

**ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND
(THE ROYAL ASIATIC SOCIETY)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

The Trustees of the Royal Asiatic Society of Great Britain and Ireland are pleased to present their report together with the financial statements of the Society for the year ending 31 December 2011.

The Royal Asiatic Society was established in 1823 'for the investigation of subjects connected with and for the encouragement of science, literature and the arts in relation to Asia'. The Society is incorporated by a Royal Charter dated 11 August 1824, together with a Supplemental Charter granted by Her Majesty Queen Elizabeth II under Her Sign Manual dated 11 November 1988.

The Society was registered on 22 September 1962 with The Charity Commission for England and Wales.

Professional advisors and principal office

Charity number:	209629
Principal office:	14 Stephenson Way London NW1 2HD
Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	Lloyds TSB Bank Pall Mall, St James's 8-10 Waterloo Place London SW1Y 4BE
Investment Managers	HSBC Global Asset Management 78 St James's Street London SW1A 1HL
Solicitors	Manches LLP Aldwych House 81 Aldwych London WC2B 4RP

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

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Trustees

All Members of Council of the Royal Asiatic Society are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees. In some cases Members of Council serve as Officers.

The Officers and Council serving for the year ended 31 December 2011 were as follows:

Officers

(all posts served on an Honorary basis)

Dr G Johnson	(President, elected 2009)
Mr K Bakhtiar	(Vice-President, elected 2009)
Professor A J Stockwell	(Vice-President, elected 2010)
Mr J D Pullen	(Treasurer, elected 2010)
Dr S Ansari	(Editor of the Journal of the Royal Asiatic Society, appointed 2009) ex officio

Members

(elected or retired at the Anniversary General Meeting in the year shown)

Dr İ E Binbaş	(elected May 2011)
Dr B Brend	(elected May 2010)
Mr F De Blois	(elected May 2010)
Mr P Collin	(elected May 2011)
Miss H Cordell	(elected May 2010)
Dr H E Driver	(elected May 2010)
Professor C Hillenbrand	(elected May 2008)
Mr L Knight	(elected May 2011)
Mr T Lobetti	(elected May 2010)
Professor D O Morgan	(elected May 2011)
Mr C C F Naylor	(elected May 2009)
Dr A A Powell	(elected May 2010)
Professor P Robb	(retired May 2011)
Professor F C R Robinson	(elected May 2009)
Mr N Saidi	(elected May 2011)
Dr K B Schofield	(elected May 2009)
Dr K Taylor	(elected May 2010)
Dr C van Ruymbeke	(elected May 2011)

Director and Secretary of the Council: Mrs Alison Ohta

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

Structure, Governance and Management

Governance

The Society is governed by the Council comprising a President, a Vice President (currently two while the full effect of a constitutional amendment comes into effect), a Treasurer and the Editor of the Journal of the Royal Asiatic Society, together with not more than twenty-four ordinary Members. The Officers and Members of the Council are treated as trustees for the purposes of the Charities Acts. Council is elected from among the Members (or Fellows) of the Society. Elections are governed by the provisions of Chapter III of The Byelaws of the Society as amended at a Special General Meeting of the Society held on 15 April 2010. Vacancies are filled by vote upon nominations placed in May each year before the Members of the Society at the Anniversary General Meeting.

The President, Vice President and Treasurer are similarly elected from within the Members of the Council.

The Editor of the Journal of the Royal Asiatic Society is appointed by the Council.

No one shall be elected to the Council who has not been a Member of the Society for at least one year. An Ordinary Member of Council is elected for a term of four years and is eligible for re-election after a lapse of one year. Officers normally serve for three years.

The Director is the full-time Chief Executive Officer of the Society, reporting to the President and responsible to the Council. The Director is appointed by the Council.

Appointment of trustees

The Society is governed by a Council. Members of the Council are treated as trustees for the purposes of the Charities Acts. Council is elected from among the Members (or Fellows) of the Society. Elections are governed by the provisions of Chapter III of The Byelaws of the Society with vacancies being filled by vote upon nominations placed in May each year before the Members of the Society at the Anniversary General Meeting. Honorary Officers are similarly elected from within the Members of the Council. No one shall be elected to the Council who has not been a Member of the Society for at least one year. An Ordinary Member of Council is elected for a term of four years and is eligible for re-election after a lapse of one year. Honorary Officers normally serve for three years.

Trustee induction and training

New trustees are briefed by the President on their duties and on their legal obligations under charity law, the content of the Constitution and Byelaws of the Society, the Council and its decision-making processes and the recent financial performance of the charity. Before their first Council Meeting they meet employees and other trustees.

