

RSE
The Royal Society of Edinburgh

Financial Statements and Trustees' Annual Report

Charity Number SC000470

Year ended 31 March 2026

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Corporate Governance and Management

The Royal Society of Edinburgh is an educational charity, registered in Scotland as Scottish Charity No SC000470. The Trustees are elected Council members. Details are provided below:

Council

President

Professor Sir Anton Muscatelli

General Secretary

Professor Jo Shaw

Vice-Presidents

Professor Anne Anderson

Professor Martin Hendry

Professor James Njuguna

Dr Janet Brown

Dr Poonam Malik

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Dr David Hare (until 23.04.26)

Professor Jim Gallagher (from 01.06.26)

Fellowship Secretary

Professor Tariq Durrani

Members

Professor Jim Gallagher (until 31.03.26)

Professor Alison Hulme

Professor Arthur Trew

Professor Emerita Alison Murray

Professor Lesley Torrance

Professor Lesley Yellowlees

Mrs Theresa Shearer

Corporate Governance and Management (continued)

Other Office Bearers

Curator

Professor Javier Martin-Torres

Young People's Programme Convenor

Dr Stephen Breslin

Chair of RSE Scotland Foundation

Professor Gordon Masterton (until 27.05.25)

Professor John Coggins (from 28.05.25)

Audit and Risk Committee

Convenor

Professor Jim Gallagher (until 03.03.2026)

Stephen Chapman (from 04.03.2026)

Members

Professor Pauline Weetman

Professor Arthur Trew

Dr David Hare

Ms Jane Ryder

Senior Staff

Chief Executive

Professor Sarah Skerratt

Director of Finance and Corporate Services

Miss Laura Steven (until 13.02.26)

Director of Finance

Mr David H Dewhurst (Interim from 14.02.26)

Trustees' Annual Report

The Trustees present their report together with the financial statements for the year ended 31 March 2026. Corporate Governance and Management information set out on pages 3 and 4 and the Legal and Administrative Information set out on page 67 form part of this report.

RSE Aims and Objectives

RSE: Knowledge Made Useful

The Royal Society of Edinburgh (RSE), Scotland's National Academy, brings together more than 1,800 Fellows drawn from academia, business, public service, the arts, and civil society. With a presence at the heart of Scotland's civic life and a strong international outlook, the RSE provides a trusted space for the exchange of ideas, expertise, and experience across disciplines and sectors.

Founded in 1783 for the 'advancement of learning and useful knowledge', the RSE remains committed to applying knowledge for the public good. Our mission is to advance learning and make knowledge useful in supporting the cultural, economic, environmental, and social wellbeing of Scotland and its people.

Our [Strategic Plan 2023–2028](#) commits the Society to supporting excellence across research, innovation, education, and public life while helping to address three interconnected challenges facing Scotland and the wider world: climate change and environmental sustainability, economic prosperity, and social cohesion and inclusion. These complex issues require multi- and inter-disciplinary thinking and collaboration across sectors, drawing on expertise from the sciences, social sciences, humanities, arts, business, and public life.

Alongside these long-term priorities, the RSE remains responsive to emerging opportunities and challenges. Through our Fellowship and programmes, we bring together diverse perspectives to inform public debate, support evidence-informed decision-making, and contribute to solutions that benefit society. We are equally committed to creating opportunities for people across Scotland to engage with knowledge, research, and ideas, recognising that public dialogue and participation are essential to addressing the complex issues facing society.

Achievements and performance

The RSE works to ensure that knowledge and expertise are translated into positive impact for the public good. Through our activities, we support research and innovation, contribute to public policy, strengthen education and learning, foster international collaboration, and create opportunities for public engagement and dialogue across Scotland. We bring researchers, practitioners, policymakers, and communities together to ensure that knowledge is shared, debated, and applied to the issues facing Scotland and the wider world.

Our work is organised around five interconnected programme areas: research, policy advice, education, economy and enterprise, and international engagement. Through these activities, the Society addresses issues of national and global significance while supporting Scotland's future prosperity, wellbeing, and resilience.

None of this would be possible without the contribution of the RSE's Fellows, who volunteer their time, expertise, and leadership across a substantial breadth of knowledge and experience from academia, business, the arts, humanities and culture, and the third and public sectors. It is estimated that our 1,800+ Fellows contribute between £1 million and £1.5 million each year in support of the Society's charitable activities. Their commitment and expertise are fundamental to the RSE's ability to generate impact and serve the public good.

The Society also benefits from the continued support of the Scottish Funding Council (SFC), whose investment, alongside the RSE's own income, reserves, and other resources, enables us to deliver our programmes and advance our charitable objectives.

Supporting leading research

The RSE's prestigious and competitive core [Research Awards Programme](#) enhances Scotland's standing as a nation of research and innovation. The programme addresses an important gap in the funding landscape, providing seed funding across all disciplines and career stages and complementing larger UK-wide funding schemes. Initiatives including Personal Research Fellowships, Research Collaboration Grants, Small Research Grants, International Joint Projects, and Bilateral Visits enable researchers to develop new ideas, establish collaborations, and generate knowledge that benefits society in Scotland and beyond.

During 2025–2026, the RSE assessed around 800 applications from researchers across 18 Scottish higher education institutions and awarded almost 200 grants worth £1.52 million. A rigorous peer-review process involving Fellows and members of the Young Academy of Scotland ensured that funding was awarded to projects of the highest quality and potential. Collaboration remained central to the programme, with researchers engaging with more than 60 organisations nationally and internationally across academia, industry, and the wider public sector. The Society also secured over £486,000 of additional funding to enhance and expand its research programmes.

The RSE continued to deliver impact through a range of strategic programmes and partnerships. Ten researchers received Personal Research Fellowships, enabling them to take between three and twelve months of dedicated research leave to pursue ambitious projects. These research projects are helping to improve understanding of Scotland's changing climate and drought risk, exploring the implications of neurodiversity for criminal responsibility, shedding new light on the history of Scottish prisons, and advancing modelling techniques that could improve our understanding of volcanic activity and support the development of future energy technologies.

The wider Research Awards Programme included 35 Research Collaboration Grants, 70 Small Research Grants, 17 International Joint Projects, and four Bilateral Visits. These awards enabled researchers to pursue innovative projects addressing a wide range of contemporary challenges, from sustainable energy technologies and inequalities in adult social care in island communities to the preservation of cultural archives and the impacts of climate change on mountain glaciers. The RSE and the Royal Irish Academy (RIA) continued to strengthen research links between Scotland and Ireland through the Scotland–Ireland Bilateral Network Grants. The 2025–2026 awards focused on the theme of Community and Diaspora and supported collaborative projects exploring diaspora engagement and community futures, alongside research into factors affecting young people's use of mental health services in Scotland and Ireland.

The RSE also launched the [Scotland–Lower Saxony Research and Innovation Scheme](#) in partnership with the Ministry of Science and Culture of Lower Saxony, Germany, and the European Centre for Advanced Studies (ECAS). Made possible through support from the RSE Scotland Foundation and the Caledonian Research Fund, the Scheme strengthens research, technology, and innovation links between Scotland and Lower Saxony while creating new opportunities for international collaboration. Alongside awarding £147k through the Development Track in 2025–26, the Scheme provides a pathway to more than £1 million of additional international research investment when combined with the Excellence Track, funded by the Ministry of Science and Culture of Lower Saxony and the Volkswagen Foundation. This represents a distinctive contribution by the RSE, creating access to funding opportunities beyond traditional UK research funding routes and helping to attract new international investment into Scotland's research and innovation ecosystem.

During the year, the RSE's Development Track supported 24 new research partnerships between Scottish and Lower Saxonian institutions. The awards enabled researchers to begin addressing shared challenges, developing innovative solutions, and establishing the international collaborations needed to secure larger-scale funding and deliver longer-term impact. The funding has provided an important foundation for future research and innovation activity between the two regions. The projects funded reflect the breadth of expertise across Scotland and Lower Saxony and addressed a wide range of scientific and societal challenges, including the energy transition, climate resilience, health and wellbeing, education, social inclusion, and sustainable technologies. The projects also explored opportunities to strengthen environmental sustainability, support future energy and transport systems, and deepen understanding of shared societal challenges facing both regions. The scheme represents an important new international partnership for the RSE, creating opportunities for researchers in Scotland and Lower Saxony to combine expertise, share knowledge, and develop solutions to shared economic, environmental, technological, and social challenges.

The RSE also launched its new [Research Leadership Scheme](#), an initiative designed to support Scotland's next generation of research leaders. Generously funded by the RSE Scotland Foundation and the Caledonian Research Fund, the Scheme aims to equip talented mid-career researchers with the skills, confidence, networks, and experience required to lead major interdisciplinary research programmes addressing significant scientific and societal challenges. This forms part of a two-year pilot and combines mentoring, training, peer learning, networking opportunities, and seed-corn funding to help participants develop their leadership capability and strengthen future funding applications. During the year, the [first cohort of thirteen researchers](#) from eleven Scottish higher education institutions was announced. Bringing together expertise from a wide range of disciplines, including engineering, environmental science, geography, archaeology, art and design, data science, sustainable development, and molecular crop science, the cohort will work collaboratively around the theme of *Building Scotland's Green Future*.

Ongoing support from the Williamson Trust enabled the RSE to deliver a third round of [Healthy Planet, Healthy People](#) programme Catalyst Awards and launch the first [Change Awards](#). Following strong demand, 24 projects were funded across Scotland, spanning island, highland, urban, and rural communities. The awards supported community-led research and action on issues relating to nature, climate, food, and environmental sustainability, including projects exploring access to nature, sustainable food production, biodiversity, and community resilience. As this multi-year investment continues, the RSE will work with funded projects to develop a deeper understanding of the longer-term impacts being achieved in communities across Scotland.

The RSE's Research Awards Programme continues to support excellent research, strengthen collaboration, and enable researchers and communities to contribute to addressing some of the most significant challenges facing society today.

Key highlights

- £1.52 million awarded to almost 200 research projects across 18 Scottish higher education institutions
- Around 800 applications reviewed, demonstrating strong demand for RSE funding
- More than 60 national and international research collaborations supported
- 24 Healthy Planet, Healthy People projects funded across Scotland
- Over £486,000 of additional funding secured to enhance existing research programmes
- Launched the Scotland–Lower Saxony Research and Innovation Scheme, supporting 24 new international research partnerships
- Established the inaugural Research Leadership Scheme cohort, bringing together 13 researchers from 11 Scottish higher education institutions

Stakeholder feedback

Feedback from award holders, partners, and collaborators highlighted the value of the RSE's support in enabling new collaborations, strengthening research networks, and providing the foundations for longer-term research and innovation.

"The RSE award gave us the opportunity to bring together our different interests—adolescence, unhealthy diets, the role of environmental enrichment—and explore something totally new. That is the really exciting part of science!"

"The award has helped me establish a new international collaboration which is noticed in my department. Also having a grant awarded in my own name has, I believe, contributed to my recent promotion to senior research fellow."

"[the funding has] already helped us refine our methods, plan a second round of workshops, and shape the design of a larger future project."

"I think there's always a benefit in being together [with my Lower Saxony collaborator]...it has allowed the possibility of comparative work and cross-regional work which builds understanding of localities whilst also understanding how these debates go beyond your space alone."

"[The Scotland-Lower Saxony Research and Innovation Scheme funding] brought together a group of people who may not otherwise have met to discuss this topic... we drew in our wider networks and that's when it became quite diverse and we also had some synergies that we may not have had otherwise."

"[The award] Fostered very productive international collaboration that will endure beyond the RSE funding and has opened up a new and productive strand of research."

"The PRF Networking event was informative and well organised. At mid-career stage there are few opportunities for career development, so the content was well targeted. It was my first chance to meet fellow award holders and I found this interesting in terms of their projects and career stages." (Personal Research Fellowship networking event)

"As this community-led work [Healthy Planet, Healthy People programme] continues to grow, there can be no doubt that communities across Scotland can build local solutions to the ongoing challenges to our environment, our communities, and our food. This round, we have projects spanning seed saving, community growing, fermentation and composting, coppicing, tree identification, accessing green space, transhumance, and repair cafés. An amazing array of projects." – Professor David Salt FRSE, Chair of The Williamson Trust

"Unusual to have a funder that brings together all projects building a community from community-based projects." – Healthy Planet, Healthy People research awardee, 2025 stakeholder event.

Shaping public policy

The RSE provides independent, evidence-informed advice for the benefit of policymakers, public bodies, civil society, and citizens. Drawing on the expertise of its multidisciplinary Fellowship and Young Academy of Scotland (YAS), the Society helps decision-makers navigate complex challenges by bringing together diverse perspectives, identifying practical solutions, and translating evidence into accessible policy insights.

During 2025–2026, the RSE continued to strengthen its role as a trusted source of impartial expertise and a convenor of informed debate. Through reports, consultation responses, parliamentary engagement, roundtables, public events, and strategic partnerships, the Society contributed to policy discussions on issues including public service reform, poverty and inequality, education and skills, environmental sustainability, research and innovation, and Scotland's future policy priorities. By creating opportunities for policymakers, researchers, practitioners, and communities to engage directly with evidence and one another, the RSE helped ensure that policy discussions were informed by the best available knowledge and experience.

Supporting informed democratic debate

Recognising that the 2026 Scottish Parliament election was taking place against a backdrop of significant economic and societal challenges, a shifting political landscape, and heightened debate across parties, the RSE embarked on an ambitious programme of engagement to reaffirm its role as an impartial source of evidence and analysis, helping politicians, stakeholders, and the public engage with the key issues facing Scotland. The programme centred on three strands: a series of free public events held across the country, a publication highlighting key issues facing Scotland in the next parliamentary session, and a supporting blog series. More than 85 Fellows and Young Academy members contributed to the wider programme.

The programme saw the RSE travelling to locations around Scotland including Ullapool, Aberdeen, Dundee, Galashiels, and Dumfries and Galloway, tailoring discussions to local priorities such as land use, economic opportunity, and reskilling, while encouraging informed public debate. A particular highlight was a leaders' debate for young people in Dumfries and Galloway, where school pupils developed and posed their own questions to political candidates, embracing their newfound role as registered voters.

The policy publication, *Policy in practice: How Scotland can get it right*, was published in March 2026 and generated extensive media coverage, reminding politicians of the need to make difficult choices to deliver the change Scotland needs. The wider election programme also succeeded in positioning the RSE as a trusted and authoritative voice during a highly contested election period, securing coverage across national, regional, and local media outlets and helping bring evidence-informed perspectives into public debate.

Across the programme, more than 500 people registered to attend events and activities across Scotland, while the Society secured 45 pieces of media coverage relating to both the [public events programme](#) and [policy publication](#) across print, broadcast, and online outlets, including BBC Scotland, STV, ITV Borders, *The Times*, *The Herald*, *The National*, and *Holyrood* magazine. Coverage of local events helped ensure that discussions reached audiences across Scotland, while national media engagement extended the reach of the Society's policy recommendations. The programme also strengthened relationships with journalists and commentators, generating further opportunities for media engagement and establishing the RSE as a sought-after source of expert comment on many of the major policy challenges facing Scotland.

As Scotland's new Parliament begins its work, the RSE will continue to provide independent advice and evidence-informed analysis to support effective policymaking.

Addressing Scotland's long-term challenges

The RSE continued to bring evidence and expertise to some of Scotland's most pressing and complex policy challenges. In February 2026, the Society hosted a parliamentary roundtable on public service reform, bringing together MSPs, Fellows, Young Academy members, and external experts to examine how Scotland can deliver meaningful reform in a period of constrained public finances. Building on the Society's earlier work with Audit Scotland, discussions explored how innovation, prevention, and service transformation could help improve outcomes while making more effective use of public resources.

