

THE ROYAL ACADEMY OF ARTS

(A Company Limited by Guarantee)

Registered Charity No. 1125383

Registered Company No. 06298947

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2024

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

PATRON

His Majesty King Charles III

PRESIDENT AND COUNCIL:

In the financial year and at the date of signing:

President

Rebecca Salter PRA

Council

Sir John Akomfrah CBE RA (resigned 30 September 2023)
Ron Arad RA (appointed 1 October 2024)
Michael Armitage RA Elect (appointed 1 October 2023; resigned 30 September 2024)
Fiona Banner RA (appointed 1 October 2023)
His Honour Judge Tony Baumgartner
Helen Boaden (resigned 30 September 2023)
Rana Begum RA (appointed 1 October 2024; resigned 28 November 2024)
Prof Sonia Boyce OBE RA (resigned 17 July 2024)
Nigel Coates RA Elect (appointed 1 October 2023; resigned 30 September 2024)
Tony Cohen (appointed 1 October 2023)
Richard Deacon RA (resigned 30 September 2023)
Anne Desmet RA (appointed 1 October 2024)
Dame Tracey Emin DBE RA (appointed 1 October 2023)
Simon Friend (resigned 30 September 2024)
Ryan Gander OBE RA (appointed 1 October 2024)
Thomas Heatherwick CBE RA (resigned 30 September 2023)
Gary Hume RA (resigned 30 September 2024)
Vanessa Jackson RA (appointed 1 October 2024)
Katherine Jones RA (appointed 1 October 2024)
Cornelia Parker CBE RA (resigned 30 September 2024)
Eric Parry RA (resigned 30 September 2024)
Sir Grayson Perry CBE RA (resigned 30 September 2023)
Fiona Rae RA (appointed 1 October 2023)
Conrad Shawcross RA (appointed 1 October 2023)
Bob and Roberta Smith OBE RA (resigned 30 September 2024)
Emma Stibbon RA
Alistair Summers (appointed 1 October 2024)
Gillian Wearing OBE RA (appointed 1 October 2024)
Alison Wilding OBE RA (resigned 30 September 2023)
Louise Wilson (Jane and Louise Wilson RA)

Officers

Rebecca Salter PRA	President
Prof Cathie Pilkington RA	Keeper
Prof Peter St John (Adam Caruso and Peter St John RA)	Treasurer
Axel Rüger (resigned 31 October 2024)	Secretary and Chief Executive
Natasha Mitchell (appointed 1 November 2024)	Secretary and Chief Executive (Interim)

Company Secretary

Benedict Anstey

General Counsel

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Senior Leadership Team

Charlotte Appleyard
 Eliza Bonham Carter
 Carl Hitchcock
 Rebecca Lyons
 Natasha Mitchell
 Jo Prosser
 Andrea Tarsia

Director of Development & Business Innovation
 Curator and Director, RA Schools
 Director of Finance
 Director of Collections & Learning
 Director of Corporate Services (to 31 October 2024)
 Director of Audience & Experience
 Director of Exhibitions

Royal Academy Committees

at the date of signing¹:

Finance and Performance Committee Treasurer <i>ex officio</i> (Chair) Roger Hiorns RA Elect Maria Lisogorskaya, Assemble RA Andrea O'Keeffe Alistair Summers Sally Tennant OBE Paul Venables	Exhibitions and Displays Committee Stephen Chambers RA (Chair) Prof Josephine Dawn Ades CBE FBA Sir John Akomfrah CBE RA Anne Desmet RA Hew Locke OBE RA Prof Dorothy Price President <i>ex officio</i> Treasurer <i>ex officio</i> Keeper <i>ex officio</i> Secretary and Chief Executive
<i>Secretary to the Committee: Carl Hitchcock (Director of Finance)</i>	<i>Secretary to the Committee: Andrea Tarsia (Director of Exhibitions)</i>
Audit and Risk Committee Alistair Summers (Chair) John Collier Spencer de Grey CBE RA Anne Desmet RA Pesh Framjee Ryan Gander OBE RA Elle Todd	People and Remuneration Committee Tony Cohen (Chair) Caroline Anderson Kerstin Mogull Eric Parry RA Clare Woods RA
<i>Secretary to the Committee: Carl Hitchcock (Director of Finance)</i>	<i>Secretary to the Committee: Natasha Mitchell (Secretary and Chief Executive (interim))</i>

¹ Other committees of Council not detailed here are: Annual Dinner Committee and Summer Exhibition Committee.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Royal Academy Committees (continued)

at the date of signing:

RA Schools Committee Louise Wilson (Jane and Louise Wilson RA) (Chair) President Keeper Secretary and Chief Executive Sara Doherty (Academic Registrar) Adham Faramawy Margarita Gluzberg Mark Hampson Rebecca Lyons (Director of Collections and Learning) James Sibley Lady Ina Sarikhani Weston	
<i>Secretary to the Committee: Eliza Bonham Carter</i> <i>(Curator and Director, RA Schools)</i>	

Professional Advisers:

Auditors: Moore Kingston Smith LLP, 6 th Floor, 9 Appold Street, London, EC2A 2AP Bankers: Lloyd Bank Plc, 4 th Floor, 25 Gresham Street, London, EC2R 8LA	Investment Managers: Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU Solicitors: Macfarlanes LLP, 20 Cursitor Street, London, EC4A 1LT Withers LLP, 16 Old Bailey, London, EC4M 7EG
---	--

Registered Office:

Burlington House, Piccadilly, London, W1J 0BD

Registered Charity No. 1125383

Registered Company No. 06298947

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

CONSTITUTION AND CHARITABLE OBJECTIVES

Constitution

The Royal Academy of Arts ("Royal Academy" or "RA" or "Academy") was incorporated as a company limited by guarantee on 2 July 2007, company registration number 06298947, and registered as a charity on 6 August 2008, charity registration number 1125383.

The incorporated Royal Academy commenced trading on 1 September 2009 following the transfer of the net assets and undertakings from the unincorporated Royal Academy, charity registration number 212798.

The Royal Academy today continues to aspire, in the words of its 18th century founders, to "promote the arts of design". It believes in learning through first-hand experience of the arts and is unique in its combination of practical work, exhibitions, and learning programmes.

Royal Academicians are painters, sculptors, architects, engravers, printmakers, and draughters elected by their peers for their distinction as artists. There are up to 100 Academicians (under the age of 75) and a number of Senior Academicians (over the age of 75). Royal Academicians and Senior Academicians constitute the membership of the RA as a company and charity.

The Royal Academy receives no direct revenue support from the government or any other public body.

The Royal Academy's charitable objects are:

- The promotion of the arts of design.
- The education of the public in the creation, enjoyment, appreciation, and understanding of the arts, through exhibitions, educational programmes, and debate by all charitable means as the members of Council may think fit.

Governance and management

Council

The Royal Academy is governed by its Board of Directors or Trustees, who are referred to as the Council of the Royal Academy. Council consists of thirteen Academicians, up to three individuals who are not Academicians, and the President.

- Six seats in Council go by rotation/succession to all the Academicians. These individuals serve on Council for two years and may be re-elected for two further terms of two years.
- Three seats in Council go to newly elected Academicians. These individuals serve on Council for one year and may be re-elected for two further terms of two years.
- Four seats in Council are elected by the General Assembly from all serving Academicians. These individuals serve on Council for two years and may be re-elected for two further terms of two years.
- Up to three "external" (non-Academician) members of Council are chosen and recommended by Council and approved by the General Assembly. These individuals serve on Council for two years and may be re-elected for two further terms of two years.

The President is the Chair of Council. The President has no vote at Council unless the votes are equal, in which case the President has the casting vote. The Keeper, the Treasurer and the Secretary and Chief Executive attend Council but are not members of Council.

Council normally meets at least six times a year.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

General Assembly

Royal Academicians and Senior Academicians meet collectively in General Assembly. There are at least two General Assemblies annually. Additional General Assemblies may be held in accordance with the Laws.

The responsibilities of General Assembly include:

- Election of the three Academician Officers: The President, the Keeper, and the Treasurer and approval of the appointment of the Secretary and Chief Executive.
- Approval of changes in the Laws.
- Election of two Academicians to Council each year.
- Approval of certain appointments made by Council, including external members of Council.
- Election of Academician members of the Audit and Risk Committee.
- Approval of the appointment of auditors and receiving a report on the Annual Report and Consolidated Financial Statements each year.
- Election of Professorships and other honorary positions.
- Consideration of matters relating to members' affairs.

Officers

The Officers of the Royal Academy are the President, the Keeper, the Treasurer, and the Secretary and Chief Executive.

The President:

- Acts as the formal representative of the RA to the outside world.
- Chairs General Assembly, Council and Committees of Council where appropriate.
- Works closely with the Secretary and Chief Executive to ensure that all aspects of the stewardship of the RA as determined by Council are executed through the Secretary and Chief Executive, by the Senior Leadership Team and staff.

The Keeper:

- Acts as the formal representative of the RA Schools to the outside world, General Assembly and Council.
- Works closely with the Chair of the RA Schools Committee and the Curator and Director, RA Schools, to ensure that the stewardship and academic performance of the RA Schools are maintained to the appropriate standards.
- Represents the Academicians in their dealings with the RA Schools.

The Treasurer:

- Acts as the formal representative of the Academicians on all matters concerning finance.
- Chairs the Finance and Performance Committee and reports to Council on the Finance and Performance Committee's work.
- Attends and advises on relevant Committees of Council where significant matters of finance are being discussed.
- Advises and supports the President in the President's duties when called upon to do so.

The Secretary and Chief Executive:

- Acts in the accepted and generally understood role of Secretary and Chief Executive, both within the RA and externally.
- Is responsible for the strategic, cultural, and business aspects of the organisation and the administration.
- Advises the President and Council on proposed strategies or changes in strategy to realise Council's objectives.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Senior Leadership Team

The Senior Leadership Team ("SLT") comprises seven senior members of staff (directors) and is led by the Secretary and Chief Executive. The SLT is responsible for implementing policies and strategies approved by Council.

Committees

The Finance and Performance Committee is responsible to Council for overseeing and scrutinising the financial integrity and performance of the Royal Academy. The Committee's specific duties span the following areas: financial planning, management, and controls; investments; borrowings; major projects and estates strategy; commercial and audience strategies; remuneration and pensions; and organisational performance. The Committee usually meets at least four times a year.

The Exhibitions and Displays Committee is responsible to Council for overseeing the programming and development of the RA's activities in its exhibitions and displays. The Committee reviews the RA's exhibitions strategy and satisfies itself that the programmes have artistic and educational coherence and reflect the aims, aspirations, and charitable objects of the RA. The Committee usually meets at least four times a year.

The Audit and Risk Committee is responsible to both General Assembly and Council. The Committee provides assurance that there is an effective framework in place for risk management and internal controls assurance, including internal and external audit. The Committee also oversees the preparation and review of the RA's Annual Report and Consolidated Financial Statements. The Committee usually meets at least three times a year.

The People and Remuneration Committee is responsible to Council for overseeing the broad remuneration policy of the RA (including pensions and redundancy) and specifically the remuneration of the Secretary and Chief Executive, SLT and the stipends of the Officers. The Committee is further responsible to Council for considering and making recommendations on significant policies and matters relating to RA staff and overarching people strategy/priorities. The Committee usually meets at least three times a year.

The RA Schools Committee is responsible to Council for overseeing the care, management and development of the RA Schools and their students. The Committee usually meets at least three times a year.

Trading subsidiaries

The Royal Academy has three wholly owned trading subsidiaries: R.A. Enterprises Limited (company no. 1666333), Burlington House Limited (company no. 2216104), and RA (Arts) Limited (company no. 2836364). Although these are separate legal entities, they are regarded as part of the Royal Academy group and are included in the consolidated financial statements.

Connected charities

The Royal Academy Trust, set up in 1981 to provide funds for the support of the Royal Academy, is separately registered as a charity with its own trustees (charity no. 1067270). As it is not controlled by the Royal Academy, its resources have not been consolidated with those of the Royal Academy.

The Friends of the Royal Academy, a separate charity with its own trustees, was incorporated as a company limited by guarantee in December 1976 to support the work of the Royal Academy (charity no. 272926, company no. 1291535). As with the Royal Academy Trust, it is not controlled by the Royal Academy and its resources have not been consolidated with those of the Royal Academy.

Trustees' duties in relation to Section 172 of the Companies Act 2006

Members of Council, as directors of the Royal Academy, must act in accordance with a set of general duties as detailed in Section 172 of the Companies Act 2006, which includes a duty to promote the success of the organisation, and in doing so have regard (amongst other matters) to:

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

- The likely consequences of any long-term decision.
- The interests of the organisation's employees.
- The need to foster the organisation's business relationships with suppliers, customers, and others.
- The impact of the organisation's operations on the community and the environment.
- The desirability of the organisation to maintain a reputation for high standards of business conduct.

This report summarises above the Royal Academy's governance framework. The Royal Academy's values and behaviours and how it has engaged with stakeholders throughout the year are considered further in this report. Council has considered the views and needs of key stakeholders in Council discussions and decision making. The following are not intended to be an exhaustive list but are illustrative of how Council has fulfilled its duties throughout the year.

Decision making

New Council members receive a compulsory, comprehensive induction session before the first (October) Council meeting of the financial year, conducted by the RA's President, General Counsel and Company Secretary, Secretary and Chief Executive, Director of Finance and Director of Corporate Services, together with an external specialist charity lawyer. The induction includes key information on organisation finances and strategy, live issues requiring Council consideration, and an explanation of Council roles and responsibilities, including in relation to safeguarding.

Council also receives a detailed "induction pack" of documents and ongoing training. This includes:

- Guidance on trustees' roles and duties.
- A specific Code of Conduct for Council members.
- A copy of the Royal Academy's constitutional documents (Memorandum and Articles of Association and RA Laws), together with the Administrative Instructions, which describe the administrative structure of the Royal Academy and provide guidance as to its processes of management and administration.
- Annual reports and financial management reports.
- Minutes of previous meetings.
- Relevant RA policies and procedures (including safeguarding).
- The Charity Governance Code (for larger charities).

The Secretary and Chief Executive, together with the SLT, have delegated authority for the day-to-day running of the Royal Academy, and are accountable to Council for this. At each meeting, Council receives reports from the President and Secretary and Chief Executive, assessing organisation impact, financial performance and updating on key operational and strategic issues.

Council, Committees, and the SLT keep principal organisational risks under review. For further details on our risk management framework and principal risks and uncertainties please refer to pages 37 - 38.

Stakeholder engagement

Staff and volunteers

The Royal Academy's staff, together with its casual workers and volunteers, are central to its ability to deliver its charitable mission. The Royal Academy has a clear set of values linked to its mission and is committed to being an inclusive, diverse, and flexible employer. The Royal Academy works to ensure that no disadvantage or prejudice is shown on account of race, age, gender, disability, or any other protected characteristics. Further information on gender pay and reporting, diversity and inclusion and disability and wellbeing is provided in other sections of this report. The Royal Academy will continue its work on inclusion and racial equity across all aspects of the RA and is mindful of the ways that it can rebuild its programmes and the organisation to make every visitor feel welcome, and to create a more equitable workplace and place of study.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Business relationships with suppliers, customers, and others

The delivery of the Royal Academy's charitable aims and objectives is dependent on a range of relationships with suppliers and other business partners. Council has encouraged the SLT and wider management to develop and maintain trusted partnerships with both and expects the Royal Academy's partners to be aligned with its values.

The Royal Academy seeks to act with honesty and integrity in all it does to deliver the best value for money in our mission to "promote creativity and the practices of art and architecture; and engage the widest possible public with the creation, enjoyment and understanding of the arts through exhibitions, learning and the exchange of ideas". Partner organisations are expected to comply with the requirements of any professional standards, or trade bodies, depending on their activities, and all applicable laws, statutes, regulations, and codes of practice relating to anti-bribery and anti-corruption.

The Royal Academy is committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our business or in any of our supply chains. The RA is committed to continually raising its standards and practices in assessing and monitoring those that work with us and those that work for us. The RA expects the same high standards from all our staff, contractors, suppliers, and other business partners in any capacity. To this end, the RA carries out due diligence on suppliers and implements contractual commitments, entitling the RA to terminate a contract where requirements are not met. The RA's latest statement on Modern Slavery and Human Trafficking, including the steps the RA is taking to ensure modern slavery is not taking place in its business or supply chains, can be found at: royalacademy.org.uk/modern-slavery-and-human-trafficking-statement.

Sustainability and environmental impact

The Royal Academy recognises that the climate emergency is a critical issue of our time. Reducing the environmental impact of our activities is a key priority for the organisation. It is part of the RA's 2023-28 Strategic Plan to "*reduce our impact on the planet and develop a strategy to deliver a net-zero carbon footprint and an environmental certification*".

This year, we have been working to further understand the RA's carbon footprint more precisely through its "scope 1" (direct emissions) and "scope 2" (purchased energy) carbon emissions (as defined under the Greenhouse Gas Protocol). We completed an external energy and emissions review, with a final report being delivered in February 2024. We also commissioned a detailed energy audit, in accordance with the Energy Savings Opportunity Scheme ("ESOS") (phase 3) (report submitted in August 2024). This work has established that the RA's buildings at Burlington House and 6 Burlington Gardens are responsible for almost all the RA's energy use and greenhouse gas emissions, and that the most significant energy demand comes from the requirement for conditioning the galleries.

The audit and the report have identified several "energy saving opportunities", ranging from routine maintenance items to more involved projects such as upgrading air-conditioning systems. Relevant RA teams will work, with external support, to further assess the opportunities and implement an action plan, and report on this as part of the ESOS.

Streamlined Energy and Carbon Reporting (SECR)

This information is provided in line with Streamlined Energy and Carbon Reporting ("SECR") requirements and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies (Directors' Report) and Limited Liability Partnerships (energy and Carbon Report) Regulations 2018.

The RA's total Greenhouse Gas (GHG) emissions (tonnes of CO₂) and energy consumption (kilowatt-hours) for the 2023/24 financial year are set out below. This report includes energy usage at the RA's main site at

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Burlington House and 6 Burlington Gardens, together with warehouse properties (some of these were occupied for part of the relevant periods only). Also included are emissions from company owned vehicles for business use, together with estimated emissions from fluorinated gases (F-Gas) from chillers.

Emissions have been assessed by applying the appropriate 2023 and 2024 UK Government GHG conversion factors. The RA is required to express its GHG emissions in the form of an "intensity ratio" metric. For this purpose, the RA has chosen kilograms of CO₂e per m² of floorspace, based on total area of 18,365 m².

In the financial year 2023/24, the RA used at least 50% renewable electricity, split 44% from renewable sources and 6% nuclear. In addition to the mandatory, "location-based" measure, which is based on the carbon intensity of the local power grid, we therefore have added a market-based measure for this year, which shows a lower measure of tCO₂e for electrical emissions, reflecting this use of renewable electricity.

Streamlined Energy and Carbon Reporting (SECR) for 2019/20 to 2023/24 financial years:

	Measure	2023/24	2022/23	2021/22	2020/21	2019/20
Greenhouse Gas emissions (tCO ₂ e)	Scope 2 (electricity)	778	873	859	985	999
	Scope 1 (gas, fleet mileage, F-Gas)	729	733	636	834	669
	Total (Location-based) emissions	1,507	1,606	1,495	1,819	1,668
	Renewable electricity					
	Total (market-based) emissions	1,118				
	kgCO ₂ e/m ² (location-based)	82	89	81	98	90
	kgCO ₂ e/m ² (market-based)	61	N/A	N/A	N/A	N/A
Energy consumption (kWh)	Scope 2 (electricity)		4,430,675	4,144,798	4,303,791	3,998,283
	Scope 1 (gas, fleet mileage)		3,851,212	3,442,414	4,525,320	3,635,287
	Total		8,281,887	7,587,212	8,829,111	7,633,570
	kWh/m ²		451	413	481	416

We continue to offset emissions from our consumption of gas, investing in a project which is focused on energy efficiency and solid waste diversion within the Province of Quebec. The project is accredited under the Verified Carbon Standard. The credits equate to 700 tCO₂e and apply to a one year period beginning 1 October 2023, which is in line with the periods of the RA's energy supply contracts.

We have also made significant improvements to the building fabric and insulation of the RA Schools premises within Burlington House as part of the completed refurbishment project.

Suppliers

We have introduced sustainability commitments into major contracts (such as facilities management). We have also started carrying out sustainability due diligence with key suppliers, gathering information on their greenhouse gas emissions and energy use, their policies and plans and "net zero" targets.

Waste management

Over the last four years, the RA has been committed to "zero landfill" and in September 2022 we re-tendered the waste management contract to reduce the level of waste sent to incinerators due to concerns regarding the

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

carbon emissions from this process. The table below provides waste data over the last four years. The significantly lower levels of waste in 2021 reflects long periods of closure during the pandemic.

Royal Academy of Arts waste report:

	2021	2022	2023	2024*	% change 2024 vs 2023
Landfill (Tonnes)	0	0	0	0	0%
Recycled (Tonnes)	29	142	285	274	-4%
Energy from waste (Tonnes)	110	42	28	28	0%
Cost (£)	£ 29,926	£ 45,392	£ 69,429	£ 68,240	0%

* Year to 30 September 2024. Comparative figures are based on calendar years.

Roadmap to Carbon Net Zero

Building on the improved understanding of the RA's carbon footprint ("scope 1" and "scope 2" emissions), we will develop targeted actions to reduce these and are considering the following opportunities.

- Upgrade data management and reporting processes.
- Fully review and optimise BMS HVAC controls.
- Review and optimise the DHW control temperatures and schedule.
- Upgrade the kitchen extractor controls.
- Review the inclusion of an energy management system aligned or certified to ISO50001.

We will also more fully establish "scope 3" emissions (indirect emissions in upstream and downstream activities) and then develop a detailed roadmap for delivering an overall net zero target.

Responsible investment

The Royal Academy recognises the importance of being guided by strong ethical principles and ensuring that our values are embedded in our plans and actions. As part of these guiding principles, the RA is committed to investing its funds on a socially responsible basis. In June 2021, Council approved the RA's Ethical Investment Policy and in October 2022 approved the updated and renamed Responsible Investment Policy ("the Policy"). The Policy is now reviewed annually and is published on the Royal Academy's website, with last year's update including reference to the values set out in the Royal Academy's 2023-2028 Strategic Plan. This states that *"in everything we do and everyone we engage with we are guided by a strong ethical compass. We take our responsibility towards the environment, social justice, and proper governance very seriously. In our work we meet fundamental principles in the areas of human rights, labour, the environment, and anti-corruption."* It has been developed with the intention of active promotion of investment in companies and investment funds which demonstrate policies and practices that are in line with the RA values of strong ethical principles. The Policy applies to the full scope of the investments held by the RA. The RA believes that to accord with its values when investing its funds, regard must be had to Environmental, Social and Governance ("ESG") issues. The Finance and Performance Committee monitors the operation and the effectiveness of the Policy and provides Council with an annual update in December each year.