Organisation

The Council is responsible for the operation of the charity. The Council meets normally six times each year, between October and June inclusive. The Council is responsible for taking all significant decisions relating to the Society's affairs. The Society is managed by a Director responsible to Council, with the assistance of a number of other remunerated employees. The operations of the Society are monitored through separate Council committees for Finance and Investments, Fellowship and Development, Events and House, Library, Publications and a separate Editorial Board, which meet regularly according to defined schedules at meetings chaired by the President (or the Vice-President or another Member of the Council). The transactions of the committee meetings are submitted to Council meetings for report and for such approvals as may be appropriate.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

Related parties

The charity is an independent body in the sense of being self-standing and administering, although it aims to foster collaborative arrangements with other organisations with similar or overlapping interests and aims.

Risk Management

The trustees regularly monitor and assess ongoing risks through the appropriate sub-committees responsible for areas in which risks, in whatever form, might arise. Wherever considered necessary, those risks are managed or mitigated through a combination of changed or updated procedures and with the purchase of insurance products, where appropriate.

All signatories to the Society's financial accounts are obliged to have completed an HMRC 'Fit and Proper Persons' declaration.

Objectives and activities

The objects of the charity are to investigate and encourage science, literature and the arts in relation to Asia. The Society promotes a number of activities in this field, including programmes of lectures, research workshops and student events. It also publishes works of scholarship and a journal of high international standing. The Society maintains an important library including prints, drawings and manuscripts relating to the history, religions, languages, art and customs of Asia.

The trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission with regard to public benefit.

Achievements and Performance

This has been another busy year with both the main and student lecture series generating much interest. The life of Simon Digby, the distinguished scholar who made a substantial contribution to the work of the Society, was commemorated in a lecture by Mr. Robert Skelton in June 2011 entitled 'Some evidence of Material Culture during the Sultanate Period'. Professor Hugh Kennedy of the School of Oriental and African Studies delivered the AGM lecture on the reign of Muqtadir (908-932) and the decline of the Abbasid caliphate with much wit and erudition. The student series continues to attract much interest providing the opportunity for post-graduate students to present material to a wider audience outside their university departments. The presentation by Hyunseok Lee of Loughborough University of his animated documentary exploring 'Korean Sacred Architectural Aesthetics' was particularly remarkable in its use of technology and computer generated imagery to communicate a very sophisticated message.

An exhibition was held at the Asia Society of New York (9th Feb. –1st May 2011) of the miniatures of the Muhammad Juki Shahnamah to mark the 1000th anniversary of the completion of the text. When the exhibition finished, five miniatures went on to join the 'Gifts of the Sultan' exhibition at the Los Angeles County Museum (5th June -5th September 2011) and from there continued to Houston (16th October-8th January 2012). The Society is very grateful to Mr. David Jacobs for his advice on the conservation of this unique manuscript which normally resides in the British Library.

This year saw the start of our 'Blog' and 'Facebook' pages on the internet. The very informative 'blog reports' are written by Helen Porter and provide an insight into the collections while reporting on events and projects of significance. Also our 'Facebook' page which is edited and maintained by Camilla Larsen provides an additional means of communication with the fellowship and public at large.

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In June 2011 the catalogue of the exhibition India: East-West held at the Victoria Commonwealth University, Doha Campus in March 2010 was published early in 2011. Also in December 2011 the Society published in collaboration with Routledge, the long-awaited biography of Henry Thomas Colebrooke the founder of the Royal Asiatic Society and eminent Sanskrit scholar. The Making of Western Indology, Henry Thomas Colebrooke and the East India Company is the culmination of many years of scholarship by the distinguished academics Professors Rosane and Ludo Rocher to whom the society is very grateful.

In July 2011 the Liberty library management system was upgraded from Liberty3 to Liberty5, which has brought a number of benefits of which the most important for the RAS library is the ability to display most non-roman scripts and diacritics. Work on the Liberty online catalogue continued throughout the year. Almost all books published before 1820 are now on Liberty. During the summer we received assistance with cataloguing the pre-1820 books from Amelia Grounds, a qualified librarian and art history specialist. She was then employed by the Society from September to December to continue the cataloguing of the paintings and drawings on to the Liberty catalogue. Around 90% of the items in the Head catalogue are now on Liberty. The Society was invited to contribute its catalogue records for Persian manuscripts to the Fihrist Gateway, a union catalogue of "Islamic" (mainly Arabic script) manuscripts in the UK, and to contribute its journal catalogue records to SUNCAT, a union database of serial holdings in UK academic libraries. Both these operations were completed during 2011, and are now giving the Society's library holdings much wider exposure.

The library was closed for several weeks at the beginning of the year while the collections were being prepared to be moved into store to allow damp proofing work to be undertaken in the basement. The work was in fact postponed until 2012, so the library re-opened to visitors in February.

Once again the library has benefited from the services of Roger Parsons, who assists in the library once or twice a week on a voluntary basis, and of the NADFAS volunteers, who use their book conservation expertise to carry out minor repairs to many of the library books. In 2011 they focused particularly on repairs to the pre-1820 books which had just been catalogued and constitute the most valuable part of the book collection.

