and learners each month and hosts thousands of high-quality resources for use in the classroom and beyond.

Policy

A broad range of government policies have an impact on the chemical sciences, including economic, environmental, health and education. We provide knowledge and expertise to help policymakers make sound evidence-based policy that supports the chemical sciences for the benefit of humanity. We are making that knowledge even more accessible by continuing to develop strong relationships with policymakers, giving them greater access to our members' expertise, and amplifying our community's voice by leading campaigns on important chemistry-related issues.

“I witnessed the whizzes and bangs of chemistry first-hand as Dr Sosabowski showed off the science behind glow sticks, a liquid nitrogen shower and a flaming methane mamba of soap bubbles. But behind the colourful chemicals and exciting explosions the event was an opportunity to discuss the need for a long-term strategy for UK science funding to drive economic growth and create jobs.”

Graham Evans,
Member of Parliament
for Weaver Vale
(Pictured above right)



Headline achievements in 2014

- We attracted 92,139 submissions to our journals in 2014, and published 36,251 articles – an increase of 33%.
- We also increased the quality of those journals: 83% of our titles now have an Impact Factor above 3, and 33% are above 5.
- We announced that our flagship journal, *Chemical Science*, would become a Gold Open Access journal from 2015, with a two-year waiver on article processing fees.
- Our support of the National Compound Collection, which extracts chemical data from UK dissertations, has led to over 45,000 compounds being made available for industry to test for impact.
- We published the first volumes of our Frontiers series of journals in association with leading Chinese institutions and the Chinese Chemical Society: *Inorganic Chemistry Frontiers* with Peking University, and *Organic Chemistry Frontiers* with the Shanghai Institute of Organic Chemistry.
- We organised 187 scientific events reaching more than 16,000 delegates. We also successfully bid to host the 2018 European Association for Chemical and Molecular Sciences (EuCheMS) Congress in Liverpool, UK.
- We extended our Archives for Africa initiative, which offers 300,000 journal articles free of charge across Africa. Academic institutions in Kenya, Ethiopia and Ghana can now access 750 of our eBooks and the Merck Index. eBooks are also available to scientists in Nigeria through our partnership with P&G to support capacity building and collaboration in Nigeria.
- Learn Chemistry attracted 1.6 million users in 2014, a 60% increase on the previous year. We established five new content partnership agreements, bringing many more resources for teachers and students to the website.
- We engaged parliamentarians and policymakers on an unprecedented scale, bringing the knowledge of our community to meetings with UK government departments including the Treasury, Department for Education and Department of Business, Innovation and Skills. We also conveyed our policy messages to MPs at drop-in events with hands-on chemistry at the Houses of Parliament.
- Our press coverage included a response to the Chancellor's Autumn Statement in the *Independent* and *Times Higher Education*, and our response to the UK government's science and innovation strategy in the *Financial Times*.



Skills

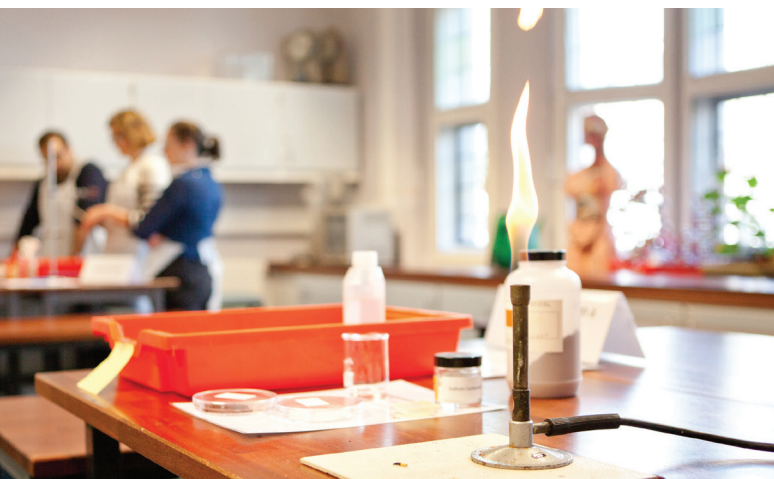
Strategic objective: secure a strong, diverse and sustainable supply of chemical scientists at all levels.

We have a comprehensive understanding of the skills and talents needed for the chemical sciences to prosper for the benefit of humanity. Our members, partners and wider community amplify our authority and reach. We have a wealth of expertise across many disciplines, in schools, industry, universities and beyond, and a clear vision for how to ensure everyone has access to a relevant, engaging and inspiring chemistry education.

Our goal is to connect people with the right learning, training and continued professional development to secure the chemical science talent pipeline.

Professional recognition

Professional recognition enables people to demonstrate excellence and progress their career. As the chartered professional body for the chemical sciences we award Chartered Chemist (CChem), Chartered Scientist (CSci), Registered Scientist (RSci) and Registered Science Technician (RSciTech), and we are continuing to promote and expand these qualifications. We now include vocational pathways to these awards, to allow recognition to even more professional chemists. We have also secured a licence to award Chartered Science Teacher (CSciTeach) at all levels including primary.



Having access to accurate, inspiring careers advice and resources helps people make the best possible decisions about their career. By significantly expanding our portfolio of careers advice, resources and professional development tools, we are supporting people at every stage of their career.

We have overhauled the careers support that we offer online, including a new careers website for our community that builds on the success of our careers website for students. For those studying the chemical sciences at a higher level we are providing online business skills resources for undergraduate chemists, and developing a Young Entrepreneurs Scheme aimed at postgraduate chemists in partnership with universities, funding councils and businesses.

We are also expanding our continuing professional development (CPD) offering for chemical scientists and developing training courses for professional chemical scientists, including technicians. The training will span all industry sectors focused on the chemical sciences, broadening scientists' knowledge and keeping them abreast of new science, techniques and technology. We are also providing outreach training and guidance, both directly and in collaboration with partner organisations such as STEMNet.

Teachers and learners

Everyone's chemistry education should be engaging, inspiring and relevant – and part of this is giving teachers and learners the skills to be confident in the classroom. To give even more people the skills they need to teach and learn chemistry, we have awarded teacher training scholarships to attract, encourage and support exceptional chemistry teachers. We are continuing to develop our online professional development course for teachers, as well as expanding our current teacher training courses. And we have expanded our successful Spectroscopy in a Suitcase programme, which gives school students the chance to learn about spectroscopy through hands-on experience.

Embedding these skills in every classroom will need government support. With our members and our wider community, we are campaigning to influence UK government policy such that every primary school pupil is taught science by a specialist science teacher, and every secondary school pupil is taught by a chemistry specialist.

Industry

Small and medium enterprises (SMEs) make up the major proportion of the £50b a year UK chemical industry, but they are often constrained by money, time and networks. We have launched, and are continuing to develop, a number of programmes that address these issues, and help fill skills gaps. We are expanding EnterprisePlus, a partnership scheme launched in 2013 to address the needs of small companies in the chemical sciences sector, to focus on skills development and SME internships. We have also expanded our Emerging Technologies Competition, piloted in 2013 to help pre-start-up and start-up companies get funding and business mentoring.

"Thank you for such a wonderful tool. The descriptions for each element are informative, organized and easy to understand for my students. Far and away the best periodic table that I have found on the internet!"

David Schuler,
Fort Yukon School, Fort Yukon, Alaska USA

"Professional bodies like the Royal Society of Chemistry are important as they provide the benchmark of professional competence for our discipline. I regard membership and subsequent Chartership as independent recognition of both my professional skills and behaviours, and as a commitment to maintain them."

Stephen Preece
CChem FRSC,
Chief Chemist,
EDF Energy



Headline achievements in 2014

- Our ten Education Coordinators interacted with 5,151 teachers and 1,909 trainee teachers. They also ran more than 180 ChemNet and Chemistry at Work events, directly reaching more than 26,000 students around the UK.
- We selected nine new Education Coordinator host organisations – including universities, sixth-form colleges and other educational institutions – to expand our coverage of the UK and Ireland in 2015.
- Through funding by the Department of Education, we awarded 117 Initial Teacher Training scholarships, each worth £25,000 and a comprehensive support package for new chemistry teachers.
- We provided Spectroscopy in a Suitcase kit to 13 new universities in 2014, meaning around 14,000 school students had access to hands-on experience with spectroscopy equipment.
- We invested £1m in a five-year longitudinal study to examine the best ways to overcome barriers and widen participation in undergraduate chemistry programmes.
- We increased applications for Chartered Chemist, Registered Scientist and Registered Science Technician by 13% year-on-year through supporting company training accreditation and a new mentor training scheme. We admitted 256 new Chartered Chemists and 112 new Registered Scientists and Registered Science Technicians in 2014.

- We launched our specialist teaching campaign across all four nations of the UK, calling for all post-14 chemistry pupils to be taught by a chemistry specialist, and for every primary school to have access to a science specialist. We have received support for our campaign from ministers and elected representatives across the UK, and widespread media coverage.



Community

Strategic objective: bring together and empower our global chemistry community for the benefit of science and humanity.

We are the world's leading chemistry community, with a global network of hundreds of thousands of chemical scientists. Our 51,000-strong core membership brings together hundreds of groups of diverse yet like-minded people covering practically everything chemistry-related – whether it's polymer science, patent law or pyrotechnics. Through conferences, meetings and online networks, our community welcomes anyone who wants to engage with chemistry at any level.

