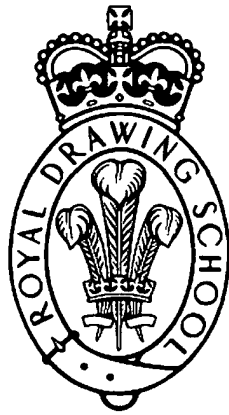


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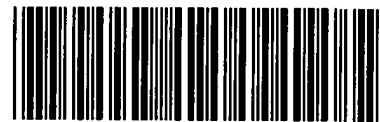


ROYAL
DRAWING
SCHOOL

THE ROYAL DRAWING SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

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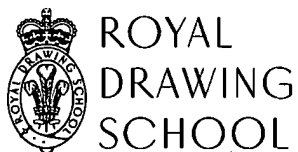
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COMPANIES HOUSE

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**THE ROYAL DRAWING SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**



THE ROYAL DRAWING SCHOOL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also the directors of the charitable company for the purposes of the Companies Act 2006, present their report with the financial statements of the charitable company for the year ended 31 August 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number:	4971133 (Registered in England & Wales)
Registered Charity number:	1101538
Registered Office:	19-22 Charlotte Road, London EC2A 3SG
Founding Royal Patron:	HM King Charles III

Trustees who served during the year:

Sir Charles Saumarez Smith	Chair
Fope Adelowo	
Dame Glenda Bailey	
Mariam Faruqi	
Professor Eileen Hogan	
Timothy Knox	
The Hon David Macmillan	Deputy Chair
Matthew Rice	
Elizabeth Sorensen	
Nicholas Vetch	Chair of the Finance and Audit Committee
Dr. Mary Wellesley	

**THE ROYAL DRAWING SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

Executive Team

Catherine Goodman
Julia Balchin

Founding Artistic Director
Principal

Auditors: Haysmac LLP, 10 Queen Street Place, London,
EC4R 1AG
Bankers: National Westminster Bank Plc, Cavell House,
2a Charing Cross Road, London WC2H 0PD

OBJECTIVES AND ACTIVITIES

Purposes and aims

Our charity's purposes as set out in the company's memorandum of association are to benefit the public through the advancement of education in the arts of drawing, painting, sculpture, and print making.

The aim of our charity is to raise the standard and profile of observational drawing and improve accessibility to high quality drawing tuition. This aim fully reflects the purposes the charity was established to deliver.

Ensuring our work delivers our aims

We review our aims, objectives, and activities every year. This review looks at what we achieved and the outcomes of our work in the previous year. We look at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. Our review also helps us to ensure that our aims, objectives, and activities remain focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, we consider how planned activities will contribute to the aims and objectives we have set.

The focus of our work

Our main objective for the year continued to be to raise the standard and profile of observational drawing. Our programmes are taught by a teaching faculty of over 100 practising artists, with 5,315 course bookings by c.2,500 students across 25 countries.

**THE ROYAL DRAWING SCHOOL
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The main activities towards meeting this objective were:

The Drawing Year – up to 30 students are accepted each year onto a postgraduate level, fifteen-month course in drawing. They each receive a full scholarship to cover all their course fees, tutorials, lectures, and forums to ensure accessibility and remove financial barriers to high quality art education. Each student also receives a free studio space in which to undertake their own artistic practice. In addition to their scholarship place, some of the students also receive a new means tested maintenance grant to assist with living expenses. In establishing this “London Living Grant” we are aiming to extend access to The Drawing Year to talented students who may otherwise find the cost of relocating to and living in London an obstacle to their ability to undertake the course.

Public Courses – consisting of three terms of subsidised day and evening courses, open to artists, creatives and members of the public interested in drawing, taught at all levels. There are also holiday courses at Easter and Christmas, as well as a summer school. Courses are held at our Shoreditch studio, as well as in the principal museums and galleries, and outdoor spaces across London. This is a fee-paying programme, however a comprehensive range of concessions, discounts and free places are offered to approximately 20% of the Public Programme to ensure that all courses offered are affordable and available to those interested in drawing from observation irrelevant of financial circumstance or background. Those eligible for concessions include people over 60, local residents in Hackney and Tower Hamlets, individuals on job seekers allowance or on disability support, art students and art teachers.

The Young Artists Programme – providing serious and sustained drawing teaching for talented and committed young people aged from 10 to 18. Full and partial scholarship support is offered to students on a means tested basis. Classes take place every week during term-time and are taught by alumni of our Drawing Year programme. The Young Artist programme also serves as Teacher Training programme for the graduates of The Drawing Year who undergo a two-year teacher training programme to develop the next generation of artist who can teach drawing. Many of the artist teachers go on to teach in school and universities across the UK and at RDS public and postgraduate level programme, with half the RDS tuition now carried out by RDS alumni. In 2022 we launched a new strand of the Young Artist programme running full scholarship, after school clubs, in partnership with state and free schools in disadvantaged London Boroughs.

Online Drawing Programme – the School has continued to offer live online teaching courses, extending our teaching to a national and international audience. The online programme supports our charitable mission by making our high-quality drawing courses accessible to those unable to attend our studios in person due to disability, illness, distance, or working or caring commitments. The programme enables us to reach isolated individuals and communities, and areas of the UK with limited access to arts education and venues, as well as developing an international audience, with students attending from 25 countries worldwide.

**THE ROYAL DRAWING SCHOOL
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Courses are fee paying with means tested concessions and bursaries available to ensure the programme is accessible to all.

We are developing a new strand of digital resources, the Living Library which will launch next academic year, a digital archive capturing the teaching and practise of artists that have contributed to the School since its inception in 2000.

Residencies

The School offers a wide range of national and international drawing, painting, and teaching residencies, giving artists opportunities to progress their work in varied settings. In 2023-24 120 artists attended our residencies. We send RDS alumni and faculty on fully funded residencies in Scotland and Wales, France, Switzerland Italy, USA (LA and New York), India, Antigua and Jamaica. Each year we welcome students from the USA to our studios in London for three months. Additionally, we host students from regional UK universities and partner US universities to our residency programme at Dumfries House in Scotland.

STRATEGIC REPORT - ACHEIVEMENTS AND PERFORMANCE

All our charitable activities focus on raising the standard and profile of observational drawing through teaching and practice and are undertaken to further our charitable purposes for the public benefit.