During the year the Society hosted visits by members of the Oriental Club and the Bedfordshire Branch of the Art Fund, and by students from the Aga Khan Foundation, Sotheby's Institute and SOAS. Each visit included an exhibition of items from the RAS collections. We also hosted meetings of the South Asia and Archives and Library Group, the Historic Libraries Forum and the Fihrist Board of Directors.

The Journal is as busy as ever. During 2011 plans were made for a number of special issues which will build on the success of our January 2010 issue which was devoted to 'Romanisation in Comparative Perspective'. Many of the projects under discussion take a focussed area of research and put it into a pan-Asian context. Naturally not all of these initiatives will come to fruition but we can be certain that between now and 2013 there will be some interesting special issues. Last spring the Journal welcomed Adele Linderholm as a freelance copyeditor. Adele is an American who has spent many decades in the United Kingdom working as an academic editor for such organisations as Cambridge University Press and the BBC. She is particularly adept at switching American English into Anglo English. Not only are there additions to our staff but we also have gained an additional decision-making body; towards the end of the year the Publications Committee decided that it would convene a formal Journal Editorial Board. In many ways this formalises the state of affairs which has existed for a long while. For many years there has been a clutch of stalwarts to whom the editorial team regularly turned to discuss matters of content and policy; but now the work of Professor Francis Robinson, Professor David Morgan, Professor Anthony Stockwell and François de Blois is recognised and regularised within the remit of the new Board. These scholars are joined by two younger academics Dr Martin Worthington of SOAS and Dr Tsai Weipin of Royal Holloway. Members of our International Editorial Board, particularly Professor Richard Gombrich, also continue to give learned advice which contributes to the Journal's continuing success.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

Financial Review

Highlights of 2011

2011 proved to be a financially satisfactory year for your Society.

Financial activities during 2011 generated Net incoming resources, or an operating surplus, for the first time in over ten years. From a Net outgoing figure of £62,317 in 2010, we recorded a Net incoming figure of £1,210 in 2011.

In addition, after withdrawing substantial amounts in both 2009 and 2010, your Society was able to deposit some £7,000 into the endowment fund in 2011.

The Balance Sheet indicates a Total charity funds figure of £3,714,786 as at 31 December 2011, a nominal 3% reduction of £101,564 from the £3,816,350 figure as at 31 December 2010. A £121,552 decline in the market value of our endowment fund was mostly offset by an increase in the value of our Current assets and a modest decline in the value of our Liabilities.

Your Society continued to be free of borrowing as at 31 December 2011.

Income and Expenditure

Income: Following a 16% increase in 2010, Total incoming resources increased by a further 19% from £321,531 in 2010 to £383,155 in 2011. Whilst general Donations fell below £10,000, the final figure was boosted by a one-off donation of £20,000 towards a special project. Note 13 provides an analysis of our various income streams from our Activities with your Journal contributing a substantial £129,501, fully a third of our Total incoming resources, due to further exceptional sales from our Journal digital archive as shown in Note 14. Income from Subscriptions, which of course remain the life blood of your Society, increased by a rewarding 20% to £39,583. The Hire of facilities, which absorbs much of the energy of our staff, improved by a gratifying 50% to £35,521. Investment income improved in line with the market by a satisfactory 53% to £68,494. Our Rent income remained essentially unchanged at £71,437.

Expenditure: Following a 6% decrease in 2010, Total resources expended were essentially unchanged with a notional 0.5% decrease from £383,848 in 2010 to £381,945 in 2011. Despite continuing inflationary pressures, such as a 50% increase in our Camden business rates over the past two years, and the well-publicised increases in energy bills, our Director maintained a firm control over costs.

Year-end staff numbers remained unchanged at six whilst total staff costs increased by 3% to £165,637 and now represent 43% of Total resources expended. A 3.5% increase in salaries effective 1 January 2011 for the four staff on fixed contracts was partly offset by modest savings in other staff costs.

Policy on Fixed Assets

Freehold Property: Acquired 5 ½ years ago, our freehold property was valued at £2million on 31 December 2009. The building element represents two thirds of this value and continues to be depreciated over a fifty year period. Your Trustees remain committed to maintaining this principal asset to a high standard. However the works on our basement forecast for 2011 were deferred by one year on technical grounds. Whilst the next formal valuation is not due until 2014, recent property developments in and around Stephenson Way are encouraging for future valuations. The property continued to yield a valuable rent income stream.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

Investments: Adverse movements in the global financial markets resulted in a 7% or £121,552 decline in the value of our endowment fund from £1,726,265 at 31 December 2010 to £1,604,713 at 31 December 2011. Our new policy of withdrawing a fixed amount of £14,000 from the endowment fund at the end of each quarter proved useful for internal cash flow management purposes. Your Trustees remain satisfied with the performance of our current investment managers. However the management of our endowment fund, having rested with HSBC for twenty years since 1992, is currently under review. The preliminary round of this review was conducted in late 2011 whilst the final round will be completed this year.