Our goal is to grow and support our community to be a powerful, unified voice on behalf of the chemical sciences.

New networks

In person or online it's the meeting of minds that spark new ideas. We create networks to connect people and organisations, and will continue to bring people together to build new connections and collaborations. We are helping SMEs to network more effectively through EnterprisePlus, the Emerging Technologies Competition, and by launching a new Business Support Scheme. We support physical and virtual networks around subject areas and cross-sector topics through open innovation. We are also connecting scientists in multinational companies, SMEs, academia and not-for-profit organisations, allowing them to share the knowledge and data that will drive innovation in the chemical sciences.

We are continuing to improve the benefits for overseas members by increasing links to online and local services, and growing our member networks in China, Africa and India.

Connecting local employers with schools and other education establishments helps to demonstrate to young people the real-world relevance of chemistry. By growing our network of locally-based staff and representatives, and making available more support and resources, we are engaging members of the community as advocates to become positive role models for school pupils. Through the new outreach and community area of Learn Chemistry, advocates can access resources, share ideas and connect with other people interested in outreach.

Teachers need support from a community that understands the needs of chemistry teaching. To make that support more easily available we are expanding our Learn Chemistry Partnership programme, which allows teachers to become members, as well as giving the school access to resources and benefits to help make chemistry teaching inspiring, engaging and relevant.

Diversity

Strong and sustainable communities are made up of diverse individuals. Our core membership already brings together people from practically every chemistry-related area, and we are committed to developing and growing our membership so that our community has a strong voice and can offer tangible support to everyone interested in the chemical sciences.

To increase the percentage of women Members (MRSC) and Fellows (FRSC) we are recruiting more female chemical scientists into membership and supporting female members to upgrade to FRSC. We are also giving greater support to Associate Members (AMRSC) who may become Members (MRSC). Through our Leaders in the Field scheme we are identifying the most talented women in chemistry to bring them into our community as Fellows.

We have renewed our focus on engaging younger members studying at university and those in vocational training. We are now offering our early career researcher travel grants to all members and we make funding available to cover childcare costs when attending conferences, training or committees.

Broader community and the public

It's important that people feel they can engage with the chemistry in their everyday lives – whether that's making choices about consumer goods or discussing global topics like climate change. We want to help people understand how chemistry relates to them, how it can lead to a fulfilling career, and its importance in modern life.

We aim to build on our trusted reputation to deliver more programmes of activities aimed at helping people engage with chemistry. This includes being at major festivals and supporting chemistry-based activities in science centres and museums. We have also improved the support that we offer to the scientific community who want to engage people with the chemical sciences by launching our Outreach Fund, making it easier to get financial support for outreach.

Celebrating excellence in the community

Excellence is a hallmark of our community, and it's important we celebrate it to inspire, reward and recognise those who have achieved outstanding things for chemistry. Our 83 Prizes and Awards recognise excellence from individuals, teams and organisations across the world and across a wide range of sectors. We are expanding these to recognise excellence in even more areas, such as outreach and primary teaching, and supporting winners to conduct lecture tours at top institutions.

“Really glad to be a part of [the Learn Chemistry partnership programme]; I look forward to reading all the literature you send through, always something interesting and useful for my teaching.”

David Wright,
The Bishop of Hereford
Bluecoat's School



“The entire experience was delightful. I had excellent visits with outstanding scientists at each university that I visited on my lecture tour, and there was enough time between the different universities I visited that did not feel rushed. I enjoyed seeing the different areas of the UK when travelling by train. The hosts were marvellous and welcoming at each location, and I was honoured to receive the award.”

2014 RSC Award Winner

Headline achievements in 2014

- We grew our membership to an all-time high of 51,000 members worldwide, and also gained 2,295 new affiliate members.
 - ChemNet membership for 14 to 18-year-olds rose to 17,300, far surpassing our target of 10,000 for 2014.
 - We grew our Enterprise Plus scheme to 180 SME company members in 2014, more than tripling our 2013 membership base.
 - Following the success of a pilot scheme supporting SME industrial placements, we have doubled the number of placements we fund to 20 in 2015.
 - We launched our Outreach Fund pilot in May and, by the end of 2014, had awarded more than £200,000 over 70 grants for outreach activities.
 - We re-signed a five-year cooperation agreement with the Korean Chemical Society, committing to further collaboration on symposia and promoting career opportunities.
 - We supported hundreds of members through grants and bursaries, including childcare grants, travel grants, and researcher mobility fellowships, which support international collaboration.
 - Our Chemistry in Energy Symposium featured six of our Prize and Award winners, who received medals from Baroness Verma of the House of Lords.
 - We ran a Faraday Discussion in China for the first time, attracting 300 delegates and featuring world-class speakers such as Michael Grätzel and Can Li.
- We have brought 2,350 schools into our Learn Chemistry partnership programme launched in January 2014, offering membership benefits to chemistry teachers and a support package for the school.
 - We ran the Irène Joliot-Curie Conference (sponsored by L'Oréal) aimed at early career researchers, dedicated to addressing barriers to career progression, and to support diversity, in the chemical sciences. We also convened an Athena SWAN diversity workshop for representatives from over 30 UK chemistry departments in June 2014.
 - We reviewed the Benevolent Fund with the aim of being able to give greater support to more members in need. The review recommended broadening the scope of the Fund's potential beneficiaries, and we will be working on implementing changes through 2015.





"I like the new website format. It is easy to access information."

"It seems much easier to navigate/far less frustrating to use."

"Great - first place to look for ideas and inspiration!"

Participants in user testing of the new www.rsc.org website

Organisational strength

The Royal Society of Chemistry has thrived for over 170 years – we are stewards of its reputation, and of the successes of generations past. We have a responsibility to grow the organisation sustainably and confidently, to ensure its long-term success for those who come after us.

We are ensuring that the foundations of the organisation are robust, with excellent financial, legal and technological support for employees and members around the world. By creating, maintaining and updating rigorous processes and systems we can manage risk and ensure consistency.

Having strong governance is a key requirement of a membership organisation. Our committees and boards are made up of volunteers generously lending their experience and expertise to enable insightful decision-making, and so we are continually improving the support and processes that make best use of their time.

More than 170 years' heritage has led to an enviable reputation; a brand we must protect and nurture. We are providing tools and support to allow our employees, representatives and members to bring that reputation to bear when advocating for chemistry, helping them to have even greater impact through their activities.

Headline achievements in 2014

- We invested £55m into advancing excellence in the chemical sciences.
- We grew our revenues by 6% to £53.9m.
- We were one of the Science Council's first member organisations to sign its Declaration on Diversity, Equality and Inclusion in October, expressing our commitment to being inclusive as an employer and a membership organisation.
- We grew the proportion of our female Fellows to 8.2% - an increase of 52% year-on-year and beyond our 2014 target of 7.5%.
- We were awarded the British Safety Council's International Safety Award in recognition of our commitment to ensuring the health, safety and wellbeing of our employees.
- We launched a rebuilt corporate website at www.rsc.org in August, which dramatically improved the accessibility and effectiveness of our web presence, including a 24% reduction in bounce rate, a 128% increase in engagement, and a six-fold increase in online membership applications.

Plans for the Future

Our strategy has been vital in forming our activities throughout 2014 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 2015-2017

Member engagement

- Continue to increase our core membership community.
- Continue to promote diversity amongst our membership.
- Continue to engage our members with our campaigns.

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 diversity of the wider population.
- Ensure that all UK students and their employers have sufficient and appropriate provision for vocational education.
- Continue to promote professionalism by awarding Chartered Chemist status, and increase admissions to the RSci and RSci Tech registers.
- Train UK-based chemical scientists through our training programmes.
- Attract 10 million unique users to Learn Chemistry.

Knowledge

- Continue to increase the quality and quantity of our journal portfolio.
- Use a highly effective online submission and peer review system to reduce our average publication time.
- 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.
- Effectively support and nurture small companies with chemistry mentoring, accelerator and coaching schemes, so that we are the leading 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.

Community

- Increase our wider community.
- Increase our support for teachers by partnering with schools and colleges.
- Initiate a network of research exchange programme alumni and collaborations.
- Increase our support for young individuals with an interest in chemistry by increasing our ChemNet membership.
- 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.

Organisational strength

- Achieve annual compound growth in total revenues each year.
- Ensure long-term financial stability, as reflected in our reserves policy.

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 2014, the Committee:

- Considered 48 case papers across the four Grants Committee Meetings held.
- Assisted 19 beneficiaries financially (10 of these were outside the UK).
- In four cases no financial assistance was awarded.
- Closed five cases.
- Reviewed four UK loans, one now settled.

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. We continue to work closely with similar funds and charities to share information on best-practice.

Alongside the financial assistance, staff responded to 97 enquiries from people seeking confidential support in areas ranging from financial support, debt advice, assistance in claiming appropriate state benefits and care. Such enquiries can also take the form of ongoing emotional support where members are able to talk through their situation and be signposted to other charities or organisations where appropriate.

We have a network of 101 volunteers, predominantly in the UK. Some are actively involved in visiting existing or potential beneficiaries to help them with the application process. Others provide peer support, and are a local point of contact for isolated members of our community.

