

Royal United Services Institute for Defence and Security Studies

Annual Report 2014–15







Over 180 years of independent defence and security thinking

The Royal United Services Institute is the UK's leading independent think-tank on international defence and security. Its mission is to be an analytical research-led global forum for informing, influencing and enhancing public debate on a safer and more stable world.

Since its foundation in 1831, RUSI has relied on its members to support its activities. Together with revenue from research, publications and conferences, RUSI has sustained its political independence for over 180 years.

London | Brussels | Nairobi | Doha | Tokyo | Washington, DC

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RUSI is a registered charity (No. 210639)



'I know what valuable work, in the cause of peace and security, the Royal United Services Institute for Defence and Security Studies carries out in maintaining the essential links between the Armed Forces and those who make decisions under economic and political disciplines.'

Her Majesty The Queen

Chairman's Message



Our essential strategic goal, first set out in 2008, was 'to make RUSI internationally recognised as a research-led defence and security think tank comparable to the best in the world'. In the last twelve months we have taken greater strides to make this goal a solid reality, reflecting the steps set out in our ongoing strategic plan. We now have a RUSI presence in Washington, DC, Tokyo, Doha, Nairobi and Brussels, and the scope of our national and international research work continues to grow.

Our internationally based research has covered subjects as diverse as the 'new Silk Road' from China into Central Asia; the new alignments in the Syrian and Iraqi civil wars; countering violent extremism across East Africa; and international crime networks from across the world that have an impact on Europe. Our UK-based research has included the launch of a Centre for Financial Crime and Security Studies; the Independent Surveillance Review, undertaken at the request of the deputy prime minister and now delivered to the prime minister; close consultation with government departments in the 2015 Strategic Defence and Security Review; and continuing world-class research on all aspects of security relevant to the United Kingdom.

'Our long-term task remains to use our national and international excellence to generate a different order of funding'

Perhaps most important of all this year, we have purchased the freehold of our RUSI headquarters building at 61 Whitehall. This has provided us with a tangible and valuable asset that offers greater financial security than RUSI has ever previously enjoyed. More immediately, having acquired the building, we are now embarked on a major fundraising programme to refurbish it to the highest standards. Our intention is not just to modernise the building but to enlarge it to accommodate a much greater range of conferencing, meeting and catering facilities for RUSI's future work.

Our long-term task remains to use our national and international excellence to generate a different order of funding for the Institute so that we can make the advances of recent years irreversible. We intend that in both our physical presence at our headquarters in Whitehall and our intellectual presence at the heart of defence and security debates in the United Kingdom, RUSI will continue to play the vital role envisaged by its founders over 180 years ago. I pay tribute to all the staff at RUSI, alongside the vice-presidents, members of the Advisory Council and all the trustees of the Institute, for their continuing dedication to its core purposes and their unswerving commitment to maintain excellence in all they do.

Rt Hon The Lord Hutton of Furness

~ lutta

Chairman of the Council

A Message from the Director-General



'The success of a research institute is based on the intellectual quality of its

work'

RUSI has made excellent progress this year on a number of different fronts. In 2008, we defined four thresholds in pursuit of our essential strategic goal: to strive for research excellence so that we would be a research-led institute in all that we do; to have that excellence recognised nationally; to extend that recognition to the international arena; and, finally, to use that profile to bring in a new and different order of funding to sustain the Institute over the long term. I judge that we are currently crossing the last of those four thresholds and are on the verge of long-term, independent sustainability of the Institute's activities.

We already know that RUSI is a significant player in broader defence and security debates in the United Kingdom. It represents all mainstream views; it is noted for its independence; and it is frequently consulted by the government and provides a vital sounding board for policy initiatives. RUSI also increasingly acts in an advisory capacity to foreign governments and to industry in highly specialised areas of policy.

The success of a research institute is based on the intellectual quality of its work, in all dimensions. We believe we have maintained our customary quality while also branching out in several new directions that have brought RUSI to the attention of a wider audience, both public and government, and both at home and abroad. In recognition of the growing diversity of security concerns in modern world politics, we cover a wider range of research themes than ever before. And we interpret RUSI's purposes as extending beyond a strict vision of defence and security research to encompass not only the cultural and artistic dimensions of our subject, but also specialist training and teaching provided by our new Leadership Centre.

I was also delighted to have been director-general of RUSI during the 200th anniversary of the Battle of Waterloo – an anniversary which honoured our founder, the Duke of Wellington.

We celebrated it on what was this year a very special RUSI Founder's Day, which saw us award RUSI's highest honour, the Chesney Gold Medal – inaugurated in 1899 – to Dr Henry Kissinger at a wonderful event in the Tower of London. We also welcomed Sir Mark Elder, principal conductor of the Hallé Orchestra, to another musical event in our celebrations, as part of our unique partnership with the Hallé, and we ran a Waterloo exhibition as part of our collaboration with General Officer Commanding London District in this year's Beating Retreat. We announced at these events the inauguration of the 1831 Fund which is designed to raise £6 million, in the first instance, to develop the Whitehall building and the research base of the Institute as we move to the next stage in our development.

Michael Clake

Professor Michael Clarke
Director-General

Guaranteeing Independence

'RUSI is an independent think tank. It — rightly — receives no core funding from any government department or body. This is the essential guarantee of our independence, and we defend it robustly.'

Professor Michael Clarke

How is RUSI financed?

RUSI is a registered charity (No. 210639). The Institute relies on the following sources of income:

- Membership subscriptions
- Research contracts
- Publications subscriptions
- Income from conferences, including sponsorship
- Room and venue hire
- Donations from foundations and individuals.

RUSI receives no core funding from government.

Can I contribute to RUSI?

You can support the Institute's activities in a number of ways that go beyond membership, either through single donations or through bequeathing assets to the Institute, to support its work in the future.

The easiest way to do this is to contribute to the General Fund online, but UK taxpayers can also donate through their self-assessment tax return.

To learn more about the ways to support RUSI's mission, please contact us directly:

www.rusi.org/support +44 (0)20 7747 2603



'For nearly two hundred years, the Royal United Services Institute has driven the global debate on defence and security issues and it is now the pre-eminent forum for the innovative critical thinking that is so essential for the policy-makers of today and tomorrow.'