Heritage Assets: This is the first year in which your Society is obliged to formally reflect our various historical collections of material art in our annual accounts. After further clarification on how these new accounting guidelines should be implemented, and after discussion with the external auditors, your Trustees have decided that our heritage assets should continue to be reported in our balance sheet with a nil value. However Note 1 o) has been substantially enhanced to provide any reader of our accounts with a reasonable opportunity to grasp the full nature of our heritage assets. There were no disposals in 2011.

Current Assets and Liabilities

Stock of publications: The stock of Juki publications continued to be sold down at a modest rate in 2011. Your Trustees have decided to review the manner in which our publications are reflected in the balance sheet in future years, and will establish a revised policy during 2012.

Cambridge University Press: The full extent of our major relationship with the Cambridge University Press continues to be evident in the figures in Notes 9 Debtors and 10 Creditors.

Value Added Tax: Your society identified a stream of Value Added Tax paid in prior years for which no relief had been claimed. This one-off opportunity has resulted in the switch from the customary VAT payable figure under Creditors to a VAT recoverable figure under Debtors in 2011.

Outlook for 2012

Externally the UK economy continues to operate under austerity conditions with standards of living and disposable incomes under pressure. Recent budget measures have not proved particularly helpful for the charity sector.

Internally it is anticipated that our accounts for 2012 will be dominated by the need to realize funds to cover the cost of our basement project. These works, which were estimated in our 2010 accounts to cost some £70,000, are now estimated at some £130,000. The Trustees fully recognize that the cost of any building project which involves below ground works to address critical damp proofing issues is seldom entirely predictable. Funds are not expected to be paid away until the second half of 2012.

The existing rental agreement with our principal tenant is due for a five year review in August 2012. Negotiations with the tenant are expected to commence after the Anniversary General Meeting in May. The original agreement calls for a four months' rent free period in the second half of 2012 which, whilst this has been fully reflected in our annual accounts, will have a negative impact on our cash flow position.

Fellows reading this financial review are invited to assist their society with two financial issues; firstly to double check that they have properly established their Direct Debit arrangement for their annual subscription and cancelled all previous arrangements; and secondly to consider providing their society with a special one-off donation in 2012 to meet the extraordinary cost of damp proofing our basement where so many of our heritage assets are stored.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2011

The Trustees remain satisfied with the services received from our present accountants and external auditor, which commenced with our 2005 accounts, and it is not expected that the society will wish to review this relationship until 2014.

There are no plans for any new publications or any heritage asset disposals in 2012.

Cash flow management in the second half of 2012 is expected to prove challenging. In addition to the outgoings to cover the basement project and the loss of four months' rent income during the five year review, other exceptional positive elements enjoyed in 2011, such as Journal digital archive sales and VAT recoveries, are not be expected to be repeated in 2012. In addition it is not anticipated that current inflationary pressures on our fixed expense base will abate in any way during 2012. Therefore your Trustees continue to recognize that the society may need to draw down monies from the society's endowment fund to meet any operating cash flow deficit.

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The Trustees are responsible for keeping proper records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the charity's assets and hence taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

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

Statement of disclosure to auditor

So far as the Board of Trustees is aware:

- a) there is no relevant audit information of which the charity's auditors are unaware; and
- b) they have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2011**

Approved by the trustees on 12 April 2012 and signed on their behalf by:

Dr G Johnson
President

J D Pullen
Treasurer

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

We have audited the financial statements of The Royal Asiatic Society of Great Britain and Ireland on pages 12 to 26 for the year ended 31 December 2011, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

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

**INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND**

Matters on which we are required to report by exception

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

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

UHY Hacker Young
Chartered Accountants
Statutory Auditor

2012

UHY Hacker Young is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Unrestricted funds		Restricted		Total	Total
		General	Designated	Restricted	Permanent	Funds	Funds
		Funds	Funds	Funds	Fund	2011	2010
		£	£	£	£	£	£
Incoming resources							
Incoming resources from generated funds:							
Voluntary income – Donations		29,197	-	-	-	29,197	10,176
Activities for generating funds	13	214,027	-	-	-	214,027	198,706
Investment income	15	51,663	6,777	9,854	200	68,494	44,669
Other incoming resources	16	71,437	-	-	-	71,437	67,980
Total incoming resources		366,324	6,777	9,854	200	383,155	321,531
Resources expended							
Cost of generating funds		16,368	-	-	-	16,368	14,848
Charitable activities	12	287,015	939	-	-	287,954	289,071
Governance costs	12	77,623	-	-	-	77,623	79,929
Total resources expended		381,006	939	-	-	381,945	383,848
Net (outgoing)/incoming resources before other recognised gains and losses		(14,682)	5,838	9,854	200	1,210	(62,317)
Other recognised gains and losses							
Realised and unrealised losses of investment assets		(77,520)	(10,169)	(14,785)	(300)	(102,774)	168,536
Net movement in funds		(92,202)	(4,331)	(4,931)	(100)	(101,564)	106,219
Reconciliation of funds							
Total funds brought forward		3,365,934	181,360	263,703	5,353	3,816,350	3,710,131
Total funds carried forward		3,273,732	177,029	258,772	5,253	3,714,786	3,816,350

There are no recognised gains or losses for either 2011 or 2010, other than those included in the Statement of Financial Activities.