We held four training events for our volunteers in 2014 where 48 volunteers attended either as an induction or refresher. In addition 65 visits were made by volunteers to members in need.

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.

Financial Review

Audited Financial Statements

The audited accounts for the year ended 31 December 2014 are included on pages 27-57. 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, RSC Worldwide (US) Inc, RSC (Beijing) Chemical and Science Technology Consulting Co., Ltd., Royal Chemistry India Private Limited and Royal Society of Chemistry Japan K.K.

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 2014 the Royal Society of Chemistry reported a total deficit before gains and losses of £1.26m (2013: surplus of £4.11m) (m=£1,000,000). Unrealised and realised gains on the investment portfolio were £5.76m (2013: £4.52m). Net movement in funds for the year includes a decrease of £23.83m (2013: increase of £1.50m) resulting from actuarial losses on the Defined Benefit Pension Scheme. These actuarial losses represent differences between actuarial assumptions and actual performance of Pension Scheme assets and liabilities.

The Balance Sheet reserves and funds, including General Funds, decreased from £97.01m on 1 January 2014 to £77.68m on 31 December 2014. This was the result of the 2014 deficit along with actuarial losses 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 £13.87m in 2014 from £12.98m in 2013, the surplus, which excludes investment gains increased slightly to £0.38m in 2014 from £0.37m in 2013.

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

Membership

Membership increased to a record high of 51,561 at the end 2014 from 49,114 at the end of 2013. Overall membership revenue decreased to £3.62m in 2014 from £3.77m in 2013 owing to the raising of the low income threshold, the reduction of subscriptions for retired members and the approved schemes for widening membership from leaders in the field and conference engagement. Expenditure increased from £3.59m in 2013 to £4.25m in 2014, 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 decreased from £1.25m in 2013 to £1.07m in 2014. While subscription sales of the product and advertising revenue have shown a slight increase in the year, the magazine is also sold along with other journal products as part of a package and the allocation it has received this year from these package revenues has decreased, resulting in an overall reduction in revenue. The expenditure remained fairly consistent from £1.84m in 2013 to £1.88m in 2014.

Conferences

A high quality programme of conferences was delivered. Revenue decreased from £1.36m in 2013 to £1.27m in 2014 as a number of large scale conferences are on a biennial cycle in which some did not occur in 2014. Expenditure increased from £1.76m in 2013 to £2.31m in 2014 due to the increased number of conferences both organised and supported in the year.

Education

Income increased from £0.23m in 2013 to £0.51m in 2014 as a result of new education projects being funded in the year. Expenditure increased from £3.32m in 2013 to £5.65m in 2014 as the regional network has built up increasing levels of activity, supported by increased numbers of staff.

Publishing

RSC Publishing once again saw an excellent performance in 2014. Overall revenue increased to £40.29m from £38.09m in 2013, due to increased journal subscription revenue and sales of the Merck index. Overall publishing expenditure increased from £28.51m in 2013 to £33.02m in 2014 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 £0.45m in 2013 to £0.50m in 2014. The revenue includes £0.49m in 2014, increased from £0.36m in 2013, which is received from non primary purpose venue hire shown in Generated Funds in the SOFA carried out by Chemistry Limited. Expenditure has increased to £0.93m in 2014 from £0.92m in 2013, of which £0.44m is related to venue hire which has increased from £0.20m in 2013.

Scientific affairs

Expenditure on scientific affairs was £5.36m, which was lower than the 2013 figure of £6.49m; revenue decreased from £1.99m in 2013 to £0.94m. The decrease in both expenditure and revenue is due to the drop in activities from RSC's subsidiary Chemistry Innovation Limited.

International development

International development revenue and expenditure increased from £0.01m in 2013 to £0.53m in 2014 and £0.55m in 2013 to £1.26m in 2014 respectively due to new international subsidiaries in China and India. Existing activities in this area include the Pan Africa Chemistry Network, which aims to help African countries integrate into regional, national and international scientific networks.

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 Pension Scheme commits to pay a pension based on the number of years worked and the final salary of the members. It is now closed to new members. The scheme therefore represents a commitment by the RSC to pay members a pension (scheme liability) and this is paid from the fund managed by the pension trustees (the scheme asset).

FRS 17 is the accounting standard that dictates how the scheme is presented in the financial statements and the valuation is determined by an actuary. The FRS17 valuation of the deficit on the Defined Benefit Pension Scheme amounted to £25.56m at the end of 2014 (2013: £3.70m). The investment portfolio held by the scheme increased by £4.24m during the year, however this was offset by an increase in the liabilities of the scheme of £26.11m, attributable to changes in the actuarial assumptions.

The results of the latest triennial valuation of the pension scheme were received in January 2014 and are currently being finalised. The 2011 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 £83.07m in 2013 to £88.83m in 2014, due to favourable investment returns.

Investment income decreased slightly from £3.47m in 2013 to £3.14m in 2014 but still outperformed the required income based on the Reserves Policy.

The performance of the investment portfolio is monitored against benchmarks. In 2014, the Royal London Corporate Bond fund outperformed against a benchmark of 12.2% by 1.9%. BlackRock UK All Stocks Corporate Bond Fund outperformed against a benchmark of 12.2% by 0.2%, BlackRock Global Corporate Bond Fund underperformed against a benchmark of 7.6% by 0.3%. Kames Global Equity Income underperformed against a benchmark of 11.2% by 3.7%. Sarasin Equisar Global Thematic Equity Fund underperformed against a benchmark of 10.6% by 2.6%. Schroders QEP Global Active Value Fund underperformed against a benchmark of 11.5% by 1.9% and the Schroder UK Property Fund outperformed against a benchmark of 17.2% by 1.5%.

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 accumulated unrestricted funds held at 31 December 2014 was £51.03m, which is in line with the targeted £50m by 2015. The selection of investments is based on the strategy to achieve this targeted level of reserves.

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 2014 by both the Benevolent Fund and the Trust Funds. Reserves held at 31 December 2014 being £23.67m.

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 2014 is £1.97m (2013: £1.95m). 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 £0.47m, 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 Royal Society of Chemistry 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.

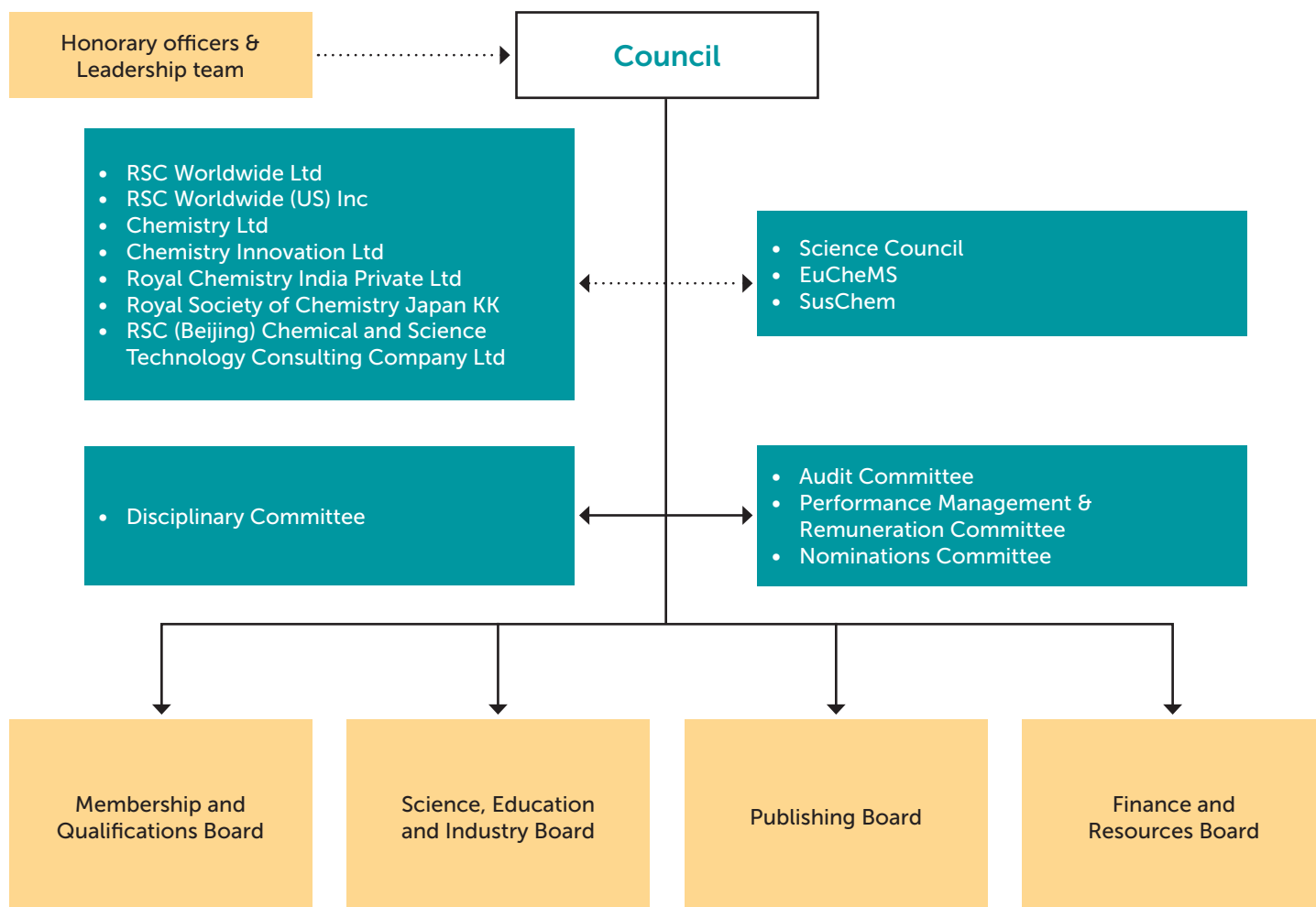


Figure 1: Organisational chart to illustrate RSC governance

RSC governance bodies develop strategic planning and policies with the support of staff and 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
- Two co-opted members with financial expertise ideally with a professional qualification from one of the professional accountancy bodies (appointed by Council)
- Ex officio Honorary Treasurer; in advisory capacity, non-voting
- Secretary (non-voting), 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
- Thirteen members, six of whom shall represent the public interest
- Secretary (non-voting), appointed by the Chief Executive

