The Royal United Services Institute (RUSI) is the world’s oldest and the UK’s leading defence and security think tank. Its mission is to inform, influence and enhance public debate on a safer and more stable world. RUSI is a research-led institute, producing independent, practical and innovative analysis to address today’s complex challenges.

Since its founding 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 nearly two centuries.

DESIGN & PRODUCTION: Zenab Hotelwala
CONTENT EDITOR: Saqeb Mueen
EDITOR: Edward Mortimer
PHOTOS: Jack Haines


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www.rusi.org
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Annual Report of the Royal United Services Institute for Defence and Security Studies 2017/18

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A Message from the Chairman

At RUSI, we are increasingly well placed to achieve our objectives for the coming years. These include expanding research of the highest quality, increasing our membership, building up our Leadership Centre, raising the funds to transform our historic headquarters, and improving further our many events, publications and communications. Our mission is to be a world-class centre of excellence and the principal professional forum for those concerned with national and international defence and security.

In the past year we have advanced towards all these goals, and I wish to thank the outstanding executives, staff and researchers who work under Karin von Hippel’s very effective leadership. All areas of research and activity have made progress. I have seen for myself many of the impressive conferences we have hosted, now encompassing land, sea, air, hybrid and urban warfare. Much of our work has been praised as definitive, and has influenced the approach of policymakers on matters as diverse as the UK’s own defence policies, to efforts to counter violent extremism in the Horn of Africa and nuclear negotiations with North Korea.

The great value of this and much other work has been reflected in an increase in both individual and corporate membership of the Institute. We have also seen a sharp improvement in our financial position, which the Trustees are determined to maintain for the future, providing a firmer financial footing for work that will only become more vital in the years ahead.

“I am grateful to my fellow Trustees for their unstinting diligence, service and enthusiasm, and to members of our Advisory Board for sharing their time and wisdom. With their support, RUSI in the coming year will be able to do more than ever, and will be as relevant to global and national challenges as at any time in our long history.”

The Rt Hon the Lord Hague of Richmond
Chairman of the Council
A Message from the Director-General

The Institute continues to grow, and I am very proud of our achievements over the past year.

As a charity, RUSI contributes to the public benefit through its research, publications, outreach, media commentary, advisory work, training and events – all intended to make a real difference to the security of Britain and its allies. We strive to ensure that our research is empirically driven and embodies an ethos of impartiality, quality and objectivity, whether it be a study on Russia’s new ground forces, the future accommodation model or in new areas, such as the use of artificial intelligence in policing. RUSI’s small size enables research to be integrated across teams – for example our work on proliferation finance, which is jointly managed by two research directors.

“We strive to ensure that our research is empirically driven and embodies an ethos of impartiality, quality and objectivity.”

Over the past year, we have focused on the critical issues facing the UK and the world. These include the security and defence implications of Brexit, President Donald Trump’s approach to a range of issues, the concerns about nuclear war on the Korean Peninsula, the evolution of the Islamic State of Iraq and the Levant, the civil war in Syria and the multi-dimensional threat posed by Russia to NATO. RUSI experts have appeared across all media platforms – on almost a daily basis – to provide their informed views, with over 26,000 media mentions. RUSI experts regularly give evidence in Parliament, meet with government officials from the UK as well as from a range of partner countries, and confer with leaders from the private and third sectors to understand various perspectives and offer advice, when appropriate.

We have been honoured to host leading political and military figures, as they share their views on UK and world events, such as former Secretary for Exiting the European Union David Davis, Norwegian Prime Minister Erna Solberg, Australian Foreign Minister Julie Bishop and General Mark Carleton-Smith, Chief of the General Staff. Earlier this year, we were delighted to announce the first recipient of the Duke of Wellington Medal for Military History, Lieutenant General (Rtd) Sir John Kiszely, for his outstanding book, An Anatomy of a Campaign: The British Fiasco in Norway, 1940. A particular thank you to our Trustee, the 9th Duke of Wellington, for sponsoring the award and for serving as a judge on the panel.

Last year we welcomed four new Trustees, and I am delighted this year to welcome former Shadow Secretary for Foreign and Commonwealth Affairs Douglas Alexander as a new Trustee. As ever, we are extremely grateful for RUSI’s many supporters, including our Chairman and Vice-Chairman, our Trustees and Advisory Board members, our Associate Fellows, our corporate partners, RUSI’s dedicated staff and, last but not least, our members, who have supported RUSI since it was founded in 1831.

We are also committed to transparency at RUSI, and are pleased to share our latest financial statements. Looking ahead, we will soon be launching our capital campaign to raise necessary funds to cover the costs of the development, refurbishment and renovation of 61 Whitehall, a building that was built for RUSI in 1895. You will be hearing more about this in the coming months, but do please get in touch if you are interested in learning more.

Thank you for your support!

Dr Karin von Hippel
Director-General
Italy and Romania
Published reports on the illicit trade in tobacco, alcohol and pharmaceuticals.

Portugal
Worked with NATO's Joint Analysis and Lessons Learned Centre on defence innovation and on approaches to research in defence.

Uzbekistan
Co-hosted a UK-Uzbek bilateral on countering violent extremism.

Turkmenistan
Co-hosted with NATO and Turkmen government a roundtable on energy security.

Central Asia and Russia
Fieldwork in thirteen Russian cities examining the contributing factors to radicalisation among Central Asian labour migrants.

