

**THE FRIENDS OF THE ROYAL ACADEMY**

**(A Company Limited by Guarantee)**

**Registered Charity No. 272926**

**Registered Company No. 01291535**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 AUGUST 2024**

**The Friends of the Royal Academy  
Reference and Administrative Information**

**Patron**

Her Majesty The Queen

**Trustees**

Siobhan Moriarty-MacDonnell (Chairperson)

Andrea O'Keeffe (Treasurer)

Nigel Abbas (resigned 28 March 2024)

Patrick Brill (Bob and Roberta Smith RA) (appointed 4 June 2024)

Beatrice El-Hage (appointed 12 September 2023)

Verity Harding (resigned 12 September 2023)

Katherine Jones RA (appointed 12 September 2023)

Philip Long (appointed 12 September 2023)

Fiona Mahon (appointed 12 September 2023)

Natasha Mitchell (appointed 1 November 2024)

Richard Phillipps (resigned 12 September 2023)

Peter Randall-Page (resigned 12 September 2023)

Axel Rüger (resigned 31 October 2024)

Elle Todd (appointed 12 September 2023)

**Company Secretary**

Benedict Anstey

**Auditors**

Moore Kingston Smith LLP

6th Floor

9 Appold Street

London EC2A 2AP

**Bankers**

Lloyds Bank Plc

4th Floor

25 Gresham Street

London EC2V 7HN

**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 Number**

272926

**Registered Company Number**

01291535

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

**CONSTITUTION AND CHARITABLE OBJECTIVES**

**Constitution**

The Friends of the Royal Academy ("the Charity") is a registered charity, which was incorporated as a company limited by guarantee in December 1976. The Charity's objects are to support the work of two other charities: The Royal Academy of Arts ("the Royal Academy"), a legally separate charity (registered charity number 1125383, company number 6298947) which has promoted the fine arts in the UK since 1768; and the Royal Academy Trust (registered charity number 1067270), which was established in 1981, to provide funds in support of the Royal Academy.

**Governance and management**

The Charity is an independent body governed by a board of directors (the "Board"), who are also the trustees of the Charity. In accordance with the Articles of Association, the number of directors shall be not less than seven and not more than 15. The Board shall have at least one and no more than two Royal Academicians, who are appointed by the Royal Academy. The Secretary and Chief Executive of the Royal Academy is a member of the Board *ex officio*.

The Charity has a maximum of 25 Members (the Board may from time to time increase this number). New Charity Members may be admitted by approval of the Charity at a General Meeting, subject to the approval of the Royal Academy. Friends are "associate members" of the Charity but are not formal Charity (company) Members. The Board may from time to time establish categories of Friends, the criteria for membership of each category, and the rights and privileges associated with such category. On appointment as a director, the appointee is invited to become a Member of the Charity (although a member of the Board does not need to be a Charity Member).

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

The Board convenes at least three meetings each year to discuss the strategic, financial, and operational performance of the Friends membership scheme. Members of the Board meet regularly with the Royal Academy management team and other members of staff in between these formal Board meetings. Board members receive all relevant documentation relating to the constitution and operation of the Friends' membership scheme on appointment.

During the year ended 31 August 2024, six new directors joined the Board. The induction pack provided to these new directors (and shared with continuing directors) was updated and made more comprehensive to provide a broader overview of the Royal Academy structure, strategy, and areas of activity.

The Charity Chair meets regularly, and at least once in advance of each Board meeting, with key Royal Academy staff including the Director and Deputy Director of Audience and Experience and the Legal Counsel in relation to company secretarial matters, to plan for Board meetings and set agendas.

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**Remuneration of key management personnel**

The Charity considers key management personnel to be the trustees who do not receive remuneration for their services. As noted below, the day-to-day management of the Charity is performed by staff employed by the Royal Academy.

**Relationship with the Royal Academy**

Although the Charity is governed by an independent body, the day-to-day management of the Friends membership scheme is through staff employed by the Royal Academy.

**Objectives and activities**

The objects of the Charity, as set out in the Articles of Association, are to support the charitable work of the Royal Academy and the Royal Academy Trust. The Charity's activities include ensuring sound financial control; clear strategic direction; and the targeting of funds to improve the Friends experience and public benefit.