All incoming resources and resources expended derive from continuing activities.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**BALANCE SHEET
AS AT 31 DECEMBER 2011**

	Note	2011 £	2010 £
Fixed assets			
Freehold property	5	1,944,420	1,973,333
Other tangible assets	6	3,013	7,405
Investments	7	1,604,713	1,726,265
Heritage assets	1(o)	-	-
		-----	-----
		3,552,146	3,707,003
		-----	-----
Current assets			
Stock of the Juki publication		15,415	15,956
Debtors	9	182,809	158,098
Current asset investments		21,892	13,723
Cash on current account and in hand		17,596	2,596
		-----	-----
		237,712	190,373
		-----	-----
Liabilities			
Creditors: amounts falling due within one year	10	(75,072)	(81,026)
		-----	-----
Net current assets		162,640	109,347
		-----	-----
Net assets		3,714,786	3,816,350
		=====	=====
The funds of the charity:			
Unrestricted - General	17	3,273,732	3,365,934
- Designated	22	177,029	181,360
Restricted	22	258,772	263,703
Permanent endowment	22	5,253	5,353
		-----	-----
Total charity funds		3,714,786	3,816,350
		=====	=====

The notes on pages 14 to 26 form part of these accounts.

These reports and financial statements were approved by Council at their meeting on 12 April 2012 and were signed on their behalf by:

Dr G Johnson
President

J D Pullen
Treasurer

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of the freehold property and investments at market value and are prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities" (SORP 2005), issued in March 2005, applicable UK Accounting Standards and the Charities Act 2011.

b) Incoming resources

Investment income is recognised when the charity has entitlement to the resources and to the extent that the resources will be received. All other items of income are accounted for on an accruals basis.

c) Donations

Donations to the Society are provided either as:

1. contributions to the Society's general purpose funds; or
2. a specific donation for a separate and distinct project or purpose.

Contributions to the Society's general purpose funds are firstly applied to supplementing the Society's ongoing requirements for operational funding, but any surplus funds are then added to the Society's endowment to enhance its capacity to support and expand its core objectives on a long-term basis.

Donations provided for a separate and distinct project or purpose can be provided either for a one-off project or in the form of a designated fund, the income from which can be applied annually to support the donor's desired objective. In either case, the Society will consult fully with the donor and provide a detailed account statement to demonstrate how the funds have been employed.

Any donation will be applied to the Society's general purpose funds, unless the donor specifies the donation as being for a separate and distinct project or purpose.

d) Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure, except taxation in relation to Gift Aid, is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

e) Taxation in relation to Gift Aid

Income Tax recoverable in respect of subscriptions received under Gift Aid is brought into account up to the end of the fiscal year ending within the calendar year.

f) Allocation of overhead and support costs

Overheads and support costs are allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities are apportioned to departments based on the staff salaries in that department as a percentage of total staff salaries.

g) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

h) Charitable activities

Costs of charitable activities include costs related to the library, journal, and events. Included within the costs is an apportionment of overhead and support costs, as shown in note 12.

i) Cost of generating funds

The cost of generating funds consists of investment management fees.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

j) Freehold buildings

The freehold property is carried in the accounts at market value, as the charity has adopted a policy of revaluation based on FRS 15 (Tangible Fixed Assets).

Depreciation is provided at a rate of 2% per annum on a straight line basis on the building element of the property from the date of occupation.

k) Furniture, Fittings and Equipment

Furniture, fittings and equipment are shown at cost and written off over their useful lives. Depreciation is provided on furniture, fittings and equipment, calculated to write off the cost on a straight line basis over their estimated useful lives as follows:

Furniture and Fittings	20% per annum
Equipment	25% per annum

l) Investments

In accordance with the requirements of SORP 2005, investments held for the purpose of income generation are stated at market value at the balance sheet date. Any unrealised gain or loss from the change in market value is taken to the Statement of Financial Activities. Realised gains and losses from the disposal of investments in the year are recognised immediately in the Statement of Financial Activities.

m) Current asset investments

The current asset investments represent the balances held by the charity's investment fund managers.

n) Stock of Publications for Sale

Stock of the Juki book is valued at the lower of cost and estimated realisable value.