The School has established itself as a valued teaching resource, within the landscape of UK art education. The School aims to make it possible for anyone with a talent and passion to access high quality drawing tuition irrelevant of financial circumstance or background, and is committed to removing financial and social barriers to accessing high quality art education

The School is progressing a five-year plan and financial model which it first embarked upon in 2020/21. The plan ensures the School's long-term sustainability and financial security. The success of the strategy is measured both against our educational and charitable objectives as well as short- and long-term financial goals. The outcomes at the end of the financial year 2023-2024 are ahead of the strategy for year four and the budget set for 2024-2025 follows the plan for the fourth year. A new five-year plan to 2030 is being developed.

The Drawing Year 2022/23

The Drawing Year 2022/23 concluded in December 2023 and new class of 2023/24 commenced in September 2023, culminating in the end of year awards and exhibitions at Christie's and at Shoreditch in November and December 2024.

Each Drawing Year consists of a taught component from September to June followed by five months of studio practice. Students receive a minimum of 3.5 days tuition in the teaching terms and can access 5 days tuition weekly. When not in taught sessions, students continue

**THE ROYAL DRAWING SCHOOL
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their practice in their personal studio space provided by the School at Space Studios in Hackney. In the final six months of the course students work towards their end of year exhibition and assessment and participate in the 'Professional Development' programme for outgoing students, with some students beginning RDS teacher training with the Young Artist programme.

The External Assessment Board (members listed on page 13) assessed all the student's work and awarded the annual prizes on merit. Additionally, they carry out a review of checks and measures on RDS delivery, including academic and artistic content and student support. They commented on the high quality of student work in the year across the board and all students passed the year end assessment.

Bursaries and Student Support

We have introduced a London Living Grant of up to £3,000 per student to support students with the increasing cost of living, and to support students to relocate to London to take up their place. 15 students received the Grant. There are further means tested hardship and bursary funds available on application.

Student recruitment

The application deadlines for the Drawing Year falls in April. The recruitment process starts in November for admission in the following year.

We are continuing to improve the recruitment process in line with our Equity, Diversity, and Inclusion objects to remove any barriers to entry through financial support and portfolio mentoring as required. This year we saw an increase of 6% in applicants to 530, the highest to date, and an increase in the ethnic diversity of the 30 students both applying and being accepted onto the course.

EQUITY, DIVERSITY, AND INCLUSION

The School has established an Equity, Diversity and Inclusion Committee with the aim to champion and promote an inclusive culture, a supportive and diverse community, and a safe, welcoming and open forum for matters around EDI to be addressed.

The Committee holds the School accountable going through the school's EDI Action Plan looking at desired outcomes and ongoing activities ensuring EDI is embedded across all avenues namely:

- Governance and Strategy
- Training and Policy
- Curriculum and Content
- Recruitment – Staff & Faculty

**THE ROYAL DRAWING SCHOOL
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- Student Experience and Accessibility
- Student Recruitment
- Marketing and Communications

The meeting is also an opportunity to discuss emerging issues and for council members to give feedback or share observations.

The School has made progress in accessibility to its building and its courses, with disabled access improvements and the provision of captioned online courses for

ANNUAL REVIEW

Public Courses: In-Person

More than 180 part time 10- or 5-week (daytime and evening) courses were delivered in the academic year. Public courses ran at the School's own studios, as well as in the principal museums and galleries, and out and about in, London. Occupation levels were good, and we took more in-person bookings than pre-covid years, with 3,285 bookings. Our -public courses are subsidised to ensure the widest possible access to tuition, within the School's overall funding envelope. The School was able to maintain fees at competitive rates throughout the year, and to offer an extensive matrix of significant fee concessions as summarized in the table below.

	Discount %
Full-time BA students studying for a degree in Fine Art	75%
Full-time practicing fine artists under 40 years of age	75%
Primary and secondary school teachers who teach art	50%
Individuals on job seekers allowance	50%
Individuals who receive disability support	50%
Tower Hamlets and Hackney residents	25%
Tower Hamlet and Hackney businesses	25%
NHS Staff	20%
Individuals over the age of 60	10%

The total value of concessions distributed in the year to in-person and online students was £84,473.

**THE ROYAL DRAWING SCHOOL
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Online Drawing Programme

Alongside our in-person courses, we ran 156 online courses in 2023/2024, with 937 course bookings over the year. Ten and five-week drawing courses ran (both daytime and evening), available to the public, alongside a full time 'Online Drawing Development Year' course. Courses were free paying with concessions and scholarships available to ensure accessibility.

The School conducted the first courses under our newly developed "Live Broadcast Hub".

The online programme was taught by a combination of Senior Faculty and Alumni faculty, ensuring training of alumni teachers, fulfilling a further School objective. Students participated from a wide range of UK regions and 25 different countries.

The Young Artists Programme (2023 - 2024)

Taught by alumni of the School's Drawing Year postgraduate level programme, our Young Artists Programme of weekly classes is designed for young persons aged from 10 to 18, with a talent and passion for drawing. The programme enjoyed a successful year. 909 students attended the 60 courses held in the Autumn, Spring and Summer Terms, benefiting from the serious and sustained drawing tuition offered by our alumni faculty.

Classes were held in our own premises and at a range of important cultural venues including the National Gallery. We also continued to run courses online and in Norwich, and New Cumnock in Scotland.

We taught 184 students on our 10 holiday courses (Winter, Easter and Summer).

The Young Artists Exhibition took place in July with over 100 submissions from Young Artists across our courses.

We also launched a new strand of the Young Artist programme running full scholarship, after school clubs, in partnership with state and free schools in disadvantaged London Boroughs.

6 RDS alumni successfully completed their teacher training as part of the programme.

Exhibitions

Throughout 2023/24, the School continued to run a successful programme of exhibitions. The Drawing Year 2022 were represented at an end of year exhibition at Christie's, followed by a larger exhibition at our gallery in the School and our Young Artists also held a summer exhibition in the School's gallery – all exhibitions had record attendance levels.

This was the final year of the School's prestigious Sir Denis Mahon Award, and we are grateful for their support over the past decade – each year, one outgoing Drawing Year graduate receives the £10k award to support a yearlong residency culminating in a solo exhibition. The

**THE ROYAL DRAWING SCHOOL
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prize winner is selected by the External Assessment Board. For 2023/24 the School launched a new award, The Christie's Award, with a prize value of £15k - the recipient will exhibit their work at Christie's in London as part of the award in 2025.