The Rt Hon David Cameron
Prime Minister

Year in review

August 2014



RUSI makes a substantive contribution to the Scottish referendum debate by publishing a paper on the UK's nuclear deterrent

should Scotland become independent. The paper is cited by the leaders of the Yes and No campaigns in a major televised debate.

September 2014



As the NATO summit convenes in Wales, RUSI facilitates a major policy conference in London to

partner with the summit, bringing together ministers and policy-makers from NATO member states. RUSI also publishes a briefing paper critiquing the strength of the UK's commitment to spending 2 per cent of GDP in defence.

October 2014



The Institute launches a major research series to inform the forthcoming SDSR. The initiative includes briefing events and briefing papers exploring all aspects of the UK's defence and national security.

November 2014



UK Home Secretary Theresa May takes to the RUSI podium to announce new measures on counterterrorism.

December 2014



The Institute announces the creation of a new Centre for Financial Crime and Security Studies. The centre focuses on financial crime, threat finance and

financial intelligence.

January 2015



Andrew Parker, the director general of the Security Service, delivers an address to RUSI on new threats to the UK, while Alan

Rusbridger, the editor-in-chief of *The Guardian*, speaks at RUSI on Edward Snowden, state security and the decision to publish leaked information.

February 2015



RUSI publishes an in-depth investigation of the intersection of organised crime and illicit trade in tobacco, alcohol and

pharmaceuticals, and suggests a number of steps the government and other actors should take to combat the problem.

March 2015



As the UN secretarygeneral's High-Level Independent Panel on Peace Operations undertakes its review, the *RUSI Journal*

investigates peacekeeping with articles on the UN and the use of force; a potential UK return to peacekeeping; and the experience of Sierra Leone in peacekeeping.

April 2015



As UK citizens prepare to vote in the general election, RUSI influences the debate on defence and defence spending, publishing party

perspectives in the *RUSI Journal*, and hosting the main political parties' defence spokespeople at RUSI events.

May 2015



RUSI concludes a major campaign to purchase the freehold of its historic headquarters on Whitehall.

June 2015



Honouring the famous victory at the Battle of Waterloo of RUSI's founder, the Duke of Wellington, RUSI marks the occasion

with a public exhibition of artefacts from the battle and awards the Chesney Gold Medal to Dr Henry Kissinger.

July 2015



The Independent Surveillance Review panel, convened at the request of the then deputy prime minister, publishes its major report on

communications interception and submits recommendations to the government.

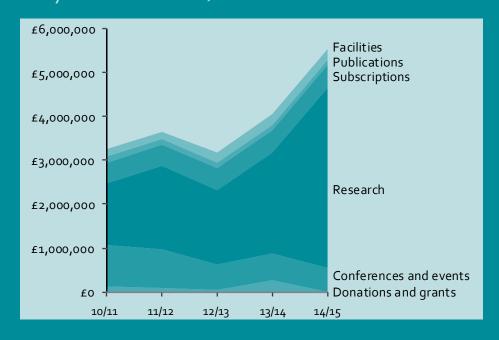
RUSI by numbers

£1,801,171

increase in research income

78% higher than in 2013–14

Five-year income trends, 2010/11-2014/15



Outreach

I million

page views on RUSI.org

over 16,000

RUSI mentions in the UK and global media

126,817

RUSI Journal full-text downloads on Taylor and Francis Online

102,893

RUSI video views

2014-15

Membership and events

1,580

books newly catalogued in an estimated collection of 30,000

26

19

13

12,277

members' events

conferences

Under-35 Forum events

guests registering for RUSI events

Staff and networks

55

resident staff

3,486

members

342

Under-35 members

98

200

Associate Fellows

corporate members - an increase of

9%

from the previous year

RUSI around the world

Selected projects

Washington, DC





Research

As a research-led institution, all RUSI activity is intrinsically linked to our world-class research base. Noted for its quality, RUSI's analysis is reinforced by an ethos of accuracy, objectivity and policy relevance.

RUSI consistently highlights vital policy issues to both specialist and public audiences around the world, enhancing its growing reputation as a thought leader.

The Institute's research profile and position within a number of global networks – including other institutions, universities and military organisations – enable it to collaborate on numerous research initiatives relevant to the international policy agenda.

RUSI maintains a wide range of multidisciplinary research specialisms. It currently covers broad areas in military science; international security studies; national security and resilience studies; proliferation and nuclear policy; and defence, industries and society.

In 2014–15, RUSI undertook innovative research addressing the most urgent transnational threats affecting the global community, and exploring Britain's position in the world ahead of the Strategic Defence and Security Review.

Over the past year, RUSI experts have undertaken research and activities on a global basis, from examining China's 'new Silk Road' policy, to delivering countering violent extremism training in Jordan and Indonesia; they have also been invited to brief governments, organisations and corporations around the world.

The Institute has also recently strengthened its position as an international think tank, adding new offices in Brussels and Nairobi to its existing bases in London, Tokyo, Washington, DC and Doha.





Responding to New Terrorist Challenges

With northern Iraq and much of Syria overrun by Daesh, and as the problem of violent extremism worldwide has grown, RUSI has been called upon to study, advise and deliver training in combating the jihadist threat in the Middle East and beyond.

The Institute has offered proposals to confront extremists by attacking their financial infrastructure, with one research paper demonstrating that financial intelligence is an underutilised but crucial resource in identifying, tracking and prosecuting foreign terrorist fighters, both as individuals and as networks. In the aftermath of Nigeria's elections, RUSI outlined new, more effective policy options for the incoming government as it pursued the fight against Boko Haram. RUSI's expertise in countering violent extremism moved from research and analysis into major Canadian- and EU-funded programmes of training and education with direct reach to practitioners in Canada, Kenya, Jordan, Kyrgyzstan and Indonesia. To accompany its training,

the Institute published a handbook for practitioners on evaluating and monitoring countering violent extremism programmes. Moving further beyond traditional areas of terrorist financing, RUSI broke new ground in launching research on the linkages between terrorism and crime in the illegal wildlife trade.