No value is taken in the accounts of the stock of the charity's other own publications for sale, on the grounds that the cost figure would be difficult to ascertain and the saleability is uncertain.

o) Heritage assets

The Society holds and maintains a collection of heritage assets principally for their contribution to the knowledge and culture of Asia. These heritage assets have been published in the Society's monographs, such as the 2010 *Muhammad Juki Shahnama*, the Society's specific Catalogues and periodic Journals now available on-line, and are generally accessible through the Society's website www.royalasiaticsociety.org. Any heritage assets considered of particular importance are stored in an off-site controlled environment. These heritage assets were received as donations in the nineteenth and early twentieth century and have never been formally valued. The Trustees consider that owing to the diverse nature of the assets held, conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Society and users of the accounts. Therefore the Society does not recognize these heritage assets on their Balance Sheet. Any costs associated with or income derived from holding these heritage assets is recognized in the Society's Income and Expenditure Account.

p) Cashflow statement

The charity has taken advantage of the exemption permitted by FRS 1 whereby a cashflow statement need not be prepared by a small charity.

2 The Funds of the charity

The following is a brief description of the objects and purpose of the Funds. A Statement of Financial Activities for each of the Designated unrestricted and Restricted Funds (including one Permanent Endowment) is included on Page 26.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Restricted funds:

Permanent Endowment

Dr. B. C. Law Trust Fund

Established by a donation of 12,000 Indian Rupees by Dr B C Law in 1935. The income to be used for the publication of original works on Buddhism, Jainism or the history or geography of Ancient India.

Other Restricted Funds

The Barwis-Holliday Fund

Established in 1977 by the donation of investments to the value of £690 by Major I.E. Barwis-Holliday and supplemented by a bequest of £1,000 from the estate of the donor. The income to be used to finance a monetary award for a paper upon a Far-Eastern subject to be published in the Journal of the Royal Asiatic Society.

The James G. R. Forlong Fund

Derives from a bequest included in a Will made by Major-General Forlong in 1901. Initiated in 1923 with the income to be used for the "encouragement of the study of the religions, history, character, languages and customs of Eastern races" and within this definition to be devoted to the funding of scholarships and the publication of short works on these subjects.

The Monograph Fund

Established in 1904 for the publication of original works on Oriental subjects.

The Oriental Translation Fund

Originally established in 1828 and financed from a subsidy received from the East India Company. The Fund was revived c.1888 from financial support from certain Fellows. Established "for translating and publishing such interesting and valuable works on Eastern History, Science and belles-lettres as are still in Ms." The translated text to be accompanied by the original text printed separately.

The Dr O. W. Samson Fund

Established by the late Mrs. E Samson as a gift in memory of her late husband. Mrs. Samson verbally expressed the wish that the income be used for the award of scholarships for research in Oriental subjects or to mount study groups or seminars devoted to such subjects.

The Prize Publication Fund

Founded in commemoration of Queen Victoria's Diamond Jubilee from subscriptions donated in the Madras Presidency for the award of a gold medal. Initiated in 1906. It was subsequently agreed that the Fund could also be used for the publication of original works connected with the history and geography of the former Indian Empire.

The Universities Prize Essay Fund

Established in 1901 by donations made by certain Chiefs and Gentlemen of Southern India as the Public School Prize and Essay Fund. Amended to the present title under a scheme made by the Board of Education on 15 December 1931. The income to be applied to provide a Prize (in cash or gold medal) for an essay or treatise on an Indian or Oriental subject to be competed for by students of Universities in the United Kingdom and the Republic of Ireland.

The Ibrahim Pasha of Egypt Fund

The fund was established in June 2001 following the receipt of a donation of a little over \$100,000 (£75,992) from Princess Fazile Ibrahim. The Purpose of the fund is to publish Ottoman documents from archives and manuscripts up to 1839.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Designated Funds (unrestricted):

The Rylands Fund

The bequest was not specific as to the use to which it could be put. Agreed by the Council of the charity that it be used for publications.

The Storey Fund

From a bequest by the late Professor C A Storey. The bequest did not stipulate the purpose to which the monies were to be put. Agreed by the Council of the charity that the principal and interest be used towards the completion and publication of a bio-bibliographical survey of Persian Literature commenced by Professor Storey, the first installment of which had appeared in 1927.

The Wales Fund

The bequest received by the charity in 1995 from the Late Mrs. Dorothy Wales did not stipulate the purpose to which it should be put. Agreed by Council that the income received from the capital be applied to such charitable objects as Council may from time to time determine. The trustees approved the application of The Wales Fund for the Society's investment in the Juki publication.

3 Reimbursements to Council Members for expenditure incurred

During the year no payment was made to any member of the Council (2010: £Nil) in reimbursement of any purchase made on behalf of the Society and required for the Society's activities.

4 Employee information

4.1 Staff costs

	2011	2010
	£	£
Wages and salaries	147,550	143,088
Social security costs	14,531	13,475
Contributions to pension schemes	3,556	3,782
	<hr/>	<hr/>
	165,637	160,345
	<hr/>	<hr/>

No single employee received remuneration exceeding £60,000 per annum.