We received funding to develop an exhibitions programme to raise the profile of the School, creating a window into the School and our work. The exhibition programme provides opportunity for our alumni and helps raise income for the School and artists. Working with guest curators, the programme aims to show the very best in both emerging and established, national and international artists with drawing at the centre of their practice. Three curated special exhibitions will be delivered as part of the funding across 2024 and 2025. The first in the series opened in June 2024, 'Drawn Together' is a mixed show of RDS alumni and was the highest grossing exhibition to date. The School acts as disclosed agents for the artists.

STRATEGIC REPORT - FINANCIAL REVIEW

In 2020, Trustees committed to a new five-year strategy and financial model to secure our long term financial security and sustainability, migrating us to a position which grows reserves and protects the Endowment Fund. Total investment returns allocated to income from the Endowment were reduced to 3% for the year.

The School has an Endowment Fund currently valued at £14.9 million which has grown from donations and investments since its inception in 2014 with an initial £7.5 million.

The School's balance sheet shows total net assets at 31st August 2024 of £ 19,065,264 (2023: £17,741,275).

Income for the year is a key performance indicator and totalled £4,411,082 (2023: £3,647,520).

Principal sources of other funding arose from donations, fees charged to students attending the School's public and online courses and artwork commission and returns on investments.

Our income comprised of:

	2024	2023
Donations	£1,976,432	£2,222,736
Educational activities	£1,474,133	£1,355,835
Investments	£960,517	£68,949
Total	£4,411,081	£3,647,520

Expenditure for the year totalled £ 3,786,130 (2023: £3,791,629), of which staff and teaching faculty costs comprised the main expenditure in the delivery of the School's programmes.

**THE ROYAL DRAWING SCHOOL
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Adjusted by significant investment gains, the resulting surplus was £1,324,349 (2023: £(1,009,359)).

Fundraising approach and performance

The School concentrates its fundraising efforts on securing the support of individuals, charitable trusts and foundations whose interests in the arts and education are aligned with its mission to pro-mote drawing. Donations to the Royal Drawing School and offers to become a Patron are accepted on the basis that they contribute towards the general objectives of the School and are in line with our values and mission. We carry out due diligence appropriate in relation to the size and nature of a donation before accepting funds. We assess and manage any risks fundraising poses to the Royal Drawing School's activities, beneficiaries, property, work and reputation. We do this through our Ethical Fundraising Group and through two external due diligence bodies. The School has up to date GDPR and Privacy policies that are publicly available. The School is registered with the Fundraising Regulator and no complaints were received during the year.

Policy on reserves

The School has reserves of £19,065,624 at the year ended 31 August 2024 (2023: £17,741,275). This comprises restricted funds of £253,550 (2023: £253,866), endowment funds of £14,938,656 (2023: £13,779,726), designated funds of £2,401,221 (2023: £2,436,888) and unrestricted general funds of £1,472,197 (2023: £1,270,795).

To mitigate financial risk for the charity, the Trustees' aim is to establish a level of unrestricted general reserves covering at least six months of operating expenditure. On this basis, the School has identified restricted and general funds of approximately £1,725,000.

Trustees approved a new financial model in 2020 and subsequently we have been able to generate a level of surplus each year.

Investment policy and performance

The School has adopted a new strategy and financial model to ringfence the Endowment Fund and build additional unrestricted reserves. Funds from the School's successful endowment campaign are invested by the Trustees' Investment Committee, with the primary purpose of supporting the activities of the School by providing a good income for operational costs, whilst retaining the real term capital value of funds invested.

For the permanent endowment, received on 4 August 2014, the School has adopted The Charities (Total Return) Regulations 2013 as explained in Note 8 to the accounts. The Trustees have set the allocation of total returns at 3% of the gross capital Endowment Fund value for 2023-24.

The Endowment Fund is managed by an outsourced corporate CIO on a discretionary basis with continuing oversight from the Investment Committee, on which two members of the

**THE ROYAL DRAWING SCHOOL
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2024**

Board sit. The Investment Committee meets two times a year. The Investment Committee set absolute total return objectives.

It is expected that the Endowment Fund will attract further support in the coming years and increase in size. For the year, which was another difficult year for investments globally, the investment managers generated a net investment gain of £ 688,397 (6.3%) (2023 loss £865,250(7.9%)).

STRATEGIC REPORT - PLANS FOR FUTURE YEARS

The School plans to continue the Drawing Year, Young Artist and Public Programme activities outlined on pages 2 and 3 in the forthcoming years, along with developing our programme of online courses subject to satisfactory funding arrangements. Ensuring the School's long-term and sustainable future as a valued and accessible teaching resource, of acknowledged national and international excellence in its own specialist field, remains at the forefront of its planning.

Trustees have adopted a five-year strategy to deliver a balanced budget by reducing operational costs and increasing income. A small surplus is generated each year to build reserves and safeguard the Endowment Fund. Income will be increased through the Public Programme, investing in the newly built Gallery Studios in Shoreditch London (main campus), and through our income stream of online courses. The 2023-24 surplus will be applied to investments in our website and customer relationship management system and the continuation of London Living Grants.

The strategy is measured against our educational and charitable remit and delivered in a manner that develops greater financial security year on year and a long-term sustainable future.

A new 5-year plan is currently in development, to launch in 2025/26 and will underpin a significant capital campaign. The year 2025 is the School's 25th anniversary and the 2025/2026 academic year will be used as a moment to mark this significant milestone with a series of special events as the School celebrates its achievements and looks forward to the next 25 years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Royal Drawing School was founded as part of The Prince's Foundation in 2000, commencing as a separate charitable company on 1 April 2004. The Royal Drawing School is a company limited by guarantee, governed by its Memorandum and Articles of Association

**THE ROYAL DRAWING SCHOOL
REPORT OF THE TRUSTEES
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dated 12 November 2003 (amended 13 June 2017), which established the objects and powers of the charitable company.

Governance and Management

The directors of the company are also charity trustees for the purposes of charity law. There must be at least three trustees, and they are recruited by resolution of the existing trustees on the basis of their knowledge of the art and art education worlds or their business experience. Trustees receive an induction pack, including Board papers from the last meeting and School literature, and meet with the Principal, Founding Artistic Director and members of the Senior Leadership team as way of introduction to the School's work. Additionally, they visit the School to meet students and observe classes. As part of ongoing training throughout their term, they are invited to attend all sub-committees and to meet with students, staff and faculty to keep fully informed with the work of the School. During their tenure trustees have the opportunity to have ongoing training, paid for by the School, to help them fulfil their duties.