**Public benefit and impact**

In implementing the stated objectives through the strategies mentioned above, the Board has complied with the duty in Section 17 of the Charities Act 2011 and the guidance published by the Charity Commission, namely, to have due regard to public benefit.

The Charity donates its surplus to the Royal Academy in support of its charitable objectives and in doing so brings considerable benefit to members of the public who visit and participate in the activities of the Royal Academy. The impact and public benefit provided by the Royal Academy and the more formal impact assessment approach being undertaken, including identifying impact goals, and tracking and measuring impact, is considered in the Royal Academy's 2024 Trustees' Report. Given that the Charity's donation has this year provided nearly 28% (2023: 29%) of the Royal Academy's incoming resources from ongoing activities, the Charity is providing a significant contribution towards meeting these impact goals.

The Friends membership scheme is open to all members of the public and offers significant cost savings to ensure the Friend, an adult family guest and up to four family children can enjoy unlimited entry to experience and appreciate all that the Royal Academy has to offer. Friends are also kept up to date on news of the Royal Academy and the broader cultural scene via the quarterly RA Magazine and through regular email communications, tailored and targeted to individual Friends via Customer Relationship Management ("CRM").

The Friends also offer a Young Person category of membership at a lower rate to enable younger people (up to 35) to access the benefits, including invitations to events tailored towards this younger demographic.

**Aims for the coming year**

The aims and objectives for the 2024/25 financial year are as follows:

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For the year ended 31 August 2024**

- To promote and enhance the appreciation of visual arts and wider programme at the Royal Academy through the Friends' membership scheme.
- To maximise the charitable contributions raised for the benefit of the Royal Academy.
- To increase public participation for the benefit of the Royal Academy.

The Charity will seek to achieve these objectives through the continuation of a successful programme of Friends' events; campaigns to recruit new Friends; and measures to retain Friends through continued improvement of the visitor experience.

## **FINANCIAL REVIEW, ACHIEVEMENTS AND PERFORMANCE**

### **Financial review**

During the year, the Charity received total income of £11,775,330 (2023: £12,024,165), including membership income and Gift Aid of £11,602,555 (2023: £11,984,676) from a total membership of 75,014 (2023: 77,775) Friends.

After expenditure of £1,518,482 (2023: £1,408,003) and a donation of £151,801 (2023: £18,101) to the Royal Academy Trust, net income amounted to £10,105,047 (2023: £10,598,061).

It is the practice of the Board to donate to the Royal Academy income received after the deduction of expenditure, with the objective to increase the net contribution year on year.

In March 2019 the Board resolved to donate to the Royal Academy Trust any unrestricted legacy income received by the Charity (up to £100,000 per legacy) to be held in unrestricted funds to provide future support to the Royal Academy.

The net income for the current year has been donated to the Royal Academy.

The net movement of funds for the year was £nil (2023: £nil). The Board does not recommend any transfer to or from reserves (2023: £nil).

### **Achievements and performance**

The Charity closed the year with 75,014 Friends, almost 4% down from last year's closing number of 77,775. Just under 8,200 new Friends joined in the year (2023: 8,500). The annual renewal rate was just under 86%, 1% lower than the previous year. The renewal rate was just behind the 87% achieved in the year to 31 August 2019, the last full financial year before the pandemic, albeit the Charity closed that year with 92,273 Friends.

This performance should be considered in the wider context of shifting audience behaviour and engagement across the sector, where increased competition and more selective choices by visitors (driven by the higher cost of living, transport challenges, and changed appetites post-pandemic, particularly amongst older visitors) are all having an impact on attendance to paid exhibitions.

Within this context, retention and acquisition marketing strategies for the year were carefully built around the exhibition programme, optimising each in relation to its appeal to Friends. *Marina Abramović* allowed for the promotion of Young Friends memberships as well as the benefits of being able to return to an exhibition at different times and for different performances, while *Impressionists*

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*on Paper: Degas to Toulouse-Lautrec* appealed to both our core and a more diverse Friends audience. *Marina Abramović* saw the highest proportion of under 45 visitors to the Royal Academy since we began tracking in 2019 and Young Friends acquisitions nearly matched non-Young Friends for the first time. When the exhibition closed on 1 January 2024, we had achieved the highest volume of Young Friends to date at 6,759. For *Entangled Pasts, 1768–now: Art, Colonialism and Change*, which ran from early February 2024 to late April 2024, we welcomed the highest proportion of global majority visitors (since tracking began in 2019) at just over 25%. Although both acquisitions and retention fell slightly short of target in the second half of the financial year with lower visitor numbers, our retention and acquisition rates remain high in comparison with the wider sector.