The Society also continued its work on poverty and inequality. A report on [childhood health inequalities](#), developed in partnership with the Mental Health Foundation, drew together expertise from more than 40 disciplines and sectors to examine how collaboration, data, and early intervention could improve outcomes for children and families. The work led directly to further engagement with Scottish Government officials on the development of the Tackling Child Poverty Delivery Plan 2026–2031, including a dedicated roundtable examining the drivers of in-work poverty and opportunities for cross-sector action.

Environmental sustainability remained another major focus. Working with partners across the United Kingdom, the RSE convened discussions around the interconnected challenges of biodiversity loss, climate change, food and water insecurity, and public health. The Society's *Just Don't Waste!* initiative brought together environmental agencies, researchers, policymakers, and the public to explore how greater collaboration and systems thinking can support more effective responses to these shared challenges.

Turning evidence into policy influence

The RSE continued to demonstrate how independent evidence can contribute to policy development and legislative scrutiny. Building on its influential inquiry into public expenditure on tree planting and forestry, the Society worked with parliamentarians and partner organisations to translate its recommendations into proposals for legislative change through the [Natural Environment \(Scotland\) Bill](#). One amendment informed by the inquiry was successfully adopted, while wider engagement with ministers, MSPs, and officials ensured that the Society's findings remained part of ongoing discussions about forestry policy, environmental management, and rural communities.

The Society's policy advice also informed parliamentary scrutiny and wider public debate through consultation responses, evidence submissions, reports, and direct engagement with elected representatives. Across a wide range of policy areas, the RSE continued to provide independent expertise that helps decision-makers assess evidence, consider long-term implications, and explore practical solutions to complex challenges.

The Society continued to strengthen the links between research and policymaking through the publication of [Research–policy exchange in Scotland](#), supported by Universities Scotland. The report brought together policymakers, universities, researchers, and intermediary organisations to examine how evidence is used in decision-making and how Scotland's research-policy ecosystem can be strengthened. At a time when governments face increasingly complex challenges, from climate change and economic growth to technological change and child poverty, the report provided a practical framework for improving collaboration, reducing duplication, and ensuring that research can more effectively inform policy. The work reinforced the RSE's role as a trusted intermediary between the research and policy communities – a point echoed by the Chair of the Scottish Funding Council during a stakeholder symposium on the emerging findings – helping to ensure that Scotland's considerable investment in research and innovation translates into public benefit and informed decision-making. Discussions also highlighted Scotland's potential to lead the way across the UK in developing a more strategic and coordinated approach to research–policy exchange.

Building partnerships for better policymaking

The RSE continued to strengthen partnerships that broaden the range of voices and perspectives contributing to policy development. Working with Community Development Lens (CoDeL), the Society explored how community-rooted knowledge and lived experience can be better incorporated into research and policymaking. A major gathering in Skye brought together researchers, practitioners, and community representatives to develop a shared vision for community-based research that places communities at the centre of the process. The resulting report, [Valuing local communities in research and policymaking](#) highlighted the importance of equitable partnerships and community agency in generating effective

evidence.

The Society also strengthened its international and inter-academy partnerships. In early 2026, the Royal Society of Edinburgh, the Royal Irish Academy, and the Learned Society of Wales signed a [new agreement for the Celtic Academies Alliance](#), strengthening collaboration on issues of shared interest across the Celtic nations. The Alliance will support joint policy activity, research collaboration, and coordinated engagement with policymakers on matters including innovation, economic development, research funding, and higher education.

Delivering Scotland's future: skills, innovation and opportunity

Education and skills remained a central theme throughout the year. The RSE published [Gaps, overlaps, and challenges](#), a comprehensive analysis examining how Scotland's education reform agenda aligns with wider national priorities, including economic growth, child poverty, and the transition to net zero. Drawing on extensive policy analysis and stakeholder engagement, the report identified areas of coherence as well as significant gaps, overlaps, and evidence shortages across the policy landscape. It highlighted the importance of parity of esteem across different learning pathways, the need for a more joined-up and responsive tertiary education system, and the critical role of high-quality evidence in supporting effective policymaking. The work provided a framework for understanding how education and skills policy can better support Scotland's long-term social and economic ambitions.

Working in partnership with The Crichton Foundation, the RSE also convened a [cross-sector conference](#) in Dumfries and Galloway exploring how education, skills, and innovation can unlock rural growth and opportunity. The conference challenged assumptions that rural communities are places of limited opportunity and helped dispel the myth that success requires young people to leave. Instead, it highlighted the experiences of those who have chosen to stay and build their careers in rural Scotland. Discussions explored how education and skills systems can support local prosperity, including the importance of provision that reflects local economic contexts, attracts entrants into key sectors, and responds to changing employer needs.

The event reflected many of the themes that have been central to the RSE's education policy work in recent years, including the need for parity of esteem across different learning pathways and the importance of a joined-up and responsive tertiary education system. A follow-on series of RSE blog pieces extended the discussion to a wider audience, helping to share insights on rural innovation and education beyond those who attended the conference. The event also demonstrated the RSE's ongoing commitment to regional delivery and educational equity. To coincide with the conference, the Education Committee held its autumn meeting in Dumfries and Galloway, which prompted an intention to hold one quarterly meeting each year outwith Edinburgh to better understand how educational issues manifest across different parts of the country.

The RSE also continued to contribute to national debate on the [future funding of tertiary education](#) through a conference exploring the funding and sustainability of Scotland's colleges and universities. The event brought together students, academics, institutional leaders, policymakers, and practitioners to examine the challenges facing the sector and the reforms that may be needed to support learners, skills development, research, and economic prosperity. The conference provided an opportunity to explore differing perspectives on the future of tertiary education and to consider the implications of funding and structural reform for Scotland's learners, institutions, and economy.

The Economy and Enterprise Committee also continued its work examining Scotland's economic performance and the effectiveness of public services. Building on a wider programme exploring productivity across the economy, the RSE convened a roundtable with the Office for National Statistics and the Scottish

Leaders Forum to consider how public sector productivity can be measured in ways that support better policymaking and improved public services. The discussions informed the advice paper *Public sector productivity: Mapping the metrics*, which brought together perspectives from government, academia, statistics, and public service leadership. The paper highlighted both the opportunities and challenges associated with measuring productivity across complex public services and reinforced the importance of robust evidence and meaningful outcomes in shaping future public service reform and improving the effectiveness of public spending.

The Society also continued to contribute to debates on Scotland's fiscal future through its response to the Scottish Government and COSLA consultation on the future of council tax. Drawing on expertise from the wider Fellowship and the Economy and Enterprise Committee, the RSE built on its earlier work in this area to develop an expanded advice paper, *The future of council tax in Scotland*. The paper argued that meaningful reform will require a national revaluation of property values for the first time since 1991 and highlighted the importance of creating a system that is accurate, proportionate, and credible. While published shortly after the end of the reporting period, the advice reflected extensive analysis and engagement undertaken during the year and contributed expert evidence to an important national policy debate.

Through these activities, the RSE continued to demonstrate the value of independent expertise, constructive dialogue, and multidisciplinary collaboration in addressing the complex challenges facing Scotland. Connecting policymakers with evidence, expertise, and lived experience helps ensure that public policy is informed by knowledge and focused on delivering long-term benefit for society.

Key highlights

- 500+ registrations and 45 media placements achieved through the RSE's Scottish Parliament election programme
- Published *Policy in practice: How Scotland can get it right* ahead of the 2026 Scottish Parliament election
- Influenced policy debate and legislative scrutiny on issues including public service reform, child poverty, education, and environmental sustainability
- Provided a trusted forum for evidence-informed discussion on the future of skills, tertiary education, innovation, and economic prosperity in Scotland
- Provided a framework for research-policy exchange in Scotland through a landmark national report
- Strengthened collaboration with the Royal Irish Academy and Learned Society of Wales through a new Celtic Academies Alliance partnership agreement

Stakeholder feedback

Feedback from participants, partners, Fellows, and policymakers highlighted the value of the RSE's role in convening informed debate, bringing together diverse perspectives, and creating opportunities for evidence to inform public discussion and policy development.

"We urgently need coherent and constructive thinking to shape a positive future. The RSE engages critically with real-world challenges and offers a respected voice that helps drive meaningful change." (Scottish election programme event feedback)

"The most valuable aspect of the event was the data-driven discussion of political and social trends shaping the upcoming 2026 election. The combination of expert insights, public policy context, and open audience engagement created a well-rounded understanding of the topic and encouraged reflection on broader democratic dynamics in Scotland." (Scottish election programme event feedback)

"Many issues were raised by panel and audience members who had diverse backgrounds and experiences that meant topics were considered from different angles. I came away with many new thoughts and ideas." (Scottish election programme event feedback)

"Honoured and delighted to contribute to this important topic of the rhetoric v reality of Public Sector Reform which is poorly understood and even more poorly funded. Change costs, Transformation costs more and Reform yet much more again. Well done Royal Society of Edinburgh for convening." (Public service reform roundtable)

"[Positives included the] convivial atmosphere, fantastic venue, great selection of speakers, [and] equitable distribution of specialisations among attendees." (Valuing local communities in research and policymaking event)

"The social, hospitality and conversations outside of formal sessions were really great in supporting the continuation of [important dialogue]. That's not always the case at gatherings like these, the support through accommodation and hospitality really fostered that." (Valuing local communities in research and policymaking event).

"[I appreciated] the inclusive, informal atmosphere and the excellent suite of participant[s]." (Valuing local communities in research and policymaking event)

"[One benefit was] meeting people from different walks of life/professions - but all with that link, working somehow to garner/facilitate opinions/information from a specific set of people." (Valuing local communities in research and policymaking)

"[I valued] the time for exploring the issues together with people with whom I do not normally engage." – Valuing local communities in research and policymaking

"[It was] extremely engaging – [a] very good mix of speakers but all very constructive and inspiring." (Childhood health inequalities / tackling societal challenges)

"[It was] all extremely relevant. [The] speakers made complex issues accessible." (Childhood health inequalities event)

"[The event was] excellent, with practical examples [of prospective policy interventions]." (Childhood health inequalities event)

"In its 2024 inquiry into public financial support for tree planting and forestry, the Royal Society of Edinburgh highlighted current Scottish Government policy and practice that does not go far enough in recognising longstanding problems...." – Mercedes Villalba MSP during the Stage 1 debate on the Natural Environment (Scotland) Bill, 30 October 2025 (Natural Environment Act amendments / forestry inquiry)

Engaging the public

A central part of the RSE's mission is to help people across Scotland engage with the ideas, evidence, and expertise needed to understand and respond to the important issues shaping society. The RSE's public engagement programme brings research and expert knowledge into wider public discussion, encouraging dialogue rooted in evidence and helping non-specialist audiences explore complex challenges, consider different perspectives, and engage with the issues that affect their lives and communities. The RSE also connects the sciences, arts, humanities, and social sciences, recognising that many of society's most

significant challenges require insights from across disciplines. Particular emphasis is placed on engaging young people, supporting learning, and ensuring that activities reach communities throughout Scotland.

The RSE's public engagement programme connects people across Scotland with leading researchers, practitioners, and thinkers through a wide range of events and activities. During 2025–2026, more than 4,300 people attended public engagement events, with a further 10,000 post-event views of recorded content online. Over 60 events explored issues including eradicating poverty, the future of modern languages, contested rural environments, tertiary education funding, misinformation, sustainability, and the 2026 Scottish Parliament election. Activities were delivered both in person and online, helping to ensure broad accessibility and enabling participation from audiences across Scotland and beyond. Feedback from participants consistently highlighted the value of the RSE's impartial, evidence-based approach and its ability to bring together diverse voices and perspectives.

Curious, Scotland's festival of knowledge, continued to be one of the Society's flagship public engagement activities. The 2025 festival comprised 32 events involving 82 speakers and attracted more than 1,600 attendees from across Scotland and internationally. 10 festival events were livestreamed on YouTube, attracting more than 4,500 post-event views and extending the festival's reach well beyond those able to attend in person. Free to attend and spanning topics from technology and heritage to justice, culture, and social change, *Curious* enabled audiences to engage directly with cutting-edge research and contemporary issues in an impartial and accessible setting. The festival connected researchers, experts, and the public, encouraging informed discussion and enabling audiences to explore complex issues from multiple perspectives. It also generated 35 pieces of media coverage across print, broadcast, and online outlets and led to 939 new subscriptions to the RSE's public events newsletter, extending the festival's reach and creating new opportunities for ongoing public engagement.

The festival also played an important role in broadening engagement with the RSE. 348 attendees indicated that they had not previously engaged with the Society. Evaluation showed that 88% of respondents reported an improved understanding of the topics explored, while audience feedback highlighted the value of hearing diverse viewpoints, learning about new ideas, and participating in thoughtful discussion. Just as importantly, attendees consistently described the festival as enjoyable, inspiring, engaging, and thought-provoking, demonstrating the festival's success in creating welcoming spaces where people can both enjoy themselves and deepen their understanding of the issues shaping Scotland and the wider world.

Connecting communities through knowledge

The RSE continued to strengthen partnerships with organisations across Scotland, helping to bring knowledge and discussion to new audiences and locations. Alongside longstanding collaborations with organisations including the Royal Institute of Philosophy, the Scottish Cancer Foundation, the Scottish Consortium for Rural Research, and the Scottish Government's Evidence in Policy programme, the Society expanded its work with partners including The Crichton Foundation, Pitlochry Festival Theatre, and the Edinburgh Science Festival.

A major strand of public engagement activity focused on language, culture, and identity through the RSE Investigates... Language series. Across ten events, Fellows, YAS members, artists, writers, linguists, and community organisations came together to explore how language shapes culture, creativity, communication, identity, and participation in public life. The series engaged audiences in contemporary debates around multilingualism, Scots, Gaelic, British Sign Language, artificial intelligence, poetry, and music, while highlighting the role of language in fostering inclusion, self-expression, and cultural understanding. By bringing together expertise from different disciplines alongside lived experience, the programme encouraged and facilitated informed public discussion on an issue that touches every aspect of society.

Audience feedback highlighted increased confidence in using and valuing different languages and a deeper appreciation of the role language plays in shaping both individual identity and community life.

The Society also continued to build on relationships developed through earlier work in the Highlands and Islands. The *Contested rural environments* series provided a legacy to previous island-based activities and sustained discussion around rural skills, sustainability, land use, and community resilience. Through these activities, the RSE continued to demonstrate its commitment to ensuring that public engagement reflects the experiences and priorities of communities across Scotland.

Inspiring the next generation

The RSE's schools and young people programme continued to connect young people throughout Scotland with leading experts and contemporary research. During the year, more than 1,800 primary and secondary pupils participated in *school talks* and related activities that enhanced curriculum learning, broadened aspirations, and introduced potential future career pathways. Teachers highlighted the value of these activities in stimulating discussion, encouraging critical thinking, and helping pupils navigate increasingly complex issues. Exposure to current research and expert perspectives helps young people broaden their horizons, deepen their understanding of contemporary issues, and develop skills that will serve them in education, employment, and civic life.