Uzbekistan
Co-hosted a UK-Uzbek bilateral on countering violent extremism.

Pakistan
Training on CVE and researched China-Pakistan Economic Corridor.

Central Asia and Russia
Fieldwork in thirteen Russian cities examining the contributing factors to radicalisation among Central Asian labour migrants.

Georgia
Organised security conference with Georgian Ministry of Defence in Tbilisi.

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Organised Track 2 discussions in London and Moscow between leading UK and Russian academics, which culminated in a policy paper.

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Research at RUSI

RUSI has completed a wide-ranging and active programme of research in the year ended 31 March 2018. The breadth of our work covers traditional areas of study including defence, and national and international security. We have also addressed new areas of research into cyber security and technology, and financial and environmental crime. In 2017/18, the Institute carried out 126 research projects (2017: 102) and gross research income was £5,954,573 (2017: £5,240,398).

This continuing growth of RUSI’s research programmes reflects the ability of the Institute to place itself at the cutting edge of new thinking about security at a time of rapid change. While the past year has not seen dramatic new geopolitical shocks, it has seen the full implications of the two largest shocks of the previous financial year – the start of the Brexit process and President Donald Trump’s election – beginning to unfold. In addition, UK concerns over relations with Russia have intensified in the aftermath of the Salisbury attack in March, concern over terrorism in the UK has remained at a heightened level and the government’s defence review – now in the form of the Modernising Defence Programme – continues.

RUSI’s research over the past year has been shaped by these issues. We have responded rapidly to new topics as they arise and contributed to evidence-based understanding of the new policy challenges that these create. Importantly, much of our research focuses on selected longer-term security challenges. An increasing proportion of our research funding is on a multi-year basis, enabling us to further build our core capacity and institutional knowledge across defence and security issues.

“The continuing growth of RUSI’s research programmes reflects the ability of the Institute to place itself at the cutting edge of new thinking.”

None of this success would have been possible without the unstinting dedication of staff across the Institute. Without so many remarkable talents – creative, organisational and intellectual – RUSI would not have been able to make the remarkable progress that it has made in recent years.

Professor Malcolm Chalmers
Deputy Director-General and Director of Research
RUSI's Centre for Financial Crime and Security Studies addresses the risks posed by financial crime for the UK and international security. In 2017/18, the Centre:

- Launched a new programme, ‘Financial Crime 2.0’, to assess what reforms are needed to tackle money laundering in today’s technological landscape.
- Reviewed international approaches to combating terrorist financing.
- Conducted a study on the role of virtual currencies in terrorist financing for the European Parliament.
- Hosted high-level policymakers, including the Financial Action Task Force executive secretary, the director of Europol and the UK security and economic crime minister.
- Achieved high-profile recognition of research output, cited by the UN secretary-general and the UK government; gave oral evidence to several UK parliamentary inquiries (including the Foreign Affairs Committee in relation to Russia).
- Contributed to UK and international financial crime forums, including the Joint Money Laundering Intelligence Taskforce and the Financial Action Task Force.
- Briefed the working group co-leads of the Global Coalition to Defeat the Islamic State of the Iraq and Levant (ISIL) as it considers its role after the territorial defeat of ISIL in Syria and Iraq.

RUSI's Impact
UK Defence and Security

A RUSI briefing on the implications of Brexit for defence and security, written after discussions across government, was launched at the Munich Security Conference the day before the prime minister's speech on the subject. RUSI’s ‘Decision Time’ report on UK defence budgets and capabilities is the most influential recent analysis of the dilemmas facing the MoD in its ongoing Review. In July 2017, in a globally cited report, the Institute analysed the implications of the US Third Offset Strategy, arguing that UK capabilities costing £16 billion annually may be vulnerable to new weapons being deployed by hostile states.
RUSI’s Impact

Wildlife Crime

RUSI’s work on environmental crime has focused on the financial dimension of environmental security issues such as wildlife crime and illegal fishing. As global efforts to address the threat posed by environmental crime have expanded, financial aspects have often been ignored, despite the weightier sentencing available under economic-crime legislation. RUSI has designed a series of pioneering projects to expand the evidence base and build capacity to track illicit money flows generated by wildlife crime.

The research findings have been published in the most detailed study to date on the topic – the RUSI paper ‘Follow the Money: Using Financial Investigation to Combat Wildlife Crime’. The findings have been picked up by media in countries across the wildlife-crime supply chain, forming the basis of an Associated Press report, which was run by 128 global outlets.

Defence, Industries and Society

RUSI’s Defence, Industries and Society research group promotes understanding of defence as a complex enterprise, embracing the public and private sectors. In 2017/18, this research group:

• Authored a study on the development of a UK defence industrial strategy, which was described by a former defence minister as ‘the definitive guide to the subject’.
• Worked with NATO’s Joint Analysis and Lessons Learned Centre on defence innovation and on approaches to research in defence.
• Attended the Seoul Defence Dialogue in September 2017 as the UK civilian head of delegation. Presented a paper on RUSI’s research into advanced defence technologies. The Turkish minister of defence was the respondent to the paper at the conference.
• Represented the UK in the EU’s permanent monitoring and analysis programme to research EU defence spending.