Continued commitment to engaging new, broader, and more diverse audiences through programming, pricing, and marketing remains a priority for the next financial year and beyond to attract more Friends. Total membership income and Gift Aid for the year of £11,602,555 represented a decrease of just over 3% on the previous year (2023: £11,984,676). There was no price increase in 2024 following a small annual price increase in 2023.

Expenditure on membership activities for the year of £1,518,482 increased by nearly 8% on the previous year (2023: £1,408,003). The Charity's cost base has been significantly impacted by the higher rates of inflation which have been experienced recently. This includes the effect of salary increases particularly impacted by the rise in the London Living Wage, with staff costs increasing by over 8% to £480,011 (2023: £443,018). The Charity has however benefited from a just over 30% reduction in its facility charges from the Royal Academy for the use of Keeper's House, with the annual charge reduced to £126,295 (2023: £180,676). This lower charge reflects the fact that the Charity is using less space in Keeper's House from September 2023, as well as a reduction in market rent.

The net income for the year before the donation to the Royal Academy (but after donations of legacy income to the Royal Academy Trust) was £10,105,047; over 4.6% down on the previous year (2023: £10,598,061).

In making a donation of £10,105,047 to the Royal Academy, the Charity has significantly contributed to the continuing development of the Royal Academy's activities and awareness of its role in cultural life including the presentation of a world class exhibition programme; the post graduate education of artists in the Royal Academy Schools; the preservation and maintenance of the Royal Academy's historic buildings and collections; and the celebration of art and culture for audiences at the Royal Academy and beyond.

### **Reserves policy**

The Board has reviewed the reserves of the Charity, including its free reserves (those that are not restricted, designated, or invested in fixed assets). Having regard to the relationship with the Royal Academy and anticipated future cash flows, the current practice is to pass the entire annual net income to the Royal Academy and not to accumulate reserves. The Board considers that the actual level of free reserves as at 31 August 2024 of £115,734 (2023: £115,734) is appropriate.

### **Related party transactions**

None of the trustees receives remuneration or other benefit from their work with the Charity. Transactions with related parties are disclosed in note 14 to the financial statements.

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Trustees' Report  
For the year ended 31 August 2024**

**Risks**

The Board, advised by specialist committees, the Royal Academy Senior Leadership Team, and the Royal Academy Legal Counsel and General Counsel, evaluates and monitors risks and ensures that systems and controls are in place and are subject to review. Where appropriate, management action is undertaken to mitigate those risks. The trustees have reviewed the risks to which the Charity is exposed, and the mitigating actions planned to address them.

The major risks identified include:

- 1) the risk of a reduction in Friends membership whether due to price sensitivity, the changing popularity of the exhibition programme, demographic factors, or economic and behavioural trends in the aftermath of the pandemic. Processes regarding marketing and stakeholder engagement are under scrutiny, particularly given the ongoing impact of the "cost of living crisis" reducing potential audiences. Furthermore, post the pandemic, Friends' propensity to visit the Royal Academy, or London more generally, has shifted compared to previously seen patterns of behaviour;
- 2) the risk of failure of the database software and security due to several factors, including outdated software from a lack of resource deployment or investment or cyber-attacks;
- 3) risks generated from having to adhere to strict tax legislation and HMRC guidelines; and
- 4) the Digital Markets, Competition and Consumers Act was passed into law in May 2024, which creates new obligations for the Charity in relation to the administration of Friends memberships, including the provision of prescribed pre-contract information, renewal notices, a cooling-off period and duties on cancellation. The relevant provisions of the Act are expected to commence in Spring 2026, at the earliest. Prior to passing the legislation, the Government confirmed it would amend Gift Aid legislation to prevent charity memberships becoming ineligible for Gift Aid by virtue of the new cooling off period, but this is yet to be seen.

The Senior Leadership Team is undertaking strategies to limit the exposure to these risks and to mitigate them as far as is achievable. Mitigation steps include:

- 1) continued review and improvement to the Friends' visitor experience and periodic Friends membership structure and pricing reviews;
- 2) continuous development and enhancement of software, with a focus on data protection;
- 3) internal tax compliance controls and procedures, together with advice from external tax advisers on technical issues and the impact of any changes in legislation; and
- 4) advice from external tax and legal advisors on the impact of changes in legislation, together with lobbying efforts with industry bodies, other charities affected and an advisory firm.