Corporate Governance

The Royal Academy and its trustees (Council) take good governance seriously and are aware of the Charity Governance Code, including its seven main principles.

The Royal Academy regularly reviews its governance structure and processes, including commissioning external reviews in 2016 and 2020, as well as the introduction of a new committee structure with effect from 1 September 2022, with new terms of reference. These reviews have included assessment against the seven principles of the Charity Governance Code. Some improvements made relevant to these reviews include:

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

- Improved, mandatory Council induction and training, including a governance session on trustees' roles delivered in conjunction with Stone King LLP.
- Updated approaches to minute-taking, recording, and managing conflicts of interest (including the addition of a standing item for declaration of interests at meetings).
- The adoption of a competitive recruitment process, with external support, for external Council appointments.
- The introduction of standardised board and committee papers with guidance notes.
- Council agenda forward planning.
- The introduction of "skills matrices" to map and monitor the mix of skills on Council.
- Carried out an "effectiveness review" of the People and Remuneration Committee, involving a survey of members and attendees and identifying areas to improve.
- Provided governance inductions to committee members.
- Continuing to take advantage of dedicated board and committee administration software, increasing coherence and consistency and ease of access to relevant information.
- Introduced additional guidance on roles and responsibilities of Council and General Assembly.

RA Collection governance

The Royal Academy Collection is considered a "*Designated Collection*" by Arts Council England as a "*pre-eminent collection of national or international importance*" held by a non-national institution. The Collection is accredited through the Arts Council England Accreditation Scheme. Collection matters relating to the management of the Collection – its care, audit, and risk, report annually to the Audit and Risk Committee; and the work and scholarship of the Collections, Library and Archive teams is reported annually to Council, with loan requests and new acquisitions reported on as required (usually every meeting).

Disabled employees

The Royal Academy is committed to recruiting and developing a diverse and inclusive workforce at all levels. We want to ensure that opportunities to work at the RA are open to all, including disabled people, and that disabled employees feel valued and enabled to carry out their work and develop their careers with us.

Employee consultation

The Royal Academy places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Royal Academy. This is achieved through formal and informal meetings, including regular All Staff Meetings and on the Royal Academy's intranet. The RA Staff Council meets six times a year with elected staff representatives from across the RA meeting with a rotation of members of the SLT to discuss a range of topics relating to matters of concern to staff. Notes from these meetings are also shared more broadly with the wider staff.

Strategic review

The way forward strategy 2023-2028 ("2023-28 Strategic Plan") was formally adopted by Council in January 2023.

2023-2028 Strategic Plan

Our founding mission is supported by a renewed vision and the priorities which guide our five year strategy. The plan was developed in 2022, with the final version being approved by Council in January 2023. The plan was subsequently shared with the Committees of Council and the trustee boards of The Friends of the Royal Academy and Royal Academy Trust before being published on the RA's website.

The plan sets out the RA's vision for the next five years and provides a clear roadmap supported by a coherent set of priorities designed to help the RA to realise its ambition. The broad strategic aims outlined in this plan will be underpinned by a series of operational plans which outline the details of implementation and provide metrics

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

for evaluation. These operational plans are being developed and are considered further in the Strategic Report, together with the strategic priorities. The strategy was developed by the Secretary and Chief Executive in consultation with members of the Senior Leadership Team, the Senior Management Team, the other Officers of the RA (The President, Treasurer and Keeper), as well as the Royal Academicians, Council, and the trustees of the Royal Academy Trust.

The five year strategy underlines the mission, vision, and values of the organisation. The RA's purpose originates from 1768 and remains relevant today: to promote outstanding achievement in art and architecture; to contribute to advancing contemporary practice; and to expand the public's appreciation, enjoyment and understanding of the visual arts.

Mission 2023-28

The Royal Academy of Arts is one of the oldest arts organisations in the United Kingdom. Founded in 1768 by a group of artists, it has remained an artists' association led by its members, the Royal Academicians, to the present day. In 1768 the Instrument of Foundation stated that the RA would: *"Promote the arts of design and educate the public in the creation, enjoyment and understanding of the arts through exhibitions, education and debate."* For the 2023–2028 Strategic Plan, the RA's mission statement has been updated to bring its language into line with current terminology: *"We promote creativity and the practices of art and architecture; and engage the widest possible public with the creation, enjoyment and understanding of the arts through exhibitions, learning and the exchange of ideas."*

Vision 2023-28

The 2023–2028 Strategic Plan establishes an updated vision for the RA in:

- Believing that art has the power to enrich and change lives.
- Being an active, artist-led academy of art and architecture.
- Placing artists and artistic practice at the centre of everything we do and promoting outstanding achievement in art and architecture.
- Aiming to stimulate people's curiosity, wonder and sheer enjoyment of art and architecture and unlocking the imagination and the creative potential of everyone who engages with us – from schoolchildren to adult art-enthusiasts, from aspiring students to practising professionals.
- Meeting and challenging the ideas and interests of an increasingly diverse audience through a varied and inclusive programme that extends seamlessly from the unique experience of visiting our buildings to a distinct online offering.
- Advocating emphatically for the critical importance of continued art education in the UK.
- Creating an inclusive, collegiate work environment, offering meaningful, professional careers.
- Proudly maintaining our independence.

Values 2023-28

The 2023–2028 Strategic Plan includes renewed shared values for the RA to guide decision making and ways of working:

- **Forever creative:** Ignited by artistic imagination and the creative process, new perspectives, and critical thinking help us to understand the world around us. From our inception we were set up to inspire a wide participation in the creative process, an aspiration more vital today than ever.
- **Fiercely independent:** Independence is one of our founding principles, and one that we fiercely defend. Neither in receipt of public money nor governed by public policy, we can chart our own course and use our voice to advocate for the things that matter most to us: creativity, a plurality of voices, and the value of art education.
- **Unapologetically excellent:** Excellence can only be achieved where there is the courage to take creative risks and push boundaries. Led by the Royal Academicians, the RA Schools, our outstanding exhibitions and public programmes, and our unique collections and archives embody this continuum of excellence.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

- Belonging to all: Everyone who makes art, loves art, or wants to support art belongs to the RA's unique community. It is our responsibility to open up new ways into art and to develop programmes that reflect the interests of the diverse society we serve.
- Ethically grounded: In everything we do and everyone we engage with we are guided by a strong ethical compass. We take our responsibility towards the environment, social justice, and proper governance very seriously. In our work we meet fundamental principles in the areas of human rights, labour, the environment, and anti-corruption.

Royal Academicians

The RA was saddened to learn of the deaths over the past year of Royal Academicians, Mick Moon RA, Timothy Hyman RA and Norman Ackroyd CBE RA and Honorary Academicians Richard Serra, Frank Stella, Bill Viola and Rebecca Horn.

The following were elected as Honorary Academicians during the year:

- On 14 December 2023, Toyo Ito and Joan Jonas.

The following were elected as Honorary Fellows during the year:

- On 14 December 2023, Emily Howard and Kate Raworth.

The following were elected as Royal Academicians during the year:

- On 14 December 2023, Oona Grimes in the category of Printmaking and Goshka Macuga in the category of Sculpture.
- On 19 March 2024, Helen Sear in the category of Printmaking and Claudette Johnson in the category of Painting.
- On 6 June 2024, Caragh Thuring and Sikelela Owen in the category of Painting.

Senior Leadership Team

Led by the Secretary and Chief Executive, seven directors have responsibility for the following areas: Exhibitions, Audience and Experience, Collections and Learning, the RA Schools, Development, Corporate Services, and Finance. This Senior Leadership Team is responsible for the implementation of strategy and day-to-day management of the Royal Academy.

As referred to above, the RA's 2023-28 Strategic Plan was formally adopted by Council in January 2023. The Plan has three core priorities which are considered further in the Strategic Report on page 32. The review of activities which follows, charts our progress against these priorities in 2023/24 being to:

1. Reinforce the Academy and reaffirm our commitment as an artist-led, practice-centred academy.
2. Deepen our connection with the world around.
3. Strengthen our resilience and rise to the social, economic, and environmental challenges we face.

ACTIVITIES, ACHIEVEMENTS, AND IMPACT

Review of activities

1. Exhibitions

Exhibitions programme

Reinforcing the Academy

The Academy's exhibitions programme has traditionally focused on a wide range of artists, media and periods. However, our Autumn 2023 Main Gallery exhibition, dedicated to Marina Abramović Hon RA, was our first to

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

focus on performance art. The exhibition charted the development of Abramović's practice by bringing together key historic as well as new works. It also focused on the artist's ongoing engagement with the very nature of performance art, bringing together complex installations, participatory works activated by audiences and live re-performance of major historic works by a younger generation of artists.

Performance art's most radical contribution to artistic practice was the insertion of the live body into the field of artistic representation. Throughout art history, the body was traditionally mediated through sculpture, painting and most importantly drawing, the primary medium through which artists learnt to represent the figure. Until the late 19th century, the privilege of acquiring formal training in art was, in most European countries, one that was open exclusively to men. Angelica Kauffman RA, the subject of our monographic exhibition in Spring 2024, learned together with her artist father, by observing Classical sculpture and Old Masters while living in Rome. She rose to become one of Europe's leading neo-classical painters – and one of the Academy's two female Founding Members – with works that powerfully portrayed female sitters, as well as history and religious paintings that focused on narratives highlighting female character.

If traditionally drawing was primarily viewed as a tool for learning, *Impressionists on Paper: Degas to Toulouse-Lautrec*, traced how Impressionist and Post-Impressionist artists radically transformed its status. Together with pastels, watercolours, temperas and gouaches, drawings increasingly became treated as autonomous works of art, rather than as preparatory or exploratory media, claiming a shared aesthetic with painting. Artists represented in the exhibition included leading figures like Cézanne, Renoir, Degas as well as Gauguin, Van Gogh, Seurat and Redon; but also, less familiar artists, such as Guillaumin and De Nittis. In their hands, improvisation and lack of finish became hallmarks of modernity, providing an impetus towards more imaginative ways of depicting the world that would pave the way towards abstraction.

Whilst *Angelica Kauffman*, *Impressionists on Paper: Degas to Toulouse-Lautrec*, and *Marina Abramović* provided discrete exhibitions of 18th, 19th and 20th century art, *Entangled Pasts, 1768–now: Art, Colonialism and Change*, brought together over 100 major contemporary and historic artworks presented in dialogue with each other. Rather than seeking to illustrate history, the exhibition explored art and artists' roles in shaping narratives around empire, enslavement, resistance, abolition and colonialism. Spanning over 250 years, from the foundation of the Royal Academy in 1768 to the present and informed by the RA's ongoing research into its links with colonialism, the exhibition featured over 50 artists connected to the institution – from Academicians to students and sitters – to explore the relationship between art and our understanding of the past. The exhibition brought together important international and UK loans as well as works from the RA's Collection and archive, ranging from large-scale painting, sculpture, immersive installation and film to intimate works on paper and poetry. Artworks by leading contemporary artists including John Akomfrah RA, Frank Bowling RA, Sonia Boyce RA, Lubaina Himid RA, Isaac Julien RA, Hew Locke RA, Yinka Shonibare RA, Barbara Walker RA and Kara Walker Hon RA were shown alongside artists including Joshua Reynolds PRA, Thomas Gainsborough RA, John Singleton Copley RA and J.M.W. Turner RA – tracing connections across time and place to reflect on how art is entangled with colonial histories and revealing the international underpinnings of "British" art.

Deepening our connection

Every year the Royal Academy celebrates creativity in its widest dimensions with the *Summer Exhibition*, which this year included over 1,700 works of art by Royal Academicians and members of the public. The 256th edition was coordinated by Ann Christopher RA under the theme of "Making Space". Besides Christopher, the selecting and hanging committee included Hurvin Anderson RA, Assemble RA, Anne Desmet RA, Hughie O'Donoghue RA, Cornelia Parker RA and Veronica Ryan RA. Stand outs included Nicola Turner's sprawling courtyard installation, *The Meddling Fiend, 2024* and Assemble's Architecture galleries, conceived as a studio which also featured a number of works in other media. As always, the exhibition's un-hierarchical nature, as well as its selling dimension, prompted questions about value and taste, providing an intensely social experience favoured by friends and families.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Throughout our exhibitions programme we seek to represent the different registers in which artists work and to provide different kinds of viewing experiences for our visitors. The performance, by younger artists working today, of Marina Abramović Hon RA and Ulay's famous work *Imponderabilia*, 1997, invited audiences to experience the intimacy of moving between two naked bodies, and the many questions that this simple action provokes. Intimacy of a different kind could be found in *Impressionists on Paper: Degas to Toulouse-Lautrec*, where viewers were invited to follow the artist's hand through their mark making, as it gave shape to colour and form in the over 70 works on paper that were included in the exhibition.

The retinal pleasures afforded by, for example, Cézanne's *Les pots de fleurs*, c. 1885, his incomparable rendering of potted plants in the Mediterranean heat, are however in contrast to the experiential nature of Abramović's practice. The exhibition featured large-scale projections and installations, as well as performances, objects, sculptures, photographs and drawings, presented in a series of different immersive environments that each underscored individual themes. Four major historic works were brought to life within the show and re-performed by contemporary performance artists. Also included were a series of the artist's participatory works which visitors were invited to use. In December 2023, the artist performed a new work, *An Invitation to Love Unconditionally*, 2024 in the Academy's Annenberg Courtyard. The RA additionally collaborated with the ENO on their presentation of Abramović's opera, *7 Deaths of Maria Callas*, and with the Southbank Centre on a season dedicated to contemporary performance artists curated by Abramović.

Entangled Pasts, 1768–now: Art, Colonialism and Change likewise favoured a visually and spatially driven selection over a comprehensive, linear chronology of events, in acknowledgement that it could offer only a partial, fragmentary view of such a vast and complex subject. The exhibition was organised in three main thematic sections that intertwined narratives across time, revealing the reverberation of images across the centuries and putting forward a porous and personal approach to history, with the visitor's experience centre stage. The exhibition was programmed in 2021 in response to urgent public debates about the relationship between artistic representation and imperial histories. It also reflects our ambition to showcase a broader range of practices than those that have traditionally featured in our programmes.

In the Eye of the Storm: Modernism in Ukraine 1900-1930s, focused on a fertile period in Ukraine's art history that was marked by internationalism and a cross-pollination of influences that contributed to the formation of a distinctly Ukrainian culture. The exhibition re-framed the practices of artists, like Kazimir Malevich or Sonia Delaunay, who have until now been considered within the context of Russian art history only, at a time in which Ukraine's national identity is under attack.

Across the year, the exhibitions programme drew over 607,000 visitors.

Strengthening our resilience

Many organisations, trusts and individuals lie behind the Academy's exhibitions programme, and we are indebted to all of them for their support in enabling our vision in bringing great art to London and UK audiences.

Marina Abramović was a complex and ambitious exhibition to realise, and we are hugely indebted to BNP Paribas, who have partnered with the RA for 23 years and helped extend the reach of the exhibition with the AccessArt25 programme. We would also like to thank Chrome Hearts, Simon Morris and Annalisa Burello, the Marina Abramović Supporters' Circle, Sean Kelly Gallery, Lisson Gallery and Claridges. The exhibition attracted over 170,000 visitors.

Impressionists on Paper: Degas to Toulouse-Lautrec was generously supported by Gide Loyrette Nouel, the Huo Family Foundation and Kathryn Uhde. The exhibition attracted nearly 111,000 visitors.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Entangled Pasts, 1768–now: Art, Colonialism and Change, was in many ways an experimental exhibition, and we are indebted for their support to the Ford Foundation, The Terra Foundation for American Art, Matthew and Brooke Barzun and The David Ellis Marlow Trust. The exhibition attracted over 81,000 visitors.

Originally programmed for 2020 and rescheduled owing to the pandemic, *Angelica Kauffman* was finally held in Spring 2024 thanks to the generous support of Chirstian Levett and Musée FAMM, Kathryn Uhde, Antigone Theodoru and Stefan Bollinger, the Glenbevan Trust, the International Music and Art Foundation, Rosemary Lomax Simpson and the Dr Lee MacCormick Edwards Charitable Foundation. The exhibition attracted nearly 44,000 visitors.

The *Summer Exhibition 2024* marked the 18th year of our warm collaboration with Insight Investment, whose generous support enables us to showcase the work of thousands of artists each year. The exhibition attracted over 150,000 visitors.

Last but not least, *In the Eye of the Storm: Modernism in Ukraine, 1900–1930s* was made possible under the patronage of Crankstart, The Risman Foundation, The Consuelo and Anthony Brooke Charitable Trust, The Natalia Cola Foundation, Christian Levett and Musée FAMM. The exhibition attracted over 51,000 visitors.

Architecture programme

Reinforcing the Academy

Architecture at the RA hosted nearly 40 speakers during the year, covering topics that ranged from a debate about what made “boring” architecture, to talks on inspiring social housing and challenging conventional architecture practice.

The RA's annual *Architecture Awards Week* took place in November 2023. The RA Architecture Prize was awarded to Irish architect Shane de Blacam, for his commitment to social spaces, his celebration of local materials, and focus on joinery and details. Four finalists were nominated for the RA Dorfman Prize, including Comunal (Mexico), H Arquitectes (Spain), Taler Gabriela Carrillo (Mexico) and Tropical Space (Vietnam). The prize was presented to Taler Gabriela Carrillo in recognition of the clarity and precision of her collaborative practice, as well as sensitivity to the environment.

In Summer 2024, Marko Milovanovic, was announced as the recipient of the Shane de Blacam Residency. Developed in collaboration with *Architecture at the Edge* as a legacy project after de Blacam was awarded the RA Architecture Prize, this residency allowed Milovanovic to spend six weeks living in Ireland, studying the architect's work.

Between January 2023 – October 2024, the RA presented a series of displays in the Architecture Window in the Ronald and Rita McAulay Gallery. The Window, designed by Unknown Works, provides a system for quick-changing displays, with moveable shelving and doors. The first display, *CRUNCH*, presented a curated selection of graduate works from architecture schools around the UK. *The City is a Room* showed the work of Nichola Barrington Leach, following her RA-supported residency in Paris in 2023. Her work looked at the designs of Renée Gailhoustet whose social housing on Paris' peripherique continues to draw attention today. *MONITOR* is the latest display in the Architecture Window, displaying an impressive full-scale prototype of a moving artist's studio designed by artist James Capper, in conjunction with designer Thomas Pearce, and architect Greg Storrar.

Deepening our connection

Architecture at the RA hosted a lively events programme during the year, welcoming 3,000 participants spanning in-person and online audiences. In July 2024, the RA hosted the first Young Person's Architecture Lecture. Working closely with young people on the RA's AttRAct programme, and colleagues in the Learning team, the lecture was an opportunity for people aged 15-25 to be introduced to architecture. American architect Toshiko

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Mori delivered the inaugural lecture, presenting her work on the spaces that make up our cities: libraries, universities, museums and homes. Mori was introduced by two students from the RA's AttRAct programme, and the audience was filled by 200 young people involved in architecture programmes around the city, like Drawing Matter's summer school, and Open City's accelerate programme.

2. Audience and Experience

Although much of the work of Audience and Experience is focused on deepening our connection with audiences and strengthening our resilience financially, our starting point is always the mission of the RA, reinforcing the Academy and its unique points of appeal to a broad, interested public.

Reinforcing the Academy

In the highly competitive market of 2024, finding ways of connecting with audiences for the RA has never been more essential. We are bidding for people's attention and commitment, asking that they choose the RA from an ever-expanding choice of ways to spend their time and money, and to privilege us with their support. Earning that connection starts with understanding and articulating what makes the RA so singular and special, so deserving of people's attention, and so rich in reward.

For us, reinforcing the Academy is therefore a process of distillation, of identifying and honing the essential ingredients of the RA that resonate and connect with audiences: the things that motivate them to visit, support and return. By recognising what appeals, what makes the RA so distinctive from their perspective rather than from our own, we can draw out those features in everything that we do. Reinforcing these competitive points of difference – what we have that no one else has, the things that make us unique – enables us not only to deepen our connection with our audience but also to build the vital financial resilience that this connection engenders.

In the year under review Audience and Experience has focused on this most important work, through a series of projects involving all audience-facing teams and sources of expertise, supported by broader industry specialists and research. Distilling the RA's points of appeal into consistent, useable guidelines has been a highly collaborative, energising and exciting process, which has led us to a series of resources and strategies that are now being actively used to guide our positioning and communications:

- Our visitor proposition summarises what we have that people want: an unparalleled connection to the continuum of art practice, past, present and future. This continuum is experienced and valued via People, Place, Participation and Proximity as unique points of appeal. Our people are our community of artists, our network of relationships and individuals. Our place is the unparalleled location and spaces we share. Participation is the commitment to art practice, making and learning so central to the RA. Proximity captures the sense of inclusion, belonging and enjoyment that reflects the RA at its best.
- Our public narrative: a tested, proven articulation of our role in arts advocacy, the contribution we can make and the opportunity to develop our positioning and profile in the sector. Corporate positioning and our case for where the RA can support, enable, convene and promote wider arts-related agendas will become an increasingly important factor in winning audiences for the future. Our first cause-led public campaign, "Art is a serious subject", launched in October 2024, has been conceived and developed throughout 2024 in collaboration with a cross-institutional team with input from staff and Royal Academicians.
- Our editorial positioning: a significant rethink and relaunch of editorial strategy, in response to analysis of what our audiences value most and where we can have most impact. A shift away from a purely internal focus on what the RA is doing towards an external-facing means of welcoming audiences to the art world, using our digital and email channels to tell stories and introduce voices, much as RA Magazine does.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

These new, interconnected ways of reinforcing the Academy stand alongside our ongoing commitment to more established means of strengthening the institution and its values. Our steadfast commitment to artistic and academic excellence and research was highlighted in outputs from across Audience and Experience:

- A series of well-received and commercially successful publications, including a major catalogue for this year's internationally recognised exhibition *Marina Abramović*, published in four languages and reprinted several times. Of particular note was the book that accompanied *Entangled Pasts, 1768–now: Art, Colonialism and Change*, which was hailed by critics and audience alike as an important publication in its own right as well as in relation to this groundbreaking exhibition.
- RA Magazine's innovative approach to *Entangled Pasts, 1768–now: Art, Colonialism and Change*, with its especially commissioned guide to the show by Hew Locke RA, inserted into the main magazine, and providing additional perspectives.
- A series of selling displays across the RA over the year, featuring the work of Royal Academicians, among them Rana Begum RA, Anne Desmet RA and Clare Woods RA, and other artists. The opportunity to see work of this calibre across the campus is greatly appreciated by RA audiences and reinforces again what makes the RA so special to them.
- Extensive collaborative work across the RA website, better to showcase areas of academic and artistic activity, specifically the Architecture programme and the connection between different types of display.