RUSI’s Impact

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RUSI’s International Security Studies research group analyses security and foreign policy developments in key countries and regions across the world. In 2017/18, this research group:

• Organised Track 2 security dialogues with Iran, China and Russia as well as other bilateral engagements with India, Pakistan and other Eurasian powers.
• Published a study examining the impact of China’s Belt and Road Initiative, part of a broader range of activity examining China’s flagship foreign policy concept. This includes workshops in Central and South Asia, and China, and joint research activities with research institutions across the region.
• Conducted research in Iraq on mobilisation and recruitment to armed groups and related community tensions.
• Examined the proliferation of drone technology in the Middle East in order to understand the spread of technology, norms, training, processes and ethical considerations.
• Contributed to public debate on foreign and security policy questions in South Asia, with influential opinion articles and papers highlighting the new Bajwa doctrine in Pakistan, Sino-Indian relations, trends in militancy in Afghanistan and Delhi’s regional policy.

RUSI’s Impact
Understanding the Russian Challenge

RUSI’s research on Russian military issues – including a study of Russia’s ground forces published in June 2017 – was presented at many policy forums in the UK and elsewhere in Europe, and has been briefed to officials. Researchers gave hundreds of media interviews as the Skripal case developed. In March, RUSI gave evidence to the Commons Foreign Affairs Committee on Russian corruption, drawing on our expertise on the weaknesses of the UK regulatory environment to suggest policy improvements (also discussed with UK government officials). RUSI also organised a UK–Russia Track 2 security dialogue, in partnership with the Russian International Affairs Council and with Foreign Office support. RUSI launched the resulting report (in English and Russian) in Moscow soon after the Skripal attacks. It was reported on Russian TV and print outlets.
Military Sciences

RUSI’s Military Sciences research group examines the utility of military power – from strategic concepts to technical platforms. In 2017/18, this research group:

- Authored research on the National Security Capability Review, with particular reference to the Modernising Defence Programme, military concepts and capabilities, and convened expert meetings (including with the defence secretary).
- Organised conferences on land, maritime, air, hybrid, and urban warfare, hosting military leaders from around the world.
- Partnered with industry to improve understanding of UK force drivers for ballistic missile defence.
- Worked with the Ukrainian Centre for Defence Reform to understand contemporary active measures being used by Russia.
- Published research with the US Naval War College on the link between military strategy and technical innovation.
- Organised war-gaming on space dependencies, UK force design and possible future NATO–Russia crises.
- Researched into the future of alliances.
- Published a report on the risks of war with North Korea and worked with the BBC to analyse military options.
- Started research on the proliferation of UAV technology in the Middle East.

RUSI’s Impact
Countering Violent Extremism and Terrorism

RUSI is the go-to organisation for the European Union for expertise on CVE and CT. The Institute wrote the EU’s Operational Guidelines for developing and implementing CT and CVE projects. The Institute also designed the EU’s official curriculum for CVE programming and then delivered training to EU officials and partners in over 30 countries in Europe, Africa, Asia and the Middle East, reaching over 200 delegates. RUSI’s office in Nairobi plays a crucial role by ensuring that our work reaches the policymakers, practitioners and communities directly affected by CVE and CT.
National Security and Resilience

RUSI's National Security and Resilience research group analyses major issues such as terrorism, espionage, organised crime, policing and cyber threats, and how best to deal with them. In 2017/18, this research group:

- Implemented the EU’s first external countering violent extremism programme, STRIVE Horn of Africa, working among communities in Kenya and Somalia. The results have influenced new projects across the globe.
- Carried out a major study of the countering violent extremism (CVE) field, identifying challenges and opportunities for donors, implementers and beneficiaries, as part of an ambitious project to understand empirically the impact of CVE interventions.
- Conducted an eighteen-month study in five countries on how organised crime groups benefit from corruption at European borders and exploit limited controls in international free-trade zones to make substantial profits through illicit trade.
- Launched the Strategic Hub for Organised Crime Research (SHOC), bringing together academics, practitioners and policymakers.
- Researched the drivers and consequences of environmental crime, particularly the illegal wildlife trade and illegal fishing.
- Published a major study on the use of technology and data in UK police forces, which showed that forces are not exploiting the data and technology available to them, and which identifies opportunities to increase police efficiency and effectiveness.

RUSI's Impact
Technological Change in Crime, Terrorism and Intelligence

RUSI has hosted senior practitioners and policymakers such as Sir Rob Wainwright, former executive director of Europol, to discuss cyber security threats to businesses and government, while senior UK security officials have explored the security challenges of widespread encryption, terrorist content on social media and cyber security. RUSI’s major study on big data and policing, which highlighted serious limitations in the use of technology and data by UK police forces, was widely reported in the media and its recommendation for a national data strategy and policy for the police was cited in a House of Commons debate. RUSI’s prominence on this topic led to our selection by the Global Internet Forum to Counter Terrorism to establish an international research network to examine terrorist use of internet technologies.
RUSI's Proliferation and Nuclear Policy research group tackles the full scope of nuclear weapons issues, from deterrence to disarmament, from non-proliferation to nuclear security. In 2017/18, this research group:

- Worked on nuclear disarmament verification, which contributed to US and South Korean preparations for their 2018 summits with North Korea.
- Published innovative research into countering proliferation finance (especially in relation to North Korea), recommendations of which have been incorporated into national laws and UN and Financial Action Task Force action plans. Related work on North Korean sanctions evasion was cited during confirmation hearings in the US Senate.
- Ran the UK Project on Nuclear Issues (UK PONI), a cross-generational network of more than 1,000 young scholars and professionals that engages with experts on contemporary nuclear issues through an extensive programme of events.
- Continued to lead the UK delegation to high-level Track 2 UK–US–France Trilateral Nuclear Dialogues. The dialogues, in turn, influence nuclear policy in all three states on issues such as the US Nuclear Posture Review, Iran and North Korea.