The board of trustees meets at least four times each year, to set the overall strategic direction of the charity and to monitor the achievement of its objectives. A Finance & Audit Committee of key trustees and management personnel of the charity meet four times a year and are in charge of the School's financial management, controls and operational issues. The management of the day to day operations of the charity is delegated to the Principal (who is not a Companies Act Director).

All trustees give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 15 to the accounts. The employees included in the key management personnel are the Founding Artistic Director and Principal.

The pay of the Founding Artistic Director and Principal, and all other staff, is reviewed annually, and normally increased in accordance with average earnings to reflect a cost-of-living adjustment.

A 3.8% salary increase for all eligible staff was made from 1st September 2024.

Committees

A committee of the trustees and key management personnel, the **Finance & Audit Committee**, undertakes detailed consideration of the School's key strategic and operational issues and advises the trustees in relation to their responsibilities for financial management, control and reporting, as well as in relation to the management of human resources. The members of the committee, which meets four times each year, are:

Nicholas Vetch (Chair of the Finance and Audit Committee)

Fope Adelowo (Trustee)

**THE ROYAL DRAWING SCHOOL
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David Macmillan (Trustee)

Matthew Rice (Trustee)

Sir Charles Saumarez Smith (Trustee, Chair of the Board)

Catherine Goodman (Founding Artistic Director)

Julia Balchin (Principal)

Members of the Senior Management Team attend as delegates as required.

The **Academic Board** advises the trustees on their responsibilities for setting the School's curriculum and for ensuring the highest academic standards and reputation. The members of the Academic Board are:

Sir Charles Saumarez Smith (Chair of the Board of Trustees and the Academic Board)

Julian Bell

Mark Cazalet

Professor Ewan Clayton

Constanza Dessain

Liza Dimbleby

Richard Ikhide

Catherine Goodman (Founding Artistic Director)

Professor Eileen Hogan (Trustee)

Kathryn Maple

Harry Parker (Deputy Director, Director of Education)

Lindsay Sekulowicz

Martin Shortis

Dr. Claudia Tobin

An **External Assessment Board** provides independent, external monitoring and evaluation of the work of Drawing Year students and recommendations on the course of study. Its membership comprises of artists and art academics and is:

Dr. Xavier Bray (Chair)

Rachel Campbell Johnston

Sydney Picasso

Thomas Dane

Bharti Kher

Rosa Loy

**THE ROYAL DRAWING SCHOOL
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The School's **Investment Committee** oversees the investment of the School's endowment funds. The Committee's members are all investment professionals of significant reputation and standing. They are:

Howard Marks (Chair of the Investment Committee)

Evy Hambro

Fope Adelowo

Francesco Goedhuis

Stuart Roden

Nicholas Vetch (Chair of the Finance and Audit Committee and Trustee)

STRATEGIC REPORT- RISK MANAGEMENT

The trustees review the major risks to which the charity is exposed, no less than annually, and have adopted a *formal risk-management process* to evaluate risk by likelihood and impact. The trustees are satisfied that the risk control document generated by this process enables them to identify and mitigate risk to an acceptable level. The most significant risks and mitigations are detailed below:

RISK	MITIGATION
The costs of running the building becomes prohibitive- the School does not have fit-for-purpose premises in which to deliver its programmes	Bare Trust agreement to protect interests at Charlotte Road; actively seek to reduce running costs of building including improving energy rating; take a measured view of committing resources when the School does not have long-term security of tenure. Ensure school has a <i>property and estate plan</i> to deliver its mission and mid term plan
Changes in Government Policy and Political instability	Healthy levels of unrestricted reserves for in-year contingency funding; London Living grants to help students with rising costs of living in London; ensure the regular review of student visa status and effective recruitment campaign for international students who hold appropriate visas; develop exchange and residencies programme
A significant safeguarding problem arises with a child or adult attending one of the School's programmes.	Implement an effective Child Protection Policy and Safeguarding Adult Policy. Annual staff training on Safeguarding Adults and Children, conflict resolution training and Mental Health First Aid training.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that year. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

During the year our auditors Haysmacintyre changed their name to HaysMac LLP in November 2024. HaysMac LLP, are deemed to be appointed under section 487(2) of the Companies Act 2006.

This report, which incorporates the Strategic Report, was approved by the trustees and signed on their behalf by:

Nicholas Vetch

.....
Nicholas Vetch

Trustee

Date: 1st April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL DRAWING SCHOOL

Opinion

We have audited the financial statements of The Royal Drawing School for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

**THE ROYAL DRAWING SCHOOL
AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**THE ROYAL DRAWING SCHOOL
AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006 and Charities Act 2011 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of meetings of trustees;
- Identifying and testing journals, in particular journal entries posted unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

**THE ROYAL DRAWING SCHOOL
AUDIT REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 1 April 2025

The Royal Drawing School
Statement of financial activities including income and expenditure account
Year ended 31 August 2024

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	Notes	31-Aug-24	31-Aug-24	31-Aug-24	31-Aug-24	31-Aug-23
		£	£	£	£	£
Income from:						
Donations and legacies		1,473,330	503,102	-	1,976,432	2,222,736
Charitable activities:						
Education		1,474,133	-	-	1,474,133	1,355,835
Investments		81,614	-	878,903	960,517	68,949
Other		-	-	-	-	-
Total income	2	3,029,077	503,102	878,903	4,411,082	3,647,520
Expenditure on:						
Raising funds		427,149	-	9,370	436,519	451,190
Charitable activities:						
Education		2,846,193	503,418	-	3,349,611	3,340,439
Total expenditure	3	3,273,342	503,418	9,370	3,786,130	3,791,629
Net income / (expenditure) before change in market value of investments and transfers		(244,265)	(316)	869,533	624,952	(144,109)
Change in market value of investments		-	-	699,397	699,397	(865,250)
Net income / (expenditure) for the year		(244,265)	(316)	1,568,930	1,324,349	(1,009,359)
Transfer - allocation of total return		410,000	-	(410,000)	-	-
Transfer between funds			-		-	-
Net movement in funds		165,735	(316)	1,158,930	1,324,349	(1,009,359)
Total funds brought forward		3,707,683	253,866	13,779,726	17,741,275	18,394,840
Total funds carried forward	11,12	3,873,418	253,550	14,938,656	19,065,624	17,385,481

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 11 to the financial statements.