Finance and Resources Board

The Finance and Resources 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 (non-voting) Chief Executive and Executive Director, Finance
- Secretary (non-voting), appointed by the Chief Executive

Membership and 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 and Head of Membership
- Secretary (non-voting), 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
- One co-opted
- Chief Executive, by invitation (non-voting)
- Secretary (non-voting), appointed by the Chief Executive

Performance Management and 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 invitation staff (non-voting)
 - Chief Executive
 - Executive Director, Membership, Operations and Organisational Development
 - Executive Director, Finance
- Secretary (non-voting); 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
- Eight to twelve members, appointed 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)

- Chief Executive
- Executive Director, Publishing
- Executive Director, Finance
- Executive Director, Sales, Marketing and Strategic Partnerships
- Secretary (non-voting), appointed by the Chief Executive

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 membership
- Three appointed members, appointed by Council
- Nine presidents of divisions
- Staff (non-voting) Executive Director, Communications, Policy and Campaigns
- Secretary (non-voting), appointed by 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 2014 to the date of this report is shown on page 24.

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 Records) 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 policy makers; 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 (2013: £32k) that was reimbursed to Trustees for travel to meetings and related expenses in 2014, one member of Council was paid a total of £0.05k (2013: two members, £0.35k) 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 24 of the financial statements. Qualifying third party indemnity provision is in place for the benefit of the Trustees.

Subsidiary Companies

The Royal Society of Chemistry has two wholly owned UK registered subsidiaries, Chemistry Limited and RSC Worldwide Limited. The profit on ordinary activities before taxation for Chemistry Limited was £21k (2013: £121k). The profit on ordinary activities before taxation for RSC Worldwide Limited was £47k (2013: £814k 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 2014 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 set up a Wholly Foreign Owned Entity in China, Wholly Owned Subsidiary in India and a Wholly Owned Kabushiki Kaisha company in Japan. All became 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 £0k (2013: loss of £5k). The minority interest is disclosed in note 19 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 2014 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 £73k (2013: £9k profit).

RSC (Beijing) Chemical and Science Technology Company Limited is a wholly owned subsidiary of RSC Worldwide Limited and the principal activity is to employ staff based in Beijing and Shanghai to facilitate RSC and RSC Worldwide Limited activities in China. The loss on ordinary activities before taxation for RSC (Beijing) Chemical and Science Technology Company Limited was £83k.

Royal Chemistry India Private Limited is a wholly owned subsidiary of RSC Worldwide Limited and Chemistry Limited with the main shareholding of 99.09% being held by RSC Worldwide Limited. The principal activity is to employ staff based in Bangalore to facilitate RSC and RSC Worldwide Limited activities in India. The profit on ordinary activities before taxation for Royal Chemistry India Private Limited was £7k.

Royal Society of Chemistry Japan KK is a wholly owned subsidiary of RSC Worldwide Limited and the principal activity is to employ staff based in Tokyo to facilitate RSC and RSC Worldwide Limited activities in Japan. The profit on ordinary activities before taxation for Royal Society of Chemistry Japan KK was £2k.

Consolidation shown on page 27

We have reflected in the Consolidated Statement of Financial Activities and Balance Sheet the following entities covered by the RSC charity registration:

- Chemistry Limited
- RSC Worldwide Limited
- RSC Worldwide (US) Inc
- RSC (Beijing) Chemical and Science Technology Company Limited
- Royal Chemistry India Private Limited
- Royal Society of Chemistry Japan KK
- Chemistry Innovation Limited

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 19 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 RSC's Risk Register details 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 4 December 2014.

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 2014, 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 \$28,700k and €0k (2013: \$29,000k and €480k), were entered into during the year ended 31 December 2014. Given the level of sales in US\$, these deals secure the value 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 2014

Chief Executive

Dr Robert Parker CSci CChem FRSC

Executive Director, Strategic Innovation

Dr David James FRSC (resigned 31 October 2014)

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 FRSC

Executive Director, Finance

Mr Nick Hills ACA

Executive Director, Sales, Marketing and Publishing

Mr Stephen Hawthorne

Auditor, Bankers and other Professional Advisors

Auditor

Baker Tilly UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

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

C. Hoare & Co
37 Fleet Street
London
EC4P 4DQ

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

Kames Capital Plc
4th Floor
77 Gracechurch Street
London
EC3V 0AS

Investment Adviser

JLT Benefit Solutions
36 Ridgemont Road
St Albans
AL1 3AB

Legal Advisers

Charity matters:

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Commercial matters:

Mills & Reeve LLP
Botanic House
100 Hills Road
Cambridge
CB2 1PH

Principal Office

Royal Society of Chemistry
Burlington House
Piccadilly
London
W1J 0BA

RSC Council for the year 1 January 2014 to 31 December 2014

Patron

Her Majesty The Queen

Council Members

Honorary Officers

President

Professor Dominic Tildesley CBE FRSC

Past President

Professor Lesley Yellowlees CBE FRSC FRSE

Honorary Treasurer

Professor David Grayson CChem FRSC

Appointed Members

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

Professor Helen Fielding CChem FRSC
Chair, Publishing Board

Dr Janette Waterhouse EurChem CChem FRSC
Chair, Membership and Qualifications Board

Professor Ben Feringa CChem FRSC

Professor Sir John Holman CChem FRSC

Dr Keith Layden FRSC

Ordinary Members

Professor Duncan Bruce CChem FRSC

Dr Annette Doherty OBE FRSC

Professor Emma Raven CChem FRSC

Professor Gillian Reid FRSC

Dr Derek Stevenson CChem FRSC

Professor Tom Welton CChem FRSC

Professor Alison Rodger CChem FRSC

Professor Peter Knowles CChem FRSC FLSW

Dr Helen Neville FRSC

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

Staff

The RSC headcount at year end for 2014 was 547 people (2013: 502), of which 515 (2013: 460) were employees, the rest being temporary staff employed through agencies or third party contractors. There were 54 (2013: 40) staff working part-time at the end of the year.

Staff turnover (all leavers) during the year averaged 12.23% (2013: 11.57%).

There were two redundancies during the year (2013: two).

One member of staff retired during 2014 (2013: 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 Dominic Tildesley CBE FRSC

Independent Auditors' Report to the Members of the Royal Society of Chemistry

We have audited the financial statements of the Royal Society of Chemistry for the year ended 31 December 2014 on pages 27 to 57. 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 25 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/auditscopeukprivate>.

Opinion on financial statements

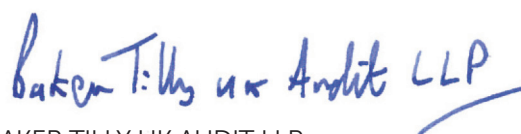
In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2014 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

Baker Tilly UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for year ended 31 December 2014

	Note	Unrestricted Funds		Restricted Funds	2014 Total	2013 Total
		General	Designated			
		Funds	Funds			
		£000	£000	£000	£000	£000
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary Income	2	95	29	82	206	631
Activities for Generating Funds		493	-	-	493	358
Investment Income	3	2,231	15	894	3,140	3,474
Total Incoming Resources from Generated Funds		2,819	44	976	3,839	4,463
Incoming Resources from Charitable Activities						
Membership		3,553	64	-	3,617	3,769
House Journal		1,072	-	-	1,072	1,250
Conferences		419	855	-	1,274	1,358
Qualifications and Education		71	-	435	506	228
Publishing		39,963	-	327	40,290	38,093
Library		2	-	-	2	94
Scientific Affairs		881	-	56	937	1,985
International Development		534	-	-	534	10
Other Incoming Resources						
Defined Benefit Pension Scheme	9	1,012	-	-	1,012	318
Other Income	8	857	-	-	857	34
Total Incoming Resources		51,183	963	1,794	53,940	51,602
Resources Expended						
Costs of Generating Funds						
Voluntary Income	5	375	-	-	375	299
Cost of Activities for Generated Funds	5	441	-	-	441	201
Investment Management Costs	5	47	-	24	71	75
Total Cost of Generating Funds		863	-	24	887	575
Charitable Activities						
Membership		3,771	-	478	4,249	3,593
House Journal		1,880	-	-	1,880	1,836
Conferences		1,074	1,231	-	2,305	1,764
Qualifications and Education		5,478	-	167	5,645	3,317
Publishing		32,661	-	363	33,024	28,508
Library		493	-	-	493	720
Scientific Affairs		5,309	-	52	5,361	6,494
International Development		1,255	-	-	1,255	552
Governance Costs	5, 7	103	-	-	103	132
Total Resources Expended	5	52,887	1,231	1,084	55,202	47,491
Net (Outgoing)/Incoming Resources Before Transfers		(1,704)	(268)	710	(1,262)	4,111
Gross Transfer Between Funds	21	(284)	284	-	-	-
Net Group (Outgoing)/Incoming Resources Before Other Recognised Gains and Losses		(1,988)	16	710	(1,262)	4,111
Gains on investment assets	13	4,819	-	940	5,759	4,521
Actuarial (loss)/gain on Defined Benefit Pension Scheme	9	(23,834)	-	-	(23,834)	1,495
Net Movement in Funds		(21,003)	16	1,650	(19,337)	10,127
Reconciliation of Funds						
Fund Balances brought forward		70,068	1,952	24,994	97,014	86,887
Fund Balances carried forward		49,065	1,968	26,644	77,677	97,014

The notes on pages 31-57 form an integral part of these Financial Statements. All activities in 2014 are continuing.