Alongside this thematic work, RUSI has also continued to provide insight into the Middle East's troubled regional dynamics. From delivering dispatches from the front line in Iraq, to an assessment of the militant use of gender violence, through to a critique of coalition strategy in the campaign against Daesh, the Institute has provided perspective and context on the regional crisis and a frank assessment of the international intervention.

Facilitating Dialogue in Transitioning Regions

As the political and economic centre of gravity shifts east towards Asia, RUSI's work has demonstrated what international think tanks can achieve in regions of



transition. Researchers from the Institute conducted indepth field research in the region and in 2014–15 offered expert understanding of China's Silk Road Economic Belt in Central and South Asia to both regional actors and governments around the world. RUSI has consolidated its strong existing knowledge of China's bilateral and multilateral relations with the region by conducting a two-year Macarthur Foundation-funded study on the 'one belt, one road' policy.

Also in the last year, RUSI brokered high-level policy dialogues on counter-terrorism between Chinese and Indian officials and agencies of the UK government. And with the drawdown of coalition forces from Afghanistan, potential instability was a major concern for the great powers of the region. Following the publication of a RUSI report on the issue, the Institute facilitated a year-long dialogue – alongside counterpart think tanks in India and China – between policy-makers and government officials in India, China and Afghanistan.

Meanwhile, with Turkey shoring up its position as a key regional player in the Middle East, RUSI published a major study – based on Turkish sources – examining the country's foreign policy in depth, and is developing its expertise on this neglected dimension of regional transformation, which is driven in part by the success of Daesh.

Closer to home, a year on from the Russian annexation of Crimea, RUSI experts continue to offer unique insights into Russia's strategic ambitions globally and the threat it imposes on the region. When a civilian airliner was shot down over eastern Ukraine in July 2014, it was a RUSI expert who, using Russian-language sources, led the world's analysts in identifying the cause to have been a Russian-made Buk missile. In February 2015, RUSI released original analysis that revealed the extent of Russian forces fighting within Ukraine itself — and the strain the Russian military was under.

'Since the days of the Duke of Wellington, RUSI has carved out a global reputation for the study of military affairs – characterised by thought-provoking events, incisive research and detailed analysis. In an increasingly unpredictable age, policy-makers and political leaders alike will continue to turn to our leading defence think tank for the invaluable insight that is its hallmark.'



Dealing with Emerging Threats to UK National Security

In 2014–15, RUSI continued to push into innovative areas of study, launching an exciting new centre that opens up an unexplored dimension of security, yet one that is critical to London as a global centre of finance. RUSI's Centre for Financial Crime and Security Studies aims to transform public- and private-sector approaches to tackling financial crime and its implications, from terrorism to organised crime. In December 2014, the head of the Centre published a RUSI report with proposals to undermine the financial management of the Al-Shabaab terror group in Somalia.

As part of its growing research into organised crime, a RUSI report of February 2015 on illicit trade, based on extensive primary research, highlighted how organised-crime groups are using new digital capabilities and are innovating in their delivery systems, pushing modern smuggling beyond the reach of law enforcement. Underscoring RUSI's transnational expertise, the European Union has asked the Institute to implement the EU's Cocaine Route Monitoring and Support Project.

In July 2015, after a year of investigation and consultation, RUSI's Independent Surveillance Review delivered its conclusions to the prime minister, and presented its 154-page report, 'A Democratic Licence to Operate'. The Review was undertaken by RUSI at the request of the then deputy prime minister partly as a response to the disclosures made by Edward Snowden in 2013.

Defining the National Conversation

In 2014–15, for the first time in almost thirty years, national defence became a part of the public conversation in the run-up to the Scottish referendum and the UK general election. Throughout this period, RUSI acted as the authoritative reference point for these prominent debates on defence and security.

RUSI's impartial analysis placed the issue of defence spending squarely under the media and political spotlight. The Institute's studies and briefings provided a level of detail not previously seen in the public domain: despite the government championing the NATO defence spending target of 2 per cent of GDP, a RUSI paper of September 2014 definitively showed how, by the government's own accounting projections, the UK would fall below this target. RUSI unearthed another contradiction in March 2015, demonstrating that on the basis of the pre-election spending assumptions of all the major political parties, the armed forces would inevitably face substantial personnel cuts – a fact hitherto unnoticed. Subsequently, the Conservative party made a promise not to cut manpower – in effect, committing to a real-terms increase in defence spending in the next Parliament. This was confirmed in the July 2015 budget.

RUSI also informed the debate on the potential dissolution of the Union in 2014, which would have shaken UK defence policy to its very core, particularly over the issue of the UK's nuclear deterrent. On the subject of Trident's relocation should Scotland have become independent, an August 2014 technical study was cited in the second referendum debate – specifically, the conclusion that only the submarine base, and not the warhead storage facility, could be relocated by the SNP's 2020 deadline.



Live on national television, RUSI's impartial conclusions directly reached millions of viewers, highlighting the Institute's ability to bridge the divide between politicians, the general public and the defence community.

An Independent Partner to Government and the Armed Forces

The Institute's work on the 2015 SDSR illustrates its vital role as a critical friend to government and the military. RUSI has launched a series of policy discussions and briefing papers to help inform the forthcoming SDSR and, as part of this, it has hosted a range of UK defence leaders and thinkers to address all aspects of the country's defence and security, and to consider Britain's place in an everchanging and uncertain world. In November 2014, RUSI also published a report highlighting the shortcomings of the Whole Force Concept – a UK policy that aims to

reconfigure reserves and private-sector defence personnel more closely alongside military personnel.

RUSI has not just critiqued government policy; it has also directly facilitated research projects for the Ministry of Defence and other agencies – activity enabled by its independence and impartiality. As every year, RUSI has partnered with the armed forces to host major joint conferences that act as the annual focal point for practitioners, analysts and politicians to come together and discuss the hard questions facing the military and its use. The Institute has also hosted visiting fellows from the armed forces who benefit from the unique environment of intellectual freedom that RUSI provides. In addition, the Institute maintains an active visiting-fellowship programme for policy-makers in government, corporations and organisations from around the world.

'RUSI is renowned as a home of informed discussion, incisive research and thought-provoking debate. This well-earned reputation and their insightful forward thinking makes the contribution of RUSI on national security matters highly valuable in this continually changing sphere.'