RUSI's Impact
North Korea, Sanctions and Proliferation Finance

In September, RUSI published a detailed analysis of how war between the US and North Korea could escalate. This received worldwide coverage as did an analysis on this subject with the BBC, garnering over one million visits.

RUSI research was cited in a House of Commons Library briefing ahead of the debate on the Sanctions and Anti-Money Laundering Bill. RUSI's recommendations on countering proliferation finance have been incorporated into national laws and multilateral recommendations. At the US Senate hearing of Secretary of State Rex Tillerson in June 2017, a RUSI report outlining how North Korea could flout the sanctions regime was cited.
The Leadership Centre develops the skills and knowledge needed for governments and security practitioners in today’s security environment.

Since its establishment in 2015, the Centre has organised its executive education programmes by drawing on RUSI's expert network to provide world-class training at all levels. The Centre's diplomatic training courses – mostly aimed at young diplomats – provide a solid grounding for government careers and promotion. Its military courses focus on force structures and the full gamut of complex military operations and expeditionary capabilities and are aimed at more senior military officials. A new, and even higher-level, short 'refresher' course is being offered to top military and civilian officials.

Most of the courses are held at RUSI’s headquarters in the heart of Whitehall, but some are delivered on location elsewhere. All our courses provide qualification certificates, and full academic accreditation is now being arranged. The Centre has also organised one-off major conferences on counterterrorism and good governance.

In 2017/18, the Centre:

• Delivered a training course on strategic military planning to Qatar's Ministry of Defence.
• Conducted an intensive diplomatic training course for Qatar's Ministry of Foreign Affairs.
• Delivered a three-week course on strategic analysis in Morocco.
• Conducted an intensive crisis management training programme in Saudi Arabia.

PROFILE
Alexandria Reid
Research Analyst, National Security and Resilience

My research covers a range of topics related to serious and organised crime as a threat to national security, including environmental crime and illicit trade. Since joining RUSI, I have particularly enjoyed continuing the Institute's ground-breaking work on 'follow the money' approaches to dismantling the illegal wildlife trade. Building on last year's success in Tanzania, Uganda and Kenya, this year RUSI will deliver bespoke training on financial investigative techniques in Malawi, Zambia and Mozambique. In the coming year, I look forward to working with colleagues to further RUSI's research in the field of peacekeeping and environmental crime.
The RUSI Library of Military History hosts a unique collection of national importance, which underscores the Institute’s heritage and its charitable purpose. The collection is dedicated to developing our knowledge of war, shaping theoretical approaches to modern military thinking, and engaging more widely in social and cultural discourses.

Over the past year, the Library initiated various activities, including:

• First World War book collection project: identifying and improving access to historic books published around, during or immediately after the Great War.
• Art collection digitisation: partnered with Art UK to photograph, digitise and showcase RUSI’s art collection on the ART UK website.
• Celebrating 75 years of women at RUSI: discovered and highlighted the first women who were admitted to RUSI in 1942. The Library also created a women’s studies book collection and delivered a webinar on ‘Women, The Institution and the Collections’ for ALISE, the Association for Library and Information Science Education.
• Digitising the Archive: worked with King’s College London in the delivery of a module for its MA programme in digital humanities which looked at approaches to creating digital archives using the catalogue of RUSI’s ’lost’ museum (1831–1962).
Memorieship

Through its membership, the Institute maintains a relationship with a large community of individuals and organisations. RUSI members have access to the very best defence and security analysis and are introduced to a network of peers, specialists and decision-makers. Our membership packages are tailored to suit large and small organisations, companies and governments, as well as individuals at various stages of their career.

During the year ended 31 March 2018, RUSI took a number of steps to enhance its membership offering and to build up its membership base. The Institute began a series of breakfast briefings for higher levels of corporate membership. It also commenced a systematic marketing campaign, beginning with an initiative to expand its engagement with London’s diplomatic community.

In 2017/18, RUSI’s individual membership stood at 1,668 (2017: 1,598). RUSI’s Under-35s Forum grew and now has 361 members (2017: 350). RUSI’s corporate membership grew from 119 last year to 129 this year.

The Institute offers packages that include publications, invitations to events, networking opportunities and other benefits designed to meet the needs of individuals and organisations. The individual membership packages include Online, Standard, Platinum and RUSI Ambassador memberships, with special rates for students, military officers and those under the age of 35. For corporate members, the Institute offers Standard, Major and Platinum corporate membership packages, and concessionary corporate rates for diplomatic and military units.

We have also introduced elite tier membership in the form of the Chairman’s Circle and Patron’s Circle. Members access the Institute’s high-level networks through intimate and tailored networking experiences, exclusive meetings with RUSI’s senior research staff and private briefings, among other benefits.