The notes on pages 22 to 35 form part of these financial statements.

The Royal Drawing School
Balance sheet
As at 31 August 2024

	Notes	31-Aug-24 £	31-Aug-23 £
Fixed assets			
Tangible assets	7	2,270,478	2,401,531
Investments	8	14,679,657	13,097,297
		<u>16,950,135</u>	<u>15,498,828</u>
Current assets			
Debtors	9	389,554	457,598
Cash at bank and in hand		2,569,043	2,833,649
		<u>2,958,597</u>	<u>3,291,247</u>
Creditors: amounts falling due within one year	10	(843,108)	(1,048,800)
Net current assets		<u>2,115,489</u>	<u>2,242,447</u>
Total net assets		<u><u>19,065,624</u></u>	<u><u>17,741,275</u></u>
Represented by:			
Restricted funds		253,550	253,866
Endowment funds		14,938,656	13,779,726
Designated fund		2,401,221	2,436,888
General fund		1,472,197	1,270,795
	11,12.	<u><u>19,065,624</u></u>	<u><u>17,741,275</u></u>

The notes on pages 22 to 35 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 1 April 2025 and were signed on its behalf by:

Nicholas Vetch

.....

Nicholas Vetch
Trustee
Date: 1 April 2025

Company number: 4971133

The Royal Drawing School
Statement of cash flows
Year ended 31 August 2024

	Ref	31-Aug-24 £	31-Aug-23 £
Cash flows from operating activities:	Note A	(1,208,647)	301,632
Cash flows from investing activities:			
Dividends and interest from investments		960,517	68,950
Purchase of fixed assets		(2,499)	(49,656)
Disposal of fixed assets		-	-
Proceeds from sale of investments		12,802,157	1,887,228
Purchase of investments		<u>(12,816,134)</u>	<u>(1,291,667)</u>
Net cash provided by / (used in) investing activities		944,041	614,855
Cash flows from financing activities:			
Receipt of endowment		<u>-</u>	<u>-</u>
Net cash provided by / (used in) financing activities		-	-
Change in cash and cash equivalents in the year		(264,606)	916,487
Cash and cash equivalents at the beginning of the year		<u>2,833,649</u>	<u>1,917,162</u>
Cash and cash equivalents at the end of the year		<u>2,569,043</u>	<u>2,833,649</u>

Note A - reconciliation from SOFA to cash

Net income / (expenditure) in the year	SOFA	1,324,349	232,237
(Gains)/losses on investments	Note 8	(1,568,383)	(347,346)
		(1,568,383)	(347,346)
Dividends, interest and rent from investments	Note 2	(960,517)	(68,949)
Receipt of endowment	Note 2	-	-
		(960,517)	(68,949)
Depreciation charges	Note 7	133,552	133,491
(Increase)/decrease in debtors		68,044	(63,787)
Increase/(decrease) in creditors		(205,692)	415,986
		(4,096)	485,690
Net cash provided by / (used in) operating activities		<u>(1,208,647)</u>	<u>301,632</u>

1 Accounting policies

The School (company number: 04971133) is a private charitable company limited by guarantee, is incorporated in England and Wales and is registered at 19-22 Charlotte Road, London, EC2A 3SG.

1.01 Accounting convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note(s).

The key judgements and estimates and accounting policies are set out in 1.02 to 1.17 below.

1.02 Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include the assumptions around the probability of receipt of accrued income and the valuation of investments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The School meets the definition of a public benefit entity under FRS 102.

1.03 Financial Instruments

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

1.04 Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1.05 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

1.06 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

- Expenditure on charitable activities includes the costs of the operational charitable programmes, and the costs incurred by corporate service teams to support these programmes, which are undertaken to further the purposes of the charity along with their associated support costs

1.07 Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

1.08 Operating leases

Rents payable under operating leases are charged against income on a straight line basis over the lease term.

1.09 Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets denominated in foreign currencies are translated at the rate ruling at the balance sheet date.

1.10 Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Freehold buildings	- over 50 years on cost
- Fixtures, fittings and equipment	- over 3 years on cost
- Website and booking system	- over 4 years on cost
- Leasehold improvements	- over 5 years on cost

1.11 Investments

The investments are held at market value at the year end date. For quoted investments these are the values as at 31 August. For other investments, notably private equity funds, where valuation dates are not coterminous with the charity's year end, a best estimate is made of their market value as at 31 August.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1 Accounting policies (continued)

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Pensions

The School operates defined contribution pension arrangements, the assets of which are held separately from those of the School in independently administered funds. Contributions are charged to the income and expenditure account as they become payable.

1.16 Fund accounting

The School maintains five types of fund:

- General unrestricted funds are those which can be used in accordance with the School's charitable objects at the discretion of the trustees.
- Designated unrestricted funds comprise funds which have been set aside at the discretion of the Board of Trustees for specific purposes.
- Restricted funds are donations, sponsorships or grants given for a specific piece of work or area of activity, mainly scholarships and community work.
- Permanent endowment funds are funds where the capital must be held permanently by the School. The funds are invested, or held in cash, and the movement in fund values are recognised in the SOFA as investment gains and losses. Income arising on permanent endowment funds is treated as part of the total return. See note 8.
- Expendable endowment funds comprise funds held on trust to be retained for the benefit of the School as a capital fund. The Trustees have power of discretion to convert endowed capital into income.

1.17 Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately differ from those estimates.

The valuation of investments is a key accounting estimate, as two of the investment funds are closed funds, and valuations are only obtainable on a calendar quarterly basis. There are no available benchmarking tools available to calculate the movement between statements, and so the value in these accounts is held per the latest available quarterly statement released in this financial year.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life, per note 1.11.

Trustees have found no additional areas of judgement with a significant effect on the financial statements.