Several projects demonstrated the value of combining creativity, research, and community engagement. *Into The Oceanic: Conversation with our Ocean*, developed with Dalbeattie High School, brought together art and science to explore themes of ocean sustainability and environmental change, culminating in a public exhibition of pupil artwork. In Dumfries and Galloway, a collaboration with Youthwork Dumfries enabled young women to investigate themes of boredom and social disconnection through their own research and creative practice, with outcomes showcased at the Youth Beatz Festival. These projects enabled young people to explore issues affecting their communities, develop new skills, and share their perspectives with wider audiences.

The Young People's Signature Event for 2025 brought together 120 senior pupils from across Dumfries and Galloway for a political debate ahead of the Scottish Parliament election. Designed in partnership with Members of the Scottish Youth Parliament and local youth workers, the event placed young people at the centre of discussions, enabling them to question political representatives directly and explore issues affecting their communities. Feedback demonstrated increased interest in politics, greater confidence in expressing views, and a stronger understanding of how political decisions affect everyday life. The event also highlighted the importance of creating opportunities for young people to participate meaningfully in democratic processes and public debate.

Across its public engagement programme, the RSE brought people across Scotland together to engage with evidence, ideas, and informed debate. Whether through festivals, local partnerships, school programmes, or national conversations, the Society remains committed to ensuring that knowledge is accessible, relevant, and useful to communities throughout the country.

Key highlights

- Engaged more than 4,300 people through public events and activities across Scotland
- Delivered over 60 events exploring topics including poverty, language, sustainability, education, misinformation, and the Scottish Parliament election
- Attracted more than 1,600 attendees to *Curious*, Scotland's festival of knowledge, including hundreds engaging with the RSE for the first time
- 88% of *Curious* participants reported an improved understanding of the topic explored

- Generated over 10,000 post-event views of recorded talks, discussions, and public engagement activities
- Delivered talks and activities to more than 1,800 primary and secondary pupils across Scotland
- Connected researchers, experts, artists, policymakers, and communities through programmes exploring issues shaping Scotland's future

Stakeholder feedback

Feedback received throughout the year highlighted the value of the RSE's public engagement activities in stimulating curiosity, broadening understanding, encouraging participation, and creating opportunities for dialogue across Scotland.

RSE Investigates... Language

"Very engaging and inspiring! The energy on the stage was infectious and I was thoroughly engaged from the get-go!"

"Belter of an evening showcasing Scotland's young talent....how important is that!!"

"Encouraged me to speak my own language with confidence and pride."

"An excellent cross cultural afternoon learning languages and making friends."

"Online is the only way I can participate in RSE events, and I'm immensely grateful for the opportunity to connect in this way."

"A mesmerising talk which captured my imagination."

"Something to suit everyone, boffins to bawheids!"

"That feeling of nurtured curiosity."

Schools and young people

"Thought I would let you know we had an awards evening and we put up posters on the bioplastics work (working in the class and the exhibition itself) in each Science room where the classes came from, so parents and families could see. The event was busy and the posters were enjoyed by many."

"The session was very engaging and gave pupils plenty to think about. I really like that they were involved in discussion and weren't just lectured for 50 minutes."

"Thank you for offering our students the opportunity to discuss an interesting and increasingly complex issue."

"Useful for them to be in peer groups talking about the sources of information they receive and its potential flaws and how to judge reliability of information."

Other public engagement activities

"Attending RSE talks is 90 minutes of your life well spent."

"Entertaining and informative and raised several issues to stimulate further investigation..."

"Explained things in layman's terms and thought provoking it certainly was. If you are looking for something different and leave with more questions."

"The topics, the knowledge and experience and understanding that came across from the speakers was of a very high quality which made me feel very comfortable and kept my interest and as a result I have signed up for the other talks over the next few weeks."

"Really enjoyable hour where I learned a lot about topics I haven't really put time aside to understand – this session has inspired me to do more personal research to understand these different very important sectors – thank you."

"A really excellent talk: pitched at the right level for me at least. A great mix of thought-provoking and challenging material, with some entertaining anecdotes just to spice things up."

RSE on the world stage

The RSE's mission of 'knowledge made useful' extends far beyond Scotland. As Scotland's National Academy, the Society helps connect Scottish researchers, institutions, policymakers, and communities with partners across the world, creating opportunities for collaboration, knowledge exchange, and shared learning. Through its international programme, the RSE promotes Scotland's strengths in research and innovation, supports the mobility of researchers and ideas, and helps ensure that Scottish expertise contributes to addressing global challenges while bringing international perspectives and opportunities back to Scotland.

During 2025–2026, the RSE convened international partners and supported collaborations spanning Europe, Africa, North America, and the Asia-Pacific region. The programme focused on developing long-term partnerships, strengthening research and innovation networks, supporting early-career researchers, advancing international dialogue, and creating opportunities for Scottish researchers and institutions to engage with global challenges and opportunities.

Expanding global partnerships

As Scotland's National Academy, the RSE plays a unique role in strengthening international connections that support research, innovation, policy development, and knowledge exchange. During the year, the Society organised, hosted, or supported more than 33 international meetings and activities, creating opportunities for new partnerships, collaborative research, and dialogue involving Scottish institutions and international counterparts.

The RSE continued to prioritise relationships with key international partners across Europe, Africa, North America, and the Asia-Pacific region through its Fellow-led international working groups. These groups help identify areas of shared interest, support collaboration between institutions, and create opportunities for Scottish expertise to contribute to international discussions and initiatives.

The RSE also strengthened Scotland's international research partnerships through landmark agreements with overseas partners. Most notably, the Society signed its first agreement with an African academy through a [new partnership with The Academy of Sciences, Malawi](#). Building on the longstanding relationship between Scotland and Malawi, the agreement will support joint workshops, collaborative research projects, researcher networks, public engagement activity, and participation in international funding opportunities. As the first agreement between the RSE and an African academy, and the first international agreement signed by The Academy of Sciences, Malawi, it represents an important milestone in strengthening Scotland's global research connections and creating new opportunities for collaboration on shared challenges.

The RSE continued to strengthen relationships with international partners across Europe, Africa, and the Asia-Pacific region. A delegation led by the Vice President, International, visited Japan to establish and deepen relationships with leading academic, governmental, and industry organisations, creating new opportunities for scientific cooperation and future collaboration between Scotland and Japan. The Society also developed partnerships with organisations in Germany and Ghana, supporting future research collaboration, knowledge exchange, and programme development.

The RSE also commissioned strategic research examining Scotland's international engagement. A report, *Exploring transatlantic research collaborations* on Scotland–North America partnerships provided the sector with a clearer understanding of existing collaborations and opportunities for future growth, helping to inform how Scotland can strengthen relationships with one of its most important international partners.

Supporting international research and innovation

The RSE continued to support international collaboration as a means of advancing research, innovation, and capacity-building. During the year, the Society funded and supported a range of international workshops, bilateral visits, and joint projects involving partners across Africa, Asia-Pacific, Europe, and North America. Four international workshops, delivered through the Society's international working groups and partner organisations, supported collaboration in areas including research and development, public engagement, and early-career researcher development. These activities attracted approximately £70,000 in combined funding and support and helped establish new networks between researchers and institutions.

One of the RSE's longest-standing international partnerships continued to strengthen research collaboration between Scotland and Norway. Through its agreement with the Norwegian Academy of Science and Letters, the Society hosted the eighth *Scotland–Norway Waves and Marine Hydrodynamics Symposium, Coast to coast – two decades of collaboration*, in October 2025. Bringing together academics from Scotland, Norway, and further afield, the symposium provided a forum for sharing cutting-edge research on ocean science, marine engineering, environmental monitoring, and autonomous technologies. The partnership has helped foster enduring international research networks, supported the development of early-career researchers, and advanced understanding of issues with significant implications for marine transport, environmental sustainability, fisheries, and the blue economy.

The RSE's international partnerships also helped create new opportunities for research collaboration with Taiwan. One *Scotland–Taiwan workshop* brought together researchers investigating chronic pain and fibromyalgia, leading to the establishment of a new international collaboration focused on developing future treatments. By bringing together complementary expertise from Scotland and Taiwan, the partnership helped overcome linguistic, cultural, and disciplinary barriers that had previously limited progress in the field. Researchers identified new opportunities to advance understanding of chronic pain mechanisms and created a platform for longer-term international collaboration aimed at improving outcomes for people living with chronic pain.

Particular emphasis was placed on supporting the next generation of researchers. International activities included the launch of a *PhD mentorship scheme* connecting 24 mentorship pairs across Scotland and Africa, creating opportunities for skills development, professional support, and international knowledge exchange. The Society also continued to support researcher mobility through bilateral visit schemes and international joint projects delivered in partnership with academies and funding organisations around the world.

The RSE's international activities ensure that Scottish researchers can access global networks, expertise, and opportunities while strengthening Scotland's contribution to addressing shared international challenges.

Academic freedom and conflict settings

Protecting academic freedom and supporting scholars at risk remained an important part of the RSE's international work. In June 2025, the Society completed its 24-month term as secretariat for the UK and Ireland Human Rights Committee of Academies (UKI HRC), which works to defend academic freedom and respond to threats facing scholars around the world.

In closing its term as secretariat, the RSE led the way in strengthening the effectiveness of the UK and Ireland Human Rights Committee of Academies by introducing new governance arrangements, streamlining decision-making processes, and developing shared principles to guide the Committee's work. These changes improved the Committee's ability to respond quickly and consistently to urgent case alerts concerning threats to academic freedom and human rights. The RSE also expanded engagement across the academy network, including supporting the involvement of the UK Young Academy, and contributed to international advocacy efforts through responses to four high-profile cases. Through this work, the Society helped ensure that the voices of the UK's national academies could be brought together in support of scholars facing persecution, restrictions on academic freedom, and other human rights violations.

The Society also played an important convening role in strengthening Scotland's response to higher education institutions, researchers, and students affected by conflict. Through a major scoping project, the RSE brought together universities, sector bodies, and other stakeholders to examine how Scotland's higher education sector can support colleagues and institutions operating in conflict settings. The resulting report, *A Space for Collaboration*, provided the first comprehensive overview of support currently being offered across the sector and identified practical opportunities to improve coordination, information-sharing, advocacy, funding, and support mechanisms. At a time when conflicts around the world continue to disrupt education and place academics and students at risk, the project helped establish a shared evidence base for future action and highlighted the important role Scotland's universities can play in supporting educational continuity, academic freedom, institutional resilience, and humanitarian response. The report's recommendations have informed ongoing discussions across the sector on how collective action can strengthen support for scholars, students, and institutions affected by conflict, while reinforcing Scotland's longstanding commitment to international educational cooperation and the right to education.

Scotland's international influence

The RSE continued to ensure that Scotland's voice and expertise contributed to international discussions on issues of global significance. During the year, the Society supported participation in a number of high-profile international meetings and networks, including activities focused on science diplomacy, human rights, international partnerships, and research collaboration.

These engagements provided opportunities to showcase Scottish expertise, strengthen international relationships, and contribute Scottish perspectives to discussions on issues ranging from the Arctic and climate change to academic freedom and international development. They also reinforced the RSE's role as a trusted international partner and an important gateway through which Scottish institutions and researchers can engage with the wider world.

The International programme, delivered by a small staff team working in partnership with Fellows and other experts, benefited significantly from more than 650 hours of voluntary support during the year. Through these partnerships and networks, the RSE continues to strengthen Scotland's global connections, support international collaboration, and ensure that knowledge, expertise, and innovation can contribute to addressing challenges that transcend national borders.

Key highlights

- Organised, hosted, or supported more than 33 international meetings and activities, strengthening Scotland's global research and innovation connections
- Signed the RSE's first agreement with an African academy through a landmark partnership with The Academy of Sciences, Malawi
- Supported international research collaboration, researcher mobility, and capacity-building through workshops, bilateral visits, and joint projects across Europe, Africa, North America, and the Asia-Pacific region
- Launched a PhD mentorship scheme connecting 18 mentorship pairs across Scotland and Africa
- Helped establish new international research collaborations, including a Scotland–Taiwan partnership advancing understanding of chronic pain and future treatment development
- Strengthened support for academic freedom and scholars at risk through leadership of the UK and Ireland Human Rights Committee of Academies
- Produced the first sector-wide assessment of how Scottish higher education institutions support colleagues and institutions affected by conflict, helping to inform future collective action
- Enabled Scottish researchers, institutions, and policymakers to engage internationally while bringing global expertise, perspectives, and opportunities back to Scotland

Stakeholder feedback

Feedback from participants and partners highlighted the value of the RSE's international programme in creating new collaborations, strengthening global networks, supporting researchers, and enabling knowledge exchange across borders.

"The RSE report and the meetings convened to address humanitarian crises, scholars at risk and the large-scale destruction of higher education infrastructure in The Gaza Strip, Palestine have provided vital support for Scotland's universities, refugee sector, universities of sanctuary and for the Gaza student evacuation scheme. By collecting, collating and analysing the metrics and measures different HEIs and bespoke organisations have taken the RSE has quite literally garnered useful knowledge and made this knowledge politically and practically useful for HEIs engaged in Sanctuary schemes and helping scholars at risk." – Professor Alison Phipps FRSE (A Space for Collaboration: Scottish higher education support to conflict settings)

"Since autumn 2025, the Scottish Government has worked with the RSE, universities, and the UK Government to facilitate support for students with fully funded scholarships. . . . To date, 27 students have been welcomed to Scotland and have begun their studies at universities across the country. . . . The RSE led the project to gather data on the demand for scholarships and the capacity of Scottish universities to support these. This evidence was critical in demonstrating the need for the UK Government scheme to continue." – Carron Flockhart, Head of International Higher Education, Directorate for Lifelong Learning and Skills, Scottish Government (A Space for Collaboration: Scottish higher education support to conflict settings)

"Without the funding, this meeting probably could not have happened. It has been absolutely essential and instrumental in allowing us to establish IC-SPRinT, the International Collaboration for Sng Chronic Pain Research into Treatment Development."* – Dr Guy Bewick, University of Aberdeen (Scotland–Taiwan Research and Innovation Workshop Grant Scheme)

*"Sng" is a Taiwanese term describing a distinct type of chronic pain commonly experienced by people with fibromyalgia, for which there is no direct equivalent in English.

"Perhaps most significantly, this collaboration has expanded my global professional network. I connected with a diverse group of scholars, practitioners, and community-based collaborators working across disciplines and geographies. These relationships have already sparked conversations about future joint research, project partnerships, and platforms for mutual learning. As an early-career researcher, such connections are

invaluable—not only for academic development, but also for building a career grounded in equity, collaboration, and public impact." – Charlie Cobbinah, University of Ghana (Scotland–Africa PhD Mentorship Scheme)

"This agreement creates a powerful platform for scientists and researchers in both countries to work together, share knowledge, and co-develop solutions to challenges that matter to our societies." – Dr Kondwani Katundu, The Academy of Sciences, Malawi (RSE–Academy of Sciences, Malawi partnership)

"This marks the first partnership between the Royal Society of Edinburgh and an academy in any African nation – an achievement truly worth celebrating. It is especially meaningful that this milestone is shared with the Malawian academy, given the deep and historic ties between our two countries." – Professor James Njuguna FRSE, Vice President International (RSE–Academy of Sciences, Malawi partnership)

Evaluation, learning, and continuous improvement

The RSE has continued to strengthen how it evaluates and understands the impact of its activities. Building on work undertaken with Evaluation Support Scotland in previous years, the Society reviewed and began to refresh its evaluation approach during the year, improving the evidence available on who engages with its programmes, the outcomes achieved, and the longer-term difference its activities make.

This work has provided greater insight into the contribution of the Society's programmes to research careers, public engagement, policy development, and international collaboration. It has also improved understanding of who is engaging with RSE activities, including geographic reach, accessibility, and participation by different audiences.