PROFILE

Aaditya Nikhil Dave
Research Analyst, International Security Studies

In the past year at RUSI, I have focused on a variety of issues. This has included China’s economic and strategic engagements in South Asia, specifically looking at the China–Pakistan Economic Corridor and the Bangladesh–China–India–Myanmar Economic Corridor. In addition, I have monitored the political and security situation in Afghanistan, examined the drivers and effectiveness of counterterrorism activities in South Asia, and undertaken research seeking to understand the drivers of mobilisation into armed groups in Iraq. Over the next year, I look forward to continuing work on security and foreign policy in South Asia, including on developing UK–India ties and gaining a deeper understanding of China’s role in the region.
Corporate Members

This list is correct as of 1 July 2018.

Chairman’s Circle
Caxton Europe Asset Management
Countrywide Developments Limited
Equinor
Pool Reinsurance Company Ltd
Trafigura Group Pte. Ltd

Platinum Corporate
Accenture Ltd
AIG
Airbus Group Ltd
BAE Systems Plc
British Army, Directorate of Force Development
Centrica
Leidos Europe Ltd
Leonardo (Finnmeccanica UK)
Lockheed Martin UK
McKinsey & Co
Ministry of Defence
Nationwide
Northrop Grumman
Renaissance Strategic Advisors

Major Corporate Members
AECOM
AKO Capital LLP
Atkins Limited
AWE
Babcock International Group
BT Group Plc
Chevron
CTF Partners
Cyber Conflict
Documentation Project
DXC Technology
ESRI (UK) Ltd
Exxonmobil International
Foreign & Commonwealth Office
Fujitsu Defence
General Dynamics UK Limited
HESCO
JALLC
Japan Bank for International Cooperation
Jones Day
Krull Corp.
L-3 Communications
MBDA UK Limited
Newton
NHK Japan Broadcasting
PwC
QinetiQ
Raytheon Systems Limited
Rolls Royce Plc
Royal Navy
Sarasin & Partners
Serco Ltd
Shell International
Thales UK
Ultra Electronics

Standard Corporate Members
4C Strategies Europe UK Ltd
Aktis Strategy Limited
Alta-ABM
Asahi Shimbun
ATCO
AUL/SAS
Avastent
Berry Palmer & Lyle Limited
Business Systems (UK) Ltd
C5
Cabinet Office
Command and Control Research Program
Dataminr
Eversheds LLP
General Atomics
Aeronautical Systems, Inc
Goodenough College
Harmonic Limited
HARRIS Corporation
House of Commons Library
Imperial War Museum
International Committee of the Red Cross (ICRC)
International SOS
ITSC Library (Ohio, Beavercreek)
KCD Resources Ltd
King’s College London
Korea Institute for Defense Analyses
L-3 Communications
ASA Ltd
London School of Economics
Marshall Aerospace and Defence Group
Morgan Stanley & Co Intl Plc
National Defence
University of Malaysia
PA Consulting Group
Prizer Inc
Portland PR Ltd
Prospect
Public Safety Canada Information Centre
Reaction Engines Ltd
Roke Manor Research Ltd
Royal College of Defence Studies
Securecloud+ Limited
The Dulverton Trust
The Standard Bank of South Africa Limited
The Yomiuri Shimbun
TP Group Plc
Turner & Townsend Ltd
UK Defence Solutions Centre
UNICEF UK
Vestey Foods UK Ltd
Wilson James Limited
Wilson’s Auctions

Military Membership
Army War College
HQ Allied Rapid Reaction Corps
Land Intelligence
Fusion Centre

The Royal Tank Regiment

Diplomatic Members
Australian High Commission
Austrian Embassy
British Defence Staff
United States
British Embassy Ankara
Canadian High Commission
Chinese Embassy
Embassy of Finland
Embassy of France
Embassy of Israel
Embassy of Japan
Embassy of Sweden
Embassy of the Arab Republic of Egypt
Embassy of the Czech Republic in London
Embassy of the Federal Republic of Germany
Embassy of the Kingdom of Bahrain
Embassy of the Republic of Korea
Embassy of the Republic of Poland
Embassy of the Republic of Slovenia
Embassy of the Republic of Turkey
High Commission for The Islamic Republic of Pakistan
High Commission for the Republic of Singapore
High Commission of the Republic of Cyprus
Royal Danish Embassy
Royal Netherlands Embassy
Royal Norwegian Embassy
US Embassy
RUSI is a research-led think tank. Our experts and our research 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.

### Publications

We publish periodicals, reports and studies that are timely, innovative and relevant, designed to meet the needs of our members, policymakers, researchers and others interested in defence and security.

Last year, we published 38 papers and reports, in addition to 47 articles and 34 book reviews in the *RUSI Journal*, now in its 161st year. Our digital magazine, *RUSI Newsbrief*, provides weekly analysis of contemporary events. We published three longer studies as part of our Whitehall Papers series. These included a groundbreaking analysis of Russia’s ground forces, an examination of China’s new Silk Road and an assessment of European geopolitics. Our blog, *RUSI Commentary*, provides authoritative and timely expert analysis of events in the news, publishing three new pieces a week.

RUSI’s publications are essential for disseminating the Institute’s work. They are of the highest quality, ensuring that RUSI continues to be a trusted source on defence and security issues, both in the UK and internationally.