4.2 Staff numbers

The average weekly number of employees during the year was as follows:

	2011	2010
	No.	No.
Direct charitable activity	5	5
Administration of the charity	1	1
	<hr/>	<hr/>
	6	6
	<hr/>	<hr/>

Included in the above are 4 part-time employees (2010: 4).

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

4.3 No member of Council received any remuneration for services rendered in either 2011 or 2010.

4.4 Pension costs

In 2002, the Society introduced a Stakeholder Pension Scheme for permanent employees, to which the Society contributes. There is no further liability upon the Society for the payment of a pension on retirement to any present or past employees.

4.5 Volunteers' services

In addition to salaried employees and contributions of time by trustees without remuneration, other volunteers contributed time to the charity by providing professional and other services during the year. Due to the difficulty in determining their value, contributed services are not recorded in the financial statements.

5. Freehold property

	Freehold Property £
Valuation	
At 1 January 2011 and at 31 December 2011	2,000,000

Depreciation	
At 1 January 2011	26,667
Charge for the year	28,913

At 31 December 2011	55,580

Net book value	
31 December 2011	1,944,420
	=====
31 December 2010	1,973,333
	=====

The freehold property was valued on 31 December 2009 by Colliers CRE, Chartered Surveyors, on the basis of existing use at £2,000,000. On a historical cost basis the freehold property would have been included at an original cost of £3,218,598 (2010: £3,218,598), which included refurbishment costs capitalised of £1,372,559. The accumulated depreciation on the historic cost would have been £277,871 (2010: £234,956).

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

6 Other tangible fixed assets

	Furniture & fittings £	Equipment £	Total £
Cost			
At 1 January 2011 and as at 31 December 2011	65,830	93,906	159,736
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 January 2011	60,436	91,895	152,331
Charge for year	3,635	757	4,392
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2011	64,071	92,652	156,723
	<u> </u>	<u> </u>	<u> </u>
Net book value			
31 December 2011	1,759	1,254	3,013
	<u> </u>	<u> </u>	<u> </u>
31 December 2010	5,394	2,011	7,405
	<u> </u>	<u> </u>	<u> </u>

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

7 Investments Analysis of investment portfolio (at Market Value)

	2011 £	2010 £
Debt related funds	305,078	271,271
Equity related funds	1,051,607	1,227,708
Property funds	140,541	141,839
Other funds	107,487	85,447
	<hr/>	<hr/>
	1,604,713	1,726,265
	=====	=====
Historical cost	1,573,839	1,433,267

All investments assets, except for the overseas funds and overseas bonds are held within the UK. Investments are held for the purpose of income generation.

The following holdings represent more than 5% of the total portfolio:

HSBC Global Asset Management	28.2%
M&G Securities Limited	8.4%
Artemis Fund Managers	7.8%

8 Movement in investments

	2011 £	2010 £
Market value at 1 January	1,726,265	1,635,098
Additions	902,197	472,412
Disposal proceeds	(920,975)	(549,781)
Unrealised gains/(losses)	(45,742)	179,686
Realised losses during the year	(57,032)	(11,150)
	<hr/>	<hr/>
Market value at 31 December	1,604,713	1,726,265
	=====	=====

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

9 Debtors

	2011	2010
	£	£
Prepayments and accrued income	57,616	49,912
Due from Cambridge University Press	124,061	108,186
VAT recoverable	1,132	-
	<hr/>	<hr/>
	182,809	158,098
	<hr/> <hr/>	<hr/> <hr/>

10 Current liabilities - creditors

	2011	2010
	£	£
Accruals and deferred income	33,810	39,666
Due to Cambridge University Press	37,206	35,906
Taxes and social security costs	4,056	4,100
VAT payable	-	1,354
	<hr/>	<hr/>
	75,072	81,026
	<hr/> <hr/>	<hr/> <hr/>

11 Taxation status

As a registered charity, the Society is exempt from taxation on its income and capital gains under Section 505 of the Income and Corporation Taxes Act 1988. The Society is registered for Value Added Tax.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

12 Allocation of support costs and overheads

Cost type	2011							2010	Basis of apportionment
	Total allocated	Governance	Library	Journal	Cultural Events	Publications	Fundraising & other	Total allocated	
	£	£	£	£	£	£	£	£	
Staff costs	165,637	38,536	100,874	26,227	-	-	-	160,345	Actual cost incurred
Other direct costs	68,708	-	3,132	43,187	6,998	2,469	12,922	66,436	Actual cost incurred
House and building	54,338	12,642	33,092	8,604	-	-	-	56,005	Staff cost
Administration	32,440	7,547	19,756	5,137	-	-	-	32,675	Staff cost
Depreciation	33,304	7,748	20,278	5,278	-	-	-	40,589	Staff cost
Legal and agency costs	3,750	3,750	-	-	-	-	-	4,950	Staff cost
Other professional costs	7,400	7,400	-	-	-	-	-	8,000	Cost
	<u>365,577</u>	<u>77,623</u>	<u>177,132</u>	<u>88,433</u>	<u>6,998</u>	<u>2,469</u>	<u>12,922</u>	<u>369,000</u>	