The Society continues to use this evidence to inform future planning and resource allocation. Evaluation findings have highlighted both areas of success and ongoing challenges, including strong demand for research funding opportunities, the importance of hybrid and outreach approaches in extending participation across Scotland, and the need to sustain high-quality digital engagement alongside in-person activity. The Society recognises that strengthening evaluation is an ongoing journey and will continue to refine its approach to ensure that evidence and learning are embedded across its work.

Equality, diversity and inclusion at the RSE

The RSE is committed to ensuring that equality, diversity and inclusion (EDI) are embedded throughout its culture, governance, programmes, and ways of working. Inclusivity remains one of the Society's core values and is reflected across its Strategic Plan 2023–2028, with 'social cohesion and inclusion' at the core and where EDI is both a guiding principle and a key delivery focus.

During 2025–2026, the Society continued to strengthen the integration of EDI considerations across all areas of activity. This included embedding EDI within business planning processes, programme design, recruitment and selection processes, governance arrangements, and organisational development. Mandatory equality and diversity training remains in place for staff, while EDI objectives continue to be incorporated into relevant roles and performance reviews.

A significant area of focus during the year was improving the Society's understanding of the diversity of those who engage with its activities. An external analysis of stakeholder diversity data was commissioned, examining the composition of the Fellowship, Young Academy of Scotland membership, and Research Awards applicants and award holders. This work has provided an important baseline for measuring progress

and identifying areas where further action is required. New data dashboards have also been developed to support ongoing monitoring and evidence-based decision-making.

Across the Research Awards Programme, the RSE continued to refine processes to reduce barriers to participation and support a wider range of applicants. This included maintaining provisions that recognise caring responsibilities and accessibility requirements, alongside eligibility criteria that better reflect non-linear career pathways. Community-led initiatives such as Healthy Planet, Healthy People continued to broaden participation in research by supporting a diverse range of organisations and communities across Scotland to shape and lead research activity.

The Society also continued to promote inclusivity through its public engagement activity. Events were delivered across Scotland and through a range of in-person, online, and hybrid formats, helping to engage audiences who may not traditionally participate in academic or policy discussions. Accessibility measures, including British Sign Language provision and an increasing focus on accessible event design, remained an important feature of the programme. The RSE also continued to work with partners including Young Scot, the Scottish Youth Parliament, and community organisations to reach a broader range of audiences.

Within governance and leadership, the RSE continued efforts to ensure that committees, panels, and decision-making bodies draw on a broad range of skills, experiences, and perspectives. A Diversity and Skills Panel supports Council in considering the composition of its governance structures and ensuring alignment with the Society's strategic objectives and values.

The Society remains committed to diversifying its Fellowship while maintaining excellence as the primary criterion for election. Work undertaken in recent years has sought to widen routes to nomination, proactively identify potential candidates, and provide training and guidance for those involved in the election process, with the aim of encouraging a broader range of candidates to come forward for consideration. The impact of these changes continues to be monitored and reviewed as part of the Society's ongoing commitment to ensuring that Fellowship processes are fair, transparent, and inclusive.

Internationally, the RSE continued to support academic freedom, scholars at risk, and inclusive international partnerships. Through its leadership of the UK and Ireland Human Rights Committee of Academies and its work on supporting higher education institutions affected by conflict, the Society contributed to wider efforts to ensure that knowledge, education, and research remain accessible and inclusive across national boundaries.

The Society recognises that EDI is an ongoing journey rather than a fixed destination. Priorities for the coming year include improving the completeness and consistency of diversity data, strengthening evaluation of EDI outcomes, benchmarking progress against the wider higher education sector, and continuing to embed EDI considerations throughout programme design, governance, and organisational practice.

Developing and diversifying income

During the year, the RSE has made significant progress in establishing its new Development function, following Council's approval of investment from the Development Fund to strengthen the organisation's long-term fundraising capacity. This investment has supported the creation of a dedicated team, the development of a more strategic approach to fundraising, and the introduction of improved systems, policies and processes to support sustainable income growth.

A key focus has been the development of a compelling Case for Support, setting out the RSE's ambitions and the role that philanthropic, corporate and charitable funding can play in extending its reach and impact. The

Fundraising Advisory Board, chaired by the RSE President, has also been established to provide strategic advice, support senior-level engagement and help open new conversations with potential supporters. Alongside this, work has progressed to strengthen donor stewardship, ethical fundraising practice, CRM capability, prospect research and cross-team collaboration.

The Development function has also supported income generation for specific areas of RSE activity, including public engagement, young people's outreach, research-related activity and the relaunch of the RSE's Enterprise Fellowship Scheme. While the relaunched Enterprise Fellowship Scheme remains in development and is not yet fully operational, it has already secured significant pledges of funding. The Development team has supported the fundraising stage of this work, helping to shape the proposition for funders and contributing to the relationship-building required to place the Scheme on a more sustainable footing.

Together, these developments represent an important step in building a more resilient and ambitious funding model for the RSE. While the function remains at an early stage, the foundations are now in place for a more coordinated approach to income generation, one that supports the RSE's charitable purpose, strengthens its public benefit, and enables the organisation to pursue its strategic priorities with greater confidence.

Financial Review

Operating result for the year

The Group Statement of Financial Activities records an operating deficit of £1,575,508 (£1,576k) (comprising an unrestricted fund deficit of £596k and a restricted fund deficit of £981k) compared with an operating surplus in the previous year of £1,641,263 (£1,641k) (comprising an unrestricted fund surplus of £134k and a restricted fund surplus of £1,507k).

The operating surplus for the year ending 31 March 2025 of £1,641k included two significant one-off receipts totalling £2,313k, comprising a £1,000k legacy from the Estate of Dr Charles Dewar Waterston received in December 2024 and a net receipt of £1,313k following the RSE's exit from the Lothian Pension Fund (LPF), a Local Government Defined Benefit Pension scheme. The £1,313k comprising an exit credit of £1,663k received in March 2025, recorded as Other income, less exit costs incurred of £350k. Removing both one-off receipts resulted in an underlying operating deficit for 2025 of £672k. Thus, the operating deficit of £1,576k in 2025-26 compares with an underlying deficit of £672k for 2024-25, an increase in the underlying operating deficit year on year of £904k.

The increase of £904k in the underlying operating deficit comprises: £318k additional costs re the Building Redevelopment Project; additional Programme costs funded by the Dr Charles Dewar Waterston Legacy Fund of £211k and additional Research & Prizes Awards of £185k. In addition there were fundraising costs of £68k and other general cost increases, in part offset with small income movements.

This aligns to the RSE Council's expectations of there being a planned deficit for 2025-26, with the actual deficit achieved being £578k lower than the approved budget for the year. It is the RSE Council's strategy to continue to operate at a planned deficit in the short to medium term while fundraising activities ramp up.

The major movements in income and expenditure are set out below.

Income and Expenditure

Income

Total income was £4,773K, a decrease of £2,629k compared to the prior year (2025: £7,402k). Excluding the addition of the gross income of £2,663k in 2025 in respect of the two significant receipts detailed above, on an underlying basis, total income increased by c.£34k in 2026, with increase in investment income being the main contributory factor (c.£29k).

Unrestricted income decreased by c.£1,511k to c.£3,832k principally due to the one off effect of LPF exit credit in 2025 (£1,663k). The movement is offset by an increase in income from Grants & other income in support of charitable activities of £144k.

Restricted income reduced by £1,119k principally due to a reduction in donations and legacy income of £1,014k (noting the effect of the £1,000k legacy from the Estate of Dr Charles Dewar Waterston received in December 2024). Income from Grants & other income in support of charitable activities also reduced by £121k. In addition, rental income reduced by £10k in the year, while investment income increased by £27k.

Expenditure

Total expenditure was £6,349k, c.£588k higher than the previous year (2025: £5,761k). Excluding the c.£349k pension scheme exit costs incurred in 2025 as outlined above, total expenditure increased by c.£938k.

Costs of raising funds in 2026 increased by c.£246k compared to 2025 from £731k to £977k, comprising an increase in unrestricted costs of c.£190k and an increase in restricted costs of c.£56k. The increase in unrestricted costs is driven by costs associated with the Buildings Redevelopment project and offset by a reduction in the cost of membership activities, which is in part driven by collection of outstanding Fellows' subscriptions and a c.£10k release of provision in the year. This is a result of a prudent provision in the previous year and successful collections in the interim period. The increase in restricted costs is largely due to increases in Building management costs within RSE Scotland Foundation.

Total costs of charitable activities 2026 were £5,372k (2025: £5,029k) an increase of £343k. There was a significant increase in costs of restricted charitable activities (c.£1,313k) as restricted reserves were used to fund a range of activities not embarked on in the past. These include: RSE Scotland Foundation funding £691k of Research Awards and £147k of other Awards. In addition, the Charles Waterston Fund contributed £210k towards new programmes in the year.

Gains & losses on investment assets

There was an overall gain on Investment Assets reported in the Statement of Financial Activities of £1,404k for 2026 versus an overall loss of £207k for 2025.

Unrealised gains & losses on investment property

No unrealised gains or losses on investment property were recorded for 2026 (2025: £nil).

Net movement in funds

The total net movement in funds for the year was a decrease of £172k (unrestricted funds increase of £35k plus restricted funds decrease of £207k), compared with an increase in 2025 of £1,434k (unrestricted funds increase of £49k plus restricted funds increase of £1,385k).

The decrease in net movement in funds in the year of £174k comprises an operating deficit of £1,576k plus realised and unrealised investment gains totalling £1,404k. (2025: increase of £1,434k comprising an operating surplus of £1,641k plus investment losses totalling £207k).

Balance sheet

Consolidated net assets decreased during the year by £172k (from £34,061k to £33,889k), comprising, a decrease of £88k in tangible fixed assets held and a decrease in intangible fixed assets of £57k, a decrease in net current assets of £545k and an increase in non-current liabilities of £739k offset by an increase in investments of £1,256k.

At the year-end, investments were fair valued at £27,263k, compared with £26,007k in 2025, a net increase of £1,256k. The overall increase in the value of the investments of £1,256,046 during 2025-26 is the net impact of gains of £643,663 (2025 loss of £333,803) and cash movements within the portfolio of £612,383.

The Group's Balance Sheet contains unrestricted reserves of £16,176k, an increase of £35k, being the total movement in unrestricted funds for the year, split £8k increase in the General Fund and c.£27k increase in total Designated Funds. Restricted reserves held on the Group's Balance Sheet totalled £17,712k, a decrease of £207k compared to the prior year.

Structure, Governance and Management

The RSE Council

The RSE Council, chaired by the President, comprises up to 15 Trustees, including the following Officer-Bearers: the President, five Vice-Presidents, the General Secretary, the Treasurer and the Fellowship Secretary. The Chair of Trustees of the RSE Scotland Foundation also attends Council as an observer. Council members are elected by the Fellowship to serve for four years, and all positions are unpaid. The Council is responsible for the strategic direction and policies of the RSE and normally meets quarterly. In addition to the members of Council noted above, there are two elected Office-Bearers who are not Trustees of the RSE: the Young People's Programme Convener and the Curator. These Office-Bearers are conveners of operational committees and are able to attend meetings of Council when there is business at Council relevant to their responsibilities. New members of Council and the Office Bearers are given an extensive induction through briefing notes and discussions with the Chief Executive and senior staff and training is provided to members as required.

Governance Committees

A Finance and Resources Committee oversees and gives advice to Council on RSE finances, HR policies and staff remuneration. It also supervises the Investment Committee. There is also an Audit and Risk Committee, the main purpose of which is to ensure there is an effective framework of audit and risk management on behalf of Council.

Operational Committees

The operational committees include the Programme Committee, the Education Committee, the International Committee, the Economy and Enterprise Committee, the Public Engagement Committee and the Research Committee. These Committees largely, but not exclusively, comprise Fellows of the RSE and support the operational delivery of the RSE's varied activities. All Fellows are actively encouraged to participate in the RSE's activities.

One other charity founded by the RSE, the RSE Scotland Foundation (a charitable trust and Scottish Charity SC024636) (the Foundation), is included in the consolidated financial statements. The Foundation supports the RSE's public outreach activities and manages the premises in Edinburgh. Five of the Trustees of the Foundation are appointed ex-officio of positions held on RSE Council and a minimum of four nominated Trustees are appointed for a three-year term by the RSE Council. Following a transfer of assets in 2009, the Foundation is also responsible for the Caledonian Research Foundation Fund, with authority under its Statutes to determine expenditure from the Fund in support of research in Scotland without requiring approval from RSE Council.

Related Parties

Material transactions with related parties are disclosed in the notes to these financial statements. The RSE's policy is for Trustees, staff and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party, or in which they may have a conflict of interest.

Risk Management

The Audit and Risk Committee, operating on a joint basis with the Foundation, reports directly to the Council and the Trustees of the Foundation. Unless he or she is a member of Council, the Audit and Risk Committee's Chair is invited to attend Council meetings as an observer. Its remit includes keeping under review the effectiveness of internal control and risk management systems of the RSE and the Foundation. To help support the Audit and Risk Committee deliver its remit, Azets was appointed as the RSE's Internal Auditors from 1 October 2025 following a competitive tender process.

The Council believes that the existing systems (including the review by the Audit and Risk Committee) and the structure of decision-making and reporting through the senior team to Council continue to provide assurance that risks are assessed and carefully managed.

Principal risks and uncertainties

Description of risk	Action to manage
Loss of funding	Fund-raising Strategy, including a legacies programme, being developed to diversify the funding portfolio of the RSE, together with the appointment of a new Development team over the last 12 months. Establishment of a Fundraising Advisory Board, chaired by the RSE President, comprising key stakeholders who bring insights to the RSE's endeavours. Regular engagement with key stakeholders on funding continuity, emphasising the impact and outcomes the RSE achieves as a result of the grant funding received. Continue to monitor developments that change risk factors for funding and operations.
Cyber-attack or IT security breach	Ongoing programme of IT risk management with strong strategic approach of proactive investment with an IT Audit completed in 2024 to identify areas for further investment. Progressing Cyber Essentials accreditation. Staff IT and cyber security training regularly undertaken.
People risk	Investment in staff development and maintenance of competitive pay and benefits. Introduction of a Wellbeing Strategy, components of which include rolling out a Health Cash Plan to all employees from 2026, introduction of volunteer days, and introduction of the Employee Assistance Programme (EAP). Manage succession planning for key roles and strengthen organisational resilience through cross-training and clear role documentation. Monitor staff wellbeing and engagement through regular communication between the Executive Team and staff, including via staff surveys and staff committee, monthly managers' meetings etc.
Premises risk	Maintain a Buildings Reserve for capital expenditure on the property. The Head of Facilities and Venue monitors the building's condition and plans maintenance proactively, including via a Strategy for building maintenance and improvement.

Reputation risk	As Scotland's national academy, the RSE's reputation for excellence, integrity and impartiality is central to attracting Fellows, securing funding and influencing policy. Mitigate this risk through clear governance and by upholding the RSE's values of excellence, integrity, impartiality, partnership and inclusivity. Manage communications and public engagement to ensure consistent, accurate and appropriate messaging. Engage constructively with media and stakeholders, with processes in place to respond promptly to reputational issues.
Information risk	Provide mandatory GDPR training for all staff and maintain an internal GDPR champion. Continue investing in the Customer Relationship Management (CRM) system to strengthen the confidentiality, integrity and availability of information assets. Use the Archives and Records Management Officer role to support accurate management and retrieval of internal records. Cybersecurity services are outsourced, with appropriate oversight and assurance arrangements in place, including periodic review and testing of cyber resilience. Third-party suppliers processing personal data are subject to appropriate due diligence, contractual data protection requirements and ongoing monitoring.