Reinforcement of the Academy is also reflected in our fundamental responsibility for welcoming audiences and extending that welcome to all. The year has seen the continuation of our commitment to accessibility, inclusivity and diversity as the most essential of RA attributes. Audience led initiatives have included:

- Website accessibility made possible by the generous support of Bloomberg Philanthropies in a major two-year project run by our Digital Infrastructure team and completed in spring 2024. Our specific accessibility aims were twofold: to engage more people with the RA online, and to meet the online access requirements of differently abled visitors and collaborators, in line with WCAG 2.1 AA compliance standards. We have been delighted to exceed our 95% target, achieving 99–100%, from our original baseline of 86%.
- A comprehensive training programme to support staff in welcoming visitors to *In the Eye of the Storm: Modernism in Ukraine, 1900–1930s*. Initiated by RA staff, the training involved external expertise to guide us on the cultural context and sensitivities of this important and timely exhibition.
- Ongoing training, prioritising our most important front-of-house teams in delivery of welcome, leading on from their own initiatives and collaborating with HR on a series of programmes as well as in-house development.

Deepening our connection

Deepening our connection with the RA's existing audience and introducing the RA to new audiences is the primary purpose of the eight Audience and Experience departments, collaborating with colleagues across the institution to assemble a compelling, original and accessible programme of reasons to visit, support and be part of what we do, now and into the future. Reaching the widest audience for the RA's unique proposition depends on close collaboration between programmers, market analysts, campaign designers, channel managers, press officers and all those responsible for each step in the chain of connection, helping to build profile, awareness, interest and relevance to those with whom we have, or seek, a relationship.

Establishing connections with new and different audiences is naturally a priority for an organisation financially reliant on high volumes of visits, but it also reflects our wider commitment to reach, in terms of relevance to the society of which we are part, and improved representation of its diversity. The year has included several major projects designed to connect both with audiences at scale and with more targeted initiatives in support of specific ambitions:

- The campaign behind *Marina Abramović* helped drive 170k visitors, well ahead of plan and successfully targeted and converted key groups. 61% of visits were paid (non-Friends) against an average of 45%; 30% of visitors were aged under 45 against an average of 9%. Sign-up for our 25 and Under tickets

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

was +109% on the previous year. Ambitious digital and press campaigns drove high engagement, with over 900k visits to the webpage and over 500 press items within the UK alone. The artist's support for, and commitment to, the media campaign was significant and impactful; working together on social media, on product launches, on signings and in-person events we added to the deepening of our connection with new and existing audience groups. The differences of opinion that the exhibition engendered, and the debate and the headlines it created, were carefully combined to optimise coverage and reach to different target audiences and drove our highest exhibition visitation and revenues since the pandemic.

- Premium membership was relaunched in September 2023, following two years of detailed research into the positioning and pricing of important tiers of membership within the overall RA loyalty model. House Membership now offers benefits throughout Keeper's House, rather than only the Academicians' Room as previously; a new tier, Bar and Garden Membership, is designed for younger members and includes more evening use of the lower spaces and a new working space in the Green Room. Membership is growing, and the operational challenges of connections with other tiers and with catering affordability are being addressed.
- Being of interest and relevance to a more diverse audience is an organisational priority. The opportunity to present a different narrative in relation to the RA was reflected in *Entangled Pasts, 1768–now: Art, Colonialism and Change* and manifested in the positioning and marketing of this important exhibition. The campaign featured the words and voices of the artists themselves, providing different, poetic and thought-provoking ways of creating awareness. This was reflected in a +22% increase in visits from a Global Majority audience, and exceptionally positive feedback to the exhibition and its presentation.
- Reaching and connecting with audiences digitally has been the focus of a major two-year project generously funded by Bloomberg Philanthropies. The project has allowed us to update the RA website's infrastructure and UX, explore the RA's digital-asset management requirements, and develop the potential of online and hybrid programming. This work has allowed us not only to update the RA's infrastructure and provide capacity for its existing requirements, but also to frame options for future phases of digital development now informed by our learnings enabled by Bloomberg's funding. Fully completed in spring 2024, the project met or surpassed all KPIs for measuring its impact and provides a platform on which initiatives and partnerships can be built for the future.
- During 2024 a cross-team Arts Advocacy Thinktank initiated by the Learning Department and the RA Schools has explored ways in which the RA can extend its reach in advocating for the arts and art education. The role of Audience and Experience teams has been to shape how this work might connect with a broader public audience, and how building connection to a wider cause also builds connection with the RA. A new public-facing campaign, "Art is a serious subject", went live in autumn 2024, and will provide a first insight into how cause-led positioning can help create engagement, loyalty and support.

Strengthening our resilience

Departments within Audience and Experience are responsible for optimising and channelling the RA's audience-facing revenue. The RA is an independent institution heavily reliant upon the support of visitors and customers, and revenue generation is not only a means to an end but a critical measure of market competitiveness and visitor satisfaction. Commercial metrics and KPIs frame all annual planning and the parameters we set when collaborating with other departments, in order to deliver the best return for the RA.

The infrastructure and systems on which revenue generation relies have been developed and upgraded in the year under review. The completion of the two-year Bloomberg project has provided the RA with website functionality that has transformed our online transactional journey, simplifying and connecting each step and optimising for mobile. Digital-membership fulfilment and ticketing options, and interfaces with mobile-wallet and payment functionality, all enable easier transactions and revenue generation. In a separate, eighteen-month project, the Tessitura CRM platform, which underpins ticketing, membership, fundraising and related marketing and analytics, has also been upgraded. Retail systems and e-comm functionality are also being developed, as is RASE, the system upon which Summer Exhibition sales depend.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Attendance at paid exhibitions remains the key driver of RA revenues. Understanding our audiences, knowing who and where they are and how best to connect with them are our most critical data. RA teams currently lead the UK sector in many areas across technical-systems expertise, analytics, loyalty and CRM strategies, and this emphasis on data-led analysis and marketing will continue to underpin our approach in a highly challenging and competitive market.

The RA Shops continue to delight customers with ranges that include seasonal responses to exhibitions, RA-published books and our year-round programme of art sales. Commercial highlights of the year included the sales achieved during *Marina Abramović*, which were particularly successful due to the extension of the show's run over Christmas until 1 January 2024, enabling over £2.0m sales during this period.

Hospitality is central to the experience of RA visitors. The year has included a review of our catering partnerships and an exploration of how best these might be developed for the future, including our successful collaboration with José Pizarro at 6 Burlington Gardens and our relaunched offers in Keeper's House.

3. Collections and Learning

Reinforcing the Academy

The RA Collections acquired multiple works in the year. We owe huge thanks and appreciation to all artists and donors who have worked with us to enrich, amplify, and sustain the holdings of the RA Collections, Library and Archive.

In January 2024, ahead of the reopening of the Jillian and Arthur M. Sackler Wing of Galleries, Dr Hannah Higham worked with Richard Deacon RA to refresh the sculpture display on the Sculpture Ledge on the Sackler landing. Among the new works on display there are pieces by Dhruva Mistry RA, Elisabeth Frink RA, Alfred Turner RA, Siegfried Charoux RA, and Lynn Chadwick RA.

In early February 2024 we re-hung the Collections Gallery with a contextual display focused on the exceptional loan of Frederic, Lord Leighton PRA's *Flaming June* from the Museo de Arte de Ponce in Puerto Rico. Curated by Dr Hannah Higham, the display reviews the interrelationship of painting and sculpture in the RA's Collection and in Leighton's practice, bringing to light drawings and sketch models that have rarely been displayed. Visitor numbers to the Collections Gallery have increased notably due to this star loan, with over 1,000 visits on some Saturdays and Sundays compared to a previous daily average of 200–300.

Lubaina Himid: Naming the Money Paperworks, curated by Annette Wickham, was on display until July 2024. This coincided for several months with a display of the artist's full-size figures in *Entangled Pasts, 1768–now: Art, Colonialism and Change*. Annette Wickham also co-curated the RA exhibition *Angelica Kauffman*.

Between March and May 2024, the Collections team, led by Dr Hannah Higham, worked closely with colleagues in the RA Schools to prepare around 150 works from the RA's Collection for installation into the restored RA Schools spaces (c. 50 architectural casts in the Architecture Studio, c. 40 casts and busts in the Cast Corridor and close to 60 works in the Life Room).

In April and May 2024, and to coincide with the reopening of the RA Schools, we refreshed the display in the Rausing Vaults, including a showing of the spectacular écorché horse. The display cases, curated by Annette Wickham and Rina Sagoo, focus on anatomy, masculinity and metamorphosis, and, with the wider display, underline the overarching theme of arts education and the history of the RA Schools.

In October 2024, the GA Room was re-hung with a selection of still-life works from the RA Collections. In the entrance area to the Print Room, Gabriel Jamroz, Genesis Future Curator, has put together a small display inspired by our recent acquisition of Emily Allchurch's lightbox *Grand Tour II: Homage to Soane (after Gandy)*.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

From November 2024, Jenny Saville RA's work *Arc* (private collection) will be on display in the Collections Gallery, where it will hang opposite *Flaming June* while Michelangelo's *Taddei Tondo* is in the Jungels-Winkler Galleries as part of the forthcoming RA exhibition *Michelangelo, Leonardo, Raphael: Florence, c. 1504*.

The Collections team are working with the President's office to prepare a Coronation Portfolio of prints for His Majesty King Charles III.

Deepening our connection

The RA's Arts Education Advisory Group was set up to liaise across departments and consider the RA's position in arts-education advocacy. Representatives from Learning and Public Programmes, the RA Schools, Architecture and Audience and Experience came together to discuss various matters, including written submissions from Royal Academicians and ideas for spaces for advocacy. In addition, Learning welcomed a team from the DCMS to discuss the importance of creativity in art and creativity at the RA.

The success of primary-school visits has continued this year, with all 70 workshops fully booked. Workshops are themed around works in the RA Collections and are related to the resources available online for primary-school teachers. These visits continue to prioritise state schools, which often benefit from fewer materials and less support and specialist teaching than independent schools. We continue to provide a wealth of activities for teachers, including private views of exhibitions, curatorial talks, creative workshops and CPD sessions. These are open to all teachers and are very well attended.

The immense popularity of the *Young Artists Summer Show* ("YASS") continued in the year, with over 21,000 submissions received, and we successfully continued our efforts to balance submissions from local and regional schools. Molly Bretton, Head of Learning, will judge a version of YASS in Bermuda that has been set up, inspired by the RA's work. We have connected with other institutions in Oslo, Norway and New York in which children's artwork is displayed or collected. The 2024 onsite YASS exhibition attracted 12,312 visitors over its four-week run. We continue to be grateful to the late Robin Hambro and her family for their generous support of YASS.

Our engagement with 16–25-year-olds expanded considerably as a result of our regular Friday Drop In and Draw sessions. Our Learning team worked in partnership with BNP Paribas to enable over 1,700 16–25-year-olds to see the *Marina Abramović* exhibition for free at a special BNP Paribas Access Art 25 evening event that was co-produced by a group of young producers. Marina presented her "Abramović Method" to a packed audience in the Benjamin West Lecture Theatre, and young people were able to access a specially produced interpretation resource and a broad range of creative activities and events inspired by her practice.

AttRAct, our programme of monthly online workshops for 15–19-year-olds, also continues successfully. These workshops are led by professional artists, including several RA Schools students, architects, and other creative people.

The Early Years Studio continues a series of regular, drop-in, child-led creative sessions for under-fives and their guardians to gain confidence and build creative skills and community. Our monthly Family Studio workshops have continued to be popular, as have our tailored family workshops for children with special educational needs and disabilities (SEND). Our family programmes are fully funded through the generous support of Jeanne and William Callanan and Lady Wolfson.

Making Space, an artist-development programme for learning-disabled and neurodivergent artists, continues to great success with a small group of artists gaining in confidence and creativity.

Flagship *Artists in Conversation* this year have included John Akomfrah RA talking about his pavilion at the Venice Biennale, Cornelia Parker RA and Veronica Ryan RA discussing sculpture in the public realm, and Sir

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Michael Craig-Martin RA speaking about his life, inspirations and work. Our thanks to the Natalia Cola Foundation for its continued support of this series.

In summer 2024 we launched the *Changemakers* series, inspired by the RA exhibition *Angelica Kauffman* and the artist's role as a pioneer. We invited women across the cultural sector to discuss how their work has shifted narratives, broken down barriers and generated change across the arts. The series included talks with Rachel Whiteread, Zandra Rhodes, Elif Shafak, and Meera Syal. In a further celebration of brilliant women, the Annual Rothschild Foundation Lecture this year will be delivered by the Nigerian novelist Chimamanda Ngozi Adichie.

Saturday Sketch Club online has continued to reach strong numbers, with the highest being 1,865 participants for a 75-minute online workshop in March 2024 and over 12,300 in total for the year to 31 August 2024.

Building on our connection with the RA Schools, we organised public tours of the RA Schools show, held a performance lecture with the RA Schools Starr Fellow Rashayla Marie Brown, and livestreamed our *Saturday Sketch Club* from the Dunard Fund Life Drawing Studio, using casts and écorchés from the RA Collections.

The success of Friday night life-drawing continues, inspired by our exhibitions, with hundreds of participants packing the Benjamin West Lecture Theatre.

In addition to displays on site, works from the RA Collections continue to be shown in exhibitions both nationally and internationally via our loans programme. During the year to 31 August 2024, 78 works from the RA Collections have been on short-term loan to 25 venues across the world, and a further 38 objects were on long-term loan to 18 venues in the UK. A notable highlight this year was the sizeable loan of 21 works to a major Pre-Raphaelite exhibition at the Musei di San Domenico at Forlì in Italy. On 16 November 2024 *Image of the Artist*, a selection of self-portrait works from the RA Collections, will open at Gainsborough's House, Sudbury, on view until 20 April 2025.

We delivered a broad public programme around the RA exhibition *Entangled Pasts, 1768–now: Art, Colonialism and Change*, including a talk and panel discussion, art-history and art-making courses, and the *Art, Colonialism and Change Symposium* in April 2024. As ever, we are grateful to the Armando Garza Sada endowment for enabling this symposium. In June 2024, in partnership with the Paul Mellon Centre for *Studies in British Art*, we jointly led a symposium exploring the life and work of Angelica Kauffman RA. We are very grateful to the Paul Mellon Centre for its financial support of this symposium.

The Executive Masters in Cultural Leadership continues, with its sixth global cohort of students. Courses this year were held in Maastricht, London and Venice, and all garnered excellent feedback on the blend of academic and high-profile cultural leaders who led the programme. We hosted an in-conversation with Rana Begum RA at the Delhi Art Fair, thanks to the work and connections of one of the current students, and the Director of Collections & Learning was invited to visit a new development of artists' studios and residencies at Hampi.

Race Equity and Inclusion work continues in the decolonial programme within the RA Collections, involving the study of Reynolds's sitters' books, enabling us to understand better the patronage of early Royal Academicians. Rina Sagoo presented some of this work at a sector conference in October 2024. Our Archivist Mark Pomeroy's research permitted the identification of a 19th century Black model working at the RA Schools. The Archive provided significant support to two major RA exhibitions, *Entangled Pasts, 1768–now: Art, Colonialism and Change* and *Angelica Kauffman*, as well as to external scholars and exhibitions elsewhere.

The most significant event for the Library during the year was the opening on 20 May 2024 of the new Schools Library, as part of the RA Schools refurbishment project. After a six-year hiatus, we can finally provide a library service fit for a 21st century postgraduate art school. The project was complex and time-consuming, requiring the transfer and reshelving of approximately 9,000 books from the basement of 6 Burlington Gardens and a

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

further 3,000 from offsite storage. Overall, the Library and Archive welcomed 797 internal and external scholars in the year, as well as undertaking 51 behind the scenes tours.

The Collections and Learning team and the Public Programmes team continue to publish widely and to lecture and teach externally as time permits.

Strengthening our resilience

A full audit of the RA's silver collection has been completed, and its cataloguing is being improved thanks to the expertise of external specialists. This work will continue until early 2025.

Cataloguing in the Archives was a major priority during the year, with major projects completed across the governance areas of the RA. The structure of the digital archive has also been consolidated during the year.

The warehouse facility at Mitcham is now fully operational for Library and Archive storage providing us with much needed space for expansion, sufficient, in fact, to accommodate the natural growth of the Archive and Library reserve collection over the next decade.

The Picture Library's collaboration with Heritage Images Partnership has passed the contract-negotiation stage and is now operational. This places RA images with third-party agencies worldwide, increasing our audience and bolstering our revenue streams from image licensing.

4. RA Schools

Reinforcing the Academy

The RA Schools remain at the heart of the institution, offering an independent space for contemporary art education. Offering the only free, three-year postgraduate programme in the UK, they continue to train up to 17 emerging artists each year. Since their foundation in 1769, the RA Schools have maintained their independence, allowing the programme to evolve and adapt to the specific needs of individuals. For over 250 years, as an integral part of the RA, the RA Schools have provided an independent, artist-led programme invested in artistic development. Today's RA Schools are an international community of artists committed to the questions that arise from making art now.

Ever-evolving, in-depth conversations emerge in our lectures, tutorials, group critiques, workshops and studios and in our canteen. These create an atmosphere that fosters curiosity and lifelong critical friendships. Our programme provides responsive expertise and time for making, reflection and speculation in the studio and workshops. With a small annual intake of students, our three-year programme can respond to the art practice of individuals. Students learn in dialogue with the permanent and visiting international faculty, which encompasses a number of Royal Academicians. Across one handsome site in central London, students can move between studios, workshops and the RA's Archive, Collections, Library and loan exhibitions to study, explore and research historical and contemporary art practice.

The successful completion of the RA Schools refurbishment project has delivered fully accessible state-of-the-art facilities for the next generation of students, alongside careful preservation of a set of heritage buildings designed by Sydney Smirke RA in the 1860s. The scheme, designed by David Chipperfield Architects, with Julian Harrap Architects, was completed to a high standard by our contractors Knight Harwood on a tight timescale.

Two events in the RA Schools in May 2024 celebrated completion of the works: a donors' dinner and a party for over 600 people. The latter included *Stampede*, organised by Brian Griffiths RA Elect, during which performances by recent graduates took place across the RA Schools.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Following completion of the works, members of the Collections team – Dr Hannah Higham, Kristina Stipla and Rina Sagoo – with the Keeper Cathie Pilkington RA, Mark Hampson and Eliza Bonham Carter installed some 150 objects from the Cast Collection in the Life Room, the Cast Corridor and the Architecture Studio. Cathie Pilkington RA's new display for the Life Room combines 18th century casts and écorchés with more recent objects, and space for contemporary and student interventions. In the Cast Corridor Mark Hampson's rich display brings many works out onto display for the first time since the Royal Academy was based at Somerset House, among them the Furietti Centaurs, the large heads of Castor and Pollux, a single figure of Laocoön returning from long-term loan, and a group inspired by the work of Michelangelo. Eliza Bonham Carter oversaw the Soane-inspired display of architectural casts that adorns both the Architecture Studio and the entrance corridor. This includes works donated to the RA Schools from the collection of Sir Thomas Lawrence PRA. All in all, these new displays comprise the fullest celebration of casts from the collection in over fifty years.

One notable benefit of the restoration work has been the addition of a new Time-Based Media Studio. This major upgrade to the technical offering of the RA Schools has been especially welcomed by students working with moving images, body art and non-material practices. The provision of our first sound booth is having a significant impact. We have also invested in equipment to support soft sculpture and textile-based practices, including sewing and digital-embroidery machines. The workshops play a central role in supporting speculative practice, enabling students to experiment and encouraging them to learn through making and responding to materials.

The academic programme in the year has been driven by dynamic discussions arising from lectures, artist talks, group critiques and tutorials led by contemporary artists, Royal Academicians, critics, writers and theorists. Highlights included Professor Esther Leslie speaking on *Fire, Animation and the Sun: Thermal Dialectics and the Flux of Social Worlds* and Dr Laura López Paniagua on *Contemporary Art and Sustainability: Creating Alternative Ways of Conceptualising and Inhabiting the Planet*. Among the artists who gave talks on their work were Hurvin Anderson RA, Josh Appignanesi, Michael Clark (Professor of Anatomy), Ghislaine Leung, Elizabeth Price, Eva Rothschild RA (Professor of Sculpture), and Larissa Sansour. Tutorials were given by Fiona Banner RA, Enrico David, Ryan Gander RA, R. I. P. Germain, Andrew Pierre Hart, Lubaina Himid RA, Eliel Jones, Arturo Kameya, Allison Katz, Sheng-Wen Lo, Lisa Milroy RA, Mike Nelson RA, and Andreas Reiter Raabe. Cross-year crits included Simeon Barclay, Joy Gregory, and Louise Wilson (Jane and Louise Wilson RA). Workshops included *Sustainable Practice* with Rashayla Marie Brown (Starr Fellow), and technical-painting tutorials with Jon Archdeacon from AP Fitzpatrick Fine Art Materials.

We welcomed Michael Clark as our new Professor of Anatomy, Michael Armitage RA Elect as our Eranda Professor of Drawing, and Eva Rothschild RA as our new Professor of Sculpture. Ryan Gander RA is Professor of Perspective and Lisa Milroy is Professor of Painting. We look forward to our professors' contribution to the programme and thank Mike Nelson RA, Alison Wilding RA, Fiona Banner RA and Lubaina Himid RA, who have come to the end of their terms. Our Critical Fellow, Federico Campania, has completed his two-year term.

In December 2023, we reviewed 670 applications. We offered interviews to 55 candidates and selected 17 students. This is the first year since 2017 that we have been able to accommodate a full cohort of students, our numbers having had to decrease to permit building works in connection with 6 Burlington Gardens, the Burlington Project and more recently the RA Schools project.

The Starr Fellowship is endowed by the Starr Foundation and supports a one-year artist's residency at the RA Schools for a US national. Rashayla Marie Brown from Toledo, Ohio, joined us in October 2023 as Starr Fellow for 2023–24.

In the autumn of 2023, our Professor of Architecture Peter St John (Adam Caruso and Peter St John RA) led an architectural walk to twelve churches in the City of London designed by the seventeenth-century architect and astronomer Sir Christopher Wren.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Our study visit to Athens in November 2023 was funded by a gift from Goldman Sachs Giving. We visited the Acropolis Museum, the EMST (National Museum of Contemporary Art), the Archaeological Museum, and the Benaki Museum of Greek Culture. This was an especially timely visit, given the imminent return of casts of Greek sculpture to the RA Schools. The academic staff visited the Athens School of Fine Art, which developed our networks and provided an interesting insight into the organisation.

The following students graduated from the RA Schools on 13 June 2024: Ilze Aulmane, Fungai Benhura, Kevin Brennan, Racheal Crowther, Fleur Dempsey, Massimiliano Gottardi, Elizabeth Munn, Fischer Mustin, Tanoa Sasraku, Jame St Findlay, and Norberto Spina.