The Rt Hon Theresa May MP Home Secretary



RUSI's research activities are varied, multidisciplinary and span the globe.

Defence, Industries and Society

Critiqued the UK's **Whole Force Concept** on Ministry of Defence and armed-forces personnel

Hosted **Defence Acquisition conference** to consider the future environment for the defence sector

Undertook a major independent review of the European defence industrial base

Examined skills and competencies in the **UK defence** market

National Security and Resilience

Original research on **organised crime and the illicit trade** in tobacco, alcohol and pharmaceuticals in the UK

Established Centre for **Financial Crime and Security Studies**

Engaged in a major project to support European Union's Cocaine Route Programme

Published a handbook on **countering violent extremism** and trained governmental practitioners in Canada, Kenya, Jordan, Kyrgyzstan and Indonesia

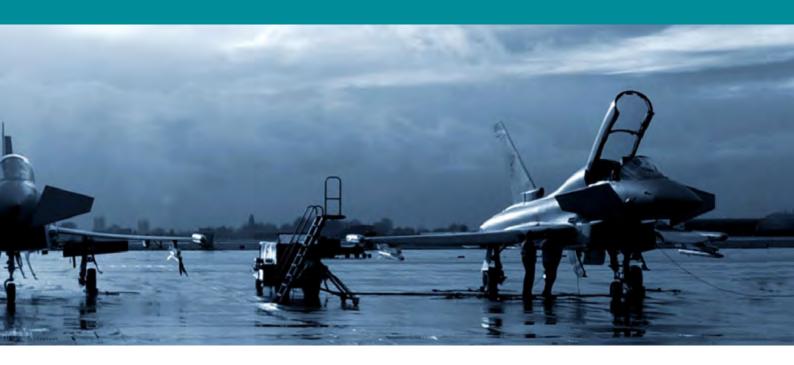
Military Sciences

Undertook independent research for Ministry of Defence agencies

Assessed the future viability of the Eurofighter and the upgrades needed to ensure its service lifespan

Briefed international air-force chiefs and the United Nations on autonomous weapons systems

Initiated RUSI briefing and events series on the forthcoming Strategic Defence and Security Review



International Security Studies

Facilitated **bilateral security dialogues** between UK and Chinese officials in Beijing and London

Hosted the second **UK–Japan dialogue** between policy-makers and think tanks

Investigated **Russian forces in Ukraine** and published findings in a major briefing report

Organised high-level workshops in New Delhi and Shanghai to explore **China's new Silk Road policy**

Proliferation and Nuclear Policy

Published several reports on the Scottish referendum and the nuclear deterrent

Launched a major research programme on countering proliferation finance

Hosted a second round of the **UK-DPRK nuclear and** security dialogue in Pyongyang and London

Produced briefings and hosted events on the 2015

Non-Proliferation Treaty Review Conference







meet its objective of increasing public understanding of defence and security.



Securing our Heritage

In May 2015, RUSI completed a major campaign to buy back outright its historic headquarters in the heart of London. RUSI originally moved into the building in 1895, featuring, amongst other prestigious rooms, the Library of Military History and the Duke of Wellington Hall, but lost ownership in the 1960s. In 2015, the Institute crossed a major threshold in regaining its title to the building.

The 1831 Fund

The 1831 Fund, named after the date of our foundation, was inaugurated during the summer celebrations marking the 200th anniversary of the Battle of Waterloo. This fund will facilitate the next phase of the Institute's development both in refurbishing and modernising its headquarters building in Whitehall and in investing in the new research and activities that will keep RUSI at the forefront of its field.

The 1831 Fund includes a prestigious list of donors and includes naming rights for some of the Institute's most notable rooms and the creation of individual fellowships and lecture series – just some of the prominent ways in

which RUSI is recognising the generosity of our friends and benefactors.

The twenty-first-century roll of honour is now open. It sits alongside the nineteenth-century roll of honour, which features individuals such as the Duke of Wellington, King William IV, Colonel Chesney, Captain William Siborne and Alfred Thayer Mahan, and alongside the twentieth-century roll of honour, which includes Winston Churchill, Lord Louis Mountbatten, Baroness Thatcher and General David Petraeus – all figures who have been in some way intrinsic to RUSI's history and development. The first names will go on the new twenty-first-century roll of honour at the Annual General Meeting in July 2016.

As part of this campaign RUSI is also launching the 1831 Club for some of its most prominent members. This will provide them with a forum to discuss global political issues with key world leaders in the heart of London; office facilities in our refurbished headquarters building in Whitehall; and clubrooms in which they can meet their own distinguished guests. Membership of the 1831 Club will be available from October 2015.







'I earnestly hope that all you members of this famous institution will make it your duty to keep alive in the thinking part of the British nation a keen and flexible volume of present British thought on the art of war without a knowledge of which even now at the present time, after the war to end all wars is over, no nation can be sure it will survive.'

RUSI International

RUSI International is a networking, research and discussion vehicle for strategic thinkers from around the world. It engages in a series of high-profile international events to put RUSI's research output onto the global stage. As such, it forms an intrinsic part of our strategy to become an internationally recognised defence and security think tank.

RUSI International's Tokyo office, which opened in October 2013, now hosts the annual UK–Japan Security Conference. In the last year RUSI International has also established a Nairobi presence and opened a Brussels office. While it is active now, the formal launch of RUSI Brussels will take place later this year, adding to RUSI International's physical presence in Doha, Washington, DC, Tokyo, Brussels and Nairobi.

Professor Jonathan Eyal is the Director of RUSI International, working alongside Professor Malcolm Chalmers, the research director, to make the most of the Institute's global potential.



RUSI International Leadership

Honorary President

HRH The Duke of Kent KG GCMG GCVO ADC

Director

Professor Michael Clarke, Director-General RUSI/ RUSI International

Executive Chairman

Dr Alexander Mirtchev, RUSI International and Vice-President, RUSI

Senior Vice-President

Sir John Scarlett KCMG OBE

International Advisory Board (Non-Governance)

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Wesley Paul

The Hon Richard Perle

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Lieutenant General P K Singh PVSM AVSM

Baroness Symons of Vernham Dean PC

Lord Truscott of St James's Judge William Webster

Admiral The Lord West of Spithead GCB DSC PC The Duke of Westminster Bt KG CB CVO OBE TD CD DL

HRH The Duke of York KG GCVO ADC

Director of RUSI International

Professor Jonathan Eyal





RUSI Leadership Centre

In 2014–15, RUSI strengthened its executive education programmes through a rebranded RUSI Leadership Centre. Drawing on RUSI's expert research base, the centre provides world-class training at all levels.