Going Concern

The Trustees have considered the Group's reserves and secured and expected income. The Group has significant unrestricted reserves (see Note 15), access to cash deposits and relatively liquid investment portfolios, which give flexibility to the Group to absorb the impact of any reductions in income over the next 12 months. The Trustees consider that it is appropriate to prepare the financial statements on a going-concern basis.

Policies

Investment powers and policy

The investment management arrangements were reviewed in April 2016 and, since 1 July 2016, the management of the investment funds of the RSE and the Foundation has been carried out by Rathbones and Brooks MacDonald Management. Each manages around half of the portfolio on a discretionary basis. The objectives set by the Council are to ensure a sufficient level of income to meet the target set annually by the Council, and to invest for real capital growth over the long term. The Council has delegated the detailed monitoring of performance to an Investment Committee, which includes at least one ordinary member of Council and two experienced investment professionals, and which makes comparisons against a composite benchmark reflecting the mix of assets held. The performance of the portfolios in the year was as follows:

	Income target £'000	Actual income £'000
RSE	447	688
Foundation	334	320

The income return was satisfactory. The overall income yield was 3.85% (2025: +3.75%). Overall, the total return for the year was 8.27% (2025: +0.75%), reflecting the overall gain on investments of £1,404k.

The Investment Committee aims to meet twice annually with the investment managers to discuss their compliance with the constraints set by the Committee and the risk environment. In the year under review, no compliance issues arose which required to be reported to the Committee.

The investment management arrangements have been subsequently reviewed again in May 2026 and a successful tender completed which will see Legal & General Investment Management Ltd taking on the mandate in full over the coming months.

Operating Policies – Grant Making

The RSE makes grants to individuals across all higher education institutions, all career stages and all disciplines, in support of research activities in the categories of Personal Research Fellowships, Research Workshops, Network Grants, Small Grants and International Grants including Joint Projects. Each of these categories is funded from various sources, including SFC funds, the RSE's restricted funds, and other Scottish Government Grants which the RSE administers on its behalf. The basis of eligibility and selection varies according to the detailed scheme regulations and are published on the RSE's website with each award programme (www.rse.org.uk).

Grants are also made in support of research activities of Fellows of the RSE, including support for travel connected with research or scholarship, small-scale specialist meetings, research collaboration and publication of books written by Fellows. The Research Awards Committee has overall responsibility for these awards to Fellows and members of the Young Academy of Scotland (YAS) in accordance with the scheme's regulations agreed by Council.

Reserves Policy and Funds

The RSE holds a range of restricted, designated and unrestricted reserves, which are set out below and further detailed in Notes 15 and 16 to the financial statements. These reserves are held to support the RSE's charitable objectives and strategic priorities, provide funding for specific future commitments and ensure that the RSE maintains sufficient financial resilience to manage unforeseen financial pressures.

The RSE recognises the importance of maintaining a sustainable level of unrestricted reserves. The Council considers that it would be desirable to maintain a General Fund reserve, together with other unrestricted funds, at a level in excess of six months' expenditure on support costs, currently estimated at approximately £1,892k. At 31 March 2026, the General Fund balance was £893k. While this is below the Council's preferred level, the RSE also holds significant unrestricted designated funds which provide additional financial resilience and are available to support the organisation's activities in accordance with their designated purposes.

The Council has established an objective of achieving a nil deficit on the General Fund by 31 March 2028. This reflects the Council's intention that the ongoing costs of the RSE's activities should be supported by

sustainable recurring income and that the use of reserves should be focused on planned investment and strategic expenditure rather than ongoing operating deficits. For 2025/26, notwithstanding the planned use of reserves, investment gains of £47k resulted in an overall positive movement in the General Fund of £8k during the year.

The Council monitors the level and composition of reserves as part of its financial planning process, taking account of the RSE's expenditure commitments, investment income and returns, funding outlook and planned strategic expenditure. The use of reserves will continue to be subject to appropriate approval and monitoring to ensure that sufficient unrestricted reserves remain available to manage unforeseen financial pressures and support the RSE's ongoing operations.

The total funds at 31 March 2026 are as follows:

	£'000
Total Funds	33,889
Less: Restricted	17,712
Less: Designated	
Capital Asset Reserve	2,347
Building Fund	3,101
Revaluation Reserve	1,963
BP Research Fund	4,573
Young Academy Fund	33
Development Fund	3,267
Total Designated	15,284
Net available funds	893
Comprising:	
General Fund Balance	893

The RSE holds a number of restricted funds resulting from bequests for particular purposes, details of which are set out in Note 16 to the financial statements.

The Council has allocated designated funds within its unrestricted funds for specific purposes, which are set out in Note 15 to the financial statements. The Capital Asset Reserve represents the buildings held as tangible fixed assets. Other amounts designated for future spending comprise the Building Fund for non-routine maintenance and development of the George Street buildings expected to be spent over the next 5 to 10 years; the Revaluation Reserve Fund for previously recognised revaluations of assets; the BP Research Fund for research and innovation; the Young Academy Fund for the support of YAS; and the Development Fund to support the delivery of the RSE Strategic Framework.

The General Fund represents the balance of unrestricted funds which are not otherwise restricted or designated for a specific purpose.

Pay Policy

The Trustees and the Senior Leadership Team, led by the Chief Executive, are the key management personnel. No Trustees receive remuneration; details of the reimbursement of Trustees' expenses are in Note 18 to the financial statements. All staff are joint employees of the RSE and the Foundation.

Policy on terms and conditions of employment was set in the past by Council's Staffing Committee, chaired by the General Secretary. This responsibility now rests with the Finance and Resources Committee (FRC). In 2022,

a Job Evaluation project was undertaken which recommended a Pay & Grading Review to FRC and Council, ensuring a correction of salaries to match market benchmarks, coupled with transparency of all grades and associated pay. This Review was approved by FRC and Council in May and June 2022 respectively with implementation from July 2022.

RSE into the Future

The RSE's forward outlook is built on several priorities that continue the work done in recent years. Contribution to society remains the driving force, through the effective use of knowledge and research, and providing a framework for RSE Fellows to share their experience and expertise.

The broad and deep expertise of the Fellowship across science, the arts, business and public service is recognised as a key enabler of multi-disciplinary approaches to the challenges of today and tomorrow. Scotland's National Academy is the focus point for these methods to serve society and the RSE continues to grow this ability.

The RSE, through its Fellows, staff and partners, endeavours to collaboratively: strengthen Scotland's research capacity and leadership; support innovation; influence public policy; raise Scotland's profile in the world; and enable the public to contribute to debates on issues of national and global significance.

RSE priorities for 2026-27 include:

- Continuing with the implementation and delivery of the Strategic Plan 2023-2028 that sets out the vision and direction for the years ahead, encompassing a high-level focus on climate change and environmental sustainability, economic prosperity, and social cohesion and inclusion.
- Delivering the outcomes of the 2023-2026 agreement between the SFC and the RSE across a breadth of Research & Innovation, Economy & Enterprise, Education, International and Public Engagement activities.
- Continuing to embed a national footprint throughout our activities as an essential underpinning of RSE's role as Scotland's National Academy.
- Developing more inclusive channels for outreach and impact with an emphasis on reaching new and more diverse audiences.
- Strengthening a diverse awards programme which supports Scotland in delivering to new research challenges and opportunities on a global stage.
- Diversifying the funding profile of the RSE to strengthen its presence into the future.
- Continuing developing the plans for the refurbishment of the RSE's buildings and the associated fundraising required to fund the programme of work.

In addition, YAS will continue with its commitment to inspiring curiosity, encouraging dialogue between diverse voices, and engaging with young and early-career leaders via its members who come from a wide range of backgrounds and communities. This strong national network will be utilised to promote cross-generational, cross-disciplinary exchange on a wide range of projects, including working alongside RSE Fellows in their mission of "knowledge made useful". YAS will also continue to engage with and support sister young academies from across the world, sharing knowledge and working together on international projects.

Statement of Council's Responsibilities

The Council is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under charities legislation applicable in Scotland, the Council is required to prepare accounts for each financial year that give a true and fair view of the state of affairs of the RSE itself and of its subsidiary and of the incoming resources and application of resources of the RSE itself and of its subsidiary for that period.

In preparing these financial statements, the Council is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles of the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the RSE will continue in operation.

The Council is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the RSE and which enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the RSE's own Laws.

It is also responsible for safeguarding the assets of the RSE and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Council is also responsible for the maintenance and integrity of the charity and financial information included on the RSE's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approval of the Report

At the time of approving this report:

- So far as each Trustee is aware, there is no relevant audit information of which the Auditor is unaware.
- Each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.



Signed on behalf of the Council

Professor Jim Gallagher
Treasurer

14 September 2026

Independent Auditor's Report

Independent Auditor's Report to the Council of the Royal Society of Edinburgh

Opinion

We have audited the financial statements of The Royal Society of Edinburgh (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 March 2026 which comprise the Group Statement of Financial Activities, RSE Statement of Financial Activities and the Group and RSE Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 March 2026, and of the group and parent charity's 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 and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent Auditor's Opinion continued

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Council's responsibilities statement set out on page 32, the Members of Council (who are the trustees for the purpose of charity law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Independent Auditor's Opinion continued

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

As part of our planning process:

- We enquired of management the systems and controls the group and parent charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charity. We determined that the following were most relevant: FRS102, Charities SORP (FRS 102), Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 & 8 of the Charities Accounts (Scotland Regulations 2006 (as amended)), as well as indirectly employment law and the Data Protection Act 2018;
- We considered the incentives and opportunities that exist in the group and parent charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the group and parent charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board and sub-committee meetings;
- Reviewing grant and funding agreements to confirm whether items were correctly recognised or deferred in the year;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular valuations of investments & investment property and accounting for pensions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Independent Auditor's Opinion continued

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable group's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable group'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 charitable group and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Henderson Loggie LLP

Statutory Auditor, Chartered Accountants

Level 5

The Stamp Office

10-14 Waterloo Place

Edinburgh

EH1 3EG

Henderson Loggie LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

17 September 2026

Group Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2026

	Note	Unrestricted £	Restricted £	2026 Total £	2025 Total £
Income					
Donations & Legacies	3	335,430	-	335,430	1,344,224
Grants & other income in support of charitable activities	4	3,021,684	94,895	3,116,579	3,092,996
Rental income		-	312,364	312,364	322,477
Investment income		475,222	533,078	1,008,300	979,056
Other income		-	-	-	1,663,000
Total income		3,832,336	940,337	4,772,673	7,401,753
Expenditure					
Raising funds	5	(623,213)	(354,184)	(977,397)	(731,177)
Charitable activities	5	(3,804,631)	(1,567,153)	(5,371,784)	(5,029,313)
Total expenditure		(4,427,844)	(1,921,337)	(6,349,181)	(5,760,490)
Net operating (deficit) / surplus		(595,508)	(981,000)	(1,576,508)	1,641,263
Total net gains / (losses on investments)	11	630,019	774,401	1,404,420	(207,387)
Unrealised gains/(losses) on Investment Property	10(a)	-	-	-	-
Net income / (expenditure)		34,511	(206,599)	(172,088)	1,433,876
Other recognised gains / (losses)					
Net movement in funds		34,511	(206,599)	(172,088)	1,433,876
Reconciliation of funds: Balance					
brought forward at 1 April 2025	15,16	16,142,319	17,918,813	34,061,132	32,627,256
Balance carried forward at 31 March 2026	15,16	16,176,830	17,712,214	33,889,044	34,061,132

There were no acquired or discontinued activities in the year. The notes on pages 41 to 64 form part of these financial statements. Comparative information for 2025 is disclosed in note 23.

RSE Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2026

	Note	Unrestricted £	Restricted £	2026 Total £	2025 Total £
Income					
Donations & Legacies	3	335,430	-	335,430	1,344,224
Grants & other income in support of charitable activities	4	3,021,684	94,895	3,116,579	3,092,996
Investment income		475,222	212,741	687,963	654,400
Other income		-	-	-	1,663,000
Total income		3,832,336	307,636	4,139,972	6,754,620
Expenditure					
Raising funds	5	(623,213)	(26,665)	(649,878)	(459,983)
Charitable activities	5	(3,804,631)	(381,018)	(4,185,649)	(4,855,146)
Total expenditure		(4,427,844)	(407,683)	(4,835,527)	(5,315,129)
Net operating (deficit) / surplus		(595,508)	(100,047)	(695,555)	1,439,491
Gains / (losses) on Investment Assets					
Total net gains / (losses) on investments	11	630,019	235,637	865,656	(115,784)
Unrealised gains / (losses) on investment property	10(a)	-	-	-	-
Net income / (expenditure)		34,511	135,590	170,101	1,323,707
Other recognised gains / (losses)					
Net movement in funds		34,511	135,590	170,101	1,323,707
Reconciliation of funds: Balance carried forward at 1 April 2025	15,16	16,142,319	5,868,586	22,010,905	20,687,198
Balance carried forward at 31 March 2026	15,16	16,176,830	6,004,176	22,181,006	22,010,905

There were no acquired or discontinued activities in the year. The notes on pages 41 to 64 form part of these financial statements. Comparative information for 2025 is disclosed in note 24.

Balance Sheets at 31 March 2026

	Note	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
Fixed assets					
Tangible fixed assets	10(a)	4,473,368	4,561,524	3,318,301	3,359,491
Heritage assets	10(b)	46,920	46,920	46,920	46,920
Intangible fixed assets	10(c)	177,142	234,472	177,142	234,472
Investments at fair value	11	27,263,065	26,007,019	16,635,373	15,867,623
Total fixed assets		31,960,495	30,849,935	20,177,736	19,508,506
Current assets					
Debtors	12	257,395	418,894	290,331	323,336
Short term Investments		4,000,000	4,000,000	4,000,000	4,000,000
Cash at bank and in hand		3,287,970	4,423,878	2,291,793	3,734,234
Total current assets		7,545,365	8,842,772	6,582,124	8,057,570
Current liabilities					
Creditors: amounts falling due within one year	13	(4,352,517)	(5,105,861)	(4,029,764)	(5,029,457)
Net current assets		3,192,848	3,736,911	2,552,360	3,028,113
Non-Current liabilities					
Creditors: amounts falling due within more than one year	13	(1,264,299)	(525,714)	(549,090)	(525,714)
Net assets		33,889,044	34,061,132	22,181,006	22,010,905
Funds					
Restricted Funds	16,17	17,712,214	17,918,813	6,004,176	5,868,586
Unrestricted Funds					
Designated Funds	15,17	15,284,360	15,257,604	15,284,360	15,257,604
General Fund	14,15,17	892,470	884,715	892,470	884,715
Total Unrestricted Funds		16,176,830	16,142,319	16,176,830	16,142,319
Total funds		33,889,044	34,061,132	22,181,006	22,010,905

The accounts were approved and authorised for issue by the Council on 14 September 2026 and signed on its behalf by:



Professor Jim Gallagher
Treasurer

Group Cashflow Statement

FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	2025 £
Net cash (used in) / provided by operating activities (see below)		(1,499,393)	(1,142,789)
Cash flows from investing activities			
Interest received		188,094	150,150
Dividends received		820,206	828,907
Purchase of property, plant & equipment		(64,493)	(42,076)
Short term investments		-	(1,000,000)
Proceeds from sale of investments		5,655,388	7,060,734
Purchases of investments		(6,265,710)	(7,244,387)
Net cash provided by / (used in) investing activities		333,485	(246,672)
Cash flows from other activities			
Legacies		30,000	1,013,735
Lothian Pension Fund Exit		-	1,663,000
Total cash flows from other activities		30,000	2,676,735
Change in cash in the year		(1,135,908)	1,287,274
Reconciliation of net cash flow to movement in funds			
Cash at beginning of year		4,423,878	3,136,604
(Decrease) / increase in cash in the year		(1,135,908)	1,287,274
Cash at end of year	21	3,287,970	4,423,878
Net income / (expenditure) for the year (as per the Statement of Financial Activities)			
Net income / (expenditure) before transfers		(172,088)	1,433,876
(Gains) / Losses on investments		(645,724)	517,452
(Gains) / Losses on investment property		-	-
Retirement benefit scheme exit credit		-	(1,663,000)
Legacies		(30,000)	(1,013,735)
Dividends receivable		(820,206)	(828,907)
Interest receivable		(188,094)	(150,150)
Depreciation		209,978	214,677
(Increase) / Decrease in debtors		161,501	(119,834)
(Decrease) / Increase in creditors		(14,760)	466,832
Net cash (outflow)/inflow from operating activities		(1,499,393)	(1,142,789)

Notes to the Financial Statements

1. Accounting Basis

The RSE is a public benefit entity, registered as a Scottish Charity (SC 000470) at registered office 22-26 George Street, Edinburgh, EH2 2PQ. The financial statements have been prepared in £ sterling, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS102)) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (SORP), with FRS102, and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements comprise three primary financial statements: the Statement of Financial Activities, which incorporates the income and expenditure account; the Balance Sheet; and the Statement of Cash Flows. The financial statements have been prepared under the historical cost accounting rules as modified to include the revaluation of investments.