Deepening our connection

We continue to strive to become an inclusive place to work and study. In the autumn term, staff undertook neurodiversity training with the ADHD Foundation. Students and staff have undertaken resilience training. We aim for 30% Black and Global Majority representation among visiting contributors to the RA Schools programme. We anticipate the introduction of a freelancer EDI form so that we can monitor our performance and introduce a target. We continue to monitor our performance in relation to our admissions process, which is reported elsewhere. We plan to undertake further training in the next academic year.

The annual Keeper's Dinner is an opportunity for Patrons and key supporters to meet first-year students. This year's dinner, entitled *A Night of Double Denim*, took place in February 2024 and was hosted by Cathie Pilkington RA, Keeper of the Royal Academy. Djofray Makumbu's acrylic on canvas *Mon Ami* was used for the menu and guests received an edition by third-year student Massimiliano Gottardi.

Studios were open in the temporary spaces at Burlington House and 6 Burlington Gardens for visitors to explore, and performances were given across the two buildings by Lolly Adams, Ilze Aulmane, Kevin Brennan, our Starr Fellow Rashayla Marie Brown, Gusty Ferro, Rosa Klerkx, Zacharia Riley and Jame St Findlay.

This programme of experimental projects, installations and interventions by RA Schools students runs in parallel to the RA Schools academic programme from July to January. This year there were three projects: Lizzie Munn: *The Gold Brow Plumbs the Blue* (25 July – 27 August 2023), Gusty Ferro and Suleman Aqeel: *Turning Into* (5 September – 29 October 2023) and Alex Margo Arden: *Rock Paper Scissors* (7 November 2023 – 7 January 2024). A fourth show, *Three Years* (17 April – 26 May 2024), brought together work by all 32 current RA Schools students in a group exhibition to mark the reopening of the restored studios. From installation and video to sculpture, painting and printmaking, the work on display reflected a cross-section of the complex ecosystem of the RA Schools studios.

Premiums is a testing ground for new and recent work by second years studying at the RA Schools, offering visitors a chance to see new work being developed in their studios. *Premiums* takes place in the Weston Studio at the heart of both the RA Schools and the Royal Academy and consists of two consecutive group shows. *Premiums 1* (16 January – 25 February 2024) featured the work of Suleman Aqeel, Alex Margo Arden, Rosa Klerkx, Esther Gamsu, and Bishwadhan Rai. *Premiums 2* (5 March – 7 April 2024) featured the work of Gusty Ferro, Rahima Gambo, Charlotte Guérard, Robert O'Leary, and James Sibley.

The *RA Schools Show 2024* presented the work of the 11 artists graduating from the RA Schools in the newly restored studio spaces. Paintings hauntingly restaged images from an Italian past, a large-scale stitched newsprint object evoked the British landscape and the human body, and a moving-image installation created an absurd post-apocalyptic world. The reviewer for London Art Roundup stated: "This isn't just the best student degree show I have had the pleasure to attend, it's one of the best London art shows I've seen this year."

In *Single Black Femme (I Am My Own Institution)* (5 July – 25 August 2024), Rashayla Marie Brown ("RMB") presented new works in photography, assemblage, performance, and legal contracts made during her time as

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

Starr Fellow at the RA Schools. RMB is an “undisciplinary” artist who changes narratives of power and access through aesthetics, satire, and ethics. She is a practitioner of Lukumí and Buddhism, and her artworks often blur the lines between forms to contradict the hierarchies that they allow to persist.

5. Development

Reinforcing the Academy

We were delighted to secure the support of BNP Paribas, Chrome Hearts, Sean Kelly, Lisson Gallery, and Claridge's for *Marina Abramović*. Chrome Hearts leveraged their support with displays at Selfridges and in their London Mount Row store; they are also producing Marina Abramović clothing. We received support from Royal Academy Trust trustees and individuals for the Marina Abramović Supporters Circle.

We received considerable support towards *Impressionists on Paper: Degas to Toulouse-Lautrec* from the Huo Family Foundation and Kathy Uhde.

For the eighteenth consecutive year, Insight Investment enjoyed sponsorship of the *Summer Exhibition*. We are hugely grateful for their continued support.

We are delighted to welcome UniFor as sponsors of the Architecture Programme.

Deepening our connection

The BNP Paribas sponsorship of *Marina Abramović* enabled over 1,700 16–25-year-olds to see the exhibition for free at a special BNP Paribas Access Art 25 evening event. BNP Paribas Access Art 25 was highly commended in the 2024 UK Sponsorship Awards.

The Claridge's Art Prize was launched, with Daria Blum announced as the winner by Marina Abramović Hon RA at an event at Claridge's in September 2023. We are grateful to Claridge's for supporting the RA Schools. The Claridge's Art Prize won the 2024 Mayfair Times Community Award.

We were thrilled to open the new Julia and Hans Rausing Campus at the RA Schools to supporters and students on 20 May 2024, and saddened to hear of the death of Julia Rausing, whose monumental generosity to the Royal Academy and the RA Schools will be forever remembered.

During the year we were thrilled to reopen the Dunard Life Drawing Room, the Ronald and Rita McAulay Studio, the Jungels-Winkler Family Studio, the Weston Print Workshops, and the Wolfson Studio.

The Patrons enjoyed a busy year with highlights including an international trip with Trustees to Japan and many private collection and studio visits.

Finally, we are extremely grateful for those supporters who left legacy donations to the Royal Academy, which totalled over £0.8m in the year, with a further £0.3m in probate.

6. Corporate Services

The Corporate Services pillar combines the management of Estates, IT, HR, Legal and Governance.

Estates and facilities

January 2023 saw commencement of the restoration and refurbishment of the RA Schools. Knight Harwood were appointed as main contractor and delivered the scheme, designed by David Chipperfield Architects, with Julian Harrap Architects, over the following year. The project achieved sectional completion of Richard Norman Shaw RA's and Sydney Smirke RA's studios in January 2024, enabling 13 students to move in and leave their

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

temporary studios in the Jillian and Arthur M. Sackler Wing of Galleries. Full practical completion followed on schedule in March 2024. Before opening there was a further ten-week fit-out period with a number of direct works across the campus, including the return of casts from the RA's Collection, the return of the Schools Library, restoration of the flooring in the Cast Corridor and technical fit-out of the new Time-Based Media Studio. The new campus was officially opened in late May 2024. The final account with the main contractor has now been closed, with the project completed in line with the approved budget of £23.3m.

IT

In February 2024, the RA commissioned external specialists to: (1) Perform a Maturity Assessment Audit; and (2) Review the RA's Cyber Incident Management Planning processes. The Maturity Assessment (element 1) set out to audit the RA's IT and Digital infrastructure, policies, and procedures in line with the NIST1 Cyber Security Framework and help the RA to understand, manage and reduce its cyber risk. The Incident Management Review (element 2) was designed to support the RA in refining its incident response plan based on the NIST Special Publication 800-61 (a handling guide which assists organisations to ensure incidents are managed efficiently and effectively).

The external specialists worked closely with RA teams to conduct a thorough assessment of our incident response capabilities and identify any gaps or weaknesses. They also facilitated a tabletop simulation exercise with the key RA stakeholders, based on a set of realistic scenarios around the *Summer Exhibition*.

A draft report was produced in August 2024 and shared with relevant teams, who are providing feedback and additional information. The Audit and Risk Committee was also updated. The RA's overall score was very high. As ever, there are potential recommendations for improvement, which relevant teams will meet and work through, with support from their external partners.

Human Resources

Our people plan remains as last year, to deliver three main strategic outcomes: firstly, to give all RA staff access to the tools and training they need to excel professionally and perform optimally to deliver our organisational priorities effectively; secondly, to establish the RA as an open and accessible employer that attracts passionate, confident and committed team-players who can collaborate effectively to deliver brilliant, engaging experiences for all our visitors and students; and thirdly, to continue to strive to make the RA a place in which talent and contribution are recognised and where fulfilling careers can be built.

In the year under review, we continued to work to deliver these three strategic outcomes. The management and leadership skills training programme introduced last year is now in its second year and remains very popular. Many of its self-selection modules were fully booked by managers within a few days of launch. Also, in the year we asked RA staff to complete an employee-engagement survey, the first for some years. The response rate of 73% was high and there were many areas of positivity to celebrate. Responses highlighted several areas for focus and work, and the Senior Leadership Team are now driving the action planning process to enable this.

During the year, we commenced work with our consultants Pearn Kandola, who are supporting us in writing and delivering an over-arching Equity, Diversity and Inclusion (EDI) strategy. Our aim is to continue to build an inclusive culture in which all RA employees are supported, heard and respected. The year also saw implementation of a new recruitment platform, permitting us to see the first measurable data on candidates' ethnicity through each stage of the recruitment process. Our rolling programme of EDI training modules (Unconscious Bias, LGBTQ+ Awareness and Bystander) continues, and 67% of RA staff have now attended it.

Our annual report on the Gender Pay Gap once again demonstrated the RA's continued commitment to pay equitably across gender. The report highlighted that on 5 April 2023, 62% of the RA's 332 employees were female. The mean average pay gap remains at 5% (driven by the salary of the Secretary and Chief Executive, male at the time of the report). The median pay gap (1%) is also skewed very slightly in favour of men. The RA

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

continues to maintain its commitment as a London Living Wage employer, offering the London Living Wage to eligible staff and ensuring that third-party organisations operating at the RA pay their staff on site the London Living Wage as a minimum.

7. Finance

The RA has been significantly impacted by the challenging macro-economic situation with higher rates of inflation, pay pressures, energy price volatility, and higher interest rates all having an impact on the cost side; and with further pressure on the income side, including the "cost of living crisis" and changing audience behaviour, with a sector wide drop in visitors experienced, with the RA itself seeing more than a 30% fall in exhibition attendance.

As reported last year, the RA was facing a material reduction in income from exhibition admission and other on-site sources of income for at least the next three years, together with a smaller annual donation from The Friends of the Royal Academy, such that there was an expectation that it would take longer to return to pre-pandemic levels of income and achieve the key financial target being annual net income from ongoing activities of £5.0m (before interest, depreciation, and amortisation) ("the EBITDA target"). Meeting this target is also required for the RA to meet its other key financial target of free reserves of £4.5m.

At the Council meeting in April 2024, the annual update of the five year Medium Term Plan ("the 2024 MTP") was presented to and approved by the trustees. At the Council meeting in July 2024 the trustees approved the Annual Operating Budget for the year ended 31 August 2025 ("FY24/25 Budget"). This included an update to the operating cash flows for the five year period covered by the 2024 MTP.

The updated 2024 MTP, informed by actual and forecast performance for the year to 31 August 2024, showed a material deterioration in the financial situation. Without taking significant measures, the RA will fall significantly short of the EBITDA target over the short and medium term and be at risk of breaching its £5.0m committed Revolving Credit Facilities and £0.5m overdraft facility by early 2026.

The net expenditure from ongoing activities (before interest, depreciation and amortisation, and excluding emergency support funding for the pandemic, including MGETR and excluding the exceptional one off settlement cost arising from the full buy-in of the defined benefit pension scheme liabilities with an insurer) ("Adjusted Net Expenditure") was £2.3m² for the current financial year. The FY24/25 Budget (before taking significant measures) forecasts a further deterioration with Adjusted Net Expenditure of £3.3m, nearly £8.5m lower than the £5.0m EBITDA target. Before taking significant measures, the FY24/25 Budget forecasts a net loss of £7.1m.

If the RA took no action to address this, then, in the financial year ending 31 August 2026, the RA would breach its available credit facilities and would need to place a significant call on the £10.3m in unrestricted funds (as at 31 August 2024) held by the Royal Academy Trust (a separate charity).

The scale of this challenge is having, and will continue to have, a significant impact on the RA's staff and operations. Resources are being dedicated to transforming the organisation and planning is underway to deliver to this.

² Adjusted net expenditure" of £2.3m represents total income from ongoing activities (£36.8m) less total expenditure from ongoing activities (£46.2m) of (£9.4m) less net interest payable (£0.2m), depreciation and amortisation (£3.4m), Emergency Support Fund income (£0.5m), and one off settlement costs arising from the full buy-in of the defined benefit pension scheme liabilities with an insurer (£3.7m) plus MGETR (£0.3m)

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

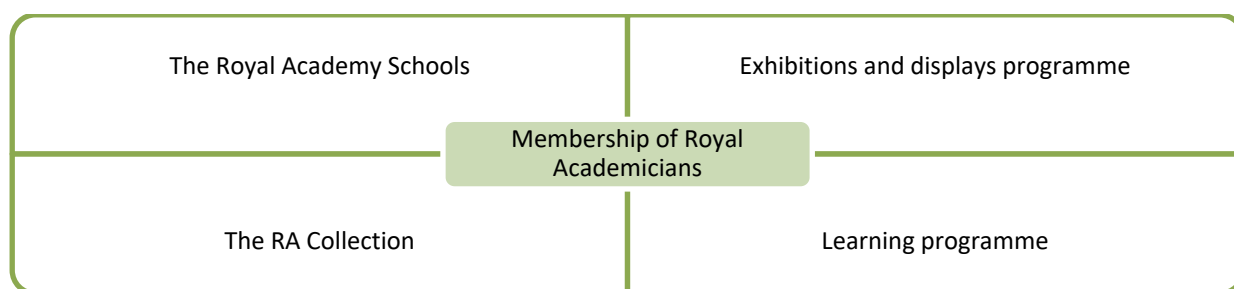
IMPACT AND PUBLIC BENEFIT

The Royal Academy is a pioneering champion of artists and art making in the UK. Founded in 1768 by a group of artists and architects, its core founding purpose was and remains to (i) promote outstanding achievement in art and architecture; (ii) contribute to advancing contemporary practice; and (iii) expand the public's appreciation, enjoyment and understanding of the fine arts.

In delivering this mission, it is our ambition to:

- Stimulate the imagination and unlock the creative potential of everyone who visits us – from the school child to the adult art enthusiast; and, from the aspiring student to a practising professional.
- Meet and challenge the interests and ideas of an increasingly diverse audience through a varied programme which seamlessly extends from our unique experience onsite in Piccadilly to our distinctive online offer.
- Advocate emphatically for the importance of wide access to art education.

Our mission and the impact we have as a charity is driven by five main areas of activity:



Our membership of Royal Academicians

The RA was founded by a group of pre-eminent artists and architects. To this day the Academy is led by its membership, a group of nationally and internationally renowned artists and architects, elected by their peers and appointed for life. They are involved in leading the RA through its topmost governing body, the Council, as well as the General Assembly and its committees. They are the lifeblood of the Academy.

The Royal Academy Schools

The original impetus for setting up the Royal Academy was to professionalise the training of young artists in an art school much like had been happening elsewhere in Europe. Today it is a three year post-graduate programme for up to 17 students per year. The Royal Academy Schools, led by the Keeper and the Curator and Director of the Royal Academy Schools, is considered as one of the leading art schools in the UK and attracts a wide range of European students.

Our renowned exhibitions programme

When the RA was founded, its members established annual exhibitions with a two-fold aim: for the Royal Academicians to display and sell their works and to generate income to fund the Royal Academy Schools. This tradition continues with the annual *Summer Exhibition* that has been held without interruption since the RA's inception. In addition to the annual *Summer Exhibition*, the RA also runs a wide-ranging, ambitious, and much respected programme of international loan exhibitions on art and architecture. Of these, two are held in the Main Galleries, one of the grandest temporary exhibition spaces in the UK, if not in the world. The other gallery spaces are the Jillian and Arthur M. Sackler Wing of Galleries and the Gabrielle Jungels-Winkler Galleries in which a total of three exhibitions are held each year.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

The Royal Academy's unique Collection

The RA's unique and wide-ranging Collection was started as a teaching collection for the Royal Academy Schools. From the beginning the Academy also required every Royal Academician to donate a "diploma work" to the Collection. Over time the Collection has grown into a visual record of the RA's membership and history. Valuable works in the Collection range from Michelangelo's *Taddei Tondo*, John Constable RA's *Leaping Horse* and George Stubbs' anatomical drawings and studies of the horse, to diploma works by living artists such as Lubaina Himid RA and Tracey Emin RA. The Collection also contains historic copies after Leonardo's *Last Supper* and Raphael's cartoons for the Sistine Chapel. There is a considerable collection of plaster casts after famous works of art, a sizeable collection of works on paper, photographs, an increasing amount of film, and of silver, furniture, coins, medals, and artists' materials. Our Collection includes an important historic Archive of artists' papers and other records, and a Library collection of rare books. The Library and Archive are well-documented with much available digitally. The Collection is on free public display in the designated Collections Gallery, the Julia and Hans Rausing Hall and Campus, in various parts of the building as part of the ceilings and walls, and in the Fine Rooms which are open selectively at the moment. Access for scholars and researchers is provided several days per week for our Library, Archive and Prints and Drawings Collections, as well as a busy information service by email and a Picture Library service by request.

Our learning and public programmes

In the Academy's founding mission, the Royal Academicians stated that the RA was to "educate the public in creation, enjoyment and understanding of the arts" and learning, by definition, is at the core of any academy. Our learning programmes range from the engagement of teachers and the provision of Collection-based resources for formal learning to families and communities and informal and intergenerational learning with some access-specific programmes. We have a thriving onsite and online public programme offering a range of artists, architects and curators in conversation and there is a termly courses provision offering paid-for practical and art history classes connecting to our Collection and our exhibitions. The Executive Masters in Cultural Leadership is entering a seventh year in partnership with the University of Maastricht, foregrounding the Academy's particular role in leading an independent, artist-led arts charity.

IMPACT MEASURES

Like many charities, the RA must balance delivering on its mission with financial sustainability to ensure its continued relevance.

The RA's Medium Term Plan explicitly articulates the goal to achieve an average net income of at least £5.0m p.a. from ongoing activities (before interest, depreciation, and amortisation) to fund the ongoing maintenance of its 2.5 acre campus and the required investment in technology; periodic plant upgrades and gallery refurbishment programmes; to repay its borrowings and to service its financing costs; and to maintain a level of free reserves, as outlined in the reserves policy on pages 36 - 37. This financial sustainability target has been severely challenged by the impact of the current macro-economic situation following the pandemic, which is considered further on pages 37 - 38 in "Principal risks and uncertainties and risk management" and will continue to be challenged over the coming financial year and beyond.

Alongside the financial goal to achieve sustainability the RA has identified a set of mission related goals.

The RA tracks and monitors a variety of impact measures (as well as Key Performance Indicators, which are considered below). These measures include those pertaining to the RA's activities across exhibitions, RA Schools, Library and Collections, and education; where possible, we aim to measure the delivery of our mission and impact goals numerically, as well as qualitatively and anecdotally.

The current measures will evolve as the organisation better understands which measures are most reliable and informative, and as it introduces new means of tracking and assessing the impact it has but will also have to be

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

further considered in the light of what is possible for the organisation given the financial constraints in the aftermath of the pandemic.

The exhibition programme provides a mix of subject matter and content for a range of public tastes and is complemented by a programme of activities such as lectures, and workshops aimed at providing opportunities for the public to engage with the subject matter and the institution. The RA's exhibition and public programme continue to measure success and impact both in terms of the overall attendance or reach activities achieve as well as the degree to which the RA can welcome new audiences who might otherwise face barriers to attending. The Royal Academy's pricing policy includes opportunities for those on lower incomes to visit and participate in its programmes by taking advantage of reduced ticket prices and free activities.

During and post-pandemic, the RA has increased its focus on digital programming to keep audiences engaged and to support its mission.

Against our mission and programme of activity, we measure our charitable impact through six main impact metrics (see below). While these represent the highest-level metrics against which we measure our impact each year, we also maintain a more specific set of metrics which give a more granular view of our impact in each area.

At the highest level, the Royal Academy's main charitable impact measures are as follows:

1. Annual attendance to our exhibitions and displays.
2. Annual attendance to the wider public programme.
3. Size of digital audience and social media following.
4. Visitor experience (overall rating of visits).
5. Number of artwork submissions to the *Summer Exhibition* and the *Young Artists Summer Show*.
6. Number of applications received for the Royal Academy Schools three year post-graduate diploma programme.

In 2023/24:

1. Over 607,000 visitors attended the programme of six headline paid exhibitions. There were over 161,000 visitors to the Collections Gallery, which is free to the public. The *Young Artists Summer Show* (which is also free) attracted over 12,000 visits (with nearly a further 16,000 online visits).
2. There were nearly 35,000 engagements with the wider learning and public programme activities.
3. The total social media following across Instagram, Facebook, Twitter, YouTube, LinkedIn and Pinterest was nearly 1.8m, with total website sessions of more than 6.3m across all domains.
4. Visitor experience ratings are captured across six categories, with the average exhibition rating being 4.6 (out of 5) and an overall visitor experience rating of 4.5.
5. There were over 16,200 submissions to the *Summer Exhibition* (which had to be capped) and just under 21,600 for the *Young Artists Summer Show*.
6. There were 670 applications received for the Royal Academy Schools three year post-graduate diploma programme. There are 37 students currently (as of October 2024) being funded in their pursuit of professional artistic development and attainment of a post-graduate diploma at the Royal Academy Schools.

In implementing the stated objectives through the strategies described, the trustees confirm that they comply with their duty to have regard to the Charity Commission guidance on public benefit.

Business review

The "Strategic review" section above sets out the RA's activities in this area over the past year or so, as well as the adoption of the 2023-28 Strategic Plan. A review of the Royal Academy's activities, achievements, and impact has been included in the "Activities, achievements and impact" section, also above. This maps the progress

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

being made against each of the three core priorities in the plan. The section of this report, which follows, sets out in further detail our strategy and our priorities for the next five years.

STRATEGIC REPORT

Our priorities for the next five years

In early 2023, the Royal Academy published its new strategic plan for the five year period to 2028. The headline ambition of this strategy is articulated as an aim to realise a financially sound, culturally and educationally renowned, and environmentally sustainable RA.

To achieve this, the RA will focus on delivering against three core priorities:

1. Reinforce the Academy and reaffirm our commitment as an artist-led, practice-centred academy

The Academy exists to inspire and develop artistic practice at all levels of engagement. Over the next five year period, we aim to reinforce our reputation and proposition as an “academy” – a place for exploration and ideation and a leading advocate for the importance of the creative process and arts education more specifically. As an artist led institution with an art school at our core, we see it as our responsibility to advocate for and enable greater access to art education in the UK. To reinforce the Academy, we will:

- Establish the RA as an influential advocate for art education in the UK.
- Position the RA Schools as a leading and distinctive provider of fine art education.
- Redevelop the RA Schools to deliver an exceptional facility for art students.
- Reinforce our focus on artistic practice across learning, the Collections, architecture, and our wider public programmes.
- Give increased prominence to the Collection and create more opportunity for engagement through an expanded, reimagined, and redeveloped Collection Gallery in the northwest corner of 6 Burlington Gardens.
- Champion outstanding achievement in art and architecture and engage with our Royal Academicians to harness their support for everything we do.
- Develop resilient, creative cultural leaders.