Training the Next Generation of Diplomats and Soldiers

RUSI's diplomatic training course is now in its second year; an intensive six-week course for individual diplomats with a formal graduation for all those who pass and Master's-level accreditation through the University of Exeter, it has now seen two graduating classes of Qatari diplomats.

The Institute's model of bespoke training has proven attractive to other clients around the world. In spring,

RUSI also provided a four-week training course to members of the United Arab Emirates' armed forces.

Bridging the Gap between Academia and Policy

The Institute maintains a policy of seeking to offer good opportunities to bright young people who will form the next generation of security-policy analysts. Our joint PhD programme with the University of Roehampton, supported by BAE and Accenture, has continued to recruit students.

Meanwhile, our collaboration with the Strategic Studies Institute at the University of Exeter has already created new research opportunities for both organisations.





Library of Military History

Throughout the year the library has continued to benefit from the three-pronged strategy of conservation, access and engagement. To this end, a number of cataloguing projects have been completed, including its collection of paintings and art works, glass slides and its unique collection of training guides.

Also now complete is the large project of cataloguing of the library's stored pamphlets and ephemera (352 individual items), which are now boxed and housed appropriately, thereby preserving them for future use by scholars.

The RUSI archive has contributed to a number of activities marking the First World War including the production of our RUSI roll of honour, commemorating the more than 500 members who fell during the Great War.

In March, a preview of the Bonhams auction 'Wellington, Waterloo & the Napoleonic Wars' was held in the library; open to the public, hundreds visited throughout the week. In June, the library also hosted an exhibition on Waterloo in collaboration with the Guards Museum; this included a number of unique items from our own collection and drew a thousand members of the public to the Institute.





RUSI maintains a network of members at individual and corporate levels, forming key elements of the Institute's convening power as a research think tank.

We have continued to offer more membership packages to attract a variety of individuals and organisations to membership of the Institute. These include web-only membership, standard and platinum individual memberships, with special rates for students and military officers under the age of 35. The Institute also offers standard, major and platinum corporate membership packages, and concessionary corporate rates for diplomatic and regimental organisations.

Last year, our individual membership network stood at 3,486 and our corporate network at 200. There are currently 342 members in the RUSI Under-35s group. Our membership spans seventy-seven countries.



A global network for defence and security

RUSI membership packages provide privileged networking opportunities and benefits tailored to meet the needs of both individuals and large organisations with an interest in defence and security matters.

For more information about RUSI membership, please contact us directly:

www.rusi.org/membership membership@rusi.org +44 (0)20 7747 2605

Selected Corporate Members

Platinum Corporate Members

Kuwait Military Office Northrop Grumman Finmeccanica SpA Boeing Defence UK QinetiQ Land Intelligence Fusion Centre British Army, Directorate of Force Development **BAE Systems**

Major Corporate Members

Atkins Limited Grant Thornton UK DynCorp International (UK) AWF BT Group Palantir Technologies Foreign & Commonwealth Office L-3 Communications CSC Rio Tinto London Babcock International Raytheon Systems Limited Airbus Group Krull Corp Genel Energy UK Services NHK Japan Broadcasting Corporation Home Office Lockheed Martin UK National Audit Office HP Defence & Security Japan Bank for International Cooperation Chevron AIG Rolls-Royce Thales UK

MBDA UK Limited

Ultra Electronics General Dynamics UK Limited PwC

Standard Corporate **Members**

CH₂M HILL UK

Inflexion

SAS Software Hitachi Saab Group Fujitsu Defence Steria Limited Saab Technologies UK **NATO** Parliamentary Assembly IFS Defence ICG, Defence Geographic Centre KDS Risk Management Helyx Secure Information Systems The Yomiuri Shimbun University Of Wales Swansea Rhead Group Scottish Environment Protection Agency Control Risks Group Regester Larkin Cabinet Office The Carlyle Group General Atomics Aeronautical Systems, Inc. **Eversheds** National Defence University of Malaysia Longdown | EIC King's College London PwC Strategy (UK) Pool Reinsurance Company L-3 Communications ASA Morgan Stanley & Co Intl Cobham

University of Warsaw Prudential MINDEF Library & Info Korea Institute for Defense Analyses Royal College of Defence Studies Leidos ITSC Library (Beaverscreek, Ohio) Asahi Shimbun House of Commons Library The London Library Harmonic Limited Public Safety Canada Library and Information Austrian Bureau for Security Policy ESRI (UK) Kellogg Brown & Root (KBR) International SOS Australian High Commission (Defence Section) Vestey Foods UK Command And Control Research Program The Dulverton Trust

Regimental Corporate Members

JIOCEUR Analytic Center 3rd (UK) Division 1 Rifles 2 Army Training Regiment Land Scenario Centre

Corporate **Members**

Embassy of the UAE Embassy of Sweden

High Commission of India (Military Adviser) High Commission of India (Naval Adviser) Embassy of Belgium Royal Netherlands **Embassy** Embassy of Israel Embassy of the Kingdom of Bahrain **Embassy of Finland** Embassy of the Republic of Royal Norwegian Embassy Embassy of Switzerland Embassy of Denmark Embassy of Austria High Commission for The Islamic Republic of Pakistan Embassy of the Arab Republic of Egypt High Commission of the Republic of Singapore Embassy of China High Commission of Canada Embassy of the Federal Republic of Germany Embassy of the Republic of Korea Embassy of the Republic of Poland Embassy of Kazakhstan Royal Embassy of Saudi Arabia Embassy of the Czech Republic

Embassy of the United

Embassy of Japan

Australian High

Commission

States

Diplomatic

RUSI activities

Outreach

The Royal United Services Institute is a research-led think tank. Our experts and our research aim to inform, influence and enhance the public debate on a safer and more stable world. RUSI's public engagement takes place in a number of ways.