Details of primary activities and objectives are disclosed within the Trustees' Report.

Going Concern

The Trustees have considered the Group's reserves and secured and expected income. The Group has significant unrestricted reserves (see Note 17), access to cash deposits and relatively liquid investment portfolios, which give flexibility to the Group to absorb the impact of any reductions in income over the next 12 months. The Trustees consider that it is appropriate to prepare the financial statements on a going-concern basis as there are no material uncertainties with regards to ability to continue as a going concern.

Basis of Consolidation

The consolidated financial statements are prepared using acquisition accounting and include the financial statements of the RSE and of the RSE Scotland Foundation which is under its control. As the objectives of this entity are narrower than those of the RSE, they have been treated as restricted funds.

New or revised Financial Reporting Standards

Amendments to FRS 102 introduced by the Periodic Review 2024

The amendments to FRS 102 are applicable for accounting periods commencing on or after 1 January 2026, with earlier adoption permitted. The trustees have opted not to adopt these amendments early, as such, the amendments will be implemented for the accounting year ending 31 March 2027. The most significant amendments are the replacement of Section 23, now renamed 'Revenue from Contracts with Customers', and Section 20 'Leases'. The other less significant changes are not currently expected to have a material impact. The new revenue and leasing requirements seek to provide greater consistency and alignment with International Financial Reporting Standards, namely IFRS 15 and IFRS 16.

The charity is currently planning for the implementation of these changes. Under both the new lease and revenue accounting requirements these changes will be applied using the modified retrospective approach which avoids the restatement of comparative figures. The implementation of the leasing changes would see leased assets recognised as Right-of-Use assets on-balance sheet, with a lease liability recognised based on the discounted value of any future commitments, plus payments related to optional extension periods if considered reasonably certain. Exemptions to this approach will be considered for certain short-term leases or low-value assets. Specific consideration is however required for leases below market rent. Management are reviewing the current and expected future revenue transactions to determine the necessary performance obligations, transaction prices, and overall recognition and presentation to ensure compliance with the changes.

As at the date of signing the financial statements, and given the changes relate to future periods, it has been deemed impractical to determine the amounts involved

Notes to the Financial Statements (*continued*)

Critical accounting estimates and areas of judgement

Estimates, assumptions and judgement are necessarily part of the preparation of the financial statements. The most significant estimates and assumptions contained in these accounts relate to the recoverability of fellowship subscription income. Management has applied judgment in determining a general and specific provision which makes up £21,165 at 31 March 2026 (£44,933 31 March 2025).

2. Accounting Policies

Funds

The RSE's funds are classified in accordance with the definitions in the SORP into: Restricted Funds, where there are restrictions placed by a donor as to the use of income or capital; Designated Funds, where the Council has set aside sums within its unrestricted funds for a particular purpose; and the remaining General (unrestricted) Fund.

Income

Subscription income for the subscription year to October is recognised proportionally to the period to which it relates. Amounts relating to the period from 1 April to 31 October are shown as deferred income.

Revenue or capital grants from the Scottish Funding Council and other sources are recognised when the RSE becomes entitled to the funds, the amount can be measured reliably, and it is probable that the income will be received.

Donations of a recurring nature from other charitable foundations and one-off gifts included in other income are taken to revenue when the RSE is entitled to the funds.

Legacy income is recognised when the Charity has legal entitlement to the income, there is sufficient evidence of the probability that it will be received, and the value can be measured with sufficient reliability. If the entitlement condition is not met, income is deferred.

Investment Income

Interest and dividends are included when receivable and the amount can be measured reliably; this is normally upon notification by the bank, or from investment managers.

Income for charitable activities

Income for activities is accounted for in line with the requirements of the Charities SORP when the Charity has control over the rights to the economic benefit of the income, it is considered probable that the income will be received by the Charity and the monetary value of the income can be reliably measured.

Income for research fellowships is accounted for in the period in which the RSE becomes entitled to the resources.

Income received for specific projects and received in advance of the commencement of the project, is deferred. If the project were not to proceed as planned, the RSE would not be entitled to retain the funds. For performance-related grants, where terms or conditions have not been, or may not be, met, the income is deferred and included in the balance sheet as deferred income.

Expenditure

Expenditure and Support Costs

All expenditure is included on an accruals basis, having regard to any obligations created by multi-year grant commitments.

Directly attributable expenditure is allocated to the relevant activity. Overhead and support costs are allocated to activities on the basis of direct staff costs in each area of activity.

Governance costs incurred in connection with the management of RSE assets, organisational administration and compliance with constitutional and statutory requirements are included in support costs and allocated to activities.

Notes to the Financial Statements *(continued)*

Cost of raising funds

The cost of raising funds includes expenditure incurred in supporting the Fellowship and incurred on fundraising and development initiatives, together with fees paid to investment managers.

Grants payable

Grants payable are recognised as a liability when the RSE is under an actual or obligation to make a transfer to a third party. Where grants are time-related to future periods and are to be financed by specific grants receivable in those future periods, they are treated as liabilities of those periods and not as liabilities at balance sheet date. Such grants are disclosed as future commitments.

Operating Leases

Rental costs under operating leases are charged on a straight-line basis over the lease period.

Tangible Fixed Assets, depreciation and repairs

The RSE's principal assets are its buildings in George Street, Edinburgh. It is the policy of the RSE Council to maintain the buildings to a high standard. Any permanent diminutions in value are reflected in the Statement of Financial Activities. Minor equipment up to £500 is expensed in the year of purchase. Costs of repairs and maintenance are expensed.

Tangible fixed assets are stated at cost less accumulated depreciation. When an element of a tangible fixed asset item has a different useful life, it is accounted for as a separate tangible fixed asset.

Depreciation is charged to the Statement of Financial activities on straight line basis over the estimated useful life of each asset.

The estimated useful lives are follows:

Buildings & Leasehold improvements	–	50 years
Fixtures & Fittings	–	10-20 years
Computers & equipment	–	3-4 years

Investment Property

The RSE has ownership of buildings, for which part of the property is rented out to third parties. In accordance with FRS 102, the rented element of the owned property has been recognised as an investment property, and is valued at market value, with changes in valuation recognised in income and expenditure. These assets are not depreciated.

Heritage Assets

The historical records of the RSE from its formation in 1783, including papers and minute books, are placed on deposit with the National Library of Scotland, where they are catalogued and accessible to the public on request.

Portraits, furniture, publications and other artefacts held in the George Street premises have been acquired in the ordinary course of business over the years prior to 2009 and have not been capitalised. These items may have intrinsic historical value, but they are not held principally for their contribution to knowledge and culture nor directly in furtherance of the charitable objectives of RSE. Reliable estimates of cost or value are not available on a basis that would justify the costs of establishing them.

The category of heritage assets shown in fixed assets comprises portraits acquired since 2009 at cost, and donated assets at valuations carried out on acquisition. These assets are not depreciated.

Intangible Assets

This relates to the payments for the software development of a Customer Relations Management package. This asset, including any additions, is being amortised over a maximum of eight years to the assessed end of its useful life. Amortisation of intangible assets is included in support costs and allocated accordingly.

Notes to the Financial Statements *(continued)*

Investments

Investments are stated at their fair value (being their market value) at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited in the Statement of Financial Activities and allocated to funds in accordance with their proportionate share of the investment portfolio.

Financial Instruments

The RSE only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets and liabilities are recognised when a contractual right or obligation arises and are stated gross, unless there is a legally enforceable right to set off the recognised amounts, which is intended to be exercised.

Debtors

Trade and other debtors receivable within one year are measured at the transaction price receivable unless there is an impairment. Provision for impairment is made when there is evidence that the amounts due will not be collected in accordance with the related contract.

Prepayments are valued at the amount prepaid. Accrued income is measured at the amount recoverable.

Creditors

Amounts falling due within one year: Trade and other creditors are measured at the transaction price payable. Creditors due within one year include amounts owed to group undertakings, accruals, deferred income, VAT payable, trade creditors and grant commitments due for payment within twelve months.

Amounts falling due within more than one year: comprise multi-year grant commitments approved by the Charity in the current year, where the Charity has a present obligation to pay the grant in future years. The full amount of the grant is recognised as an expense and a corresponding creditor in the year in which the commitment is approved.

3. Donations and Legacies

	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
Contributions from RSE Fellows and YAS				
Admission fees - fellows	24,000	14,700	24,000	14,700
Annual Subscriptions & donations - Fellows	266,647	300,874	266,647	300,874
Young Academy Scotland	9,950	12,630	9,950	12,630
	300,597	328,204	300,597	328,204
Other Donations				
Other Income	4,833	2,285	4,833	2,285
Legacies - unrestricted	30,000	-	30,000	-
Total unrestricted income	335,430	330,489	335,430	330,489
Lessells Trust	-	13,735	-	13,735
Legacy -- restricted	-	1,000,000	-	1,000,000
Total restricted income	-	1,013,735	-	1,013,735
Total Donations & Legacies	335,430	1,344,224	335,430	1,344,224

In addition to the donations set out above, the RSE receives donations made specifically in support of activities which are included in activities income (See note 22).

Notes to the Financial Statements (continued)

4. Grants & other income in support of Charitable Activities

	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
Scottish Government Grant - Sapphire	39,918	-	39,918	-
Bilateral Awards Income – Scottish Government & Australian Academy of Science Grant	18,977	-	18,977	-
Restricted Income: Scottish Government	58,895	-	58,895	-
Healthy Planet Healthy People	-	59,518	-	59,518
Charitable Trusts	36,000	44,380	36,000	44,380
Journal publications	-	112,142	-	112,142
Other restricted income	36,000	216,040	36,000	216,040
Scottish Funding Council	2,722,013	2,790,401	2,722,013	2,790,401
Healthy Planet Healthy People	116,093	-	116,093	-
Policy and advice income	17,900	19,093	17,900	19,093
Public engagement Activities	30,062	47,430	30,062	47,430
Journal publications	105,090	3,569	105,090	3,569
Sundry income	30,526	16,463	30,526	16,463
Total unrestricted income	3,021,684	2,876,956	3,021,684	2,876,956
Total Incoming Resources from Charitable Activities	3,116,579	3,092,996	3,116,579	3,092,996

Further information relating to grants, donations and receipts and their application is set out in note 22.

The income from the Scottish Funding Council is deemed as unrestricted based on the detail in the funding letter.

Notes to the Financial Statements (continued)

5. Expenditure

GROUP	Note	Direct costs £	Support costs (Note 8) £	Total 2026 £	Direct costs £	Support costs (Note 8) £	Total 2025 £
Costs of Generating Funds							
Fundraising		7,406	63,623	71,029	-	2,862	2,862
Membership activities		46,615	157,090	203,705	128,661	360,838	489,499
Building management		296,239	277,051	573,290	10,669	101,760	112,429
Investment fees		129,373	-	129,373	126,387	-	126,387
Total costs of generating funds		479,633	497,764	977,397	265,717	465,460	731,177
Charitable Activities							
Research and prizes	6,7	1,674,669	694,869	2,369,538	1,530,534	653,847	2,184,381
Enterprise and innovation	6	-	-	-	969	-	969
Policy		134,737	771,060	905,797	48,915	678,991	727,906
International		79,531	234,079	313,610	64,561	246,860	311,421
Public Engagement		144,665	1,223,334	1,367,999	156,136	1,152,192	1,308,328
Conferencing Letting		25,180	126,166	151,346	-	226,132	226,132
Publications		-	2,400	2,400	-	-	-
Young Academy of Scotland		26,801	234,293	261,094	21,436	248,740	270,176
Total cost of charitable activities		2,085,583	3,286,201	5,371,784	1,822,553	3,206,760	5,029,313
Total Expenditure – Group		2,565,216	3,783,965	6,349,181	2,088,268	3,672,222	5,760,490

RSE	Note	Direct costs £	Support costs (Note 8) £	Total 2026 £	Direct costs £	Support costs (Note 8) £	Total 2025 £
Costs of Generating Funds							
Fundraising		7,406	63,623	71,030	-	2,862	2,862
Membership activities		46,615	157,090	203,705	83,916	290,197	374,113
Building Management		296,239	-	296,240	5,866	-	5,866
Investment fees		78,905	-	78,905	77,142	-	77,142
Total costs of generating funds		429,165	220,713	649,878	166,924	293,059	459,983
Charitable Activities							
Research and prizes	6,7	806,650	530,499	1,337,149	1,470,696	653,847	2,124,543
Enterprise and innovation	6	-	-	-	969	-	969
Policy		134,737	771,060	905,797	48,917	706,373	755,290
International		79,531	234,079	313,610	64,562	274,244	338,806
Public Engagement		144,665	1,223,334	1,367,999	154,144	1,183,834	1,337,978
Young Academy of Scotland		26,801	234,293	261,094	21,436	276,124	297,560
Total cost of charitable activities		1,192,384	2,993,265	4,185,649	1,760,724	3,094,422	4,855,146
Total Expenditure - RSE		1,621,549	3,213,978	4,835,527	1,927,648	3,387,481	5,315,129

Support costs as set out in note 8 have been allocated to activities in proportion to the employment costs in each area of the charity.