Consolidated Balance Sheet as at 31 December 2014

	Note	2014 £000	2013 £000
Fixed Assets			
Intangible Assets	11	477	642
Tangible Assets	12	12,341	11,249
Investments	13	88,826	83,066
		101,644	94,957
Current Assets			
Stock - Books and Paper		888	756
Debtors	14	13,357	14,499
Cash at Bank and in Hand		13,252	19,931
		27,497	35,186
Current Liabilities			
Creditors	15	4,913	5,445
Deferred Income			
Journal and Membership Subscriptions	16	20,989	23,989
		25,902	29,434
Net Current Assets		1,595	5,752
Total Assets Less Current Liabilities		103,239	100,709
Net Assets Excluding Pension Liability		103,239	100,709
Defined Benefit Pension Liability	9	(25,562)	(3,695)
Net Assets Including Pension Liability	17	77,677	97,014
Accumulated Funds			
Unrestricted Funds:			
General Funds		78,074	77,332
Funds Retained within non-charitable Subsidiaries		(3,447)	(3,569)
Pension Reserve	9	(25,562)	(3,695)
Designated Funds	21	1,968	1,952
		51,033	72,020
Restricted Funds	20	26,644	24,994
Total Charity Funds		77,677	97,014

Approved by Council and authorised for issue on 30 April 2015

Professor Dominic Tildesley, President

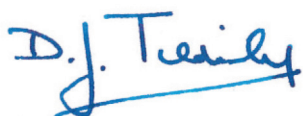
The notes on pages 31-57 form an integral part of the Financial Statements

Royal Society of Chemistry

Balance Sheet as at 31 December 2014

	Note	2014 £000	2013 £000
Fixed Assets			
Intangible Assets	11	477	538
Tangible Assets	12	12,279	11,175
Investments	13	88,826	83,066
		101,582	94,779
Current Assets			
Stock - Books and Paper		888	757
Debtors	14	17,244	13,708
Long Term Debtors	14	-	3,881
Cash at Bank and in Hand		12,293	18,820
		30,425	37,166
Current Liabilities			
Creditors	15	3,990	3,682
Deferred Income			
Journal and Membership Subscriptions	16	20,977	23,977
		24,967	27,659
Net Current Assets		5,458	9,507
Total Assets Less Current Liabilities		107,040	104,286
Net Assets Excluding Pension Liability		107,040	104,286
Defined Benefit Pension Liability	9	(25,562)	(3,695)
Net Assets Including Pension Liability	17	81,478	100,591
Accumulated Funds			
Unrestricted Funds:			
General Funds		78,428	77,340
Pension Reserve	9	(25,562)	(3,695)
Designated Funds	21	1,968	1,952
		54,834	75,597
Restricted Funds	20	26,644	24,994
Total Charity Funds		81,478	100,591

Approved by Council and authorised for issue on 30 April 2015



Professor Dominic Tildesley, President

The notes on pages 31-57 form an integral part of the Financial Statements

Consolidated Cash Flow Statement for year ended 31 December 2014

	2014	2013	
Note	£000	£000	
Net Cash (Outflow)/Inflow from Operating Activities	(6,172)	2,834	
Returns on Investment and Servicing of Finance			
Investment income received	3,140	3,152	
Capital Expenditure and Financial Investment			
Purchase of Intangible Fixed Assets	11 (78)	(77)	
Purchase of Tangible Fixed Assets	12 (3,568)	(2,200)	
Purchase of Investments	13 -	(9,931)	
Net movements on cash held for investment	13 (1)	28	
Proceeds from Sale of Investments	13 -	9,470	
Net Financing (Outflow)/Inflow and Capital Expenditure	(6,679)	3,276	
(Decrease)/Increase in Cash	(6,679)	3,276	
	Net funds at start of year	Net funds at end of year	
	2013	Movement	2014
	£000		£000
Analysis of Change in Cash During the Year			
Cash at Bank and in Hand	19,931	(6,679)	13,252
Total	19,931	(6,679)	13,252
Reconciliation of Net (Outgoing)/Incoming Resources to Net Cash (Outflow)/Inflow from Operating Activities			
	2014	2013	
	£000	£000	
Net (Outgoing)/Incoming Resources before transfers	(1,262)	4,111	
Depreciation and Amortisation	2,714	2,405	
Loss on disposal of fixed assets	5	118	
Investment Income (Note 3)	(3,140)	(3,474)	
Investment Income Reinvested	-	267	
(Increase) in Stock	(132)	(95)	
Decrease/(Increase) in Debtors	1,142	(4,361)	
(Decrease)/Increase in Creditors and Accruals	(532)	394	
(Decrease)/Increase in Deferred Income	(3,000)	5,304	
Defined Benefit Pension payments	(958)	(1,674)	
Pension (Surplus)/Cost	(1,009)	(161)	
Net Cash (Outflow)/Inflow from Operating Activities	(6,172)	2,834	

Investment income directly reinvested in 2013 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 31-57 form an integral part of 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 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) Inc., RSC (Beijing) Chemical and Science Technology Consulting Co. Ltd., Royal Chemistry India Private Limited and Royal Society of Chemistry Japan K.K. are wholly owned subsidiaries of RSC Worldwide Limited.

33% of the shares in Chemistry Innovation Limited are owned by the Institution of Chemical Engineers (ICChemE). The minority interest of the ICChemE is shown in note 19 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 22.

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 Funds

The Designated Funds relate to the large number of member led groups which allow the wider community to connect with fellow chemists based on either geographical location or subject interest. The geographical network consists of 35 local sections in the UK and Ireland and 23 sections based outside the UK. Divisions and Interest Groups are subject specific covering the breadth of the chemical sciences research, education, innovation and policy. The groups are run by members and organise annual programmes of events, award portfolios and bursaries.

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.

Restricted Funds

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.

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 access to 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 2014 these subscriptions amounted to £2K relating to 6 members (2013: £11K, 34 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.

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 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.

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 defined benefit plan closed 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, Impairment of Fixed Assets & Goodwill, the value is held as zero as these rights have no realisable value.

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, RSC (Beijing) Chemical and Science Technology Consulting Co. Ltd., Royal Chemistry India Private Limited and Royal Society of Chemistry Japan K.K. have been translated at the closing rate on 31 December 2014. The profit and loss transactions have been translated at an average rate for the year.

2. Voluntary Income

	General Funds £000	Designated Funds £000	Restricted Funds £000	2014 Total £000	2013 Total £000
Donations	30	29	62	121	602
Bequests and Legacies	65	-	20	85	29
Total	95	29	82	206	631

3. Investment Income

	General Funds £000	Designated Funds £000	Restricted Funds £000	2014 Total £000	2013 Total £000
Assets in the UK					
Fixed Interest	1,477	-	680	2,157	2,501
Unit Trusts	326	-	70	396	312
Interest	24	15	21	60	109
Assets outside the UK					
Fixed Interest	155	-	62	217	230
Equities	249	-	61	310	322
Total	2,231	15	894	3,140	3,474

4. Total Staff Costs

	2014	2013
	£000	£000
Staff Costs were:		
Gross wages and salaries	19,139	17,705
National Insurance	2,009	1,800
Pension and related cost	1,565	1,594
Total	22,713	21,099

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

Number of Employees		
	2014	2013
Employee earnings:		
£60,000 - £69,999	9	10
£70,000 - £79,999	8	9
£80,000 - £89,999	2	8
£90,000 - £99,999	2	2
£100,000 - £109,999	3	3
£120,000 - £129,999	1	3
£170,000 - £179,000	1	1
£180,000 - £189,000	-	1

The number of employees who earned more than £60K, for whom pension benefits are accruing under the defined contribution scheme is 25 (2013: 26).

The employer contributions made to the defined contribution pension scheme for employees who earned more than £60K were £225K (2013: £236K)

In 2014 the Society paid a total of £116K (2013: £21K) in respect of statutory and other employment severance-related payments.