Other professional costs include audit fee of £7,400 (2010: £7,650); other non audit services were provided by the auditors including payroll services of £986 and accountancy services of £7,199. These costs are included within administration.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

13 Analysis of activities for generating funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
Subscriptions	39,583	-	-	39,583	32,976
Merchandising	6,812	-	-	6,812	10,416
Journal (note 14)	129,501	-	-	129,501	124,356
Cultural events	-	-	-	-	440
Hire of facilities	35,521	-	-	35,521	23,653
Juki publications	2,610	-	-	2,610	6,865
	<u>214,027</u>	<u>-</u>	<u>-</u>	<u>214,027</u>	<u>198,706</u>

14 Journal income

	2011 £	2010 £
Sales by Cambridge University Press	71,190	66,766
Sales of the <i>JRAS</i> digital archive	58,311	57,590
	<u>129,501</u>	<u>124,356</u>
	=====	=====

15 Analysis of investment income

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
Investment income	51,663	6,777	10,054	68,494	44,664
Interest	-	-	-	-	5
	<u>51,663</u>	<u>6,777</u>	<u>10,054</u>	<u>68,494</u>	<u>44,669</u>

The apportionment of income is based on the proportion of the specific funds held at the beginning of the year.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

16 Analysis of other incoming resources

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
Rent	71,437	-	-	71,437	67,980
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other income	71,437	-	-	71,437	67,980
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

17 Unrestricted general funds

	2011 £	2010 £
Balance as at 1 January	3,365,934	3,305,386
Net movement in funds	(92,202)	60,548
	<hr/>	<hr/>
Balance as at 31 December	3,273,732	3,365,934
	<hr/> <hr/>	<hr/> <hr/>

18 Analysis of net assets between funds

	Unrestricted General £	Designated £	Restricted Funds £	Permanent Endowment Fund £	Total funds £
Freehold property and fixtures fittings and equipment	1,947,433	-	-	-	1,947,433
Investments	1,163,659	177,029	258,772	5,253	1,604,713
Net current assets	162,640	-	-	-	162,640
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,273,732	177,029	258,772	5,253	3,714,786
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

19 Analysis of charitable funds

	Balance as at 31 December 2010	Incoming resources	Resources expended	Gains & losses	Fund as at 31 December 2011
	£	£	£	£	£
Unrestricted funds – General	3,365,934	366,324	(381,006)	(77,520)	3,273,732
Unrestricted funds – Designated	181,360	6,777	(939)	(10,169)	177,029
Restricted funds	263,703	9,854	-	(14,785)	258,772
Permanent Endowment Fund	5,353	200	-	(300)	5,253
	<u>3,816,350</u>	<u>383,155</u>	<u>(381,945)</u>	<u>(102,774)</u>	<u>3,714,786</u>
	=====	=====	=====	=====	=====

20 Capital commitments

The Society had no capital expenditure contracted for future periods.

21 Financial commitments

At 31 December the charity had annual commitments under operating leases as follows:

	Plant and equipment	
	2011	2010
	£	£
Expiry date:		
Between two and five years	2,340	2,340
	<u>2,340</u>	<u>2,340</u>
	=====	=====

The above financial commitment relates to an office photocopier.

ROYAL ASIATIC SOCIETY OF GREAT BRITAIN AND IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

22 Movements to designated unrestricted funds, permanent endowment and restricted funds

	DESIGNATED FUNDS			PERMANENT ENDOWMENT	RESTRICTED FUNDS							
	Storey Fund	Rylands Fund	Wales Fund		BC Law Fund	Barwiss Holliday	James GR Forlong	Monograph Fund	O.T.F Fund	OW Samson Fund	P.P.F Fund	University Prize Essay
	£	£	£	£	£	£	£	£	£	£	£	£
Incoming Resources												
Investment income & interest	1,788	503	4,486	200	374	2,163	308	919	950	421	201	4,518
Total	1,788	503	4,486	200	374	2,163	308	919	950	421	201	4,518
Resources expended	-	-	939	-	-	-	-	-	-	-	-	-
	-	-	939	-	-	-	-	-	-	-	-	-
Net Incoming Resources	1,788	503	3,547	200	374	2,163	308	919	950	421	201	4,518
Other Recognised Gains & Losses	(2,682)	(755)	(6,731)	(300)	(561)	(3,246)	(462)	(1,378)	(1,426)	(631)	(301)	(6,780)
Net Movement in funds	(894)	(252)	(3,184)	(100)	(187)	(1,083)	(154)	(459)	(476)	(210)	(100)	(2,262)
Balances b/fwd 01/01/2011	47,842	13,459	120,058	5,353	10,008	57,888	8,241	24,585	25,433	11,259	5,373	120,916
Balances c/fwd 31/12/2011	177,029			5,253	258,772							