Notes to the Financial Statements (*continued*)

6. Grants Payable

	Note	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
Promotion of research	7	2,369,538	2,184,381	1,337,149	2,124,543
Enterprise and Innovation		-	969	-	969
		2,369,538	2,185,350	1,337,149	2,125,512

7. Research and Prizes

	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
Promotion of Research				
Scottish Funding Council –				
RSE New Research Awards	1,326,504	1,387,010	635,279	1,387,010
Research Leadership Awards	116,930	-	-	-
Healthy Planet Healthy People	86,552	59,518	86,552	59,518
Scottish Government Sapphire	39,918	-	39,918	-
Lower Saxony Awards	35,541	-	-	-
CRF Post graduate Studentships	23,057	59,838	-	-
Bilateral Awards	16,821	-	16,821	-
Fullbright scholarship	11,302	-	11,302	-
Robert Cormack Bequest	2,301	-	2,301	-
Prizes & Grants	2,230	-	2,230	-
Henry Dryere Scholarship	10,783	15,829	10,783	15,829
Other direct costs	2,730	8,339	1,464	8,339
	1,674,669	1,530,534	806,650	1,470,696
Support	694,869	653,847	530,499	653,847
	2,369,538	2,184,381	1,337,149	2,124,543

An analysis of institutions' and individuals' awards made under this expenditure heading is included in the Society's *Research Awards records*, obtainable from the address on the last page. All awards are made to individuals.

Notes to the Financial Statements (continued)

8. Support Costs

GROUP	Note	2026	2025		2024	
		TOTAL £	Support £	Governance £	TOTAL £	Support Governance £ £
Staff costs (including secondments)	9	2,616,545	2,522,019	94,526	2,234,398	2,188,831 45,567
Staff training, agency & recruitment costs		12,390	12,390	-	154,333	154,333 -
Other staff costs		41,399	41,399	-	27,515	27,515 -
Non-cash pension cost adjustments		-	-	-	228,140	228,140 -
		2,670,334	2,575,808	94,526	2,644,386	2,598,819 45,567
Other Costs						
Establishment expenses		411,570	399,223	12,347	378,240	366,893 11,347
Computer and equipment costs		290,404	272,980	17,424	262,038	246,316 15,722
Communications, stationery and printing costs		13,443	12,636	807	25,490	23,961 1,529
Travel and subsistence, hospitality		13,723	3,985	9,738	12,051	4,586 7,465
Miscellaneous		8,106	8,106	-	6,178	6,178 -
Professional fees and subscriptions		133,807	-	133,807	98,025	- 98,025
Audit fee		32,600	-	32,600	31,138	- 31,138
Depreciation		209,978	197,379	12,599	214,676	201,795 12,881
		1,113,631	894,309	219,322	1,027,836	849,729 178,107
Total Support Costs		3,783,965	3,470,117	313,848	3,672,222	3,448,548 223,674

Internal auditors were appointed during the year ended 31 March 2025 and their costs are included within professional fees and subscriptions.

Notes to the Financial Statements (continued)

8. Support Costs (continued)

RSE	Note	2026 TOTAL £	Support £	Governance £	2025 TOTAL £	Support £	Governance £
Staff costs (including secondments)	9	2,174,737	2,086,736	88,001	2,010,442	1,968,251	42,191
Staff Training, agency & recruitment costs		12,390	12,390	-	154,332	154,332	-
Other staff costs		41,399	41,399	-	27,515	27,515	-
Non-cash pension cost adjustments		-	-	-	228,140	228,140	-
		2,228,526	2,140,525	88,001	2,420,429	2,378,238	42,191
Other Costs							
Establishment expenses		494,621	479,782	14,839	503,177	488,082	15,095
Computer and equipment costs		193,260	181,664	11,596	186,509	175,318	11,191
Communications, stationery and printing costs		7,971	7,494	477	20,902	19,648	1,254
Travel and subsistence, hospitality		13,723	3,985	9,738	20,087	12,622	7,465
Miscellaneous		5,610	5,610	-	6,035	6,035	-
Professional fees and subscriptions		132,007	-	132,007	98,025	-	98,025
Audit fee		25,200	-	25,200	22,500	-	22,500
Depreciation		113,060	106,276	6,784	109,817	103,228	6,589
		985,452	784,811	200,641	967,051	804,932	162,119
Total Central Costs		3,213,978	2,925,336	288,642	3,387,481	3,183,171	204,310

Support costs as set out in note 8 have been allocated to activities in proportion to the employment costs in each area of activity as set out in note 5.

Notes to the Financial Statements *(continued)*

9. Employees

GROUP 2026	Total Payroll £	Funded by Foundation £	Funded by RSE £
Wages and salaries	2,142,297	349,450	1,792,847
Social security costs	273,976	46,009	227,967
Other pension costs	200,272	46,349	153,923
	2,616,545	441,808	2,174,737
	Total Payroll £	Funded by Foundation £	Funded by RSE £
2025			
Wages and salaries	1,768,672	165,941	1,602,731
Social security costs	175,143	16,886	158,257
Other pension costs	290,583	41,129	249,454
	2,234,398	223,956	2,010,442

The average number of employees of the RSE, including those employed under joint contracts with the RSE Scotland Foundation, was 49 (2025:44).

The total number of key management personnel during the year was 6 (2025: 5).

Key management personnel received remuneration (including pension contributions and social security costs) for their services was as follows:

GROUP	2026 £	2025 £
Total remuneration	496,495	460,955

Total pension contributions were £200,272 (2025: £290,583).

The number of employees, including the Chief Executive, who received remuneration during the year (gross salary) greater than £60,000 in the following ranges was:

GROUP	2026 Number	2025 Number
£60,000 - £69,999	1	2
£70,000 - £79,999	3	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-
£100,000 - £110,999	1	1
	6	4

Notes to the Financial Statements (*continued*)

10(a). Tangible Fixed Assets

GROUP	22-26 George Street Purchase Cost £	Investment Property Within 22-26 George Street Market Value £	Leasehold Improvements £	Fixtures, Fittings, Computer & Equipment £	Total £
Cost or valuation					
At 1 April 2025	2,180,741	2,305,000	2,136,070	734,780	7,356,591
Additions	-	-	-	55,840	55,840
At 31 March 2026	2,180,741	2,305,000	2,136,070	790,620	7,412,431
Depreciation					
At 1 April 2025	1,133,580	-	1,150,613	510,875	2,795,068
Charge for the year	43,208	-	45,354	55,433	143,995
At 31 March 2026	1,176,788	-	1,195,967	566,308	2,939,063
Net Book Value					
At 31 March 2026	1,003,953	2,305,000	940,103	224,312	4,473,368
At 31 March 2025	1,047,161	2,305,000	985,457	223,905	4,561,524

RSE	22-26 George Street Purchase Cost £	Investment Property Within 22-26 George Street Market Value £	Fixtures, Fittings, Computer & Equipment £	Total £
Cost or valuation				
At 1 April 2025	2,180,741	2,305,000	109,592	4,595,333
Additions	-	-	5,886	5,886
At 31 March 2026	2,180,741	2,305,000	115,478	4,601,219
Depreciation				
At 1 April 2025	1,133,580	-	102,262	1,235,842
Charge for the year	43,208	-	3,868	47,076
At 31 March 2026	1,176,788	-	106,130	1,282,918
Net Book Value				
At 31 March 2026	1,003,953	2,305,000	9,348	3,318,301
At 31 March 2025	1,047,161	2,305,000	7,730	3,359,491

The RSE has ownership of buildings, for which part of the property is rented out to third parties. In accordance with FRS102, the rented element of the property has been valued as at 9 January 2024 by Graham & Sibbald LLP on a market value basis and as such the rented element of the owned property has been recognised as an investment property.

Notes to the Financial Statements *(continued)*

10(b). Heritage Fixed Assets

	GROUP £	RSE £
Before 2019	46,920	46,920
2020	-	-
2021	-	-
2022	-	-
2023	-	-
2024	-	-
2025	-	-
2026	-	-
Total	46,920	46,920

Heritage assets include historical records of the RSE, portraits, furniture and other artefacts.

10(c). Intangible Assets

	GROUP £	RSE £
Cost		
At 1 April 2025	508,453	508,453
Additions	8,653	8,653
At 31 March 2026	517,106	517,106
Depreciation		
At 1 April 2025	273,981	273,981
Charge for the year	65,983	65,983
At 31 March 2026	339,964	339,964
Net Book Value		
As at 31 March 2026	177,142	177,142
As at 31 March 2025	234,472	234,472

The intangible asset relates to the payments for the software development of a customer relations management package.

Notes to the Financial Statements *(continued)*

11. Fixed Assets Investments

	Value at 1 April 2025	Investments Made at Cost	Proceeds on Sale of Investments	Cash Movement	Gain/(Loss)	Fair Value at 31 March 2026
	£	£	£	£	£	£
Managed Funds	6,925,130	2,849,809	(2,482,569)	-	137,511	7,429,881
Fixed Interest	4,008,459	603,524	(367,531)	-	(29,490)	4,214,962
UK Equities	4,516,434	371,918	(527,074)	-	267,507	4,628,785
Cash Deposits	417,599	(3,825,251)	3,377,174	392,223	-	361,745
RSE	15,867,622	-	-	392,223	375,528	16,635,373
Managed Funds	4,219,679	1,827,313	(1,523,068)	-	124,979	4,648,903
Fixed Interest	2,631,317	362,847	(232,107)	-	(17,282)	2,744,775
UK Equities	3,122,448	250,299	(523,039)	-	160,438	3,010,146
Cash Deposits	165,953	(2,440,259)	2,278,214	220,160	-	223,868
RSESF Caledonian Research Foundation Fund	10,139,397	-	-	220,160	268,135	10,627,692
GROUP	26,007,019	-	-	612,383	643,663	27,263,065

The net gain in the year was £643,663 (2025: loss £333,803). There were no investments comprising more than 5% of the market value of the portfolio. All investments are held within the UK. The net gains on investments shown on the Statement of Financial Activities shows a value of £1,404,420 (2025: loss £207,387), this is the sum of the cash movements, gains in the year and Investment Management charge.

12. Current Assets - Debtors

	GROUP 2026	GROUP 2025	RSE 2026	RSE 2025
	£	£	£	£
General Debtors	163,549	164,113	37,165	107,358
RSE Scotland Foundation Current Account	-	-	176,846	-
Prepayments and accrued income	90,415	251,350	72,889	212,547
Income tax recoverable	3,431	3,431	3,431	3,431
	257,395	418,894	290,331	323,336

Notes to the Financial Statements *(continued)*

13.

Creditors: Amounts Falling Due Within One Year

	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
General creditors	293,212	98,902	259,806	91,280
Research awards payable	3,278,527	4,352,215	3,155,537	4,352,215
Accruals	280,079	248,145	258,897	216,389
VAT Payable	52,983	35,579	-	-
Deferred Income	355,524	346,308	355,524	346,308
Advance receipts - Journals	65,379	-	-	-
Advance receipts - Rent	26,813	24,712	-	-
RSE Scotland Foundation Current Account	-	-	-	23,265
	4,352,517	5,105,861	4,029,764	5,029,457

Creditors: amounts falling due within more than one year

	GROUP 2026 £	GROUP 2025 £	RSE 2026 £	RSE 2025 £
Research awards payable	1,135,232	353,427	420,023	353,427
Accruals	129,067	172,287	129,067	172,287
	1,264,299	525,714	549,090	525,714

In the year ended 31 March 2026, creditors have been reclassified between amounts falling due within one year and amounts falling due after more than one year, with the prior year comparatives restated on a consistent basis. This reclassification has no impact on total creditors or net assets.

14. General Fund

a) Movement in the year ended 31 March 2026

	GROUP £	RSE £
At 1 April 2025	884,715	884,715
Net Movement in funds for the year from Statement of Financial Activities	7,755	7,755
At 31 March 2026	892,470	892,470

b) Movement in the year ended 31 March 2025

	GROUP £	RSE £
At 1 April 2024	1,002,335	1,002,335
Net Movement in funds for the year from Statement of Financial Activities	(117,620)	(117,620)
At 31 March 2025	884,715	884,715

The General Fund is a discretionary fund available to the Council to meet the ordinary activities of the Society.

Notes to the Financial Statements (*continued*)

15. Unrestricted Funds

a) Movement in the year ended 31 March 2026

	At 1 April 2025	Investment income	Other income	Expenditure	Gains/ (losses)	Transfers	Net Movement in Year	At 31 March 2026
	£	£	£	£	£	£	£	£
GROUP & RSE								
Capital Asset Reserve	2,433,825	-	-	(86,562)	-	-	(86,562)	2,347,263
Development Fund	3,222,353	-	-	(128,983)	173,333	-	44,350	3,266,703
Building Fund	3,245,354	-	-	(318,751)	174,570	-	(144,181)	3,101,173
BP Research Fund	4,359,959	-	-	(21,377)	234,526	-	213,149	4,573,108
Young Academy Fund	32,972	-	-	-	-	-	-	32,972
Investment Property Revaluation								
Reserve (Note 12a)	1,963,141	-	-	-	-	-	-	1,963,141
Designated Funds								
Total	15,257,604	-	-	(555,673)	582,429	-	26,756	15,284,360
General Funds	884,715	475,222	3,357,114	(3,872,171)	47,590	-	7,755	892,470
Unrestricted Funds								
Total	16,142,319	475,222	3,357,114	(4,427,844)	630,019	-	34,511	16,176,830

For the year ended 31 March 2026, the Budget approved by RSE Council was on basis of all investment income being applied to the General Fund.

b) Movement in the year ended 31 March 2025

	At 1 April 2024	Investment income	Other income	Expenditure	Gains/ (losses)	Transfers	Net Movement in Year	At 31 March 2025
	£	£	£	£	£	£	£	£
GROUP & RSE								
Capital Asset Reserve	2,522,384	-	-	(88,559)	-	-	(88,559)	2,433,825
Development Fund	3,132,680	127,875	-	(15,276)	(22,926)	-	89,673	3,222,353
Building Fund	3,201,114	130,669	-	(63,001)	(23,428)	-	44,240	3,245,354
BP Research Fund	4,238,628	173,020	-	(20,668)	(31,021)	-	121,331	4,359,959
Young Academy Fund	32,972	-	-	-	-	-	-	32,972
Investment Property Revaluation								
Reserve (Note 11a)	1,963,141	-	-	-	-	-	-	1,963,141
Designated Funds								
Total	15,090,919	431,564	-	(187,504)	(77,375)	-	166,685	15,257,604
General Funds	1,002,335	40,915	4,870,445	(5,021,643)	(7,337)	-	(117,620)	884,715
Unrestricted Funds								
Total	16,093,254	472,479	4,870,445	(5,209,147)	(84,712)	-	49,065	16,142,319

Notes to the Financial Statements *(continued)*

15. Unrestricted Funds (Continued)

Designated and unrestricted funds

- Capital Asset Reserve Fund – representing the book cost of the buildings at 22–24 George Street and 26 George Street, Edinburgh.
- Development Fund – to support the delivery of the RSE Strategic Framework over the next five years.
- Building Fund – a fund to provide support for non-routine maintenance and development of the buildings in George Street.
- BP Research Fund – a fund to support research and innovation in Scotland, arising from the transfer of assets from the BP Research Fellowship Trust.
- Young Academy Fund – a fund to provide support for the delivery of the YAS objectives.
- Investment Property Revaluation Fund – to recognise the changes in values of previously revalued assets that are still owned.