Average Monthly Number of Employees		
	2014	2013
Membership	43	35
House Journal	10	11
Conferences	9	8
Qualifications and Education	40	23
Publishing	298	258
Library	8	7
Scientific Affairs	31	47
Management and Administration	102	86
International Development	15	14
Fundraising	3	2
Total	559	491

5. Total Resources Expended

General Funds

	Direct Staff Costs £000	Direct Costs £000	Support Costs £000	Total 2014 £000	Total 2013 £000
--	-------------------------------	-------------------------	--------------------------	--------------------------------	-----------------------

Cost of Generating Funds					
Costs of Generating Voluntary Income	207	72	96	375	299
Costs of Activities for Generating Funds	-	441	-	441	201
Investment Management Costs	-	47	-	47	66
Total	207	560	96	863	566

Charitable Activities					
Membership	1,379	1,135	1,257	3,771	3,221
House Journal	715	877	288	1,880	1,836
Conferences	280	536	258	1,074	666
Qualifications and Education	1,597	2,721	1,160	5,478	2,972
Publishing	11,500	12,416	8,745	32,661	28,122
Library	159	109	225	493	720
Scientific Affairs	1,502	3,103	704	5,309	6,241
International Development	233	574	448	1,255	552
Governance Costs	5	98	-	103	132
Sub Total	17,370	21,569	13,085	52,024	44,462
Total resources expended	17,577	22,129	13,181	52,887	45,028

Total staff costs include payments to temporary staff and contractors of £125K (2013: £147K).

Designated Funds

	Direct Staff Costs £000	Direct Costs £000	Support Costs £000	Total 2014 £000	Total 2013 £000
--	-------------------------------	-------------------------	--------------------------	--------------------------------	-----------------------

Charitable Activities					
Conferences	-	1,231	-	1,231	1,098
Total	-	1,231	-	1,231	1,098

Restricted Funds

	Direct Staff Costs £000	Direct Costs £000	Support Costs £000	Total 2014 £000	Total 2013 £000
--	-------------------------------	-------------------------	--------------------------	--------------------------------	-----------------------

Cost of Generating Funds					
Investment Management Costs	-	24	-	24	9
Total	-	24	-	24	9

Charitable Activities					
Membership	94	384	-	478	372
Qualifications and Education	-	167	-	167	345
Publishing	-	363	-	363	386
Scientific Affairs	-	52	-	52	253
Sub Total	94	966	-	1,060	1,356
Total	94	990	-	1,084	1,365

6. Support Costs – General Fund

	Management £000	Finance £000	Information Technology £000	Comms £000	Human Resources £'000	Accomm. £000	2014 Total £000	2013 Total £000
Basis of Allocation	Head Count	Head Count	Head Count	Head Count	Head Count	Head Count		
Cost of Generating Voluntary Income	8	11	23	18	16	20	96	58
Membership	91	148	303	239	208	268	1,257	928
House Journal	21	34	69	55	48	61	288	291
Conferences	19	31	62	49	42	55	258	219
Qualifications and Education	82	137	280	221	192	248	1,160	609
Publishing	624	1,033	2,109	1,663	1,448	1,868	8,745	6,792
Library	16	27	54	43	37	48	225	174
Scientific Affairs	50	83	170	134	117	150	704	646
International Development	32	53	108	85	74	96	448	369
Total	943	1,557	3,178	2,507	2,182	2,814	13,181	10,086

7. Governance Costs

	2014 £000	2013 £000
Trustee Expenses	Note 24 32	32
Legal Fees	1	18
Audit and Accounting Fees	61	62
Support staff Costs	9	20
Total	103	132

Analysis of Auditor's Remuneration

	2014 £000	2013 £000
Fees payable for the audit of the RSC and consolidated accounts - Baker Tilly UK Audit LLP	36	35
Fees payable for the audit of the RSC's subsidiaries		
- Baker Tilly UK Audit LLP	12	13
- Mitchell Charlesworth	5	9
- S. N. Dhawan & Co.	1	-
Accounting, Tax and Other Services		
- Baker Tilly Tax and Accounting Limited	7	5
Total	61	62

8. Other Incoming Resources

	2014
	£000
Foreign Exchange Gains	835
Other Incoming Resources	22
Total	857

Other Incoming Resources includes foreign exchange gains of £835k. In prior year £436k of foreign exchange was included in other support costs. Foreign exchange includes gains and losses on forward contracts which is detailed in note 18.

9. 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 £958K (2013; £1,674K) was made as a contribution towards the deficit. An additional payment of £Nil (2013; £Nil) 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 annual contributions to be paid by the Society for the period commencing 1 January 2015 is £958K.

The scheme closed to future accrual on 30 November 2011 and the costs of administering the scheme are met directly by the Society.

A full actuarial valuation was carried out at 1 January 2014 by a qualified independent actuary using approximate actuarial techniques and available information. Subsequently the annual deficit reduction contributions which were set at £958K per year until 2021 were updated so that the 2014 and 2015 payments remain at £958K and from 2016 the payments will increase by 3% for 7 years. The annual instalments are due not later than March each year until 31 March 2022.

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 £1,459K (2013; £1,437K).

9. Pension Fund (continued)

Employee benefit obligations

	Value at 31/12/14 £000	Value at 31/12/13 £000
Present value of funded obligations	119,207	93,097
Fair value of scheme assets	(93,645)	(89,402)
	25,562	3,695
Deficit	25,562	3,695
Net liability	25,562	3,695

Statement of Financial Activities impact

	Value at 31/12/14 £000	Value at 31/12/13 £000
Expenses	3	157
Interest on obligation	4,132	3,806
Expected return on plan assets	(5,144)	(4,124)
Total (income)/expense	(1,009)	(161)

Amount recognised in the Statement of Financial Activities after net incoming resources

	Value at 31/12/14 £000	Value at 31/12/13 £000
Net actuarial (losses)/gains recognised in year	(23,834)	1,495
Net cumulative actuarial (losses)/gains cumulative actuarial gains/(losses)	(20,411)	3,423

9. Pension Fund (continued)

Reconciliation of fair value of plan liabilities and assets

	Value at 31/12/14 £000	Value at 31/12/13 £000
Change in the present value of the defined benefit obligation:		
Opening defined benefit obligation	93,097	90,643
Expenses	3	157
Interest cost	4,132	3,806
Actuarial losses	24,538	2,989
Benefits paid	(2,563)	(4,498)
Closing defined benefit obligation	119,207	93,097
Change in the fair value of plan assets:		
Opening fair value of plan assets	89,402	83,618
Expected return	5,144	4,124
Actuarial gains	704	4,484
Contributions by employer	958	1,674
Benefits paid	(2,563)	(4,498)
Closing fair value of plan assets	93,645	89,402

9. Pension Fund (continued)

Principal actuarial assumptions at the balance sheet date

	At 31/12/14 %	At 31/12/13 %
Rate of discount	3.50	4.50
Inflation (RPI)	3.10	3.40
Inflation (CPI)	2.10	2.40
Salary increases until 2019	4.00	4.65
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.10	2.40
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.00	3.30
Allowance for pension in payment increases of RPI or 3.5% p.a. if less	2.70	2.80
Allowance for commutation of pension for cash at retirement	90% of Post A Day	70% of Post A Day

The mortality assumptions adopted at 31 December 2014 imply the following life expectancies:

	Life expectancy at age 60 (Years) At 31/12/14	Life expectancy at age 60 (Years) At 31/12/13
Male retiring in 2014 (2013)	27.8	26.9
Female retiring in 2014 (2013)	30.2	29.2
Male retiring in 2034 (2033)	29.8	28.9
Female retiring in 2034 (2033)	32.2	31.3

Assets in the plan as a percentage of total plan assets

	At 31/12/14	At 31/12/13
Equities and Diversified Growth Funds	60%	60%
Bonds	38%	39%
Cash	2%	1%

The expected long term rates of return applicable for each period are as follows:

	Period commencing 1 January 2014 % per annum	At 1 January 2013 % per annum
Equities and Diversified Growth Funds	6.80	5.90
Bonds	4.40	4.10
Cash	0.50	0.50
Overall for scheme	5.81	5.02

9. Pension Fund (continued)

	2014	2013
	£000	£000

Actual return on plan assets	5,848	8,608
-------------------------------------	--------------	-------

History of experience gains and losses	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000

Defined benefit obligation	(119,207)	(93,097)	(90,643)	(84,740)	(88,755)
Plan assets	93,645	89,402	83,618	76,450	73,495
Deficit	(25,562)	(3,695)	(7,025)	(8,290)	(15,260)
Experience adjustments on plan liabilities	(1,119)	66	1,752	5,424	2,309
Experience adjustments on plan assets	704	4,484	4,280	(2,217)	2,191

Movement in net liability during the year	2014	2013
	£000	£000

Net liability at beginning of the year	3,695	7,025
<i>Movement in year</i>		
Employer's expenses	3	157
Employer's contributions	(958)	(1,674)
Expected return on plan assets	(5,144)	(4,124)
Actual return less expected return on plan assets	(704)	(4,484)
Interest on pension liabilities	4,132	3,806
Experience losses/(gains) arising on the plan liabilities	1,119	(66)
Changes in assumptions underlying the plan liabilities	23,419	3,055

Total movement	21,867	(3,330)
-----------------------	---------------	---------

Deficit in plan at end of the year	25,562	3,695
---	---------------	-------

Defined Contribution Scheme		
------------------------------------	--	--

	2014	2013
	£000	£000

Employer contributions	1,459	1,437
-------------------------------	--------------	-------

10. Operating Leases

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

	2014	2013
	£000	£000
Furniture and Equipment	112	60
Land and Buildings	3	3
	115	63

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

	2014		2013	
	Land and Buildings £000	Furniture and Equipment £000	Land and Buildings £000	Furniture and Equipment £000
Leases which expire:				
Within two to five years	-	112	-	60
Over five years	3	-	3	-
	3	112	3	60

The Society, along with the four other courtyard societies, continues to be in negotiation with the landlord on the renewal of the lease of Burlington House.