The Royal Drawing School
Notes to the financial statements
Year ended 31 August 2024

2 Income

	General Funds	Restricted Funds	Endowment Funds	Total	Total
	31-Aug-24	31-Aug-24	31-Aug-24	31-Aug-24	31-Aug-23
	£	£	£	£	£
Donations and legacies	1,473,330	503,102	-	1,976,432	2,222,736
Charitable activities					
Course fees	1,361,404	-	-	1,361,404	1,206,377
Materials	13,426	-	-	13,426	16,809
Other income	99,303	-	-	99,303	132,649
	1,474,133	-	-	1,474,133	1,355,835
Investments					
Deposit account interest	81,614	-	-	81,614	61,580
Dividends, interest and realised gains	-	-	878,903	878,903	7,369
	81,614	-	878,903	960,517	68,949
Other					
Exchange gains / (losses)	-	-	-	-	-
	3,029,077	503,102	878,903	4,411,082	3,647,520

3 Expenditure

	31-Aug-24	31-Aug-23
	£	£
Raising Funds		
Staff costs (Note 5)	260,290	181,436
Investment management	9,370	44,859
Publicity and fundraising	166,859	224,895
	436,519	451,190
Charitable activities		
Educational activity:		
Staff costs (Note 5)	1,254,909	1,019,474
Other direct costs (Note 4)	1,834,906	1,875,978
Support costs (Note 4)	259,796	444,987
	3,349,611	3,340,439
	3,786,130	3,791,629

4 Other direct costs and support costs

	31-Aug-24	31-Aug-23
	£	£
Other direct costs comprise:		
Tutors and models	798,055	800,497
Premises costs (including staff costs - Note 5)	373,087	363,441
Bursaries and prizes	98,134	83,770
Other direct costs (including depreciation)	565,630	628,270
	1,834,906	1,875,978
Support costs comprise:		
Financial and secretarial	75,746	147,970
Exchange (gains)/losses	10,802	169,631
Insurance	27,398	18,399
Bank interest and charges	70,060	53,634
Governance:		
Legal and corporate costs	58,631	23,900
Audit fees (Note 6)	17,160	31,453
	259,797	444,987

The Royal Drawing School
Notes to the financial statements

Year ended 31 August 2024

5 Staff costs	31-Aug-24 £	31-Aug-23 £
Wages and salaries	1,262,670	985,702
National insurance	113,658	96,205
Pension costs	75,632	55,118
	1,451,960	1,137,025
Temporary staff costs	14,088	15,851
Recruitment and training costs	49,151	48,034
	1,515,199	1,200,910

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	31-Aug-24 Number	31-Aug-23 Number
£60,000 - £69,999	1	-
£70,000 - £79,999	-	-
£80,000 - £89,999	1	1
£90,000 - £99,999	1	1
£100,000 - £109,999	-	-
	£ 19,798	£ 12,606

Pension costs for higher paid staff were:

The average number of employees (head count based on number of staff employed) during the year was 48 (2023: 43). The average number of full time equivalent employees during the year analysed by function, was:

	31-Aug-24 Number	31-Aug-23 Number
Artistic and executive directors	2	2
Education programmes	45	39
Technicians	1	2
	48	43

The total employee benefits including pension contributions of the key management personnel were £215,759 (2023: £209,619).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

6 Net (outgoing)/incoming resources before other recognised gains and losses	31-Aug-24 £	31-Aug-23 £
This is stated after charging:		
Auditors' remuneration	30,000	26,460
Depreciation	133,552	133,552

Trustees are eligible to be reimbursed for travel and incidental expenses incurred in the performance of their duties; £nil was claimed (2023: nil). One trustee received fees totalling £1,556 in connection with services as a self-employed drawing tutor (2023: one). No trustees received fees in relation to services provided on an arm's length basis (2023: none).

The Royal Drawing School
Notes to the financial statements
Year ended 31 August 2024

7 Tangible fixed assets

	Freehold land and buildings £	Leasehold Improvements £	Website & Booking System £	Fixtures, fittings and equipment £	Total £
Cost					
At 31 August 2023	2,416,667	529,737	105,457	46,022	3,097,883
Additions	-	-	-	2,499	2,499
Disposals	-	-	-	-	-
At 31 August 2024	2,416,667	529,737	105,457	48,521	3,100,382
Depreciation					
At 31 August 2023	334,781	226,922	95,406	39,243	696,352
Charge for the year	30,666	93,585	6,458	2,843	133,552
Disposals	-	-	-	-	-
At 31 August 2024	365,447	320,507	101,864	42,086	829,904
Net book value					
At 31 August 2024	2,051,220	209,230	3,593	6,435	2,270,478
At 31 August 2023	2,081,886	302,815	10,051	6,779	2,401,531

All of the above assets are used for charitable purposes.

8 Investments

	31-Aug-24 £	31-Aug-24 £	31-Aug-24 £
	Permanent	Expendable	Total
Current Year			
Market value at 31 August 2023	5,977,494	7,119,803	13,097,297
Additions at cost	9,685,965	3,130,170	12,816,135
Disposals at cost	(9,367,660)	(3,500,112)	(12,867,772)
Movement in cash held for investments	(2,141)	67,756	65,615
Change in market value	790,852	777,530	1,568,382
Market value at 31 August 2024	7,084,510	7,595,147	14,679,657
	31-Aug-23 £	31-Aug-23 £	31-Aug-23 £
	Permanent	Expendable	Total
Prior Year			
Market value at 31 August 2022	6,797,526	6,547,985	13,345,511
Additions at cost	-	1,291,667	1,291,667
Disposals at cost	(575,847)	(878,923)	(1,454,770)
Movement in cash held for investments	(391,701)	(40,756)	(432,457)
Change in market value	147,516	199,830	347,346
Market value at 31 August 2023	5,977,494	7,119,803	13,097,297

The Royal Drawing School
Notes to the financial statements
Year ended 31 August 2024