### PROFILE

**Sara Perlengeli**

*Research Analyst, Proliferation and Nuclear Policy*

I joined RUSI in January 2018 to help with our expanding portfolio of research and outreach activities on ways to disrupt the illicit financial activities of proliferators. Over the past few months, I have delved into North Korea’s illicit activities in sub-Saharan Africa, ranging from Pyongyang’s exploitation of open shipping registries, to illicit construction work, military sales and wildlife trafficking. I have also put together workshops on proliferation finance, as well as organised training activities. Over the next year, I will work on broader counterproliferation issues, and examine specific sectors exploited by North Korea to procure and sell prohibited goods.
Events and Conferences

In the past year, the Institute hosted over 162 events, many of which were open to members of the public. 4,433 (2017: 2,485) people registered to attend these events. Speakers included senior UK and international representatives from the military and government, as well as the public and private sectors more generally.

RUSI also had a very busy conference agenda, including annual policy conferences on counterterrorism, land warfare, space, defence acquisition, urban warfare, hybrid threats in Europe and cyber security.

RUSI’s schedule was complemented by innovative new formats. The Institute staged an immersive event on artificial intelligence featuring actors and responses from policymakers. RUSI also hosted a commemoration of the hundreds of thousands drafted into the Labour Corp during the Great War. The event featured a performance by the Jazz musician, Courtney Pine.

Media and Digital

RUSI’s research is widely cited in the media, as are our experts who are the first port-of-call for comment on developing news stories in defence and security. Last year, the Institute had 26,265 mentions in the media (2017: 20,163).

In 2017/18 the website had 450,000 users, up 18% from the previous year. The Institute increasingly relies on social media to disseminate its research, and currently has over 53,000 Twitter followers (2017: 42,000) and over 28,000 Facebook ‘likes’ (2017: 27,000).

RUSI has also increased its multimedia output, making more of its events available on video. It produced podcasts and 27 videos showcasing analysis from experts and new publications. RUSI’s podcasts were downloaded over 8,000 times and videos had 131,000 views (2017: 147,574). The average view duration rose 28% to 6 minutes and 18 seconds.

PROFILE
Zenab Hotelwala
Editorial Assistant, Publications

After joining RUSI last year, I have worked on several interesting products, including the RUSI Journal. This has allowed me to broaden my knowledge of the work produced by the Institute’s research groups. I have been able to bring clarity to complex ideas using graphic design, and work creatively to produce exciting and engaging content. In the future, I hope to further my design skills, engage more closely with the research groups and take on a more managerial approach with forthcoming projects.
Our Network of Senior Associate Fellows

This list of Senior Associate Fellows is accurate as of 1 July 2018.

- General John Allen
- Professor Ali Ansari
- General Sir Richard Barrons KCB CBE ADC
- General Sir Adrian Bradshaw KCB OBE
- Patrick Calvar
- Lieutenant General (Rtd) Sir David Capewell KCB OBE
- The Lord Carlile of Berriew CBE QC
- Professor Michael Clarke
- Professor Paul Cornish
- The Honourable Alexander Downer AC
- The Lord Evans of Weardale KCB DL
- Admiral Sir Ian Forbes KCB CBE
- Sir Simon Gass KCMG CVO
- Robert Hannigan CMG
- Lieutenant General (Rtd) Ben Hodges
- Dr Frank Hoffman
- The Lord Hogan-Howe QPM
- Dr Randolph Kent
- Dr David Kilcullen
- Mike Maiden
- Dr Paul Martin CBE
- Tom McKane
- Sir Christopher Meyer KCMG
- Major General (Rtd) Mungo Melvin CB OBE
- Professor Sir Jon Murphy QPM
- Lieutenant General (Rtd) Sir Paul Newton KBE
- Sir David Omand GCB
- General Sir Nick Parker KCB CBE
- Professor Patrick Porter
- The Lord Ricketts GCMG GCVO
- The Rt Hon Sir Malcolm Rifkind KCMG QC
- Sir John Sawers GCMG
- Dr Joanna Spear
- Professor Gareth Stansfield
- Professor Doug Stokes
- The Rt Hon Jack Straw
- Sir Kevin Tebbit KCB CMG
- Jim Townsend
- Sir Rob Wainwright KCMG
- Richard Walton
- Christine Wormuth
RUSI’s Governance

*These names are correct as of 1 July 2018.*

**Patron**
Her Majesty The Queen

**President**
His Royal Highness the Duke of Kent KG GCMG GCVO ADC

**Senior Vice-President**
General (Rtd) David H Petraeus

**Chairman**
The Rt Hon the Lord Hague of Richmond

**Vice-Chairman**
Sir John Scarlett KCMG OBE

**Vice-Presidents**
Dr James Hay
The Rt Hon the Lord Hutton of Furness Sir Paul Lever KCMG
Vice Admiral Rory McLean CB OBE Professor Sir David Omand GCB
John Weston CBE

**Advisory Board**
The Rt Hon the Lord Arbuthnot of Edrom Jane Atwood
The Rt Hon the Lord Campbell of Pittenweem CH CBE QC
Lieutenant General (Rtd) Sir Robert Fry KCB CBE
Bob Keen Sarah MacIntosh CMG
Dr Greg Mills Andrew Parker
Kathryn Parsons MBE William Nye LVO
Dr Rhodri Williams
Rory Bremner FKC
Harper Reed
David Giampaolo
Mark Fox
Michael Ridley
Mina Gerowin
Caroline Wyatt
Chris DiBona

**Ex-Officio**
Brigadier General Lowell Thomas
Brigadier Chris Parson
Brigadier General Ralf Raddatz
Brigadier General Christopher Short
Rear Admiral Patrick Chevallereau
Air Commodore Brian J Edwards