Events and Conferences

We offer a programme of conferences, seminars, workshops and talks by leading experts, providing insight and fostering debate among practitioners, policy-makers and analysts.

Publications

We publish a varied collection of periodicals, reports and studies that are timely, innovative and relevant, designed to meet the needs not only of members, but also of the wider defence and security community.

Media

We engage with the global media to project our research and expertise, and to act as a leading point of reference on all defence and security matters.

Digital

RUSI's website, social-media and multimedia channels all aim to disseminate our research and connect the Institute's members around the world.

Events and Conferences

Highlighting the Institute's convening power, RUSI continued to act as a podium of choice for leading practitioners in a range of fields.

Senior policy-makers have unveiled major policies at RUSI including the defence secretary, home secretary and foreign secretary, intelligence chiefs and the counterterrorism lead at the Metropolitan Police.

RUSI held 132 events last year, including twenty-six members' events. Nineteen were delegate conferences. We also held over a dozen Under-35s events. Some 12,277 individuals attended RUSI events in the last year.

In 2015, the chiefs or senior representatives from twenty-eight militaries and governments signed up for the annual Land Warfare Conference, and twenty-five nations were represented at the Air Power Conference.

RUSI was honoured to host former United States Secretary of State Dr Henry Kissinger, who was presented with the Institute's Chesney Gold Medal at a special event hosted at the Tower of London. RUSI events also featured speakers beyond the world of defence and security, including prominent figures from the arts and media such as the conductor Sir Mark Elder and the former editor-inchief of *The Guardian*, Alan Rusbridger.

Military leaders speaking at RUSI during this year have included General Sir Nicholas Houghton, Chief of the Defence Staff; Admiral Michael Rogers, Commander US Cyber Command; Air Chief Marshal Sir Andrew Pulford, Chief of the Air Staff; General Sir Nicholas Carter, Chief of the General Staff; and General (Rtd) David Petraeus, former Director of the Central Intelligence Agency.

RUSI also hosted high-level working groups around the world including in New York, Tokyo, Bishkek and Shanghai.









26

13

12,277

members' events conferences

Under-35 Forum events

guests registering for RUSI events

Publications

The Institute's publications include a wide range of outputs. The *RUSI Journal* continues as the flagship publication of the Institute, leading the debate on the full spectrum of defence and security issues. *RUSI Journal* full-text downloads on Taylor and Francis Online – a good measure of student and academic readership, and a source of royalties – increased by 37 per cent in the last year, from 92,094 to 126,817.

Our Whitehall Papers series, also published by Taylor and Francis, attracted 5,408 full-text downloads. The number of institutions subscribing to the Journal and Whitehall Papers directly via Routledge increased from 2,015 to 2,182.

RUSI Defence Systems continues to provide specialist and commercially orientated analysis of defence equipment, systems and technology on a weekly basis, while RUSI Newsbrief, published six times a year, offers intelligent and readily accessible briefings on current affairs.

RUSI's Whitehall Reports provide in-depth research on key policy areas, including combating terrorist financing, organised crime and European combat air capability. RUSI briefing papers offer concise insights on major policy areas, including influential papers on defence spending in the UK and Russian military operations in Ukraine.

The RUSI Journal continues to provide innovative and insightful research and analysis on a broad range of security and defence themes. Highlights over the past year include a special feature on NATO, which was launched ahead of the 2014 summit at an event in Brussels, co-hosted with the Institute for European Studies; a dedicated military-history issue to commemorate the centenary of the Great War in August/September 2014; and special features on peacekeeping and maritime power in the first half of 2015. The most popular article published this year tackled cyber-security and received over 16,000 full-text downloads.

Most Downloaded Articles 2014-15

Thomas Rid and Robert M Lee, 'OMG Cyber! Thirteen Reasons Why Hype Makes for Bad Policy' (16,497 views)

Ivanka Barzashka, 'Are Cyber-Weapons Effective? Assessing Stuxnet's Impact on the Iranian Enrichment Programme' (4,506 views)

Haroro J Ingram, 'Three Traits of the Islamic State's Information Warfare' (3,287 views)

126,817 full-text RUSI Journal downloads in 2014

- an increase of 37%



'As the United Kingdom's foremost independent defence think tank, RUSI has a long historic record of producing stimulating events, challenging research and insightful publications. In this rapidly changing defence and security environment, when the need for swift and rigorous analysis is essential, RUSI's work is ever more important.'

The Rt Hon Phillip Hammond MP Foreign Secretary

Media

RUSI's experts and research have created a better understanding of the ways in which the international environment has changed over the last year and in many ways become less benign.

RUSI facilitates media interviews with its experts on a daily basis, highlighting the Institute's role as a global reference point.

Our experts continue to be quoted by, and write analysis and op-eds for, leading newspapers and news outlets around the world – from internationally recognised newspapers such as the *New York Times* and *Financial Times*, to regionally well-known publications such as the *South China Morning Post* and London's *Evening Standard*.

RUSI also proactively disseminates its research via the widest possible set of online, broadcast and print outlets, putting the Institute and its experts into prominent public view.

As a result, this year RUSI was cited over 16,000 times by news outlets around the world.

RUSI has also worked strategically with media organisations to facilitate features and programmes: for example, with the *Washington Post* to provide expert analysis on Ukraine and with the BBC and Forces TV to host debates at the Institute.









Digital

RUSI is on course to launch a new and secure website later this summer. It will build on RUSI's existing strengths online, acting as an authoritative source of defence and security analysis, and bolstering our interaction with the global defence and security community. In 2014–15, 402,997 unique users visited the RUSI website (up 12 per cent on the previous year), logging some 1 million page views.

RUSI also increased the amount of multimedia content offered to members and non-members alike. From last

April, we extended the reach of our events programme by streaming lectures live. We also offered over thirty analysis videos of our experts commenting on the latest developments in current affairs. On YouTube alone, RUSI's videos attracted 102,893 views.

Social media continues to be a vital vehicle for interaction with the wider world. RUSI has 23,000 followers on its Facebook page (up from 18,000 the previous year) and 27,000 Twitter followers (up from 20,200 the previous year).