8 Investments (continued)

Market Value	31-Aug-24 £ Permanent	31-Aug-24 £ Expendable	31-Aug-24 £ Total
Current Year			
Analysis of investments			
Oaktree Capital Management, L.P. (four funds)	14,604	-	14,604
iShares Core MSCI World UCITS ETF	708,991	166,307	875,298
Partners Capital Greyhawk Cayman Feeder Fund, Ltd	-	2,644,627	2,644,627
Partners Capital Phoenix Fund II Ltd - Diversified Income Fund	1,468,499	2,732,511	4,201,010
Partners Capital Secondaries	-	941,135	941,135
Partners Capital Condor Fund XV (Cayman) LP	-	222,151	222,151
Partners Capital Condor Fund XVI (Cayman) LP	-	112,977	112,977
Partners Capital Condor Fund XVII (Cayman) LP	-	3,049	3,049
The Master Portfolio (C) Ltd - GBP	-	-	-
iShares UK GILTS	-	562,193	562,193
140 Summer Partners Offshore	279,369	-	279,369
Octagon Partners CLO Opp	337,171	79,089	416,260
Principal Global Investors	358,643	84,126	442,769
Ares Strategic Income (19%)	336,241	78,871	415,112
iShares Core MSCI World GBP Hedged	1,435,711	336,772	1,772,483
iShares up to 10 Years UK GILTS	570,662	-	570,662
BlackRock ICS Sterling	320,702	-	320,702
Axonon Structured Opportunities	556,549	-	556,549
Masters Hold Back	163,037	-	163,037
Other Investments	-	-	-
Cash held for investment	57,025	108,645	165,670
Total market value	6,607,204	8,072,453	14,679,657
	1	(0)	(0)
	31-Aug-23	31-Aug-23	31-Aug-23
	£	£	£
Prior Year	Permanent	Expendable	Total
Analysis of investments			
Oaktree Capital Management, L.P. (four funds)	17,677	-	17,678
TM Lansdowne Developed Markets Long Only SRI Fund GBP	-	-	-
iShares Core MSCI World UCITS ETF	-	891,467	891,467
Partners Capital Greyhawk Cayman Feeder Fund, Ltd	-	2,243,604	2,243,604
Partners Capital Phoenix Fund II Ltd - Diversified Income Fund - Class A1 January 2022 Series	-	-	-
Partners Capital Phoenix Fund II Ltd - Diversified Income Fund - Class A1 Lead Series	-	1,930,616	1,930,616
Partners Capital Secondaries	-	322,555	322,555
Partners Capital Condor Fund XV (Cayman) LP	-	159,787	159,787
Partners Capital Condor Fund XVI (Cayman) LP	-	82,400	82,400
The Master Portfolio (C) Ltd - GBP	5,952,800	1,396,336	7,349,136
Other Investments	59,166	40,889	100,055
Total market value	6,029,643	7,067,654	13,097,298

8 Investments (continued)

Income for the year	31-Aug-24 £	31-Aug-24 £	31-Aug-24 £
	Permanent	Expendable	Total
Current Year			
Analysis of investments			
Oaktree Capital Management, L.P. (four funds)	7,200	-	7,200
Oaktree Enhanced Income Fund II (Cayman), L.P.	2,716	-	2,716
Oaktree Real Estate Debt Fund (Cayman), L.P.	-	-	-
Oaktree Power Opportunities Fund IV Feeder (Cayman), LP.	4,483	-	4,483
Oaktree European Senior Loan Fund	-	-	-
Ruffer Total Return Fund – C Inc GBP	-	-	-
iShares Core MSCI World UCITS ETF	-	26,752	26,752
Other Investments	-	-	-
Cash held for investment	-	-	-
Total income	7,199	26,752	33,951
	31-Aug-23 £	31-Aug-23 £	31-Aug-23 £
	Permanent	Expendable	Total
Prior Year			
Analysis of investments			
Oaktree Capital Management, L.P. (four funds)	2,126	5,243	2,126
Other Investments	-	-	-
Total income	2,126	5,243	7,369

8 Investments (continued)

Permanent endowment funds: Total Return Accounting

The School has adopted The Charities (Total Return) Regulations 2013 issued by the Charity Commission and has implemented the total return investment powers in relation to its permanent endowment investment. The regulation permits the trustees to invest the portfolio to maximise total return and to apply an appropriate portion of the unapplied total return to income each year. Until the power is exercised to transfer a portion of the unapplied total return to income, the unapplied total return remains invested as part of the permanent endowment.

The trustees have exercised their power to allocate unapplied total return to income of £440,000 (2023: £440,000) in the year. Total allocation of return to income represents 4% annual of the average fund value held during the year, subject to sufficient unapplied total return.

The investment fund and application of total return to permanent endowment funds:

	31-Aug-24 £	31-Aug-23 £
Opening value of permanent endowment	6,462,313	6,797,529
Less: Original value of the gift	(4,000,000)	(4,000,000)
Unapplied total return brought forward	2,462,313	2,797,529
Add / (Less)		
Investment return: dividends and interest	7,200	2,126
Investment Costs	(9,370)	(44,859)
Investment return: gains and (losses)	783,651	147,516
Unapplied total return before transfer to income	3,243,794	2,902,313
Less		
Total return applied	(410,000)	(440,000)
Unapplied return as at 31 August 2024	2,833,794	2,462,313
Add		
Original value of the gift brought forward	4,000,000	4,000,000
New endowments in the year	-	-
Permanent endowment including unapplied total return as at 31 August 2024 constituting the investment fund	6,833,794	6,462,313

The Royal Drawing School
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Year ended 31 August 2024

9 Debtors

	31-Aug-24 £	31-Aug-23 £
Trade debtors	31,534	26,694
Donations receivable	105,000	180,628
Prepayments	79,420	74,353
Other debtors	173,600	175,923
	389,554	457,598

10 Creditors: amounts falling due within one year

	31-Aug-24 £	31-Aug-23 £
Trade creditors	166,874	258,649
Accruals	86,353	77,789
Deferred income	550,826	647,923
Other taxes and social security	33,801	67,253
Sundry creditors	5,254	(2,814)
	843,108	1,048,800
Opening deferred income	647,923	157,027
Released in the year	(647,923)	(157,027)
Income deferred in the current year	550,826	647,923
	550,826	647,923

11 Movement on funds

	At 31 August 2023 £	Income £	Expenditure £	Transfer £	Other recognised gains / losses £	At 31 August 2024 £
Current Year						
Unrestricted funds						
General Fund	1,270,795	3,029,077	(3,237,675)	410,000	-	1,472,197
Designated Property Fund	2,081,888	-	(30,667)	-	-	2,051,221
Digital	350,000					350,000
London Living Fund	5,000		(5,000)			-
	3,707,683	3,029,077	(3,273,342)	410,000	-	3,873,418
Restricted funds						
Artist On Film	20,602	-	-	-	-	20,602
Windrush	64,432	-	(349)	-	-	64,083
Drawing Year Fund	-	273,249	(273,249)	-	-	-
Young Artists Programme	-	137,623	(137,623)	-	-	-
Foundation Year Fund	-	75,690	(75,690)	-	-	-
Denis Mahon	14,774	15,000	(10,909)	-	-	18,865
Alumni & DH	4,058	-	(4,058)	-	-	-
Public Programme General	-	1,540	(1,540)	-	-	-
Scholarship and general restricted	-	-	-	-	-	-
Building Works Fund	-	-	-	-	-	-
Living Library	150,000	-				150,000
	253,866	503,102	(503,418)	-	-	253,550
Endowment funds						
Permanent endowments	6,462,312	649,812	(9,370)	(410,000)	141,040	6,833,794
Expendable endowments	7,317,414	229,091		-	558,357	8,104,862
	13,779,726	878,903	(9,370)	(410,000)	699,397	14,938,656
Total funds	17,741,275	4,411,082	(3,786,130)	-	699,397	19,065,624