11. Intangible Fixed Assets

Group

	Index £000	Database £000	Total £000
Cost			
Balance at 1 January 2014	540	1,119	1,659
Additions	-	78	78
Balance at 31 December 2014	540	1,197	1,737
Accumulated Amortisation			
Balance at 1 January 2014	73	944	1,017
Charge for Year	110	133	243
Balance at 31 December 2014	183	1,077	1,260
Net Book Value at 31 December 2014	357	120	477
Net Book Value at 31 December 2013	467	175	642

Society

	Index £000	Database £000	Total £000
Cost			
Balance at 1 January 2014	540	77	617
Additions	-	78	78
Balance at 31 December 2014	540	155	695
Accumulated Amortisation			
Balance at 1 January 2014	73	6	79
Charge for Year	110	29	139
Balance at 31 December 2014	183	35	218
Net Book Value at 31 December 2014	357	120	477
Net Book Value at 31 December 2013	467	71	538

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.

12. Tangible Fixed Assets

Group

	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Total
	£000	£000	£000
Cost			
Balance at 1 January 2014	8,473	14,107	22,580
Additions	-	3,568	3,568
Disposals	-	(5)	(5)
Balance at 31 December 2014	8,473	17,670	26,143
Accumulated Depreciation			
Balance at 1 January 2014	3,980	7,351	11,331
Disposals	-	-	-
Charge for Year	283	2,188	2,471
Balance at 31 December 2014	4,263	9,539	13,802
Net Book Value at 31 December 2014	4,210	8,131	12,341
Net Book Value at 31 December 2013	4,493	6,756	11,249

Society

	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Total
	£000	£000	£000
Cost			
Balance at 1 January 2014	8,473	13,871	22,344
Additions	-	3,547	3,547
Disposals	-	(5)	(5)
Balance at 31 December 2014	8,473	17,413	25,886
Accumulated Depreciation			
Balance at 1 January 2014	4,001	7,168	11,169
Disposals	-	-	-
Charge for Year	283	2,155	2,438
Balance at 31 December 2014	4,284	9,323	13,607
Net Book Value at 31 December 2014	4,189	8,090	12,279
Net Book Value at 31 December 2013	4,472	6,703	11,175

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 no new additions to the collection during 2014.

13. Fixed Asset Investments

Group and Society

	General Funds	Restricted Funds	2014 Total Funds	2013 Total Funds
	£000	£000	£000	£000
Investments listed on recognised stock exchange in the UK				
Fixed Interest	25,375	11,498	36,873	35,043
Unit Trusts	8,450	1,783	10,233	8,977
Investments listed on recognised stock exchange outside the UK				
Fixed Interest	4,281	1,725	6,006	5,727
Equities	32,285	2,294	34,579	32,702
Property	140	-	140	307
Total investments listed on recognised stock exchange	70,531	17,300	87,831	82,756
Cash held for investment	502	180	682	136
Liquid assets within funds	313	-	313	174
Total investments	71,346	17,480	88,826	83,066

	General Funds	Restricted Funds	2014 Total Funds	2013 Total Funds
	£000	£000	£000	£000
Market value at 1 January	66,526	16,540	83,066	78,056
Less: Disposal proceeds including share exchanges	-	-	-	(9,470)
Add: Purchases at cost including share exchanges	-	-	-	9,931
Realised and unrealised gains	4,819	940	5,759	4,521
Net movements on cash held for investment	1	-	1	28
Market value at 31 December	71,346	17,480	88,826	83,066

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

	2014 £000	2013 £000
BlackRock UK Fixed Interest Corporate Bonds	13,600	12,658
BlackRock Global Fixed Interest Corporate Bonds	6,006	5,727
Royal London Asset Management Corporate Bonds	8,763	8,107
Royal London Asset Management Sterling Extra Yield Bond Fund	14,509	14,277
Sarasin & Partners Equisar Global Thematic Fund	11,684	10,814
Schroder QEP Global Active Fund	12,204	11,146
Schroder Exempt Property Units	10,233	8,976
Kames Global Equity Income Fund	9,762	9,426

13. Fixed Asset Investments (continued)

Society

	Note	Investment £	Capital and Reserves £000
RSC Worldwide Limited*	19	100	(3,707)
Chemistry Innovation Limited**	19	67	19
RSC Worldwide (US) Inc***		6,250	(18)
Chemistry Limited*	19	2	121
RSC (Beijing) Chemical and Science Technology Consulting Co., Ltd.***		120,000	35
Royal Chemistry India Private Limited****		157,272	160
Royal Society of Chemistry Japan K.K.***		69,729	65

* 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 owns 99.99% of the Issued Share Capital,
remaining .01% owned by Chemistry Limited.

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.

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 (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.

RSC (Beijing) Chemical and Science Technology Consulting Co., Ltd. is registered in Beijing, China with a registered branch in Shanghai and its principal activity is to enable RSC Worldwide Limited to operate in China.

Royal Chemistry India Private Limited is registered in the state of Karnataka, India and its principal activity is to enable RSC Worldwide Limited to operate in India.

Royal Society of Chemistry Japan K.K. is registered in the prefecture of Tokyo, Japan and its principal activity is to enable RSC Worldwide Limited to operate in Japan.

14. Debtors

Group

	2014	2013
	£000	£000
Trade Debtors	10,029	10,932
Other Debtors	719	865
Prepayments and Accrued Income	2,609	2,702
	13,357	14,499

Included in other debtors for 2014 is £65k (2013: £63k) in relation to Programme Related Investments.

Society

	2014	2013
	£000	£000
Trade Debtors	9,745	10,708
Other Debtors	608	827
Amounts due from group undertakings	4,818	4,108
Prepayments and Accrued Income	2,073	1,946
	17,244	17,589

Included in other debtors for 2014 is £65k (2013: £63k) 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 is due within one year. The loan balance at 31 December 2014 was £3,960K (2013: £3,881K). 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.

15. Creditors

Amounts falling due within one year

Group

	2014	2013
	£000	£000
Trade Creditors	790	1,384
Other Creditors	761	1,390
Taxes	9	35
Accruals	3,353	2,636
	4,913	5,445

Society

	2014	2013
	£000	£000
Trade Creditors	725	1,303
Other Creditors	152	214
Amounts due to group undertakings	-	40
Accruals	3,113	2,125
	3,990	3,682

16. Deferred Income

Amounts falling due within one year

Group

	2014	2013
	£000	£000
Journal Subscriptions		
Balance at 1 January	22,701	17,174
Amounts released in year	(22,701)	(17,174)
Amounts deferred in year	19,644	22,701
Balance at 31 December	19,644	22,701

	£000	£000
Membership Subscriptions		
Balance at 1 January	1,288	1,511
Amounts released in year	(1,288)	(1,511)
Amounts deferred in year	1,345	1,288
Balance at 31 December	1,345	1,288

Society

	2014	2013
	£000	£000
Journal Subscriptions		
Balance at 1 January	22,689	17,174
Amounts released in year	(22,689)	(17,174)
Amounts deferred in year	19,632	22,689
Balance at 31 December	19,632	22,689

	£000	£000
Membership Subscriptions		
Balance at 1 January	1,288	1,511
Amounts released in year	(1,288)	(1,511)
Amounts deferred in year	1,345	1,288
Balance at 31 December	1,345	1,288

17. Analysis of Net Assets between Funds

Group

	General Funds £000	Designated Funds £000	Restricted Funds £000	Total £000
Fund Balances at 31 December 2014 are represented by:				
Tangible Assets	12,341	-	-	12,341
Intangible Assets	477	-	-	477
Investments	71,346	-	17,480	88,826
Net Current Assets/(Liabilities)	(9,537)	1,968	9,164	1,595
Pension Liability	(25,562)	-	-	(25,562)
Total Net Assets	49,065	1,968	26,644	77,677

Society

	General Funds £000	Designated Funds £000	Restricted Funds £000	Total £000
Fund Balances at 31 December 2014 are represented by:				
Tangible Assets	12,279	-	-	12,279
Intangible Assets	477	-	-	477
Investments	71,346	-	17,480	88,826
Net Current Assets/(Liabilities)	(5,674)	1,968	9,164	5,458
Pension Liability	(25,562)	-	-	(25,562)
Total Net Assets	52,866	1,968	26,644	81,478

18. 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\$28,700K and €0K were entered into during the year ended 31 December 2014 (2013: US\$29,000K and €480K). Contracts totalling US \$24,500K and €0K (2013: US\$20,000K and €480K) matured during 2014. As at 31 December 2014 US \$22,200K is outstanding and will mature in 2015.