Digital Highlights

402,997 12%

increase in unique users from the previous year

102,893

YouTube views

27,000 23,000

120

Twitter followers

unique users

Facebook followers

short analysis articles produced

Staffing and Organisation

Organisational Staff

Chiaki AkimotoDirector of RUSI Japan

Marija Atanaskova Project Manager, CORMS Project

Stephanie Bacon Event Manager

Andrea Berger
Senior Research Fellow/
Deputy Director,
Proliferation and Nuclear
Policy

Justin Bronk Research Analyst

Josh Castronova Receptionist

Chalmers
Director of Research/
Director, UK Defence

Professor Malcolm

Policy Studies

Professor Michael Clarke

Director-General

Hannah Croft

Research Event Officer

Michael Codner Senior Research Fellow/ Director of Personnel Services **Jennifer Cole** Senior Research Fellow

Sophie CordesVenue and Events
Manager

Dr Emma De Angelis Editor, *RUSI Journal*

Klaas Deves Team Leader, CRIMSON, European Commission

Laura Dimmock-Jones Librarian

Sabrina Downey
Director of Projects and
Events

Rahma Dualeh Project Manager, STRIVE, European Commission

Charlie EdwardsDirector of National
Security and Resilience

Clare Ellis Research Analyst

Professor Jonathan Eyal Senior Research Fellow/ International Director

Claire Forward
Assistant Accountant

Dennis Francis Buildings Manager

Any Freitas
Project Manager, CRIMSON,
European Commission

Dr Andrew Glazzard Senior Research Fellow

Ashlee GodwinDeputy Editor, *RUSI*Journal

Cathy Haenlein Deputy Editor, RUSI Newsbrief/Research Analyst

Dr Henrik Heidenkamp Senior Research Fellow

Jack Haines
Marketing and
Communications Officer

Calum Jeffray Research Fellow

Dr Sasha Jesperson Research Analyst

Adrian Johnson
Director of Publications/
Research Fellow

Emma JohnstonDatabase Manager

Michael Kamara Membership Development Executive

Tom Keatinge
Director of Centre for
Financial Crime and
Security Studies

Axel Klein
Team Leader, CORMS
Project, European
Commission

Sarah Lain Research Fellow

Ewan Lawson Senior Research Fellow

Andrea Long
Consultant Fellow

Professor John Louth Senior Research Fellow/ Director of Defence, Industries and Society

Joanne Mackowski Researcher, Defence, Industries and Society

Dr Tom Maguire Visiting Fellow

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Nathan Mathiot

Executive Assistant, International Business and Development

Lara Medawar Research Analyst

Edward Mortimer
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Raffaello Pantucci Senior Research Fellow/ Director of International Security Studies

Avnish PatelProject Manager, Military
Sciences

Deborah Pourkarimi Chief Finance Officer Peter Quentin
Research Fellow

Elizabeth Quintana Senior Research Fellow/ Director of Military Sciences

Helen RamscarExecutive Assistant to the Director-General

Peter Roberts Senior Research Fellow

Duncan Rogers Research Event Officer

Edward Schwarck Research Fellow

Timothy Stafford Research Fellow

Michael StephensDeputy Director, RUSI
Qatar

Dr Igor Sutyagin Research Fellow

Professor Trevor Taylor Professorial Research Fellow **Gabriela Thompson** Researcher, Defence, Industries and Society

Caroline TranterExecutive Assistant to the Director-General

Lauren TwortResearcher, Defence,
Industries and Sociey

Victoria Walker Receptionist/Members' Event Co-ordinator

Neil Watling
Executive Officer to
Director-General/
Membership Executive

Emily Winterbotham Research Fellow

Martine Zeuthen Team Leader, STRIVE, European Commission

Our Network of Senior Associate Fellows

Rear Admiral Simon Ancona

Assistant Chief of the Defence Staff (Military Strategy)

Professor Ali Ansari Professor of Modern

History, University of St Andrews

The Rt Hon James Arbuthnot MP

Former Chairman, House of Commons Defence

Professor Nicholas Beadle CMG

Professor, Heriott-Watt University, former senior civil servant

Hans Binnendijk

Former member of the US National Security Council

Sir James Bucknall KCB CBE

Chief Executive, Weybourne Partners LLP Sir Jonathan Evans KCB

Former Director General of the Security Service

Margaret Gilmore
Freelance writer,
broadcaster and analyst

Colonel (Rtd) Richard Kemp

Former Commander of British Forces in Afghanistan

Sir Iain Lobban KCMG CB

Former Director of Government Communications Headquarters

Major General (Rtd)
Mungo Melvin CB OBE

Historian and former Chief Army Instructor at the Royal College of Defence Studies

Sir Christopher Meyer KCMG Former British

Former British
Ambassador to the US

Tom McKane

Former Director General of Security Policy,
Ministry of Defence

Lieutenant General (Rtd) Professor Sir Paul Newton KBE

Director of Strategy and Security Institute, University of Exeter

General (Rtd) Sir Nick Parker KCB CBE

Former Commander, Land Forces

Professor Patrick Porter Chair of Strategic Studies, University of Exeter

Sir John Sawers GCMGFormer Chief of the Secret
Intelligence Service

Sir John Scarlett KCMG

Former Chief of the Secret Intelligence Service

Professor Gareth Stansfield

Al-Qasimi Professor of Gulf Studies, University of Exeter

Professor Doug StokesProfessor of International
Security and Strategy,

Security and Strategy, University of Exeter

Sir Kevin Tebbit KCB

Former Permanent Under-Secretary, Ministry of Defence

In addition to the above, RUSI hosts a community of seventy-seven Associate Fellows.

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Financial Report



'We are delighted to have brought about such a significant improvement to the Institute's balance sheet'

Chief Finance Officer's report

The Institute has achieved another encouraging result for the year, moving from net outgoing resources in 2013/14 to net incoming resources on unrestricted funds in 2014/15 of £27,789. A new restricted fund of £1 million was set up during the year for the RUSI Centre for Financial Crime and Security Studies; taking that and other restricted funds into account, the total net incoming resources for 2014/15 were £937,454. Total income was up 34.7 per cent on the previous twelve months, including a 78.2 per cent increase in research income year-on-year (34.8 per cent in unrestricted funds). Research income in 2014/15 accounted for 74.1 per cent of total gross income (68.4 per cent in unrestricted funds), which is up from 56.0 per cent last year.