2. Deepen our connection with the world around

We believe that art is for everyone and, we are committed to ensuring that the RA is relevant and accessible to the broadest audience. We see it as our responsibility to open new ways into art and to develop a programme which is relevant to and reflects the interests of the diverse society we serve. Over the next five years the RA targets to become more connected with the world around us. We will do this by opening new doors to our mission (online and onsite), extending a warm welcome for all who share our passion; showcasing excellence across an ever-more diverse spectrum of contemporary art and architecture; and fostering deeper connections with the practice of art and living artists. To “deepen our connection”, we will:

- Reinforce our investment in a world class exhibitions programme that enriches, delights, and stimulates audiences.
- Prioritise equity, diversity and inclusion across our programmes, audience, students, staff, Royal Academicians, and wider stakeholders to ensure that our offer is inclusive and welcoming.
- Develop a compelling proposition for younger audiences – defining the offer, the pricing models, and the experience for a younger generation.
- Invest in a distinctive digital offer to open new ways into the Royal Academy and its programmes – broadening our reach and deepening our engagement.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

3. Strengthen our resilience and rise to the social, economic, and environmental challenges we face

When the Royal Academy was founded over 255 years ago, it was based on the principle that it would fund itself. Over the next five years, in order to preserve our independence and ensure our mission continues to endure the test of time, we must strengthen our resilience to the financial, social and environmental challenges we face. We will achieve this by growing audiences, optimising our assets, maximising the commercial opportunities around our offer; strengthening our resilience to the environmental challenges we face; and ensuring we have the right talent and skills to deliver the ambition we set. To strengthen our resilience, we will:

- Grow our audience and maximise our commercial opportunities to stabilise and sustain our financial position.
- Build an endowment to ensure the long term financial future of the Royal Academy.
- Optimise our estate to ensure that our buildings are designed and maintained to support our mission and commercial opportunities.
- Improve our resilience to extreme weather.
- Reduce our impact on the planet and develop a strategy to deliver a net-zero carbon footprint and an environmental certification.
- Attract the very best talent and support our staff in building their careers to help us deliver our ambitions.

Measuring our progress against the strategy

The following key performance indicators ("KPIs") have been identified as key measures of our progress against our strategic objectives.

Reinforce the Academy:

- Impact and reach of learning and public programme (online and onsite).
- Audience for the Collection (physical displays, website visits, appointments).
- Range and type of new Collection acquisitions and successful care and management of all Collections.
- Number of RA Schools applications (per place and from outside London/UK/Europe).
- Royal Academician engagement (board and committee attendance, number of new nominations).
- Staff engagement (engagement survey, appraisal completion, staff turnover).
- Completion of the Burlington Project Masterplan (refurbishment of the RA Schools; and the new Collection Gallery).

Deepen our connection:

- Total attendance to our programmes.
- Number of Friends in our membership scheme.
- % of "young" Friends (<35) and ticket buyers (<25).
- Spend per visitor (retail).
- Visitor experience (rating of exhibition and of overall visit).
- Engagement and number of digital visitors (unique visitors, website sessions, social media following).
- Diversity profile of our audience, staff, Royal Academicians, students, trustees, artists, speakers.
- Staff satisfaction and engagement scores.

Reinforce our resilience:

- Annual net income from ongoing activities target of £5.0m (before interest, depreciation, and amortisation), together with income and cost sustainability metrics underpinning this target.
- Fundraising return on investment and total amounts raised per annum.
- Staff costs as a percentage of income.
- PPM (Planned Preventative Maintenance) completion rate.
- Energy consumption and GHG (Greenhouse Gas) emissions.
- Staff survey results and Glassdoor ratings.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

FINANCIAL REVIEW

Financial results for the year

The results for the current year show net expenditure of £9.2m (2023: net income £0.5m) for core activities, being those ongoing activities directly associated with delivering the charitable objectives, and net income of £0.9m (2023: £6.6m) for the Burlington Project, being the refurbishment and redevelopment of the Royal Academy's buildings and estate. Net expenditure of £9.2m (2023: net income £0.5m) for core activities includes £0.4m (2023: £0.4m) of interest payable; £0.3m (2023: £0.2m) of interest receivable; and £0.2m of investment gains (2023: £0.0m of investment losses). There was net expenditure of £9.3m for core activities (2023: net income £0.8m) excluding net interest payable and investment gains/losses.

Total net movement in funds, includes the recognition of the actuarial loss on the pension scheme totalling £1.1m (2023: £2.2m), and a tax credit of £0.3m (2023: £0.2m) in respect of Museum and Galleries Exhibition Tax Relief, resulting in a deficit of £9.0m (2023: surplus £5.1m).

The ongoing activities deficit, excluding net interest payable and investment gains was £9.3m (2023: surplus of £0.8m). These results are significantly down on those of the previous year, with a decrease of £10.1m. Both years have benefited from income from donations to the Coronavirus Emergency Support Fund ("CESF") of £0.5m (2023: £2.8m), including a £nil (2023: £2.0m) donation from the Royal Academy Trust, as well as legacy income designated to the CESF of £0.5m (2023: £0.8m). Excluding the impact of these items, the deficit would have been £9.8m (2023: £2.0m); an increase in deficit of £7.8m.

During the year, a full buy-in of the Royal Academy's legacy defined benefit pension scheme's liabilities with an insurer, being the first stage towards buy-out and an eventual winding up of the scheme, was successfully concluded. Whilst this is a very positive development for the Royal Academy, under FRS 102 accounting rules the purchase of the insurance policy has resulted in an exceptional one off settlement cost of £3.7m. Included in staff costs are pension service costs / (income) of £4.1m (2023: (£2.0m)). This includes this exceptional one off settlement cost of £3.7m and in 2023 a £1.7m reduction in liabilities from data cleansing. Excluding the impact of these one off items, the deficit would have been £6.1m (2023: £3.7m); an increase in deficit of £2.4m.

The reason this year's results are significantly down on the previous year has primarily been driven by a significant increase in the cost base. Material increases in staff costs, including the impact of the increase in the London Living Wage, and other operating costs were experienced primarily due to the impact of inflation. This was largely anticipated and planned for. However, whilst income is only marginally down year on year, and in fact up when excluding income from the CESF, we had planned for more growth this year.

Exhibition visitors in the year were c.607,000, which were over 11.4% higher than the prior year (c.545,000). The Main Galleries exhibition *Marina Abramović* achieved c. 170,000 visitors, but despite critical success *Entangled Pasts, 1768–now: Art, Colonialism and Change* achieved only c. 81,000 visitors. The final Main Galleries exhibition, *Summer Exhibition 2024* achieved c.150,000 visitors c.10% lower than *Summer Exhibition 2023*. *Impressionists on Paper: Degas to Toulouse-Lautrec* in the Gabrielle Jungels-Winkler Galleries welcomed c. 111,000 visitors, achieving the second highest total attendance for these gallery spaces since these were opened in 2018.

Total income (excluding interest receivable) from ongoing activities for the current year was 0.5% down on the previous year at £36.5m (2023: £36.7m), with expenditure (excluding interest payable) increasing by 27.6% over the same period to £45.8m (2023: £35.9m). Excluding income from the CESF, total income was 6.2% up on the previous year at £36.0m (2023: £33.9m). Also excluding the pension service expenditure/income, expenditure was 10.1% up on the previous year at £41.7m (2023: £37.9m).

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

The Friends of the Royal Academy, a separate registered charity, donated £10.1m (2023: £10.6m) to the Royal Academy, 4.7% lower than the previous year. The total donation of £10.1m (2023: £10.6m) represented 27.6% (2023: 28.7%) of the RA's total income from ongoing activities.

Exhibition income increased by 16.8% to £7.0m (2023: £6.0m) reflecting both an increase in exhibition visitor numbers, which was also more weighted towards paid visits (rather than visits by Friends), and increased admission prices.

There was a 7.8% increase in income from our trading subsidiaries to £9.6m (2023: £8.9m). Income from commercial activities of £6.9m saw a 9.5% increase on the previous year (2023: £6.3m), with income from entertaining services to the corporate sector 5.2% up at £2.2m (2023: £2.1m), and income from ticketed fundraising events of £0.5m in line with the previous year (2023: £0.5m).

Other income including sponsorship at £2.7m was 10.0% up (2023: £2.4m); with other donations at £5.0m, 5.9% up (2023: £4.7m), including £0.5m emergency fundraising (2023: £0.8m). Grant income was £0.1m (2023: £0.0m).

The increase in expenditure included a 12.0% increase in staff costs to £16.0m (excluding the pension service expenditure of £4.1m recognised for the legacy defined benefit pension scheme) (2023: £14.3m excluding £2.0m pension service income), with average full-time equivalent permanent employees increasing by 4.9% to 301 (2023: 287) and a headline salary increase of 5.0% being awarded in September 2023, with further increases awarded to reflect the incremental impact of a 10% increase in the London Living Wage announced in October 2023.

Other expenditure (excluding depreciation and amortisation) has increased by 9.9% to £22.3m (2023: £20.3m), primarily reflecting an increase in direct exhibition costs, driven by both inflation and the programme; and higher operating costs generally, due both to the impact of inflation and some increase in activity, including the relaunch of premium membership schemes. Depreciation and amortisation charges were up 3.0% at £3.4m (2023: £3.3m).

The Royal Academy put in place a five year £5.0m committed Masterplan Revolving Credit Facility ("Masterplan RCF") in May 2017 to provide the required working capital for the completion of the Burlington Project, as redevelopment costs were incurred in advance of the receipt of pledged donations and to fund the final cost overruns on the project. The facility was most recently extended in February 2023 with the £5.0m commitment expiring in June 2023 and thereafter reducing to a £3.5m commitment to 31 August 2027, which can be drawn down in advances with a minimum value of £0.5m. Each advance is repayable after one month; at the end of the one month period the advance can either be rolled over for another one month period or repaid, with the amount then being available again for draw down. This facility was not utilised during the year.

The Royal Academy put in place a five year £2.5m committed Operating Revolving Credit Facility ("Operating RCF") in March 2018 to manage operating working capital requirements. The facility was most recently extended in February 2023 with the £2.5m commitment running to the end of February 2023 and thereafter reducing to a £1.5m commitment to 31 August 2027, which can be drawn down in advances with a minimum value of £0.15m. Each advance is repayable after one month; at the end of the one month period the advance can either be rolled over for another one month period or repaid, with the amount then being available again for draw down. This facility was not utilised during the year.

The Royal Academy has benefited significantly from the introduction of the Museums and Galleries Exhibition Tax Relief from 1 April 2017, providing much needed financial support to the exhibitions and free display programme amounting to about £0.4m each year to date. The announcement in March 2024, reaffirmed in the Chancellor's Budget in October 2024, that this relief would be made permanent was much welcomed.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

The Royal Academy's legacy defined benefit pension scheme had its triennial actuarial valuation as at 31 August 2022 agreed in February 2023 with a £1.7m surplus (105% funded), such that no cash contributions are required. The last contribution was made in January 2020. This improved as at the 31 March 2024 funding update, with the scheme fully funded on a buy-out basis. A Joint Working Group was formed in April 2023 to investigate the feasibility, tasks for completion, timelines and to oversee the process of the full buy-in of the scheme's pension liabilities with an insurer, being the first stage towards buy-out. The buy-in process commenced in Q1 2024, and a deal was successfully concluded with Aviva on 2 July 2024. An insurance buy-out for the scheme should be achievable in a two-year horizon, before the scheme can then move to winding up.

Reserves

The policy of the Royal Academy is to maintain a sufficient level of free reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. A formal policy on reserves was originally agreed at the meeting of Council on 4 October 2011 and approved annually thereafter which states:

The trustees have set a reserves policy which requires:

- Reserves to be maintained at a level which ensures that the Royal Academy's core activities could continue during a period of unforeseen difficulty and that current and future commitments can be honoured.
- A proportion of reserves to be maintained in a readily realisable form.
- The policy is reviewed annually by Council.

Free reserves comprise that part of the total unrestricted funds that are freely available. Arising from the most recent review, the trustees have adopted a risk-based approach to determine an appropriate level of free reserves. The trustees consider it appropriate to have free reserves sufficient to cover a period of unforeseen difficulties and consider this to be the greater of a period of three months, being the normal duration of a Main Gallery exhibition, such that this would allow the Royal Academy to continue running in the circumstances that an exhibition is cancelled without an alternative being viable, and a period of six months, during which the Royal Academy has less than budgeted visitor numbers, due to the impact of external factors, such as the threat of terrorism or a pandemic, reducing the number of visitors to London generally and the RA's campus more specifically.

The trustees have specifically considered the prospective financial impact of the key risks identified in the Royal Academy's Risk Register, including those pertaining to meeting the budget approved for the year ended 31 August 2025 and have further considered the medium term cash flow forecasts of the Royal Academy to 31 August 2029 and the long term loan funding in place. The trustees have also considered expenditures that could be deferred or avoided to mitigate the detrimental impact of unforeseen difficulties.

Based on this detailed review and analysis, the trustees consider that an appropriate level of free reserves would be in the order of £4.5m to be held by way of operating contingency at all times to enable the Royal Academy to continue operating for a period of three months to cover both a fall in exhibition, trading and voluntary income and fixed operating costs (including salaries) and the prospective financial impact of other uninsured risks or six months, in the event of reduced visitor numbers due to external factors, such as the threat of terrorism or a pandemic.

Actual free reserves as at 31 August 2024

As at 31 August 2024, total unrestricted and non-designated funds stood at £102.9m, including £108.3m of fixed assets. Free reserves, which exclude fixed assets, are therefore in deficit by £5.4m, after taking account of the pension scheme asset of £1.0m and are £9.9m less than the desired level of £4.5m.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

The free reserves deficit of £5.4m is represented by net current assets of £3.6m less long term liabilities of £10.0m, which are repayable in ten equal annual instalments from 2035-2044; and the pension scheme asset of £1.0m.

In addition to the net current assets of £3.6m as at 31 August 2024, the Royal Academy has access to both a committed £3.5m Masterplan RCF and a £1.5m Operating RCF to 31 August 2027 and an annually renewable £0.5m overdraft facility, none of which were drawn upon at the year end.

In view of the level of current liquid resources and the long term loan funding and short term facilities in place, which are all available for operational purposes, the trustees consider that the Royal Academy has both sufficient funding and liquidity for the foreseeable future.

In parallel with a wider strategic review in the period to February 2020, a financial sustainability review was undertaken informed by the actual financial performance in 2018/19, the first full financial year in which the RA operated its expanded campus post completion of Phase I of the Burlington Project in 2018. Part of the scope of this review was to identify a series of key financial metrics providing a benchmark towards achieving financial sustainability, which included delivering the required level of surplus funds to achieve the target level of free reserves over the long term (being a period of five to seven years). Due to the impact of the broader macro-economic situation, following the pandemic, these metrics are unlikely to be delivered against for an extended period. These financial sustainability metrics are being reconsidered as part of the transformation plan. The period to achieving the target level of free reserves will inevitably be prolonged.

The trustees also take comfort from the fact that the Royal Academy Trust, an independent charity established under a Trust Deed dated 11 February 1981 specifically to provide support to the Royal Academy, held funds of £52.3m at 31 August 2024 in trust for the Royal Academy, of which £16.8m represents unrestricted funds, including £10.3m that is both unrestricted and not designated. A further £22.1m represents permanent endowment funds, which are accounted for on a total return basis (such that both income and capital appreciation may be distributed), with the remaining £13.4m being restricted funds (including £0.2m which may be used for the general purposes of the Royal Academy). These amounts are held by the Royal Academy Trust until these are required by the Royal Academy for specific purposes and are invested by the Royal Academy Trust to provide future funding for the Royal Academy.

Principal risks and uncertainties and risk management

Council, advised by the SLT and other specialist committees, evaluate and monitor risks and ensure systems and controls are subject to regular review. Where appropriate, mitigating actions and improvements are put in place by the SLT.

All risks identified are recorded in an online Risk Register, which is maintained on an ongoing basis and not only includes details of all risks considered but also provides a mechanism for assessing and monitoring those risks, detailing the SLT member responsible and the actions taken to mitigate the risk.

The Risk Register is formulated by the SLT; is reviewed quarterly; and is formally reviewed by the Audit and Risk Committee on an annual basis. Each risk is given a ranking score, based on impact and likelihood. The highest scoring risks are reviewed by Council and are given the highest priority in terms of management focus and mitigating actions are put into place. The Risk Register also provides the basis for an ongoing programme of Internal Audit reviews, the findings of which are reported to the Audit and Risk Committee. The pandemic has had a significant impact on the RA's operations, financial sustainability and the wider risk landscape and this will continue for some time yet. The effect of the pandemic has been compounded by external global influences. The ongoing Russia / Ukraine conflict and crisis in the Middle East, together with the longer term impact of the pandemic as well as Brexit, has contributed to the macro-economic situation the RA now finds itself in with an extended period of higher inflation and interest rates; higher staffing and energy costs; and the impact of the

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

"cost of living crisis" on growing back visitor numbers. There has additionally been a reduction in The Friends of the Royal Academy donation to the Royal Academy, arising from diminished Friends' membership income. To address this critical financial situation, planning is underway to deliver the required transformation.

The other highest scoring risks include:

- 1) the possibility of plant failure in the galleries, including the impact of extreme weather;
- 2) the threat of attacks on art works;
- 3) the threat of a data security breach or cyber-attack;
- 4) delay to the programme and / or a funding shortfall for Phase III of the Burlington Project, for which the construction phase is due to commence in late 2025;
- 5) financial sustainability, more specifically the risk of not maintaining an adequate level of cash reserves which is linked to the timely delivery of the transformation plan;
- 6) corporate governance failing to support the delivery of the required transformation of the organisation; and
- 7) the longer term impact of Brexit on the diversity of the student body in the RA Schools.

External risks include:

- 8) business interruption arising from a significant external event including civil unrest, terrorism, another pandemic, or extreme weather; and
- 9) that the RA becomes embroiled in increasingly polarised and entrenched public debate on world events.

These risks are all subject to immediate management consideration to provide mitigation. Mitigation steps include:

- 1) completion of the plant upgrade programme, together with planned preventative maintenance;
- 2) security and working practices in place, disaster recovery, business continuity; and communication planning and procedures;
- 3) continued improvement to cyber security and data protection policies, procedures and controls, including emergency response planning and external "maturity assessments";
- 4) robust project governance, supported by a strong internal and external project team, and continuing discussions with donors for further funding;
- 5) financial planning and analysis supporting the medium term cash flow forecasts of the Royal Academy to inform strategic decisions;
- 6) internal governance guidance and support including enhanced inductions and consistency of approach, with external advice where appropriate;
- 7) seeking alternative available routes to ensure diversity of students in the RA Schools;
- 8) disaster recovery and business continuity planning and procedures; and
- 9) communication planning and processes to address matters arising which impact the RA pertaining to debate on world events.

FUNDRAISING

The RA's approach to fundraising is largely relationship led, through individual donor giving, memberships of the RA, capital appeals, legacies, and corporate sponsorship. The RA does not generally engage with commercial participators and professional fundraisers. The RA does not carry out house-to-house fundraising or street collections.

The RA is registered with the Fundraising Regulator and has submitted its annual complaints return to the Fundraising Regulator. The RA complies with applicable regulation regarding fundraising and in addition puts the privacy of our supporter data at the heart of everything we do. We manage personal data respectfully and responsibly in accordance with our published privacy policy.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

In the period 1 April 2023 to 31 March 2024, there were 344 instances which we have treated as complaints associated with fundraising and membership and reported to the Fundraising Regulator. This compares to a figure of 289 in the previous year. For the first time, included in these figures are individuals marking emails received as “spam” (89 incidences), which we have treated as complaints under “email fundraising”. As in previous years, the total number of complaints includes membership cancellations due to increased price. It remains the case, therefore, that these figures do not include any complaints in the strict sense. The number of cancellations is lower than the previous year. This is a comparatively low figure for the sector and given our activities. This represents the degree with which we have developed our processes to ensure we put our supporters and the safeguarding of their data at the centre of everything we do. Nevertheless, we are committed to studying any expression of dissatisfaction and identifying ways to improve. Our supporter relations team investigate each complaint, and we do all we can to resolve complaints and ensure supporters are happy with our work.

The Royal Academy of Arts
Trustees' Report
For the year ended 31 August 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees or members of Council (who are also directors of the Royal Academy for the purpose of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 charity will continue in business; and
- observe the methods and principles in the Charities SORP.

The trustees are responsible for keeping proper accounting records that 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.

AUDIT INFORMATION

So far as each of the trustees at the time the trustees' report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution to re-appoint Moore Kingston Smith LLP as the Royal Academy's auditors will be put to the forthcoming General Assembly.

On behalf of the Council


Rebecca Salter PRA
President

The Royal Academy of Arts
Burlington House
Piccadilly
London W1J 0BD


Prof Peter St John (Adam Caruso and Peter St John RA)
Treasurer

Date: 3 December 2024

Independent Auditors' Report to the Trustees of The Royal Academy of Arts

Opinion

We have audited the financial statements of The Royal Academy of Arts (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31 August 2024 which comprise the group Statement of Financial Activities, the group and parent charitable company Balance Sheets, the group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2024 and of the group's incoming resources and application of resources, including its 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 auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information contained in the 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.

Independent Auditors' Report to the Trustees of The Royal Academy of Arts

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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

As explained more fully in the statement of trustees' responsibilities set out on page 40, 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.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Trustees of The Royal Academy of Arts

Auditors' 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

Independent Auditors' Report to the Trustees of The Royal Academy of Arts

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

The objectives of our audit in respect of fraud are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and parent charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the group and charitable company complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations; and
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of this 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 which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

6th Floor
9 Appold Street
London EC2A 2AP

Date: *3 December 2024*

The Royal Academy of Arts
Consolidated Statement of Financial Activities
(including an income and expenditure account)
For the year ended 31 August 2024

		Ongoing activities				Burlington Project		
		Unrestricted	Designated	Restricted	Endowment	Restricted	Total	Total
	Note	funds	funds	funds	funds	funds	2024	2023
		2024	2024	2024	2024	2024	2024	2023
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:								
Donations and legacies								
General donations from RAT*		1,145	-	-	-	-	1,145	3,317
Other donations from RAT*:								
Burlington Project		-	-	-	-	200	200	-
Cataloguing project		-	-	-	-	-	-	2
Other projects		-	-	532	-	-	532	411
Donations from Friends of the RA		10,105	-	-	-	-	10,105	10,598
Other donations	5	2,407	522	2,062	-	835	5,826	11,203
Grant income	6	-	-	105	-	-	105	12
Charitable activities								
Exhibitions		7,026	-	-	-	-	7,026	6,015
Schools		27	-	-	-	-	27	2
Collections		24	-	-	-	-	24	32
Education		255	-	-	-	-	255	225
Other trading activities								
Income from trading subsidiaries	7	9,602	-	-	-	-	9,602	8,910
Sponsorship, rent and other receipts		2,694	-	-	-	-	2,694	2,448
Investments								
Bank interest		273	1	-	2	241	517	596
Investment income		4	16	7	21	-	48	59
Total income		33,562	539	2,706	23	1,276	38,106	43,830
Expenditure on:								
Raising funds								
Fundraising**	9	(5,744)	-	-	-	-	(5,744)	(3,913)
Expenditure from trading subsidiaries	7	(7,620)	-	-	-	-	(7,620)	(6,841)
Charitable activities**	10	(29,183)	(523)	(3,192)	1	(20)	(32,917)	(25,596)
Other								
Relocation costs		-	-	-	-	(323)	(323)	(346)
Total expenditure		(42,547)	(523)	(3,192)	1	(343)	(46,604)	(36,696)
Increase in value of investment property	18.d	-	-	35	-	-	35	27
Net gains / (losses) on investments	19	17	66	28	87	-	198	(39)
Net income / (expenditure)	11	(8,968)	82	(423)	111	933	(8,265)	7,122
Transfers between funds	24-26	20,869	2	197	(111)	(20,957)	-	-
Other gains / (losses)								
Tax credit	15	345	-	-	-	-	345	213
Remeasurement of defined benefit pension scheme asset	29	(1,093)	-	-	-	-	(1,093)	(2,248)
Net movement in funds		11,153	84	(226)	-	(20,024)	(9,013)	5,087
Total funds brought forward		91,740	649	3,641	775	21,785	118,590	113,503
Total funds carried forward		102,893	733	3,415	775	1,761	109,577	118,590

All gains and losses arising in the year are included in the Statement of Financial Activities and derive from continuing activities.