Gains on Forward Contracts

	2014 £000	2013 £000
Gains on Forward Contracts Maturing in the Year	161	479

19. Investment in Subsidiaries

	Chemistry Innovation Limited		RSC Worldwide Limited		Chemistry Limited	
	2014	2013	2014	2013	2014	2013
	£000	£000	£000	£000	£000	£000
Profit and Loss Account						
Turnover	869	1,783	3,281	2,079	493	358
Cost of Sales	(869)	(1,788)	(3,124)	(2,801)	(472)	(237)
Operating Profit/(Loss)	-	(5)	157	(722)	21	121
Interest Receivable/(Payable)	-	-	(109)	(91)	-	-
Tax Payable	-	-	(84)	(51)	-	-
Net Profit after Taxation	-	(5)	(36)	(864)	21	121
Balance Sheet						
Aggregate Assets	575	-	689	383	523	241
Aggregate Liabilities	(556)	-	(4,396)	(4,054)	(402)	(242)
Total Funds	19	-	(3,707)	(3,671)	121	(1)

The Consolidated Balance Sheet on page 28 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 on 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 RSC will not be requesting repayment of the loan at the end of the term and is working with RSC worldwide Limited to convert the loan to a social investment with no fixed repayment date.

Any intercompany balances due to RSC Worldwide Limited from its subsidiaries 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.

During the year RSC Worldwide Limited opened subsidiaries in China, India and Japan: RSC (Beijing) Chemical and Science Technology Consulting Co., Ltd., Royal Chemistry India Private Limited and Royal Society of Chemistry Japan K.K.

Chemistry Limited is wholly owned by the RSC and its activities do not fall within the RSC's primary purpose.

The activities of Chemistry Innovation Limited fall entirely within Scientific Affairs. RSC owns 67% of the share capital of Chemistry Innovation Limited.

20. Restricted Funds

<i>Group and Society</i>	Movement in Funds				
	Balance at 1 January	Incoming Resources	Expenditure	Gains on Investment Assets	Balance at 31 December
	2014				2014
	£000	£000	£000	£000	£000
Benevolent Fund	12,979	536	(153)	505	13,867
Trust Funds (Note 25)	9,309	410	(351)	435	9,803
Grant Income	2,706	848	(580)	-	2,974
Total	24,994	1,794	(1,084)	940	26,644

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.

21. Designated Funds

<i>Group and Society</i>	Movement in Funds			
	Balance at 1 January	Incoming Resources	Expenditure	Balance at 31 December
	2014			2014
	£000	£000	£000	£000
Subject Groups	1,639	957	(915)	1,681
Local Sections	175	221	(232)	164
Regional Groups	138	69	(84)	123
Total	1,952	1,247	(1,231)	1,968

Designated Funds include a transfer from General Funds for grants of £284K (2013: £274K) made by the Society to Local Sections to support activities at that level. Each Section has, as its objects, those that are embodied in the Society's Charter.

22. Royal Society Of Chemistry

Summary Unconsolidated Statement of Financial Activities of the Society

	2014 £000	2013 £000
Total Incoming Resources	52,204	49,183
Total Resources Expended	(53,242)	(44,082)
Net incoming resources before recognised gains and losses	(1,038)	5,101
Gains on investment assets	5,759	4,521
Actuarial (losses)/gains on defined benefit pension scheme	(23,834)	1,495
Net Movement in Funds	(19,113)	11,117
Fund Balances brought forward at 1 January	100,591	89,474
Fund Balances carried forward at 31 December	81,478	100,591

23. Connected Charities

Sir George Beilby Memorial Fund

	2014 £000	2013 £000
Accumulated Fund	60	57
Represented by:		
Investments	74	71
RSC Creditor	(14)	(14)
	60	57

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.

24 Transactions with Trustees

Trustees' Royalty Payments

	2014 £	2013 £
Name of Member		
Prof D Phillips	-	298
Prof A Rodger	54	55
Total Trustees' Royalty Payments	54	353

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 (2013: £nil)

Reimbursement of Trustees' Expenses

An amount of £31,722 was reimbursed to 15 (2013; 15) Trustees in respect of travel to meetings and related expenses in 2014 (2013: £32,400).

Trustees' Indemnity Insurance

The amount paid in 2014 for Trustees' Indemnity Insurance was £5,000 (2013: £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.

25. Trust and Lecture Funds

Fund Balances as at 31 December

	2014					2013
	Opening Balance	Accumulated Investment Movement	Income	Expenditure	Closing Balance	Closing Balance
	£000	£000	£000	£000	£000	£000
Appleyard Fund	55	3	2	1	59	55
Ethel Behrens Fund	33	2	1	1	35	33
William Briggs Fund	187	9	8	4	200	187
Centenary Fund	541	25	23	44	545	541
Chemical Council Fund	77	3	3	19	64	77
Corday Morgan Medal and Prize Fund	219	10	9	18	220	219
Corday Morgan Memorial Fund	757	35	33	32	793	757
Faraday Lecture Fund	29	1	1	6	25	29
Robert John Flintoff Trust	30	2	1	-	33	30
Edward Frank Harrison Memorial Trust	28	1	1	-	30	28
Haworth Memorial Fund	20	1	1	2	20	20
Liversidge Lecture Fund	34	2	1	2	35	34
Pedler Lecture Fund	42	2	2	5	41	42
Research Fund	1,468	66	66	71	1,529	1,468
Robert Robinson Lecture Fund	114	5	5	3	121	114
Saville Fund	117	5	5	5	122	117
Simonsen Lecture Fund	25	1	1	2	25	25
Tilden Lecture Fund	184	8	8	18	182	184
Ronald Nyholm Lecture Fund	21	1	1	8	15	21
Christopher Ingold Lecture Fund	27	1	1	-	29	27
Spiers Memorial Fund	27	1	1	6	23	27
Bourke Lecture and Medal Fund	13	1	-	4	10	13
Marlow Medal and Award Fund	78	4	3	3	82	78
John Jeyes Lectureship Fund	49	2	2	4	49	49
BOC (Gases Division) Trust	170	8	8	-	186	170
Edward Horton Bequest	61	3	3	-	67	61
Ludwig Mond Trust	96	5	4	5	100	96
Industrial Division Endowment Lecture Fund	126	6	6	5	133	126
Henderson Memorial Lecture Fund	36	2	2	-	40	36
PF Frankland Memorial Lecture Fund	66	3	3	3	69	66
W J Hickinbottom Bequest	1,421	67	64	4	1,548	1,421
Whittle Memorial Fund	15	1	1	-	17	15
R A Robinson Memorial Fund	169	8	8	-	185	169
E Frankland Prize and Lecture Fund	28	1	1	4	26	28
Barrer Award	29	1	1	1	30	29
A Spinks Symposia Fund	103	5	5	-	113	103
Rhone –Poulenc Lectureship	25	1	1	2	25	25
Marriot Legacy	197	9	8	5	209	197
A Robertson Bequest	182	9	8	-	199	182
E Frankland Fellowship	81	4	4	3	86	81
W A Waters	219	10	9	9	229	219
J O Cutter	712	34	32	14	764	712
S F Boys – A Rahman Lecture Fund	25	1	1	2	25	25
C Sulzbacher	88	4	4	4	92	88

25. Trust and Lecture Funds (continued)

	2014					2013
	Opening Balance	Accumulated Investment Movement	Income	Expenditure	Closing Balance	Closing Balance
	£000	£000	£000	£000	£000	£000
A Albert	576	27	26	16	613	576
J Chatt Lectureship	55	3	2	2	58	55
G Wilkinson Lectureship	73	3	3	2	77	73
Colman-Porter Fund	307	15	14	-	336	307
Memorial Fund	109	5	5	4	115	109
Bill Carruthers Lectureship	20	1	1	-	22	20
Brian Scarlett Memorial Fund	2	-	-	-	2	2
Lord Lewis Award	16	1	1	5	13	16
Charles Rees Award	96	5	4	3	102	96
Harry Shalgosky Bequest	31	2	2	-	35	31
Total	9,309	435	410	351	9,803	9,309
Represented by:						
Investments					8,098	7,663
Balance at Banks (inc. Deposits)					25	29
Funds invested by RSC on behalf of Trust Fund					1,611	1,582
Accrued Income					77	69
					9,811	9,343
Less: Sundry Creditors					(3)	(3)
Accrued Expenses					(5)	(31)
Value of Funds reflecting Investments at Market Value					9,803	9,309

25. 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 subsequently, the RSC 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 practices 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 formerly, 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 subsequently, the RSC 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 practices 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 subsequently, the RSC and is awarded by the Research Fund Committee which is authorised to make a limited number of awards in any one year.



Thomas Graham House
Science Park, Milton Road
Cambridge CB4 0WF,
T +44 (0)1223 420066

Burlington House
Piccadilly, London
W1J 0BA, UK
T +44 (0)20 7437 8656

International Offices

São Paulo, Brazil
Beijing, China
Shanghai, China
Berlin, Germany
Bangalore, India
Tokyo, Japan
Philadelphia, USA
Washington, USA

www.rsc.org



THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE
2013