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11 Movement on funds (continued)	-	-	(0)			
	At 31 August 2022	Income	Expenditure	Transfer	Other recognised gains / losses	At 31 August 2023
Prior Year	£	£	£	£	£	£
Unrestricted funds						
General Fund	1,367,585	2,737,561	(2,944,351)	110,000	-	1,270,795
Designated Property Fund	2,112,554	-	(30,666)	-	-	2,081,888
Digital	70,000			280,000		350,000
London Living Fund	-		(45,000)	50,000		5,000
	3,550,139	2,737,561	(3,020,017)	440,000	-	3,707,683
Restricted funds						
Artist On Film	20,602	-	-	-	-	20,602
Windrush	-	195,963	(131,531)	-	-	64,432
Drawing Year Fund	-	312,030	(312,030)	-	-	-
Young Artists Programme	-	121,004	(121,004)	-	-	-
Foundation Year Fund	25,578	75,198	(100,776)	-	-	-
Denis Mahon	10,492	10,000	(5,718)	-	-	14,774
Alumni & DH	21,357	10,000	(27,299)	-	-	4,058
Public Programme General	-	28,395	(28,395)	-	-	-
Scholarship and general restricted	-	-	-	-	-	-
Building Works Fund	-	-	-	-	-	-
Living Library	-	150,000				150,000
	78,029	902,590	(726,753)	-	-	253,866
Endowment funds						
Permanent endowments	6,797,529	2,126	(44,859)	(440,000)	147,516	6,462,312
Expendable endowments	7,112,340	5,243		-	199,831	7,317,414
	13,909,870	7,370	(44,859)	(440,000)	347,347	13,779,726
Total funds	17,538,038	3,647,521	(3,791,629)	-	347,347	17,741,275

11 Movement on funds (continued)

Designated Property Fund

This is a designated fund representing the net book value of the charity's one third share of 19-22 Charlotte Road, London EC2A 3SG.

Designated Digital Fund

The trustees designated £350k of funds as at 31 August 2023 towards the development of the digital strategy.

Designated London Living Grant Fund

The Trustees designated £50k of funds as at 31 August 2023 towards living grant bursaries.

Artist On Film

This fund is to support the delivery of the School's Artist on Film series.

Windrush

This fund is to support the delivery of the School's Windrush series.

Drawing Year Fund

This fund is to support the delivery of the School's MA-level Drawing Year.

Young Artists Programme

This fund is to support the School's Young Artists Programme of weekly drawing classes for children and young people aged 11-18.

Artists Residencies

This fund is to support the School's international artist residency programme.

Foundation Year Fund

This fund is to support the delivery of the School's Foundation Year.

Denis Mahon

This fund is to support the artistic practice of an alumnus of the School's MA-level Drawing Year.

Alumni & DH

This fund is to support the professional development and artistic practice of alumni of the School's Drawing Year programme.

Alumni & DH

This fund is to update the fabric of the building at 19-22 Charlotte Road.

Public Programme General

Funds restricted to supporting scholarship and other activities of the School

Building Works Fund

During the year the charity completed the work on the new teaching studios and exhibition space at Charlotte Road and as a result transferred the restricted fund supported by Maria Manetti Shrem to unrestricted funds

The Royal Drawing School
Notes to the financial statements
Year ended 31 August 2024

11 Movement on funds (continued)

Endowment Funds

	Permanent Endowments £	Expendable Endowments £	Total Endowments £
Current Year			
Balance brought forward at 1 September 2023	6,462,312	7,317,414	13,779,726
Dividends and interest received net of expenses	640,441	229,092	869,533
	7,102,753	7,546,506	14,649,259
Change in market value of investments	141,040	558,357	699,397
Transfer from General Fund (note 11)	-	-	-
Total return applied	(410,000)	-	(410,000)
Balance carried forward at 31 August 2024	6,833,793	8,104,863	14,938,656
Represented by:			
Fixed Asset Investments	6,607,204	8,072,453	14,679,657
Cash	226,589	32,410	258,999
	6,833,793	8,104,863	14,938,656
	Permanent Endowments £	Expendable Endowments £	Total Endowments £
Prior Year			
Balance brought forward at 1 September 2022	6,797,529	7,112,340	13,909,869
Endowment capital received	-	-	-
Howard & Nancy Marks	-	-	-
Dividends and interest received net of expenses	(42,733)	5,243	(37,490)
	6,754,796	7,117,583	13,872,379
Change in market value of investments	147,516	199,831	347,347
Transfer to General Fund (note 11)	-	-	-
Total return applied	(440,000)	-	(440,000)
Balance carried forward at 31 August 2023	6,462,312	7,317,414	13,779,726
Represented by:			
Fixed Asset Investments	6,029,643	7,067,653	13,097,296
Cash	432,669	249,761	682,430
	6,029,643	7,317,414	13,779,726

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12 Analysis of net assets between funds

	General Fund 2024 £	Designated, Digital Fund and London Living Grant Fund 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £
Current year					
Fixed assets	219,257	2,051,221	-	14,679,657	16,950,135
Net current assets	1,252,940	350,000	253,550	258,999	2,115,489
	1,472,197	2,401,221	253,550	14,938,656	19,065,624
	General Fund 2023 £	Designated Fund 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Prior year					
Tangible fixed assets	319,645	2,081,886	-	13,097,297	15,498,828
Net current assets	951,150	355,002	253,866	682,429	2,242,447
	1,270,795	2,436,888	253,866	13,779,726	17,741,275

13 Pensions

The Royal Drawing School contributes to individuals' personal pension schemes, which are thus accounted for as a defined contribution pension scheme.

The cost recognised within the result for the year in the statement of financial activities (see Note 5) is equal to the contributions payable during the year.

14 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

15 Related parties

Trustees donated £25,000 in the year (2023: £25,000).

16 Financial commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	31-Aug-24	31-Aug-23
Office equipment		
Payable within one year	17,272	17,272
Payable in two to five years	9,737	27,009