Notes to the Financial Statements (continued)

16. Restricted Funds

a) Movement in the year ended 31 March 2026

	1 April 2025	Investment income	Other income	Expenditure	Gains/ (losses)	Transfers	Net Movement in Year	At 31 March 2026
	£	£	£	£	£	£	£	£
GROUP & RSE								
Robert Cormack Bequest	130,545	5,297	-	(2,941)	7,022	-	9,378	139,923
Lessells Trust	932,365	37,830	-	(4,571)	50,153	-	83,412	1,015,777
Auber Bequest	828,814	33,629	-	(4,064)	44,583	-	74,148	902,962
Dr Charles Dewar Waterston Fund	1,008,626	35,000	-	(210,764)	-	-	(175,764)	832,862
Prizes Fund	112,060	4,547	-	(549)	6,028	-	10,026	122,086
Fleck Bequest Fund	185,123	7,511	-	(908)	9,958	-	16,561	201,684
Piazzì Smyth Legacy Fund	19,679	798	-	(97)	1,058	-	1,759	21,438
Sillitto Fund	54,633	2,217	-	(268)	2,939	-	4,888	59,521
Other	54,993	2,231	-	(270)	2,958	-	4,919	59,912
Edinburgh Drug Absorption Foundation	78,512	-	-	-	-	-	-	78,512
James Clerk Maxwell Fund	30,533	-	-	(456)	-	-	(456)	30,077
Patrick Meares Fund	61,897	-	-	-	-	-	-	61,897
Lillian & Herbert Smith Funds	2,062,404	83,681	-	(10,112)	110,938	-	184,507	2,246,911
Research Awards Fund	105,340	-	-	-	-	-	-	105,340
Enterprise Fellowship Awards Fund	71,101	-	-	(44,414)	-	-	(44,414)	26,687
Restricted Income Fund	131,961	-	94,895	(128,269)	-	-	(33,374)	98,587
RSE	5,868,586	212,741	94,895	(407,683)	235,637	-	135,590	6,004,176
RSE Scotland Foundation	12,050,227	320,337	312,364	(1,513,654)	538,764	-	(342,189)	11,708,038
GROUP	17,918,813	533,078	407,259	(1,921,337)	774,401	-	(206,599)	17,712,214

"Prizes Fund" comprises The Keith Fund, The Neill Fund, The Macdougall-Brisbane Fund, The Gunning-Victoria Fund, The James Scott Prize Fund, The Bruce-Preller Lecture Fund, The Dr DA Berry Fund, The Henry Duncan Prize Lecture Fund and The BP Prize Lecture in the Humanities Fund.

"Other" comprises the Retailing Seminar Fund and The CASS Fund. The Research Awards Fund is to fund research within Scotland's Higher Education sector. The Enterprise Fellowship Awards Fund is to fund the translation of academic research into business opportunities. The Restricted Income Fund represents restricted income received and expended in the year. The University of Glasgow is entitled to 10% of additional amounts received by the RSE from the Lessells Trust.

RSE Scotland Foundation funds are treated as restricted in the consolidated accounts and comprise the Caledonian Research Foundation Fund (the CRF Fund) of £11,174k (2025: £11,359k) and the balance of the Foundation General Fund of £34k (2025: £692k). Within the Foundation's own financial statements, the CRF is presented as a designated (unrestricted) fund. On consolidation into the Group financial statements, the Foundation's net assets are classified as restricted as they are under the control of the Foundation Trustees rather than the Group Trustees.

16. Restricted Funds (continued)

Restricted funds

Income funds received from donors for a stated purpose for expenditure on specifically identified projects:

- Robert Cormack Bequest – to promote astronomical knowledge and research in Scotland.
- Lessells Trust – to fund scholarships abroad for engineers.
- Auber Bequest – to fund research in Scotland and England by naturalised British citizens over 60 years of age.
- Prizes Fund – to fund various prizes.
- Dr Charles Dewar Waterston Fund – to fund programmes of work by the RSE which initiate discussion on vital interdisciplinary topics for the benefit of society at large and to improve video conferencing facilities in the RSE's building.
- Fleck Bequest Fund – to promote interest, knowledge and appreciation of science and its applications throughout Scotland.
- Piazza Smyth Legacy Fund – to fund high altitude astronomical research.
- Sillitto Fund – to promote interest in physics among young people.
- Edinburgh Drug Absorption Foundation Fund – to fund a series of conferences. It is anticipated that the amount held within this reserve will be utilised in the next financial year to fund a conference.
- James Clerk Maxwell Fund – balance of the funds received to facilitate the commissioning and maintenance of the statue of James Clerk Maxwell in George Street, Edinburgh.
- Patrick Meares Fund – a legacy received to fund Fellows' grants: to be applied one third in support of visiting lecturers and two thirds in support for meetings.
- Lillian and Herbert Smith Fund – a bequest from R H Smith to be used to support biomedical research.
- Research Awards Fund – to fund research within Scotland's Higher Education sector.
- The Enterprise Fellowship Awards Fund – to fund the translation of academic research into business opportunities.
- RSE Scotland Foundation – established by the RSE in 1996 as a separate, but connected, charity. Its charitable purpose is to advance the education of the public in Scotland in science, engineering and technology.

Notes to the Financial Statements (continued)

16. Restricted Funds

b) Movement in the year ended 31 March 2025

	1 April 2024	Investment income	Other income	Expenditure	Gains/ (losses)	Transfers	Net Movement in Year	At 31 March 2025
	£	£	£	£	£	£	£	£
GROUP & RSE								
Robert Cormack Bequest	126,912	5,181	-	(619)	(929)	-	3,633	130,545
Lessells Trust	893,066	36,455	13,735	(4,355)	(6,536)	-	39,299	932,365
Auber Bequest	805,749	32,891	-	(3,929)	(5,897)	-	23,065	828,814
Dr Charles Dewar Waterston Fund	-	8,626	1,000,000	-	-	-	1,008,626	1,008,626
Prizes Fund	108,941	4,447	-	(531)	(797)	-	3,119	112,060
Fleck Bequest Fund	179,972	7,346	-	(878)	(1,317)	-	5,151	185,123
Piazzì Smyth Legacy Fund	19,131	781	-	(93)	(140)	-	548	19,679
Sillitto Fund	53,113	2,168	-	(259)	(389)	-	1,520	54,633
Other	53,463	2,182	-	(261)	(391)	-	1,530	54,993
 Edinburgh Drug Absorption Foundation	 79,712	 -	 -	 (1,200)	 -	 -	 (1,200)	 78,512
James Clerk Maxwell Fund	30,533	-	-	-	-	-	-	30,533
Patrick Meares Fund	61,897	-	-	-	-	-	-	61,897
Lillian & Herbert Smith Funds	2,005,011	81,844	-	(9,777)	(14,674)	-	57,393	2,062,404
Research Awards Fund	105,340	-	-	-	-	-	-	105,340
Enterprise Fellowship Awards Fund	71,101	-	-	-	-	-	-	71,101
Restricted Income Fund	-	-	216,040	(84,079)	-	-	131,961	131,961
RSE	4,593,941	181,921	1,229,775	(105,982)	(31,070)	-	1,274,645	5,868,586
RSE Scotland Foundation	11,940,061	324,656	322,477	(445,361)	(91,605)	-	110,166	12,050,227
GROUP	16,534,002	506,577	1,552,252	(551,343)	(122,675)	-	1,384,811	17,918,813

17. Analysis of Assets Between Funds

a) Year ended 31 March 2026

GROUP	General £	Designated Funds £	Restricted Funds £	2026 £	2025 £
Funds balance at 31 March 2026 are represented by:					
Fixed assets	-	3,542,363	1,155,067	4,697,430	4,842,916
Investments	(342,759)	10,973,956	16,631,868	27,263,065	26,007,019
Current assets	4,290,331	-	(32,936)	4,257,395	4,418,894
Cash	1,181,343	768,041	1,338,586	3,287,970	4,423,878
Current Liabilities	(3,687,354)	-	(665,163)	(4,352,517)	(5,631,575)
Non Current Liabilities	(549,091)	-	(715,208)	(1,264,299)	-
	892,470	15,284,360	17,712,214	33,889,044	34,061,132

RSE	General £	Designated Funds £	Restricted Funds £	2026 £	2025 £
Funds balance at 31 March 2026 are represented by:					
Fixed assets	-	3,542,363	-	3,542,363	3,640,883
Investments	(342,759)	10,973,956	6,004,176	16,635,373	15,867,623
Current assets	4,290,331	-	-	4,290,331	4,323,336
RSE Scotland Foundation					
Current Account	176,846	-	-	176,846	(23,266)
Cash	1,181,343	768,041	342,409	2,291,793	3,734,234
Current Liabilities	(3,864,201)	-	(342,409)	(4,206,610)	(5,531,905)
Non Current Liabilities	(549,090)	-	-	(549,090)	-
	892,470	15,284,360	6,004,176	22,181,006	22,010,905

b) Year ended 31 March 2025

GROUP	General £	Designated Funds £	Restricted Funds £	2025 £	2024 £
Funds balance at 31 March 2025 are represented by:					
Fixed assets	-	3,640,883	1,202,033	4,842,916	5,015,513
Investments	(861,601)	10,860,639	16,007,981	26,007,019	26,340,822
Current assets	4,323,336	-	95,558	4,418,894	3,299,060
Cash	(1,727,489)	756,082	5,395,285	4,423,878	3,136,604
Current Liabilities	(849,531)	-	(4,782,044)	(5,631,575)	(5,164,743)
	884,715	15,257,604	17,918,813	34,061,132	32,627,256

RSE	General £	Designated Funds £	Restricted Funds £	2025 £	2024 £
Funds balance at 31 March 2025 are represented by:					
Fixed assets	-	3,640,883	-	3,640,883	3,736,982
Investments	(861,601)	10,860,638	5,868,586	15,867,623	16,060,497
Current assets	4,323,336	-	-	4,323,336	3,233,004
RSE Scotland Foundation					
Current Account	(23,266)	-	-	(23,266)	(27,753)
Cash	(1,727,491)	756,083	4,705,642	3,734,234	2,726,564
Current Liabilities	(826,263)	-	(4,705,642)	(5,531,905)	(5,042,096)
	884,715	15,257,604	5,868,586	22,010,905	20,687,198

Notes to the Financial Statements *(continued)*

18. Transactions with Related Parties

Council Members

Members of Council do not receive any payments for their services to the Group. They are reimbursed for expenditure on travel and subsistence costs actually and necessarily incurred in carrying out their duties as Councillors and Officers. The aggregate of such reimbursements, during the year was £5,414 (2025: 3,287) to six (2025: three) members of Council.

19. Connected Charities

RSE Scotland Foundation

The RSE Scotland Foundation is a charitable trust, recognised in Scotland as Scottish Charity Number SC024636. It was created in March 1996, with the objective of advancing the education of the public in Scotland in science, engineering and technology and, in so doing, to conserve the scientific and cultural heritage of Scotland. The President, General Secretary, Treasurer, Curator and a Vice-President of the RSE are *ex officio* Trustees of the Foundation, which draws on the resources of the RSE in carrying out its objectives. The Foundation also has five nominated Trustees appointed by the RSE Council. The Foundation became publisher of the RSE's journals under a Publications Right License effective from 1 January 1997.

On 1 July 1997, the RSE granted to the Foundation a 50-year lease over 26 George Street, carrying an obligation to refurbish the building within a three-year period.

The Foundation plays a leading role in the RSE's public outreach activities and manages the premises in Edinburgh. It also manages the programme of research activities funded by the Caledonian Research Fund.

The summary results for the year and net assets in RSE Scotland Foundation were:	Income £	Other Expenditure £	Operating (Deficit) £	Net Assets £
RSE Scotland Foundation	1,074,683	(1,955,636)	(880,953)	11,708,038
Intragroup transactions recognised in the RSE comprise:	Income £	Expenditure £	Debtors £	Creditors £
RSE Scotland Foundation	100,182	441,982	-	176,847

Notes to the Financial Statements *(continued)*

20. Financial Commitments

(a) Operating Leases

Financial commitment in respect of operating leases for printing and copying equipment:	2026	2025
	£	£
Due within one year	2,471	2,471
Due in year two to year five	618	3,089
	3,089	5,560

The financial commitment at 31 March 2026 in respect of operating leases expiring within five years for printing and copying equipment, was £3,089 (2025: £5,560). In the year £2,471 was charged in respect of these operating leases. All operating leases are within RSE Scotland Foundation and as a result are group operating leases.

(b) Financial Commitments - Capital

The Society had no capital commitments as at 31 March 2026.

21. Analysis of Net Cash Funds

	At 31 March 2026	Cash flows	At 31 March 2025
	£	£	£
Cash at Bank	3,287,970	(1,135,908)	4,423,878

22. Supplementary Information: Grants, Donations and Receipts

The RSE gratefully acknowledges the generous support of the following donors during the year ended 31 March 2026.

The RSE received grant income of £116,093 from the Williamson Trust, which funded 24 Healthy Planet, Healthy People projects across Scotland and a separate project on valuing local communities in research and policymaking.

The James Weir Foundation donated £10,000 in support of the Curious programme.

The Holywood Trust donated £7,935 in support of the RSE's charitable activities.

Notes to the Financial Statements *(continued)*

23. Group Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted £	Restricted £	2025 Total £
Income				
Donations & Legacies	3	330,489	1,013,735	1,344,224
Grants & other income in support of charitable activities	4	2,876,956	216,040	3,092,996
Rental income		-	322,477	322,477
Investment income		472,479	506,577	979,056
Other income		1,663,000	-	1,663,000
Total income		5,342,924	2,058,829	7,401,753
Expenditure				
Raising funds	5	(433,416)	(297,761)	(731,177)
Charitable activities	5	(4,775,731)	(253,582)	(5,029,313)
Total expenditure		(5,209,147)	(551,343)	(5,760,490)
Net operating (deficit) / surplus		133,777	1,507,486	1,641,263
Gains / (losses) on Investment Assets				
Total net gains / (losses on investments)	11	(84,712)	(122,675)	(207,387)
Unrealised gains/(losses) on Investment Property	10(a)	-	-	-
Net income / (expenditure)		49,065	1,384,811	1,433,876
Other recognised gains / (losses)				
Actuarial gains/(losses) on defined benefit pension funds	18	-	-	-
Net movement in funds		49,065	1,384,811	1,433,876
Reconciliation of funds: Balance brought forward at 1 April 2024				
	15,16	16,093,254	16,534,002	32,627,256
Balance carried forward at 31 March 2025				
	15,16	16,142,319	17,918,813	34,061,132

Notes to the Financial Statements *(continued)*

24. RSE Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted £	Restricted £	2025 Total £
Income				
Donations & Legacies	3	330,489	1,013,735	1,344,224
Grants & other income in support of charitable activities	4	2,876,956	216,040	3,092,996
Investment income		472,479	181,921	654,400
Other income		1,663,000	-	1,663,000
Total income		5,342,924	1,411,696	6,754,620
Expenditure				
Raising funds	5	(433,416)	(26,567)	(459,983)
Charitable activities	5	(4,775,731)	(79,415)	(4,855,146)
Total expenditure		(5,209,147)	(105,982)	(5,315,129)
Net operating (deficit) / surplus		133,777	1,305,714	1,439,491
Gains / (losses) on Investment Assets				
Total net gains / (losses) on investments	11	(84,712)	(31,072)	(115,784)
Unrealised gains / (losses) on investment property	10(a)	-	-	-
Net income / (expenditure)		49,065	1,274,642	1,323,707
Other recognised gains / (losses)				
Actuarial gains / (losses) on defined benefit pension funds	18	-	-	-
Net movement in funds		49,065	1,274,642	1,323,707
Reconciliation of funds: Balance carried forward at 1 April 2024	15,16	16,093,254	4,593,944	20,687,198
Balance carried forward at 31 March 2025	15,16	16,142,319	5,868,586	22,010,905

Legal and Administrative Information

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Registration Particulars

The Royal Society of Edinburgh is registered in Scotland as Scottish Charity No. SC000470 at registered office 22-26 George Street, Edinburgh, EH2 2PQ.