**Trustees**
His Grace the Duke of Wellington OBE DL
The Rt Hon Douglas Alexander
The Rt Hon the Baroness Ashton GCMG
Sir Roger Bone KCMG
John Dowdy
Nik Gowing
The Rt Hon the Lord Hague of Richmond
General the Lord Houghton of Richmond GCB CBE ADC
Andrew Jamieson
Alison Levitt QC
Sir John Scarlett KCMG OBE
Stephen Phipson CBE
Ian Willis
**RUSI Senior Management**

Dr Karin von Hippel  
Director-General

Professor Malcolm Chalmers  
Deputy Director-General

Dr Jonathan Eyal  
Associate Director, Strategic Research Partnerships

Deborah Pourkarimi  
Chief Finance Officer and Chief Operating Officer

**RUSI Management Group**

Dr Karin von Hippel  
Director-General

Professor Malcolm Chalmers  
Deputy Director-General

Dr Jonathan Eyal  
Associate Director, Strategic Research Partnerships

Deborah Pourkarimi  
Chief Finance Officer and Chief Operating Officer

**Directors**

Michael Codner  
Director of Personnel Services

Dr Emma De Angelis  
Director of Publications, Editor of *RUSI Journal*

Sabrina Downey  
Director of Projects and Events

Dr Andrew Glazzard  
Director of National Security and Resilience

Tom Keatinge  
Director of Centre for Financial Crime and Security Studies

Professor John Louth  
Director of Defence, Industries and Society

Saqeb Mueen  
Director of Communications

Raffaello Pantucci  
Director of International Security Studies

Tom Plant  
Director of Proliferation and Nuclear Policy

Professor Peter Roberts  
Director of Military Sciences
Our Values

Established in 1831, RUSI is an independent institute with a mission to inform, influence and enhance public debate on a safer and more stable world. In 2016, RUSI staff launched an exercise to refine and articulate the Institute’s core values in a modern setting. The initiative followed an Institute-wide discussion at RUSI’s ‘away day’ in September 2016. It was a collaborative effort involving junior and senior members of staff from various departments across the Institute. RUSI’s three core values and aims are:

1. Continuity

Fulfil RUSI’s charter and mission

- Abide by RUSI’s charitable status and provide a public benefit.
- Respect RUSI’s historical legacy while also looking to the future.

2. Thought Leadership and Independence

Stay ahead of change

- Conduct original, evidence-based research on critical national and international defence and security issues.
- Disseminate the results to enhance the public debate and promote constructive policy options.
- Be innovative, entrepreneurial and agile in response to a fluid and evolving security environment.
- Ensure financial and intellectual independence, as well as accountability and transparency of funding and activities.

3. Trust and Collaboration

Promote an inclusive, trusted community

- Maintain a reputation as an honest broker and trusted partner, and engage a diverse network of people and ideas.
- Honour RUSI’s founding as a members’ institute, while also convening a wider network to encourage fresh thinking and inter-disciplinary approaches.
- Develop young talent in the full range of RUSI activities to ensure continuity of purpose.
- Ensure a culture of respect, collaboration, professionalism and compassion, inside and outside the Institute.
- Demonstrate self-discipline in adherence to these values, while maintaining a sense of humility and humour.
The balance sheet shows net current assets of £589,441 (2017: £250,739); the figure for current liabilities on the balance sheet includes subscriptions in advance of £346,271, a non-cash item, which will be recognised as income in 2018/19. Net assets at year end have increased from £7,931,986 to £8,710,145. The Institute's total funds at 31 March 2018 stand at £8,710,145, of which £138,109 (2017: £306,020) is restricted and not available for the general purposes of the charity. Of unrestricted funds, £7,382,562 (2017: £7,349,412) is invested in the RUSI building and its heritage assets; the general fund stands at £1,189,474 (2017: £276,554).

RUSI defines its free reserves as the general fund. In the year ended 31 March 2018, the target which was set at the end of the previous financial year, to build reserves to at least £1 million, has been met. The Trustees are now of the opinion that in normal circumstances it is appropriate for RUSI to aim to maintain unrestricted reserves sufficient to cover future operating expenditure for at least six months. At the end of the year, the free reserves of £1,189,474 represented approximately three months of budgeted expenditure for the year ending 31 March 2019. RUSI believes that over time the six-month target can be achieved, but it will require existing income streams to be increased and new sources of revenue to be secured, as well as continued rigorous control of expenditure.

Deborah Pourkarimi ACA DChA
Chief Finance Officer and Chief Operating Officer
## Consolidated Financial Statements (extract)