* RAT denotes Royal Academy Trust

** Expenditure on fundraising and charitable activities includes the exceptional one off settlement cost of £3,720,000 (2023: £nil) arising from the full buy-in of the defined benefit pension scheme liabilities with an insurer (see notes 9, 10, 14 and 29)

The Royal Academy of Arts
Balance Sheets as at 31 August 2024

		Group		Royal Academy	
		2024	2023	2024	2023
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	17	207	170	128	110
6 Burlington Gardens	18.c	66,435	66,393	66,435	66,393
Other tangible fixed assets	18.a,b	42,602	34,118	42,602	34,103
Heritage assets	16	1,594	1,574	1,594	1,574
Investment property	18.d	1,225	1,190	1,225	1,190
Other investments	19	2,018	1,766	2,018	1,766
Total fixed assets		114,081	105,211	114,002	105,136
Current assets					
Stock		1,081	1,055	-	-
Debtors	20	4,437	4,362	4,588	5,012
Cash and cash equivalents		4,707	18,049	4,682	17,793
Total current assets		10,225	23,466	9,270	22,805
Creditors - amounts falling due within one year	21	(5,740)	(6,109)	(4,706)	(5,373)
Net current assets		4,485	17,357	4,564	17,432
Total assets less current assets		118,566	122,568	118,566	122,568
Creditors - amounts falling due after more than one year	22	(10,000)	(10,163)	(10,000)	(10,163)
Net assets excluding pension scheme asset		108,566	112,405	108,566	112,405
Defined benefit pension scheme asset	29	1,011	6,185	1,011	6,185
Total net assets		109,577	118,590	109,577	118,590
The funds of the charity:					
Endowment funds	24	775	775	775	775
Restricted funds	25	5,176	25,426	5,176	25,426
Unrestricted funds:					
Designated funds	26	733	649	733	649
General funds		101,882	85,555	101,882	85,555
Pension reserve	29	1,011	6,185	1,011	6,185
Total unrestricted funds		103,626	92,389	103,626	92,389
Total charity funds		109,577	118,590	109,577	118,590

Approved and authorised for issue by the President and Council of The Royal Academy of Arts on

3 December 2024

Rebecca Salter PRA

President

Prof Peter St John (Adam Caruso and Peter St John RA)

Treasurer

Registered Company No. 06298947

The Royal Academy of Arts
Consolidated Statement of Cash Flows
For the year ended 31 August 2024

	Note	2024 £'000	2023 £'000
Net cash provided by operating activities	28	(1,552)	8,967
Tax credit received		286	157
Cash flow from investing activities			
Interest paid	11	(441)	(445)
Interest received		517	596
Dividends and interest from investments		48	59
Payments to acquire intangible fixed assets	17.a	(118)	(164)
Payments to acquire tangible fixed assets	18.a,c,d	(11,808)	(8,342)
Payments to acquire heritage assets	16	-	(14)
Payments to acquire fixed asset investments	19	(101)	-
Net movement in cash held in the investment portfolio	19	47	(63)
Net cash used in investing activities		(11,856)	(8,373)
Cash flows from financing activities			
Bank loan repayments	22	(220)	(220)
Net cash used in financing activities		(220)	(220)
Net change in cash and cash equivalents		(13,342)	531
Cash and cash equivalents at the beginning of the year		18,049	17,518
Cash and cash equivalents at the end of the year		4,707	18,049
Analysis of cash and cash equivalents:			
Cash at bank and in hand		4,707	18,049
Total cash and cash equivalents		4,707	18,049

Analysis of changes in net debt:		Opening £'000	Cash flows £'000	Closing £'000
Cash		18,049	(13,342)	4,707
Loans falling due within one year	21	(220)	57	(163)
Loans falling due after more than one year	22	(10,163)	163	(10,000)
Total		7,666	(13,122)	(5,456)

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

1 General information

The Royal Academy of Arts ("Royal Academy") and its subsidiaries (together "the Group") continues to aspire to promote the arts of design and educate the public in the creation, appreciation and enjoyment of arts. The registered office is Burlington House, Piccadilly, London.

The Royal Academy is a company limited by guarantee and a registered charity and incorporated in England and Wales.

The Royal Academy is a Public Benefit Entity as defined by FRS 102.

2 Summary of significant accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Charities Act 2011 and Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

a. Basis of preparation

The financial statements have been prepared on a going concern basis.

The consolidated financial statements comprise the financial statements of the Royal Academy and its three trading subsidiaries: RA (Arts) Limited, Burlington House Limited and R.A. Enterprises Limited made up to 31 August 2024. The total income and expenditure of these entities is shown in the Statement of Financial Activities ("SOFA") and the detailed results are disclosed in note 7 of the financial statements. The statements are consolidated on a line by line basis.

The Royal Academy has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual SOFA. The Royal Academy only deficit (net movement in funds) was £9,013,000 (2023: surplus of £4,592,000).

The principal accounting policies applied in the preparation of these financial statements are set out in the notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b. 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 Royal Academy 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 and have considered the macro-economic situation the Royal Academy now finds itself in following an extended period of higher inflation and interest rates; and the impact of the "cost of living crisis" and changes in customer behaviours on growing back visitor numbers.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

b. Going concern (continued)

In particular, the trustees have considered the sensitivity of forecasts and plans. They have taken account of the related pressures on its key sources of income from donations, in particular the annual donation from the Friends of the Royal Academy; sponsorship and admission income from its exhibitions programme; and from its trading activities, including onsite and online retail and corporate membership and lets. The trustees have further reviewed its underlying cost base and its expenditure on both its charitable and fundraising activities, as well as from commercial trading, supporting these key sources of income and the impact of the higher rates of inflation which have been experienced on these, including the effect of salary increases particularly impacted by the rise in the London Living Wage. The trustees have further considered the scope and objectives of the planning that is seeking to address the Royal Academy's current financial situation over both the short and medium term.

The Group has unrestricted net current assets of £3.6m as at the year end. The Group also has access to a committed £3.5m Masterplan Revolving Credit Facility and £1.5m Operating Revolving Credit Facility to 31 August 2027 and an annually renewable £0.5m overdraft facility. None of these facilities were drawn upon as at the year end.

In addition, the Royal Academy Trust, an independent charity established to specifically provide support to the Royal Academy, held funds of £52.4m at 31 August 2024 in trust for the Royal Academy, of which £16.8m are unrestricted, including £10.3m that is both unrestricted and not designated, and £0.2m of restricted funds held in the Paul Mellon Endowment fund, which may be used for the general purposes of the Royal Academy.

In view of the level of current liquid resources; the long term loan funding and short term facilities in place; and the ongoing support of the Royal Academy Trust, the trustees consider that the Group has both sufficient funding and liquidity for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c. Total return investment accounting

The trustees have elected to adopt the total return approach for the investment of its permanent endowments. Under this approach, the permanently endowed funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation; the investment return forms a component of the endowment fund called the unapplied total return. The trustees periodically determine how much of the unapplied total return is released to income for spending and how much is retained for investment. This allocation is made equitably to balance the need for income to meet current requirements and to hold funds as part of the endowment to produce investment returns for the future.

d. Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified either as a restricted fund or an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

d. Funds structure (continued)

Endowment funds arise when the donor has expressly provided that the donation is to be invested and only the income of the fund may be spent. These funds are sub analysed between those where the trustees have the discretion to spend the capital, an expendable endowment, and those where there is no discretion to expend the capital, a permanent endowment.

Those funds which are neither endowment nor restricted income funds, are unrestricted income funds which are sub analysed between designated funds, where Council have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors; and unrestricted funds, which are used at the trustees' discretion in furtherance of the general objectives of the Royal Academy, including the general fund which represents the Group's reserves. The major funds held in each of these categories are disclosed in notes 24 to 26.

Transfers between funds represents the funds transferred between restricted funds to the general unrestricted fund on completion of projects and restrictions being satisfied.

e. Burlington House

The Royal Academy holds a 999 year lease on Burlington House, of which almost 850 years remain, title to which is vested in the Secretary of State for the Department of Communities and Local Government. The rent of the property is nominal, but it is the responsibility of the Royal Academy to maintain the property in a sound condition. The property is inalienable in that its ownership reverts to the Government if it is no longer used by the Royal Academy. The property works carried out on the galleries, Royal Academy Schools and Library are principally to maintain the fabric in its original condition and ensure an adequate environment for the exhibits. As the value of these works is part of the fabric of the building and cannot be realised, these are not recognised in the balance sheet except in the case of building improvements as detailed in the fixed assets and depreciation policy described below.

f. Heritage assets

The Royal Academy holds a collection of works of art, which consists of paintings, sculptures and prints, together with a library of books acquired by the Royal Academy by donation, bequest and from members on election to the Royal Academy ("Diploma Works").

The trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of heritage assets held by the Royal Academy. In particular, the Diploma Works have an intrinsic value to the Royal Academy collection as an embodiment of the development of the Royal Academy as an institution. The manner in which they are given to the Royal Academy makes the valuation of these items very subjective, such that a reliable value cannot be arrived at. Furthermore, the cost of valuing the entire collection would be onerous compared with the benefit derived by users of the financial statements in assessing the Royal Academy's stewardship of these assets.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

f. Heritage assets (continued)

As such, the Royal Academy does not recognise these assets on its balance sheet other than acquisitions made since 1 April 2010 with a value of £10,000 or more. These are reported at cost where the asset is purchased or at the curator's best estimate of current value where the asset is donated. Such assets are not depreciated but are reviewed for impairment in the event of physical deterioration. Any impairment in the value of an asset is treated as charitable expenditure in the year in which it arises.

Expenditure which is required to preserve or prevent further deterioration of the collection is recognised in the SOFA when it is incurred.

g. Foreign currency

Investment transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are retranslated at the rate ruling at the balance sheet date.

h. Intangible assets

Computer software and website costs are stated at cost less accumulated amortisation and impairment losses. These are amortised over their estimated useful life, of three to five years, on a straight line basis.

i. Tangible assets

Expenditure on building improvements, new machinery and equipment is capitalised as fixed assets and stated at cost less accumulated depreciation. The Royal Academy applies a £1,000 threshold to the capitalisation of fixed assets. Depreciation is charged at the following rates on a straight line basis:

Building improvements	5 to 50 years
Computers	3 to 5 years
Office fixtures and fittings	3 to 10 years
Plant and equipment	5 to 15 years
Motor vehicles	over 3 years

Short leasehold property improvements are depreciated over the period of the lease.

Freehold property has been capitalised and included in fixed assets at cost. Depreciation has not been provided after taking into account the value of the land, the residual value of the property and the estimated useful life of the asset. The property is reviewed annually for any potential impairment.

Investment property has been capitalised and included in fixed assets initially at cost and subsequently at fair value at the reporting date. Changes in fair value are recognised in the SOFA.

No depreciation is charged on assets in course of construction. Where assets are constructed as part of a project for which specific identifiable assets are brought into service before the overall project is completed, such assets will be transferred from assets in course of construction to building improvements or fixtures, fittings and equipment as appropriate and depreciated from the date these are placed in service.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

j. Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

Incentives received to enter into operating leases are credited to the SOFA to reduce the lease expense, on a straight line basis over the period of the lease.

k. Stock

Stock principally consists of shop and e-commerce products and is valued at the lower of cost and net realisable value. In the case of artworks provided by an artist these items are recognised in the financial statements at their anticipated sales price, less anticipated cost of sales and any subsequent impairment.

l. Income

Income, which is stated net of VAT where applicable, and intra-group transactions, consists of box office takings, sponsorship, donations and grants.

Income received for an activity taking place in a subsequent period is deferred to that period in accordance with FRS 102, except where that income relates to an exhibition where the accounting policy outlined below is followed.

i. Exhibitions

The results of exhibitions are recognised in the financial statements of the year in which the majority of the exhibition takes place. Costs incurred and income received, including sponsorship income, in connection with forthcoming exhibitions, where the majority of the exhibition falls after the year end, are deferred at the balance sheet date. If a decision is made not to proceed with an exhibition, the costs are written off. Commission on art sales at the Royal Academy's *Summer Exhibition* is recognised at the point of sale by the artist.

ii. Donated services

Where an artist has donated their services, for example, in the creation of artworks or artworks themselves, to be sold alongside an exhibition, the donated services or artworks are recognised in the financial statements in accordance with the policy for exhibitions income disclosed above.

Other donated services are recognised when these have been delivered and are valued at the amount the Royal Academy would be prepared to pay for a similar service.

iii. Patrons

Patrons income is recognised in the financial statements on a cash received basis.

iv. Grants

For performance related grants, income entitlement is considered to be conditional upon the meeting of conditions imposed by the grant. Income is therefore recognised in the financial statements to the extent that the Royal Academy has demonstrably met any grant conditions imposed.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

i. Income (continued)

iv. Grants (continued)

Non-performance related grants are recognised when there is evidence of entitlement, receipt is probable (more likely than not) and its amount can be measured reliably.

v. Donations

Donations and related Gift Aid are accounted for when the donation is received. If donations are specifically in connection with a future event, these are restricted; if specifically in connection with a future exhibition, these follow the policy set out in 2.ii.

vi. Trading subsidiary income

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and VAT.

Turnover is recognised at the point of sale for goods and when services have been delivered. Subscriptions are accounted for in the period in which membership commences.

m. Legacies

Legacies are accounted for as income where there is clear entitlement; the amounts can be measured reliably; and receipt is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted; and
- The executors have established there are sufficient assets in the estate to pay the legacy; and
- All conditions attached to the legacy have been fulfilled or are within the charity's control

Measurement is based on the value listed in the will for pecuniary gifts, provided the estate has sufficient funds, and on the estate accounts for residuary gifts.

n. Expenditure

Expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. Expenditure is recognised when there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable a transfer of economic benefit will be required in settlement and the amount can be measured reliably.

Expenditure on raising funds consist of costs of trading subsidiaries and fundraising expenditure. These include the direct costs of the department, including the running costs of sponsorship, fundraising and events, together with a share of the support costs of the Royal Academy.

Charitable activities include all costs related to the main purpose of the Royal Academy and include: direct costs of exhibitions and the associated education programme; running the Royal Academy Schools; and the conservation of the permanent collection and the Library. Publicity costs are allocated to Exhibitions, Royal Academy Schools, Collections and Education based on the income from each area.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

n. Expenditure (continued)

Support costs are the costs of departments which are shared by the various activities of the Royal Academy: Finance, Human Resources, Information Technology, Facilities and governance costs. These costs are allocated to activities on a basis that is appropriate to the nature of the expenditure and have therefore been allocated over headcount.

o. Employee benefits

The Royal Academy provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii. Defined benefit pension plan

The Royal Academy of Arts Pension Scheme ("the Scheme") is a defined benefit pension scheme closed to future accrual on 30 September 2016. A full buy-in of the Scheme's pension liabilities with an insurer, being the first stage towards buy-out and an eventual winding up of the Scheme, was successfully concluded with Aviva on 2 July 2024. Pension assets and liabilities are recorded in line with Section 28 of FRS 102. With scheme valuations undertaken by independent actuaries, FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, which include the settlement cost arising from the purchase of the insurance policy on 2 July 2024 at the purchase settlement date of 9 July 2024, expenses in respect of the buy-in and the transition to buy-out, and from 1 July 2024 the expenses of operating the Scheme, together with the net interest for the year, are allocated to relevant expenditure headings within the SOFA. Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the Scheme liabilities. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of surplus attributable to members is recognised in unrestricted funds in the SOFA within remeasurement of the defined benefit pension scheme asset. The resulting defined benefit pension scheme asset is presented separately on the face of the balance sheet in unrestricted funds. The Royal Academy recognises an asset for its Scheme to the extent this is considered recoverable through reduced contributions in the future, or through refunds from the Scheme. The trustees of the Scheme believe that the Scheme currently meets the minimum funding requirements. The assets of the Scheme are held completely independently from the Royal Academy.

The income and expense related to the Scheme is allocated entirely to the unrestricted ongoing activities of the Group.

iii. Defined contribution pension plans

The Royal Academy operates two defined contribution plans for its employees. The contributions are recognised as an expense when these are due. Amounts not paid are shown in accruals in the balance sheet.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

o. Employee benefits (continued)

iv. Termination payments

Termination benefits are payable when employment is terminated by the Royal Academy before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Royal Academy recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

p. Administered funds

Investments held by the administered funds are stated at market value at the balance sheet date. Dividend income from investments is recognised on an accruals basis.

q. Investments

i. Investment properties

Investment properties comprise those held solely for either their rental income and/or capital appreciation. They are carried at fair value.

ii. Other investments

Listed investments are stated at market value at the year end. The market value of securities is based on the bid market quotation on the relevant stock exchange and investments that are held in units are stated at the average of the unit bid and offer prices. Unlisted investments are stated at cost as no market value is available. The SOFA includes any realised or unrealised gain or loss during the year. Investment income, including the related tax credit, and interest on bank and short-term deposits are accounted for on a receivable basis.

r. Financial instruments

Financial instruments are recognised in the Royal Academy's balance sheet when it becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Royal Academy after deducting all of its liabilities.

i. Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost less any impairment.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

2 Summary of significant accounting policies (continued)

r. Financial instruments (continued)

ii. Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the SOFA.

Trade debtors and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "debtors". Debtors are measured at amortised cost less any impairment.

iii. Impairment of financial assets

Financial assets, other than those held at fair value through the SOFA, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the SOFA.

iv. Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

v. Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost.

vi. Other financial liabilities

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the SOFA in finance costs or finance income as appropriate. Hedge accounting is not currently applied.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

3 Critical accounting judgments and estimation uncertainty

Estimates and judgments 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.

a. Useful economic lives of tangible and intangible assets

The annual depreciation and amortisation charge for fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. These are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 17 and 18 for the carrying value of assets and note 2.h and 2.i for the useful economic lives.

b. Impairment of debtors

The Royal Academy makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

c. Defined benefit pension scheme asset

The determination of the assumptions used in calculating the defined benefit pension scheme asset is the responsibility of the trustees of the Royal Academy, with delegated authority to the Director of Finance. The assumptions are set with regard to advice given by the scheme actuary.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

4 Prior year comparatives by type of fund

The SOFA provides the prior year comparatives in total; this note provides prior period comparatives for each of the types of funds.

		Ongoing activities				Burlington Project		
		Unrestricted	Designated	Restricted	Endowment	Restricted	Total	
		funds	funds	funds	funds	funds		
		2023	2023	2023	2023	2023	2023	
		£'000	£'000	£'000	£'000	£'000	£'000	
Income from:								
Donations and legacies								
		1,317	2,000	-	-	-	3,317	
General donations from RAT*								
Other donations from RAT*:								
		-	-	2	-	-	2	
Cataloguing project								
		-	-	411	-	-	411	
Other projects								
		10,598	-	-	-	-	10,598	
Donations from Friends of the RA								
	5	2,169	802	1,740	-	6,492	11,203	
Other donations								
	6	-	-	12	-	-	12	
Grant income								
Charitable activities								
		6,015	-	-	-	-	6,015	
Exhibitions								
		2	-	-	-	-	2	
Schools								
		32	-	-	-	-	32	
Library								
		225	-	-	-	-	225	
Education								
Other trading activities								
	7	8,910	-	-	-	-	8,910	
Income from trading subsidiaries								
		2,448	-	-	-	-	2,448	
Sponsorship, rent and other receipts								
Investments								
		175	-	-	-	421	596	
Bank interest								
		-	20	10	29	-	59	
Investment income								
Total income		31,891	2,822	2,175	29	6,913	43,830	
Expenditure on:								
Raising funds								
	9	(3,913)	-	-	-	-	(3,913)	
Fundraising								
	7	(6,841)	-	-	-	-	(6,841)	
Expenditure from trading subsidiaries								
	10	(20,189)	(2,803)	(2,605)	1	-	(25,596)	
Charitable activities								
Other								
		-	-	-	-	(346)	(346)	
Relocation costs								
Total expenditure		(30,943)	(2,803)	(2,605)	1	(346)	(36,696)	
Increase in value of investment property								
	18.d	-	-	27	-	-	27	
Net losses on investments								
	19	-	(13)	(7)	(19)	-	(39)	
Net income / (expenditure)		948	6	(410)	11	6,567	7,122	
Transfers between funds		24 - 26	86	-	16	(28)	(74)	-
Other gains / (losses)								
	15	213	-	-	-	-	213	
Tax credit								
	29	(2,248)	-	-	-	-	(2,248)	
Remeasurement of defined benefit pension scheme asset								
Net movement in funds		(1,001)	6	(394)	(17)	6,493	5,087	
Total funds brought forward		92,741	643	4,035	792	15,292	113,503	
Total funds carried forward		91,740	649	3,641	775	21,785	118,590	

* RAT denotes Royal Academy Trust

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

5 Income from other donations

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total £'000
2024				
Exhibitions	584	-	1,074	1,658
Schools	20	-	542	562
Education	203	-	373	576
General - Other	1,288	-	73	1,361
Burlington Project - Phase II/III	-	-	835	835
CESF *	-	1	-	1
Legacies	312	-	-	312
Legacies - CESF *	-	521	-	521
Total	2,407	522	2,897	5,826
2023				
Exhibitions	552	-	759	1,311
Schools	20	-	918	938
Education	63	-	63	126
General - Other	1,224	-	-	1,224
Burlington Project - Phase II/III	-	-	6,492	6,492
CESF *	-	71	-	71
Legacies	302	-	-	302
Legacies - Education	8	-	-	8
Legacies - CESF *	-	731	-	731
Total	2,169	802	8,232	11,203

* Coronavirus Emergency Support Fund

6 Income from grants

	Restricted funds £'000	Total £'000
2024		
Exhibitions	102	102
Education	3	3
Total	105	105
2023		
Education	12	12
Total	12	12

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

7 Results from subsidiaries

The Royal Academy has three wholly owned trading subsidiaries: R.A. Enterprises Limited, which operates a shop and e-commerce business, a restaurant and cafés, a publications and art sales business and commercial learning; RA (Arts) Limited, which provides entertainment services to the corporate sector; and Burlington House Limited, which raises funds from the corporate sector and individuals through ticketed events. These companies have entered into deeds of covenant to donate their distributable profits to the Royal Academy. The registered offices of all subsidiaries is Burlington House, Piccadilly, London. A summary of their trading results is shown below. Audited financial statements for these subsidiaries are filed annually with the Registrar of Companies.