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and

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

application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the directors 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;
- 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 charity 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 charity 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:

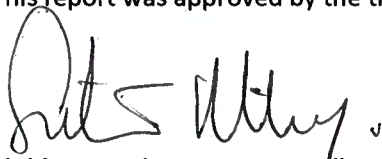
- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

A resolution to reappoint Moore Kingston Smith LLP as auditors will be put to the members at the Annual General Meeting.

*912 Dec 2024*

This report was approved by the trustees on ..... and signed on its behalf, by:



**Siobhan Moriarty-MacDonnell**  
Chairperson



**The Friends of the Royal Academy  
Independent Auditors' Report to Members of  
The Friends of the Royal Academy**

**Opinion**

We have audited the financial statements of The Friends of the Royal Academy ("the charitable company") for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its 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 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 within 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.

**The Friends of the Royal Academy  
Independent Auditors' Report to Members of  
The Friends of the Royal Academy (continued)**

**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.

**Opinions on other matter 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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:

- adequate and sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 6, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**The Friends of the Royal Academy  
Independent Auditors' Report to Members of  
The Friends of the Royal Academy (continued)**

**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 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 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 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.

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.

**The Friends of the Royal Academy  
Independent Auditors' Report to Members of  
The Friends of the Royal Academy (continued)**

**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 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 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;
- 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 our report**

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

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

6th Floor  
9 Appold Street  
London EC2A 2AP

Date: 12 December 2024

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

		<b>Unrestricted funds 2024 £</b>	<b>Unrestricted funds 2023 £</b>
	<b>Note</b>		
<b>Income from:</b>			
Donations and legacies		<b>152,362</b>	28,655
Charitable activities	4	<b>11,602,555</b>	11,984,676
Other income		<b>20,413</b>	10,834
		<hr/>	<hr/>
Total income		<b>11,775,330</b>	12,024,165
		<hr/>	<hr/>
<b>Expenditure on:</b>			
Charitable activities			
Members' activities	5	<b>(1,518,482)</b>	(1,408,003)
Donation to Royal Academy Trust		<b>(151,801)</b>	(18,101)
Donation to The Royal Academy of Arts		<b>(10,105,047)</b>	(10,598,061)
		<hr/>	<hr/>
Total expenditure		<b>(11,775,330)</b>	(12,024,165)
		<hr/>	<hr/>
<b>Net income / (expenditure)</b>	6	-	-
		<hr/>	<hr/>
Total funds brought forward		<b>115,734</b>	115,734
		<hr/>	<hr/>
<b>Total funds carried forward</b>		<b>115,734</b>	115,734
		<hr/>	<hr/>

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

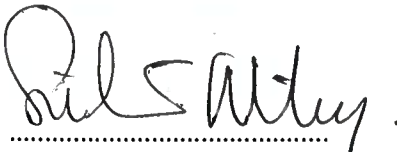
The notes on pages 15 to 20 form part of these financial statements.

**The Friends of the Royal Academy  
Balance Sheet as at 31 August 2024**

	Note	2024 £	2023 £
<b>Current assets</b>			
Debtors	10	349,080	315,554
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	11	<u>(233,346)</u>	<u>(199,820)</u>
<b>Total assets less total liabilities</b>		<u>115,734</u>	<u>115,734</u>
 <b>The funds of the Charity:</b>			
Unrestricted		<u>115,734</u>	<u>115,734</u>
<b>Total funds</b>		<u>115,734</u>	<u>115,734</u>

The notes on pages 15 to 20 form part of these financial statements.

Approved and authorised for issue by the Board on 9th December 2024

  
.....  
**Siobhan Moriarty-MacDonnell**

Company No: 01291535

**The Friends of the Royal Academy**  
**Statement of Cash Flows**  
**For the year ended 31 August 2024**

	<b>Note</b>	<b>2024</b> <b>£</b>	<b>2023</b> <b>£</b>
<b>Cash (used in) / provided by operating activities</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>
Increase / decrease in cash equivalents in the year		-	-
Cash and cash equivalents at the beginning of the year		-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>-</b>	<b>-</b>

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

**1 General information**

The Friends of the Royal Academy ("the Charity"), is a registered charity, which is incorporated as a company limited by guarantee.