**Statement of Financial Activities**

**for the Year Ended 31 March 2018**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds 2018 £</th>
<th>Restricted Funds 2018 £</th>
<th>Year to 31 March 2018 £</th>
<th>Year to 31 March 2017 £</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations, grants and gifts</td>
<td>10,326</td>
<td>100,844</td>
<td>111,170</td>
<td>56,809</td>
<td></td>
</tr>
<tr>
<td>Charitable activities</td>
<td>7,058,886</td>
<td>-</td>
<td>7,058,886</td>
<td>6,432,166</td>
<td>626,720</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>193,624</td>
<td>-</td>
<td>193,624</td>
<td>210,429</td>
<td>-16,805</td>
</tr>
<tr>
<td>Income from investments</td>
<td>163</td>
<td>-</td>
<td>163</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td><strong>Total income and endowments</strong></td>
<td><strong>7,262,999</strong></td>
<td><strong>100,844</strong></td>
<td><strong>7,363,843</strong></td>
<td><strong>6,699,460</strong></td>
<td><strong>9.9%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds 2018 £</th>
<th>Restricted Funds 2018 £</th>
<th>Year to 31 March 2018 £</th>
<th>Year to 31 March 2017 £</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td>269,397</td>
<td>-</td>
<td>269,397</td>
<td>335,660</td>
<td>-66,263</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>6,080,682</td>
<td>268,775</td>
<td>6,349,437</td>
<td>6,271,721</td>
<td>67,716</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>6,350,079</strong></td>
<td><strong>268,775</strong></td>
<td><strong>6,618,834</strong></td>
<td><strong>6,607,381</strong></td>
<td><strong>0.2%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds 2018 £</th>
<th>Restricted Funds 2018 £</th>
<th>Year to 31 March 2018 £</th>
<th>Year to 31 March 2017 £</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income/(expenditure)</strong></td>
<td><strong>912,920</strong></td>
<td>-(167,911)</td>
<td>745,009</td>
<td>92,079</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds 2018 £</th>
<th>Restricted Funds 2018 £</th>
<th>Year to 31 March 2018 £</th>
<th>Year to 31 March 2017 £</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other recognised gains</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of heritage assets</td>
<td><strong>33,150</strong></td>
<td>-</td>
<td><strong>33,150</strong></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td><strong>946,070</strong></td>
<td>-(167,911)</td>
<td><strong>778,159</strong></td>
<td><strong>92,079</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds 2018 £</th>
<th>Restricted Funds 2018 £</th>
<th>Year to 31 March 2018 £</th>
<th>Year to 31 March 2017 £</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at 1 April 2017</td>
<td><strong>7,625,966</strong></td>
<td><strong>306,020</strong></td>
<td><strong>7,931,986</strong></td>
<td><strong>7,839,907</strong></td>
<td><strong>92,079</strong></td>
</tr>
<tr>
<td>Balances at 31 March 2018</td>
<td><strong>8,572,036</strong></td>
<td><strong>138,109</strong></td>
<td><strong>8,710,145</strong></td>
<td><strong>7,931,986</strong></td>
<td></td>
</tr>
</tbody>
</table>
Consolidated Balance Sheet
as at 31 March 2018

<table>
<thead>
<tr>
<th></th>
<th>31 March 2018</th>
<th>31 March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>12,689,825</td>
<td>12,153,685</td>
</tr>
<tr>
<td>Heritage assets</td>
<td>1,517,345</td>
<td>1,483,968</td>
</tr>
<tr>
<td></td>
<td>14,207,170</td>
<td>13,637,653</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>1,931,540</td>
<td>1,757,640</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>1,298,866</td>
<td>897,257</td>
</tr>
<tr>
<td></td>
<td>3,230,406</td>
<td>2,654,897</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>2,554,965</td>
<td>2,338,528</td>
</tr>
<tr>
<td>Bank loan</td>
<td>86,000</td>
<td>65,630</td>
</tr>
<tr>
<td></td>
<td>2,640,965</td>
<td>2,404,158</td>
</tr>
<tr>
<td><strong>Net current assets/(liabilities)</strong></td>
<td>589,441</td>
<td>250,739</td>
</tr>
<tr>
<td>Amounts falling due after more than one year</td>
<td>6,086,466</td>
<td>5,956,406</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>8,710,145</td>
<td>7,931,986</td>
</tr>
<tr>
<td><strong>Funds employed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted fund – general fund</td>
<td>1,189,474</td>
<td>276,554</td>
</tr>
<tr>
<td>Unrestricted fund – revaluation reserve</td>
<td>7,382,562</td>
<td>7,349,412</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>138,109</td>
<td>306,020</td>
</tr>
<tr>
<td></td>
<td>8,710,145</td>
<td>7,931,986</td>
</tr>
</tbody>
</table>
### RUSI by Numbers

**Staff and Network**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Years since RUSI was established</td>
<td>187</td>
</tr>
<tr>
<td>Resident staff</td>
<td>69</td>
</tr>
<tr>
<td>Associate fellows</td>
<td>114</td>
</tr>
</tbody>
</table>

**Events**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Events organised</td>
<td>162</td>
</tr>
<tr>
<td>Major conferences</td>
<td>6</td>
</tr>
<tr>
<td>Registered attendees</td>
<td>4,433</td>
</tr>
</tbody>
</table>

**Publications**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commentary articles</td>
<td>100</td>
</tr>
<tr>
<td>Papers and reports published</td>
<td>38</td>
</tr>
</tbody>
</table>

**Research**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Research projects</td>
<td>126</td>
</tr>
</tbody>
</table>

**Social Media**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter followers</td>
<td>53,000</td>
</tr>
<tr>
<td>Facebook ‘likes’</td>
<td>28,000</td>
</tr>
<tr>
<td>YouTube views</td>
<td>131,000</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Media mentions</td>
<td>25,265</td>
</tr>
<tr>
<td>Podcast downloads</td>
<td>8,000</td>
</tr>
</tbody>
</table>

**Membership**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual members</td>
<td>1,668</td>
</tr>
<tr>
<td>Corporate members</td>
<td>129</td>
</tr>
<tr>
<td>Under 35 members</td>
<td>361</td>
</tr>
</tbody>
</table>