Profit and Loss:	R.A. Enterprises Limited			RA (Arts) Limited		Burlington House Limited	
	Total	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	9,602	6,886	6,289	2,225	2,115	491	506
Cost of sales	(3,963)	(2,793)	(2,942)	(860)	(136)	(310)	(269)
Administrative expenses	(3,657)	(3,206)	(3,040)	(432)	(421)	(19)	(33)
Total expenses	(7,620)	(5,999)	(5,982)	(1,292)	(557)	(329)	(302)
Net result	1,982	887	307	933	1,558	162	204
Distribution to the Royal Academy	(1,982)	(887)	(271)	(933)	(1,558)	(162)	(204)

No charge to taxation will arise as the companies have entered into deeds of covenant to donate their distributable profits to the Royal Academy.

Balance Sheet:

Fixed assets

Intangible fixed assets	78	78	60	-	-	-	-
Tangible fixed assets	2	2	16	-	-	-	-
Total fixed assets	80	80	76	-	-	-	-

Current assets

Stock	1,081	1,081	1,055	-	-	-	-
Debtors	1,216	616	544	563	516	37	7
Cash and cash equivalents	25	25	202	-	-	-	54
Total current assets	2,322	1,722	1,801	563	516	37	61

Current liabilities

Creditors - amounts falling due within one year	(2,402)	(1,802)	(1,877)	(563)	(516)	(37)	(61)
Net current liabilities	(80)	(80)	(76)	-	-	-	-

Total assets less total liabilities

	-	-	-	-	-	-	-
Capital and reserves							
Called up share capital	-	-	-	-	-	-	-
Profit and loss reserves	-	-	-	-	-	-	-
Total equity	-	-	-	-	-	-	-

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

8 Support costs

2024	Finance £'000	IT £'000	Personnel £'000	Facilities £'000	Governance £'000	Total £'000
Exhibitions	1,228	695	275	3,290	292	5,780
Schools	264	150	59	708	63	1,244
Collections	218	123	49	583	52	1,025
Education	357	202	80	958	85	1,682
Publicity (note 10)	637	255	101	1,208	107	2,308
Fundraising (note 9)	451	361	143	1,707	152	2,814
2024 total	3,155	1,786	707	8,454	751	14,853

Finance costs include interest payable and similar charges of £440,562 (2023: £445,427).

2023	Finance £'000	IT £'000	Personnel £'000	Facilities £'000	Governance £'000	Total £'000
Exhibitions	1,018	581	232	2,210	273	4,314
Schools	220	126	50	478	59	933
Collections	179	102	41	388	48	758
Education	248	141	57	538	66	1,050
Publicity (note 10)	550	204	82	777	96	1,709
Fundraising (note 9)	358	314	126	1,195	148	2,141
2023 total	2,573	1,468	588	5,586	690	10,905

9 Fundraising

	2024 £'000	2023 £'000
Direct fundraising costs	2,930	1,772
Support costs (note 8)	2,814	2,141
Total	5,744	3,913

Total fundraising costs include £371,000 (2023: £nil) of the total exceptional one off settlement cost of £3,720,000 (2023: £nil) arising from the full buy-in of the defined benefit pension scheme liabilities with an insurer (see notes 14, 29).

10 Charitable activities

2024	Direct costs £'000	Support costs £'000	Publicity costs (i) £'000	Total £'000
Exhibitions	12,083	5,780	6,063	23,926
Schools	1,751	1,244	23	3,018
Collections	1,370	1,025	21	2,416
Education	1,655	1,682	220	3,557
Total	16,859	9,731	6,327	32,917

(note 8)

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

10 Charitable activities (continued)

2023	Direct costs £'000	Support costs £'000	Publicity costs (i) £'000	Total £'000
Exhibitions	10,495	4,314	4,620	19,429
Schools	1,339	933	2	2,274
Collections	933	758	25	1,716
Education	954	1,050	173	2,177
Total	13,721	7,055	4,820	25,596

Total charitable activities costs include £3,349,000 (2023: £nil) of the total exceptional one off settlement cost of £3,720,000 (2023: £nil) arising from the full buy-in of the defined benefit pension scheme liabilities with an insurer (see notes 14, 29).

Exhibitions expenditure includes the direct costs of mounting all loan exhibitions and the *Summer Exhibition* and all associated costs, such as curatorial staff, art handling, security, press and box office.

i. Publicity costs comprise direct publicity costs and an allocation of support costs analysed as follows:

	2024 £'000	2023 £'000
Direct publicity costs	4,019	3,111
Support costs (note 8)	2,308	1,709
Total	6,327	4,820

11 Net income / (expenditure)

	2024 £'000	2023 £'000
This is stated after charging:		
Amortisation	81	88
Depreciation	3,270	3,166
Auditors' remuneration:		
External auditors		
Audit services - group undertakings	87	67
Audit services - defined benefit pension scheme	11	9
Other services	36	13
Interest payable and similar charges (see note 8)	441	445

External auditors other services relate to tax compliance and other advice.

The total lease expenditure incurred in the year was £395,832 (2023: £261,943).

12 Role of volunteers

Like all charities, the Royal Academy, uses a team of volunteers. In 2024 the Royal Academy engaged 8 (2023: 6) volunteers across both its Learning and Collections departments.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

12 Role of volunteers (continued)

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the financial statements.

13 Officers' and Council members' remuneration

	2024 £'000	2023 £'000
Officers' remuneration, excluding pension contributions, is as follows		
President	70	70
Keeper	50	50
Secretary and Chief Executive	237	230
Treasurer	40	40
	<hr/>	<hr/>
Total	397	390
	<hr/>	<hr/>

Remuneration for officers is set by the People and Remuneration Committee.

One officer (2023: one) received pension contributions totalling £23,719 (2023: £20,921).

Council members are only reimbursed for expenses incurred in the performance of their duties, except for those individuals who are remunerated for their duties as officers. Two (2023: three) trustees received reimbursed expenditure of:

	2024 £'000	2023 £'000
Travel	1	3
Other	1	1
	<hr/>	<hr/>
Total	2	4
	<hr/>	<hr/>

Trustee indemnity insurance costs for the year totalled £15,721 (2023: £14,508).

14 Staff costs

	2024 £'000	2023 £'000
Salaries and wages	13,688	12,222
Social security costs	1,328	1,183
Redundancy and termination payments	31	40
Pension contributions - defined contribution schemes	958	843
Pension service expense / (income) - defined benefit pension scheme	4,081	(1,989)
	<hr/>	<hr/>
Total	20,086	12,299
	<hr/>	<hr/>

Staff costs include payroll for temporary as well as permanent staff. The increase in salaries and wages includes the impact of an increase in full-time equivalent employees and the annual pay increase.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

14 Staff costs (continued)

The key management personnel of the Royal Academy, and Group, comprise the Senior Leadership Team, trustees and officers. Total remuneration of key management personnel during the year was £1,466,779 (2023: £1,399,785).

Pension service expense / (income) – defined benefit pension scheme includes the exceptional one off £3,720,000 (2023: £nil) settlement cost arising from the purchase of an insurance policy in July 2024 for all the pension liabilities of the scheme (see also note 29). £371,000 (2023: £nil) has been allocated to fundraising (see note 9) and £3,349,000 (2023: £nil) to charitable activities (see note 10).

The number of employees, including officers, whose remuneration exceeded £60,000, is shown below:

Band:	2024 No.	2023 No.
£60,000 to £69,999	11	11
£70,000 to £79,999	6	6
£80,000 to £89,999	4	1
£90,000 to £99,999	2	3
£100,000 - £110,000	3	1
£130,000 to £139,999	2	2
£140,000 to £149,999	-	1
£150,000 to £160,000	1	-
£230,000 to £240,000	1	1

Pension contributions for the above employees were £234,666 (2023: £192,635).

The average number of permanent employees and full-time equivalent ("FTE") permanent employees, including officers, during the year was:

	Headcount		FTE	
	2024 No.	2023 No.	2024 No.	2023 No.
Charitable activities	135	121	112	100
Fundraising and publicity	68	66	65	63
Trading activities	43	47	37	40
Governance	5	4	5	4
Support	83	82	82	80
Total	334	320	301	287

The number of part-time staff employed by the Royal Academy varies throughout the year, depending on the exhibition programme.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

15 Taxation

The Royal Academy is entitled to a tax credit under the Museums and Galleries Exhibition Tax Relief scheme.

	2024 £'000	2023 £'000
Taxation credit		
- For the current year	221	268
- Adjustment in respect of prior year	124	(55)
	<hr/>	<hr/>
Total	345	213
	<hr/>	<hr/>

16 Heritage assets

The Royal Academy holds assets that fall under the definition of "Heritage Assets". These fall into three broad collections: The Works of Art Collection, The Royal Academy Library and The Royal Academy Archive. Each of these is considered in turn.

All items in these collections are available to view by appointment. Items are also from time to time included in exhibitions at the Royal Academy, as well as being loaned out to other exhibitors.

The Works of Art Collection

The Works of Art Collection consists of works of art and other objects of historic, artistic or associational significance owned by the Royal Academy, namely: paintings, sculpture (including medals, dies, cameos, and intaglio gems); drawings; artists' sketchbooks; individually issued prints; photographs; plaster casts (including pastes of gems); historic skeletons relating to teaching in the Royal Academy Schools; objects of memorabilia, including artists' tools and materials; historic silver and silver-plate; historic items of furniture; picture frames; and certain fittings and fixtures within Burlington House. The Royal Academy holds around 1,015 paintings in its permanent collection and over 37,000 prints and drawings.

The majority of works and objects in the collections date from the foundation of the Royal Academy in 1768 to the present day. Other works include the *Taddei Tondo*, the only marble by Michelangelo in the UK; early copies after the Old Masters, such as those by Giampietrino, Rosso Fiorentino and Sir James Thornhill, and other works, all presented to the RA for the edification of the students in the RA Schools.

The core of The Works of Art Collection is the Diploma Works. These are given by Academicians on election to the institution and are predominantly by British artists and architects. Other works of art were purchased, bequeathed or given to the Royal Academy and range from drawings to plaster casts and from photographs to paintings. There is also a collection of silver given to the Royal Academy by Academicians, which is of historical importance to the Royal Academy.

The Royal Academy Library (Special Books Collection)

The Library comprises the Historic Books Collection dating from the 16th century to approximately 1920, and the Special Illustrated Books Collection.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

16 Heritage assets (continued)

The Royal Academy Archive

The Archive holds papers and documents and copies of electronic correspondence relating to the institution's history as well as artists' letters and archives. The Archive also includes photographic prints, transparencies, glass slides and negatives, films and videotapes which relate to the history and activities of the institution. More information about the Royal Academy's collection is available at www.royalacademy.org.uk/page/collections-and-research.

Capitalisation of the collections

In the opinion of the trustees, reliable information on cost or value is not available for the Royal Academy permanent collection. This is owing to the lack of reliable information on purchase cost; the lack of comparable market values; the diverse nature of the objects; and the volume of items held.

The collections have a significant intrinsic value relating to the way they provide a unique insight into the history of art and the study of art over the past 250 years. The manner in which items are given by Academicians makes valuation of these items difficult as there is no original cost to the item. In addition there is an intrinsic value to the collections as an embodiment of the history of the Royal Academy as an institution, which would also be far too subjective and unique to place any reliable value upon. For this reason, the permanent collection, large proportions of which were gifted to the Royal Academy at nil cost, are incomparable in nature and are not recognised as assets in the Royal Academy's balance sheet.

Acquisitions and disposals

Diploma Works are proposed by newly elected members in discussion with the Director of Collections and Learning, and accessioned into the collection following approval by Council. The approval of non-diploma works (by purchase, bequest or donation) is by the Director of Collections and Learning, in consultation with the relevant curator. If the acquisition is more than £5,000 in value, a case for accessioning must be made by the Director of Collections and Learning to Council. All acquisitions are reported annually to Council by the Director of Collections and Learning. The list is subsequently submitted to Council as part of an annual report and the Director of Collections and Learning attends Council to discuss any matters arising from the report.

Disposals will only take place in accordance with the Acquisitions and Disposals Policy. No disposals were made in the year. Objects will only be deaccessioned by way of exchange (in the case of Diploma Works) or if there is irreparable damage to or total loss of an object. Due to the accreditation by the Arts Council, and the Royal Academy's internal procedures and policies (described under "Collections management", below), disposals can only be for "financially motivated" reasons in exceptional circumstances. Any such disposal must be as part of a wider review of the Collection, and then proceeds must be used only for the benefit of the Collection.

In the financial year, Diploma Works were presented by Anish Kapoor RA, Nigel Coates RA, Elsie Owusu RA and Hurvin Anderson RA.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

16 Heritage assets (continued)

Acquisitions and disposals (continued)

Gifts made to the Royal Academy in the current financial year include a watercolour by John Nash RA valued at £10,000 and a gift made via the Cultural Gifts Scheme of a drawing by Sir Thomas Lawrence PRA valued at £10,000. All works gifted or purchased with a value over £10,000 have been recognised in the year. Valuations are made at fair value, either provided by the artist or their gallery or based on an assessment made by the curator taking into consideration current market values.

The Collections Development Policy covering acquisitions and disposals is available for review on the Royal Academy's website: www.royalacademy.org.uk/about-the-ra.

Preservation

The Royal Academy is committed to the preservation of its Collections. It aims to ensure the longest possible life of the Collections. This includes security, financial, environmental, storage and staffing that all help to preserve the collections for posterity.

Works of art are ordinarily stored and displayed in conditioned spaces. Some sculpture is stored in spaces without environmental controls; however, these have proven to be naturally stable environments. The Royal Academy complies as closely as it is able with BS 5454:2000 "Recommendations for the Storage and Exhibition of Archival Documents 7.3" for the storage of its archives. The modern archive is stored in a secure, environmentally stable area in 6 Burlington Gardens.

For the works of art, most conservators employed by the Royal Academy are on the ICON Conservation Register. For other areas of the collections, a variety of conservation experts are consulted.

Collections management

The Works of Art Collection, Special Books Collection and Archive are catalogued in a series of discrete but interconnected databases, each fully conforming to their relevant professional standards, i.e. Spectrum for museum objects; AACR2 and MARC21 for books; and ISAD(G) for archives. The three databases are linked to a series of shared authority files and thesauri against which terms such as personal names, corporate names, materials and techniques, and production roles must be validated. This ensures consistency in data entry and in data searches.

The Collection, Library and Archive are designated as collections of national importance as awarded by the Arts Council in 2011. In order to meet the stringent requirements for this award, an extensive list of procedures and policies for the management of the collection, informed by nationally and internationally recognised standards, were approved by Council. These documents can be consulted in the Collections' Office.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

16 Heritage assets (continued)

Analysis of heritage assets (Group and Royal Academy)

	Works of art				
	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Carrying amount at 1 September	1,574	1,392	1,392	1,392	1,142
Purchases	-	14	-	-	-
Gifts	20	168	-	-	250
Carrying amount at 31 August	1,594	1,574	1,392	1,392	1,392

17 Intangible fixed assets

Intangible assets include the Royal Academy's website and intranet costs, core system software and R.A. Enterprises Limited's Epos, e-commerce and stock management software.

a. Group	Software £'000
Cost	
At 31 August 2023	2,497
Additions	118
At 31 August 2024	2,615
Amortisation	
At 31 August 2023	2,327
Charge for the year	81
At 31 August 2024	2,408
Net book value	
At 31 August 2024	207
At 31 August 2023	170

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

17 Intangible fixed assets (continued)

b. Royal Academy	Software £'000
Cost	
At 31 August 2023	1,801
Additions	63
	<hr/>
At 31 August 2024	1,864
	<hr/>
Amortisation	
At 31 August 2023	1,691
Charge for the year	45
	<hr/>
At 31 August 2024	1,736
	<hr/>
Net book value	
At 31 August 2024	128
	<hr/>
At 31 August 2023	110
	<hr/>

18 Tangible fixed assets

a. Group	Building improvements £'000	Assets in course of construction £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 31 August 2023	25,903	11,799	37	24,109	61,848
Additions	836	10,363	-	567	11,766
Reclassifications	20,605	(20,957)	-	352	-
Disposals	-	(12)	-	(76)	(88)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2024	47,344	1,193	37	24,952	73,526
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 31 August 2023	10,805	-	37	16,888	27,730
Disposals	-	-	-	(76)	(76)
Charge for the year	1,576	-	-	1,694	3,270
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2024	12,381	-	37	18,506	30,924
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2024	34,963	1,193	-	6,446	42,602
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	15,098	11,799	-	7,221	34,118
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

18 Tangible fixed assets (continued)

b. Royal Academy

	Building improvements £'000	Assets in course of construction £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At 31 August 2023	25,641	11,788	37	23,679	61,145
Additions	836	10,374	-	567	11,777
Reclassifications	20,605	(20,957)	-	352	-
Disposals	-	(12)	-	(76)	(88)
At 31 August 2024	47,082	1,193	37	24,522	72,834
Depreciation					
At 31 August 2023	10,543	-	37	16,462	27,042
Disposals	-	-	-	(76)	(76)
Charge for the year	1,576	-	-	1,690	3,266
At 31 August 2024	12,119	-	37	18,076	30,232
Net book value					
At 31 August 2024	34,963	1,193	-	6,446	42,602
At 31 August 2023	15,098	11,788	-	7,217	34,103

c. 6 Burlington Gardens (Freehold property)

Group and Royal Academy	6 Burlington Gardens £
Cost	
At 31 August 2023	66,393
Capital Goods Scheme adjustments	42
At 31 August 2024	66,435

In the opinion of the trustees, based on a valuation as at 31 August 2023 by an independent third party, the open market value of the Royal Academy's interest in 6 Burlington Gardens exceeds the book value by approximately £3.6m. The Royal Academy would have no liability to taxation if the asset was sold at open market value on the basis that the proceeds were used to further the company's charitable activities.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

18 Tangible fixed assets (continued)

d. 7 Pembroke Studios (Investment property)

In 2020, the RA received a donation of £2.2m for the purchase of 7 Pembroke Studios for £1.65m, with the balance to be used for other costs of purchase and the ongoing repairs and maintenance of the property. As part of the gift there is a requirement that the artist who has been using the studio since 2012 is able to have exclusive, rent free use of the studio for as long as she is able to continue to actively use it as an artist up to a maximum of 25 years. At the end of this period the Royal Academy has the right to use or dispose of the studios and use the proceeds for its general charitable purposes. The completion of the purchase of the studio took place in September 2020 for £1.65m plus legal and professional costs. A significant refurbishment was completed in 2021, such that the total cost as at 31 August 2021 was £1.9m.

Group and Royal Academy	7 Pembroke Studios £
Fair value	
At 31 August 2023	1,190
Fair value gain	35
	<hr/>
At 31 August 2024	1,225
	<hr/>

As the use of the property by this artist is not for the Royal Academy's charitable purposes and the property is primarily held for its capital appreciation, it is being accounted for as an investment property. The Charities SORP requires that investment properties are measured initially at cost and subsequently at fair value at the reporting date.

Based on a valuation as at 31 August 2024 by an independent third party, the current open market value (with vacant possession) of the property is £1.8m. However, due to the requirement for the artist to be able to use the property rent free for up to 25 years from September 2020, the valuation on this basis is much lower at £1.2m. In accordance with the Charities SORP, this lower valuation is deemed to be the fair value for accounting purposes.

19 Other investments

	Group		Royal Academy	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investments at market value	2,018	1,766	2,018	1,766
Investments in subsidiaries at cost	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,018	1,766	2,018	1,766
	<hr/>	<hr/>	<hr/>	<hr/>

The Royal Academy beneficially owns all of the called up share capital of RA (Arts) Limited (02836364), R.A. Enterprises Limited (01666333) and Burlington House Limited (02216104), each of which is registered in England and Wales. See note 7 for the financial results of these entities during the year.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

19 Other investments (continued)

Movement in market value of investments:	2024	2023
	£'000	£'000
Market value of investments at 1 September	1,691	1,730
Additions to investments at cost	101	-
Net gains / (losses) on investments	198	(39)
	<hr/>	<hr/>
Market value of investments at 31 August	1,990	1,691
	<hr/>	<hr/>
Market value of investments by type:	2024	2023
	£'000	£'000
Fixed income	240	250
Equities	1,453	1,146
Property	67	70
Alternative investments	151	167
Liquid assets	79	58
Total market value of investments (Historic cost of investments £1,855,887 (2023: £1,753,756))	<hr/> 1,990	<hr/> 1,691
Cash holdings	<hr/> 28	<hr/> 75
Total	<hr/> 2,018	<hr/> 1,766

Investments are held under management with Sarasin & Partners LLP and are invested in the Sarasin Climate Active Endowments Fund. The fund seeks to provide growth (through increases in investment value and income) of 4% per year more than the Consumer Price Index over a rolling five year period. It has a global multi-asset portfolio with an integrated socially responsible investment policy that also favours investments that may benefit from a move to a lower carbon economy.

The fund will not invest in tobacco and will also avoid investment in companies that have more than 10% of their turnover in armaments, gambling and pornography. The fund has additional restrictions including no investment in companies with 5% or more of their turnover involved in the mining of thermal coal or tar sands; following engagement, no investment in companies that needlessly emit significant quantities of carbon into the atmosphere, or which do not take seriously the transition to a low carbon economy; and qualitative judgments to be considered on a regular basis by the fund's Climate Active Advisory Panel.

20 Debtors

	Group		Royal Academy	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	1,356	979	640	330
Royal Academy related entities	-	-	1,198	1,629
Royal Academy Trust	19	2	55	97
Taxation	612	553	612	553
Staff loans	18	9	18	9
Sundry debtors	1,424	1,731	1,310	1,492
Prepayments and accrued income	<hr/> 1,008	<hr/> 1,088	<hr/> 755	<hr/> 902
Total	<hr/> 4,437	<hr/> 4,362	<hr/> 4,588	<hr/> 5,012

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

21 Creditors - amounts falling due within one year

	Group		Royal Academy	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank loan	163	220	163	220
Trade creditors	1,427	873	1,033	744
Royal Academy related entities	-	-	36	-
The Friends of the Royal Academy	127	193	240	193
Taxation and social security	729	633	506	482
Sundry creditors	203	271	195	236
Accruals	1,541	2,369	1,248	2,135
Deferred income (i)	1,550	1,550	1,285	1,363
Total	5,740	6,109	4,706	5,373

A Masterplan Revolving Credit Facility of £5.0m was taken out in May 2017 to manage working capital requirements in relation to the Burlington Project. The facility was most recently extended in February 2023 with the £5.0m commitment expiring in June 2023 and thereafter reducing to a £3.5m commitment to 31 August 2027. The facility can be drawn down in advances with a minimum value of £0.5m. Each advance is repayable after one month; at the end of the one month period the advance can either be rolled over for another one month period or repaid. As at 31 August 2024 this facility was not drawn down (2023: £nil).