Other income streams were in line with budget expectations and there were no significant donations during the year. We have continued to keep a tight control on costs, and final expenditure for the year was close to budget, with an 11.0 per cent increase in expenditure year-on-year.

During the year, the Institute purchased the freehold of its headquarters building at 61 Whitehall and the freehold was revalued at the year end, resulting in a revaluation of £6,267,977 over the purchase price (including costs). A revaluation of some of the Institute's heritage assets also took place during the year and yielded a surplus on revaluation of £300,840. Taking into account the operating results for the twelve months, the purchase of the freehold and associated borrowings, and the revaluations of the building and the heritage assets, the net assets of the Institute have increased from £309,191 as of 31 March 2014 to £7,815,462 as of 31 March 2015.

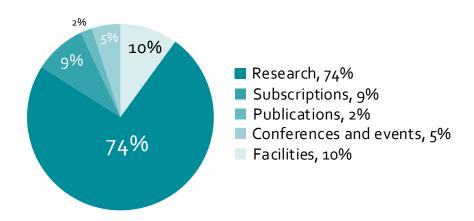
We are delighted to have brought about such a significant improvement to the Institute's balance sheet in the course of this financial year. Once again, we begin 2015/16 with a strong research pipeline, with some major multi-year contracts, including several large contracts with the EU, and we are currently confident that we will meet our research income targets for the year. It continues to be our objective to build an operating reserve to a level that can give the Institute a buffer against future uncertainties in the external operating environment, and the process of generating that is already underway.

Deborah Pourkarimi ACA DChA

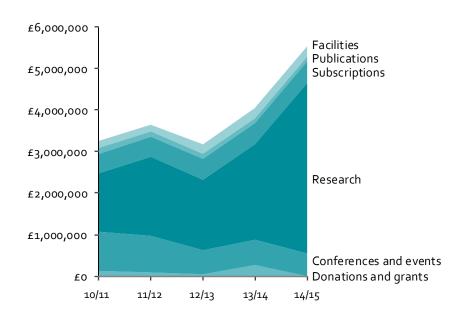
D. Pourkanni

Chief Finance Officer

Composition of income, 2014/15



Five-year income trends, 2010/11-2014/15



Consolidated Financial Statements Year Ended 31 March 2015

Statement of Financial Activities

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Year to 31 March 2015 £	Year to 31 March 2014 £	Inc./ (Dec.)
Gross Income Research	3,104,260	1,000,000	4,104,260	2,303,089	78.2%
Conferences and events	547,127	-	547,127	608,073	(10.0%)
Subscriptions	520,952	-	520,952	507,434	2.7%
Donations, grants and gifts	867	-	867	322,754	(99.7%)
Facilities	250,234	-	250,234	253,500	(1.3%)
Other	112,061	-	112,061	115,203	(2.7%)
Total	4,535,501	1,000,000	5,535,501	4,110,053	34.7%
Expenditure					
Research	2,457,638	61,869	2,519,507	1,781,473	41.4%
Conferences and events	946,461	27,966	974,427	1,195,197	(18.5%)
Other support to members	487,703	-	487,703	510,829	(4.5%)
Facilities	215,298	-	215,298	210,165	2.4%
Other	401,112	-	401,112	442,925	(9.4%)
Total	4,508,212	89,835	4,598,047	4,140,589	11.0%
Net incoming/ (outgoing) resources for the year	27,289	910,165	937,454	(30,536)	
Revaluation of tangible fixed assets	6,267,977	-	6,267,977	-	
Revaluation of heritage assets	300,840	-	300,840	-	
Net movement in funds	6,596,106	910,165	7,506,271	(30,536)	
Balances at 1 April 2014	260,441	48,750	309,191	339,727	
Balances at 31 March 2015	6,856,47	958,915	7,815,462	309,191	
_					

Consolidated Balance Sheet

	31 March 2015	31 March 2014 £
Fixed assets	12,153,892	168,375
Heritage assets	1,255,788	954,645
<u>-</u>	13,409,680	1,123,020
Current Assets		,
Debtors	2,255,039	841,893
Cash at Bank	300,006	392,245
-	2,555,045	1,234,138
Current Liabilities		
Creditors	1,201,114	763,887
Deferred research income	783,806	972,137
Subscriptions in advance	255,531	201,943
Bank loan	44,615	48,000
-	2,285,066	1,985,967
Net Current Assets/(Liabilities)	269,979	(751,829)
Amounts falling due after more than one year	5,864,197	62,000
Net Assets	7,815,462	309,191
Funds Employed		
Unrestricted fund – general fund	(267,400)	(294,689)
Unrestricted fund – revaluation reserve	7,123,947	555,130
Restricted funds	958,915	48,750
_	7,815,462	309,191

RUSI Governance Structure

Patrons, Chairman and Council

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Her Majesty the Queen

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His Royal Highness The Duke of Kent KG GCMG GCVO ADC

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Vice-Chairman

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David Pitchforth

Vice Admiral Alan Richards CB

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Brigadier Antony Hayward

Col (GS) Andreas Pfeiffer

Brigadier General Dieter Bareihs

Rear Admiral Henri Schricke

Brigadier William Sowry

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RUSI Management Group

Professor Michael Clarke

Director-General

Deborah Pourkarimi

Chief Finance Officer

Directors

Professor Malcolm Chalmers

Director of Research/Director of UK Defence Policy Studies

Michael Codner

Senior Research Fellow/Director of Personnel Services

Sabrina Downey

Director of Projects and Events

Charlie Edwards

Senior Research Fellow/Director of National Security and Resilience

Professor Jonathan Eyal

Senior Research Fellow/Director of RUSI International

Adrian Johnson

Director of Publications/Research Fellow

Professor John Louth

Senior Research Fellow/Director of Defence, Industries and Society

Saqeb Mueen

Director of Communications and Marketing

Raffaello Pantucci

Director of International Security Studies

Professor Trevor Taylor

Professorial Research Fellow

Elizabeth Quintana

Senior Research Fellow/Director of Military Sciences



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