An Operating Revolving Credit Facility of £2.5m was taken out in March 2018 to manage operating working capital requirements. The facility was most recently extended in February 2023 with the £2.5m commitment expiring in March 2023 and thereafter reducing to a £1.5m commitment to 31 August 2027. This facility can be drawn down in advances with a minimum value of £0.15m. Similarly, each advance is repayable after one month; at the end of the one month period the advance can either be rolled over for another one month period or repaid. As at 31 August 2024, this facility was not drawn down (2023: £nil).

- i. Deferred income in 2024 includes ticket sales and sponsorship income for exhibitions in the next financial year, including *Michael Craig-Martin*, *Michelangelo*, *Leonardo*, *Raphael Florence, c. 1504* and *Brasil! Brasil! The Birth of Modernism* and is analysed as follows:

	Brought forward	Amount added	Amount released	Carried forward
	£'000	£'000	£'000	£'000
Deferred income 2024	1,550	(5,393)	5,393	1,550
Deferred income 2023	1,417	233	(100)	1,550

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

22 Creditors - amounts falling due after more than one year

	Group		Royal Academy	
	2024	2023	2024	2023
	£'000	£'000	£'000	£
Bank loan	-	163	-	163
Unsecured loan	10,000	10,000	10,000	10,000
Total	10,000	10,163	10,000	10,163

Creditors include amounts not wholly repayable within 5 years as follows:

Unsecured loan	10,000	10,000	10,000	10,000
----------------	--------	--------	--------	--------

The bank loan was taken out in 2009 and is repayable in instalments by 2025. Interest of £18,408 (2023: £24,366) was charged in the year.

In December 2014, the Royal Academy entered into an unsecured £10.0m loan facility agreement. This amount was advanced in December 2014 and is repayable in ten instalments of £1.0m each from 2035 until 2044, and has a fixed rate of interest of 4.21% p.a.. This facility was used to fund exceptional operating costs during the Burlington Project construction phase and the plant upgrade/renewal programme for conditioning the Burlington House galleries. Interest of £421,000 (2023: £421,000) was charged in the year. The Royal Academy remains compliant with its various loan covenants.

23 Analysis of net assets by fund

	Endowment	Restricted		Designated	Unrestricted		Total
		Burlington Project	Other funds		General funds	Pension reserve	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
a. Group							
Investments	775	-	398	673	172	-	2,018
Heritage assets	-	-	1,594	-	-	-	1,594
Intangible assets	-	-	-	-	207	-	207
Tangible assets	-	1,091	1,225	-	107,946	-	110,262
Current assets	-	670	198	60	9,297	-	10,225
Current liabilities	-	-	-	-	(5,740)	-	(5,740)
Long term liabilities	-	-	-	-	(10,000)	-	(10,000)
Pension asset	-	-	-	-	-	1,011	1,011
Total	775	1,761	3,415	733	101,882	1,011	109,577

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

23 Analysis of net assets by fund (continued)

	Endowment	Restricted	Designated	Unrestricted			
		Burlington	Other		General	Pension	Total
		Project	funds		funds	reserve	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
b. Royal Academy							
Investments	775	-	398	673	172	-	2,018
Heritage assets	-	-	1,594	-	-	-	1,594
Intangible assets	-	-	-	-	128	-	128
Tangible assets	-	1,091	1,225	-	107,946	-	110,262
Current assets	-	670	198	60	8,342	-	9,270
Current liabilities	-	-	-	-	(4,706)	-	(4,706)
Long term liabilities	-	-	-	-	(10,000)	-	(10,000)
Pension asset	-	-	-	-	-	1,011	1,011
Total	775	1,761	3,415	733	101,882	1,011	109,577

24 Analysis of endowment funds

Group and Royal Academy		Investment gains less fund managers fees	Unapplied total return allocated to income	Closing funds
	Opening funds £'000	£'000	£'000	£'000
Dunard Scholarship:				
- Trust for investment	625	-	-	625
- Unapplied total return	-	90	(90)	-
Exhibitions fund:				
- Trust for investment	150	-	-	150
- Unapplied total return	-	21	(21)	-
Total	775	111	(111)	775

a. Dunard Scholarship : the fund was established in 2020 by a donation of £625,000 from the Dunard Fund. It is held as a permanent endowment and is being accounted for on a total return basis. The purpose of the fund is to endow a student scholarship at the Royal Academy Schools in perpetuity.

b. Exhibitions fund: the fund was established in 2019 by a donation of £150,000 from the Thompson Family Charitable Trust, and reclassified as permanent endowment in 2020, and is being accounted for on a total return basis. The purpose of the fund is to support ongoing exhibition costs from investment returns.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

25 Analysis of restricted funds

Group and Royal Academy

		Opening funds £'000	Income and fund growth in year £'000	Expenditure £'000	Unapplied total return from endowments £'000	Fair value gains £'000	Transfers £'000	Closing funds £'000
Other funds	a.	343	2,678	(2,894)	-	-	71	198
Bloomberg fund	b.	238	-	(238)	-	-	-	-
7 Pembroke Studios	c.	1,438	36	(11)	-	35	15	1,513
Heritage assets	16	1,574	20	-	-	-	-	1,594
Dunard Scholarship	24.a	29	-	(25)	90	-	-	94
Exhibitions fund	24.b	19	-	(24)	21	-	-	16
Burlington Project	d.	21,785	1,276	(343)	-	-	(20,957)	1,761
Total		25,426	4,010	(3,535)	111	35	(20,871)	5,176

- a. Other funds include donations of £532,084 (2023: £413,119) received from the Royal Academy Trust, other donations of £2,061,908 (2023: £1,739,500) and grants of £104,502 (2023: £12,000) received for specific and general activities as disclosed in notes 5 and 6 respectively. The closing balance relates to the following restricted funds:

The Royal Academy architecture awards £nil (2023: £9,072): established in 2018 from a donation of £60,000; a further donation of £255,000 was received in 2019. The awards take place annually for five years and the monies are being used towards the management and running costs of the Royal Academy architecture awards, including architecture awards week where the winner of the Royal Academy Architecture Prize and the finalists for the Royal Academy Dorfman Award come to London from around the world to partake in a week of events and activities and receive their prizes. £10,000 of the money is given to the winner of the Royal Academy Dorfman Award each year.

Young Artists' Summer Show £nil (2023: £42,452): established in 2018 from a donation of \$67,620 (£51,516), with further donations of £90,187 in 2019, £97,390 in 2020 and £112,600 in 2022. Inspired by the *Summer Exhibition*, the Young Artists' Summer Show brings together work by primary and secondary-level students from across the UK and beyond in an annual exhibition.

Swanston bequest £24,564 (2023: £24,564): established in 2014 from a legacy of £60,000. The bequest is being used for curating and publishing costs associated with the *Taddei Tondo*.

Cataloguing project £nil (2023: £3,032): established through donations from trusts, foundations and private individuals. The purpose of the project is to catalogue the Royal Academy's collection, including conservation and the creation of a collections website, and the creation and publication of a volume on the history of the Royal Academy and its collection, which was published in 2018.

Clore Cultural Learning Fund £nil (2023: £36,296): established in 2021 as a result of the Covid-19 pandemic with a grant of £100,000, the fund supports the delivery of learning and community activities, especially those delivered onsite at the Royal Academy.

Genesis Future Curators £7,227 (2023: £nil): established in 2023 from a donation of £69,000. The fund is being used to establish a two year curatorial trainee scheme for two trainees to gain experience within curatorial practice, one in Collections and one in Exhibitions.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

25 Analysis of restricted funds (continued)

Emma Seglert Bursary £27,818 (2023: £nil): established in 2024 from a donation of £27,818. The fund will provide a bursary to students studying at the Schools for a three-year period, with the first bursary being awarded in the academic year 2024/2025. The bursary can be awarded to one student for the three-year duration of their studies, or on an annual basis to one or more students.

Dunard Schools Fund £nil (2023: £81,031): established in 2020 from a donation of £333,333, with a total of £1,000,000 pledged over three years. Further donations totalling £666,667 were received in 2022 and 2023. The fund provides £50,000 per annum towards Royal Academy Schools bursaries and £283,333 towards Royal Academy Schools tutors' salaries.

Marie Ragnhild Hollingsworth Prize Fund £138,350 (2023: £143,350): established in 2023 from donations totalling £148,350. The fund provides £5,000 per annum for a prize at the *Summer Exhibition*.

British Council residency £nil (2022: £3,868): established in 2023 from grant income of £12,000, this will fund a residency for an early career researched.

b. Bloomberg Digital Accelerator Fund £nil (2023: £237,752): established in 2021 from grant income of £980,000 from the Bloomberg Philanthropies' Digital Accelerator Fund. This funded updating the user experience and infrastructure of the main Royal Academy website; delivering a digital studio for online events; and researching the Royal Academy's requirements for digital asset management.

c. 7 Pembroke Studios £1,513,000 (2023: £1,438,000): the fund was established in 2020 from a donation of £2,159,884 (\$2,790,720), of which £1,650,000 was used to purchase Pembroke Studios in September 2020, an artist's studio in London, with the balance of the fund to be used for the legal and professional fees associated with the purchase and repairs and maintenance of the property for a period of up to 25 years. It was the donor's wish that an artist, who has been using the studios since 2012, should be able to continue to have exclusive, rent free use of the studios for as long as she is actively and regularly using the studios for up to a maximum of 25 years. At the end of the said period, the Royal Academy will have full and free use of the studios and have the right to sell the studios and apply the proceeds of the sale towards its general charitable purposes.

d. Burlington Project £1,761,000 (2023: £21,785,000): Phase I was completed in 2018 and Phase II was completed in 2024, with all Burlington Project - Phase I and Phase II restricted and designated funds being transferred to unrestricted funds as specific identifiable assets were brought into service and as such, the restrictions on these funds have been satisfied. The remaining restricted funds are in respect of Phase III and other projects, which form part of the overall Burlington Project (see note 30).

26 Analysis of designated funds

Group and Royal Academy	Opening funds £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment gains £'000	Closing funds £'000
Total designated	649	539	(523)	2	66	733

Council have designated the funds detailed below out of unrestricted funds:

Schools architect fund £88,562 (2023: £78,262): the fund was established in 2018 from a legacy of £88,039. The funds are held on investment with Sarasin & Partners LLP, with the investment returns being used to fund an annual event as part of the RA Architecture Programme in Sir Richard MacCormac's name.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

26 Analysis of designated funds

Schools annual travel prize £10,000 (2023: £12,000): a legacy of £20,000 was received in 2018 and designated as an annual travel prize of £2,000 for students of the Royal Academy Schools. The first prize was awarded in 2018, with further awards in 2019, 2022 and 2023. It is anticipated this will be spent over a period of 10 years.

Future Academy £633,742 (2023: £558,173): unrestricted donations and legacies received in 2019, 2020 and 2022 have been designated by Council for expenditure on the Royal Academy Schools (£40,562), the Collection (£16,655), education (£500) and the Presidents' Fund (£576,025), which is held to support the Royal Academy in periods when there is unexpected volatility in income or expenditure. Donations totalling £1,740 (2023: £nil) received in 2022 and designated by Council for the Future Academy fund were incorrectly allocated to unrestricted donations. These funds were transferred to the Future Academy fund in 2024.

27 Administered funds

The Royal Academy has six funds which have not been consolidated within the financial statements of the Royal Academy, on the basis that while the Royal Academy is administering the funds, it is not the ultimate beneficiary. However, as the funds are administered by the Royal Academy, these have been disclosed separately below for information.

These funds consist of the following:

Frampton Fund

Agnes Ethel MacKay Fund

Jack Goldhill Sculpture Fund

Charles Wollaston Award Fund

Pitchforth Scholarship Fund

Sir John Reeves Ellerman Fund

	2024 £'000	2023 £'000
Income from investments	26	27
Expenditure	(133)	(151)
Net gains on investments	631	116
Net gain / (loss)	524	(8)
Total funds brought forward	4,314	4,322
Total funds carried forward	4,838	4,314
Represented by:		
Investments	4,690	4,129
Cash at bank	62	70
Debtors	103	134
Creditors	(17)	(19)
Total funds	4,838	4,314

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

28 Reconciliation of net income to net cash inflow from operating activities

	2024	2023
	£'000	£'000
Net (expenditure) / income	(8,265)	7,122
Heritage asset gifts	(20)	(168)
Amortisation of intangible assets	81	88
Depreciation of tangible assets	3,270	3,166
Loss on disposal of tangible assets	12	-
Fair value gain in value of investment property	(35)	(27)
Current pension service expenditure / (income)	4,081	(1,989)
Increase in stock	(26)	(93)
(Increase) / decrease in debtors	(16)	2
(Decrease) / increase in creditors	(312)	1,037
Interest paid	441	445
Interest received	(517)	(596)
Dividends and interest from fixed asset investments	(48)	(59)
Net (gains) / losses on fixed asset investments	(198)	39
	<hr/>	<hr/>
Net cash provided by operating activities	(1,552)	8,967
	<hr/>	<hr/>

29 Pension costs

The Royal Academy, together with its subsidiary undertakings, participates in a funded defined benefit pension scheme, operated by the Royal Academy of Arts Pension Scheme ("the Scheme"), providing benefit based on final pensionable salary. The assets of the Scheme are held independently from those of the Royal Academy.

The Scheme provides pensions in retirement and death benefits to members. Pension benefits are linked to the members' final salary at retirement and their length of service up to the date on which the Scheme closed to future accrual, being 30 September 2016.

The Scheme is a registered scheme under UK legislation and was not contracted out of the State Sector Pension prior to the cessation of contracting out from 6 April 2016.

The Scheme is subject to the scheme funding requirements outlined in UK legislation.

The Scheme was established from 3 January 1985 under trust and is governed by the Scheme's definitive trust deed and rules dated 31 March 1998. The trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding and investment strategy.

A full actuarial valuation of the Scheme was carried out as at 31 August 2022 and has been updated to 31 August 2024 by a qualified independent actuary.

Since June 2006 the Scheme has been closed to new members and closed to future accrual on 30 September 2016. A full buy-in of the Scheme's pension liabilities with an insurer, being the first stage towards buy-out and an eventual winding up of the Scheme, was successfully concluded with Aviva on 2 July 2024.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

29 Pension costs (continued)

The major assumptions used by the actuary were (in nominal terms) as follows:

	2024	2023
Discount rate	5.0%	5.3%
Inflation assumption (RPI)	3.1%	3.2%
Inflation assumption (CPI)	2.3%	2.4%
Rate of increase in salaries	3.1%	3.2%

Pension increases for service accrued:

Pre 6 April 1997	2.4%	2.4%
6 April 1997 to 30 September 2006	3.0%	3.1%
Post 30 September 2006	2.1%	2.1%

Assumed life expectancies on retirement at age 60 are:

Retiring in 2022 - Males	25.9	26.0
Retiring in 2022 - Females	28.5	28.5
Retiring in 2042 - Males	27.4	27.5
Retiring in 2042 - Females	30.0	30.0

The assumptions used in determining the overall expected return of the Scheme's assets have been set with reference to yields available on government bonds and appropriate risk margins.

The assets in the Scheme were:

	2024 £'000	2023 £'000
Corporate bonds	-	16,838
Cash	1,777	156
LDI funds	-	14,769
Insurance policy	27,030	-
Fair value of Scheme assets	28,807	31,763
Present value of funded obligations	(27,796)	(25,578)
Surplus in funded Scheme	1,011	6,185
Net asset in balance sheet	1,011	6,185

Reconciliation of opening and closing balances of the present value

	2024 £'000	2023 £'000
Benefit obligation at beginning of year	25,578	31,585
Interest cost	1,342	1,268
Actuarial losses / (gains)	1,417	(4,456)
Benefits paid	(912)	(1,135)
Past service cost	371	-
Curtailements	-	(1,684)
Benefit obligation at end of year	27,796	25,578

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

29 Pension costs (continued)

Reconciliation of opening and closing balances of the fair value of Scheme assets:	2024	2023
Fair value of Scheme assets at beginning of year	31,763	38,029
Interest income on Scheme assets	1,619	1,573
Return on assets, excluding interest income	324	(6,704)
Benefits paid	(912)	(1,135)
Scheme administrative cost	(267)	-
Settlements	(3,720)	-
	<u>28,807</u>	<u>31,763</u>
Fair value of Scheme assets at end of year		
The amounts recognised in the SOFA:	2024	2023
Service cost - including current and past service costs and settlements	4,091	(1,684)
Service cost - administrative cost	267	-
Net interest on the defined benefit pension scheme asset	(277)	(305)
	<u>4,081</u>	<u>(1,989)</u>
Total expenditure / (income)		

The service cost including current and past service costs and settlements of £4,091,000 (2023: income of £1,684,000) includes £3,720,000 (2023: £nil) settlement cost arising from the purchase of an insurance policy on 2 July 2024 for all the pension liabilities of the Scheme. The settlement loss of £3,720,000 has been calculated as the difference between the premium paid for the insurance policy by the Scheme of £30,419,000 and the actuarial value of the liabilities placed on the insurance policy at the purchase settlement date of 9 July 2024.

The service cost - administrative cost of £267,000 (2023: £nil) includes expenses in respect of the insurance buy-in and the transition to buy-out and from 1 July 2024 the expenses of operating the Scheme.

Remeasurement of the defined benefit pension scheme asset:	2024	2023
Actuarial losses / (gains) on the liabilities	1,417	(4,456)
Return on assets, excluding interest income	(324)	6,704
	<u>1,093</u>	<u>2,248</u>
Total remeasurement of the defined benefit pension scheme asset		

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

30 Authorised and contracted capital expenditure

Group and Royal Academy	Total project cost £'000	Assets in course of construction £'000	Authorised but not contracted for £'000
Other projects	102	102	-
Burlington Project - Phase III	12,600	1,043	11,557
Other Burlington Projects: Burlington House façade	750	48	702
Total	13,452	1,193	12,259

Burlington Project - Phase III is the redevelopment of the Collection Gallery. This is currently at RIBA Stage 3 design. Nearly £6.5m has been fundraised, with the funds held by the Royal Academy Trust until required by the Royal Academy. £0.5m was donated by the Royal Academy Trust in 2018, with a further £0.5m in 2019 and £0.2m in 2024 in respect of costs incurred to date with the balance being held in cash at bank. £5.3m is being held and invested by the Royal Academy Trust until required by the Royal Academy, with further interest accruing on these funds.

The Burlington House façade project is in respect of the restoration and the cleaning of the façade. This project is at a preliminary design stage but a £0.7m budget was approved by Council in April 2021. This has been fully fundraised for and is included in cash at bank less project costs incurred to date.

31 Contingent liabilities

The Royal Academy and its subsidiaries had no contingent liabilities as at 31 August 2024 (2023: none).

32 Financial commitments

Group and Royal Academy

At 31 August total commitments under operating leases were as follows

	Land and buildings £'000	Other £'000	2024 Total £'000	Land and buildings £'000	Other £'000	2023 Total £'000
Under one year	190	13	203	219	13	232
Two to five years	762	26	788	762	39	801
Over five years	524	-	524	714	-	714
Total	1,476	39	1,515	1,695	52	1,747

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

33 Financial instruments

The financial statements include the following financial instruments at 31 August:

	Group		Royal Academy	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial assets measured at amortised cost	2,701	2,618	3,105	3,454
Financial liabilities measured at amortised cost	13,461	14,089	12,915	13,691
Financial assets measured at fair value	2,018	1,766	2,018	1,766

34 Related party transactions

Those in positions of authority within the Group, including trustees, Council members and directors, use facilities of the Group on the same terms as other Royal Academicians, Friends, Patrons or external customers. This includes access to exhibitions, purchases from shops, *Summer Exhibition*, and auctions, and also the use of catering facilities. For the year ended 31 August 2024, all transactions with related parties are considered within the scope of normal transactions.

Income of £866,903 (2023: £271,159) was received from R.A. Enterprises Limited, being a distribution of 100% of their net income for the year. In addition, R.A. Enterprises Limited was recharged salaries of £1,836,175 (2023: £1,823,780) and other expenses of £773,632 (2023: £576,915), including a share of central support costs and a licence fee for the use of the RA name, data and rights. At the year end, £1,104,671 (2023: £1,296,072) was owed and included within the Royal Academy's debtors.

Income of £161,863 (2023: £204,221) was received from Burlington House Limited, being a distribution of 100% of their net income for the year. In addition, Burlington House Limited was recharged expenses of £17,695 (2023: £91,517). At the year end, £35,662 was outstanding and included within the Royal Academy's creditors (2023: £14,175 owed and included within debtors).

Income of £933,448 (2023: £1,558,431) was received from RA (Arts) Limited, being a distribution of 100% of their net income for the year. In addition, RA (Arts) Limited was recharged salaries of £128,154 (2023: £111,337) and other expenses of £83,978 (2023: £69,571), including a share of central support costs and a licence fee for the use of the RA name, data and rights. At the year end, £93,492 (2023: £318,656) was owed and included within the Royal Academy's debtors.

Income of £10,105,047 (2023: £10,598,061) was received from The Friends of the Royal Academy, being 100% of their net income for the year. In addition, The Friends of the Royal Academy reimbursed salary and other expenses recharged of £495,607 (2023: £429,709). At the year end, £239,649 (2023: £192,941) was outstanding and included within creditors.

In order to optimise cash management efficiency, the sterling current accounts of the Royal Academy, its subsidiary undertakings and The Friends of the Royal Academy are pooled, such that overnight all cleared debit and credit balances on the current accounts of these entities are set off into a single Royal Academy account. The debtor and creditor balances between each of the entities in this pooling group at the year end in part reflects this pooling arrangement.

The Royal Academy of Arts
Notes to the Financial Statements
For the year ended 31 August 2024

34 Related party transactions (continued)

During the year, the Royal Academy received income of £1,877,084 (2023: £3,729,819) from the Royal Academy Trust with donations of £nil towards the Coronavirus Emergency Support Fund (2023: £2,000,000), £200,000 (2023: £nil) towards Burlington Project Phase III and £1,677,084 (2023: £1,729,819) further donations to support various campaigns and projects undertaken. At the year end, £54,777 (2023: £96,752) was owed and included within the Royal Academy's debtors.

The trustees donated a total of £nil (2023: £nil) to the Royal Academy during the year.