The Charity was established primarily to support the charitable work of The Royal Academy of Arts ("the Royal Academy") and to promote and to co-operate with the Royal Academy and other charitable organisations in promoting the Arts. The address of its registered office is Burlington House, Piccadilly, London.

**2 Summary of significant accounting policies**

The financial statements have been prepared under the historical cost convention 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") and the Charities Act 2011.

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

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

**a. Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention.

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 consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

**c. Funds structure**

Unrestricted income funds are sub analysed between designated funds, where the trustees 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 Charity.



**The Friends of the Royal Academy  
Notes to the Financial Statements  
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**2 Summary of significant accounting policies (continued)**

**d. Income**

All income is recognised once the Charity has entitlement to the resources if it is probable (more likely than not) that the resources will be received and the monetary value can be measured reliably.

Membership income and related Gift Aid is accounted for on receipt of the income and is stated exclusive of any VAT.

Donations are accounted for when these are received.

Ticket sales made in relation to events taking place in the next financial year are included as deferred income.

**e. 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;
- 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.

**f. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

**g. Pension costs**

Pension costs reflect the employer pension contributions recharges from the Royal Academy. There is no liability for the Charity with regards to defined benefit pension scheme funding or any associated liabilities, with reference to its inclusion being provided in these financial statements, merely to provide clarity with regards to the recharged pension contributions.

**The Friends of the Royal Academy  
Notes to the Financial Statements  
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**2 Summary of significant accounting policies (continued)**

**h. Charitable activities**

Costs of charitable activities comprise the expenditure associated with supporting the Charity members and making donations to the Royal Academy and the Royal Academy Trust.

Included within charitable activities are governance costs. These are costs incurred in the governance of the Charity and its assets. These are primarily concerned with constitutional and statutory requirements.

**i. Financial instruments**

**i. Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand.

**ii. Debtors and creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

**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.

**4 Income from charitable activities**

	<b>2024</b>	2023
	<b>£</b>	£
Membership income	<b>9,808,938</b>	10,104,000
Gift Aid	<b><u>1,793,617</u></b>	<u>1,880,676</u>
Total	<b><u>11,602,555</u></b>	<u>11,984,676</u>

Membership income relates to annual amounts paid to become a "Friend" of the Charity. Total membership as at 31 August 2024 was 75,014 Friends (2023: 77,775 Friends).

**The Friends of the Royal Academy  
Notes to the Financial Statements  
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**5 Analysis of expenditure on members' activities**

	2024 £	2023 £
Staff costs (see note 7)	480,011	443,018
Printing and mailing	235,783	232,137
Magazine	386,993	299,429
Marketing, research and acquisitions	181,748	163,757
Facilities charges	126,295	180,676
Audit fees	18,750	15,348
Accountancy fees	600	500
Other costs	88,301	73,138
	<hr/>	<hr/>
Total	1,518,482	1,408,003

**6 Net income / (expenditure)**

	2024 £	2023 £
This is stated after charging:		
Auditors' remuneration:		
Audit services	18,750	15,348
Other services	600	500

**7 Analysis of staff costs**

	2024 £	2023 £
Wages and salaries	413,609	383,248
Social security costs	35,902	31,924
Employers pension contributions	30,500	27,846
	<hr/>	<hr/>
Total	480,011	443,018

Staff costs represent the costs of staff employed by the Royal Academy and recharged to the Charity. The Charity engaged an average of 15 permanent staff (2023: 15).

No employees earned more than £60,000 in the year (2023: none).

The trustees have concluded that the board of trustees comprise the key management personnel of the Charity.

**The Friends of the Royal Academy  
Notes to the Financial Statements  
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**8 Trustees' remuneration, benefits and expenses**

Axel Rüger, who was a trustee of the Charity to 31 October 2024, was paid remuneration by the Royal Academy, for which no recharge was made to the Charity. It is not possible to make a reasonable apportionment of his remuneration in respect of his service to the Charity. Accordingly, the disclosures regarding remuneration for key management personnel of the Charity include no amounts in respect of Axel Rüger. Remuneration excluding pension contributions paid by the Royal Academy to Axel Rüger was £237,190 (2023: £230,134). In addition, he received pension contributions totalling £23,719 (2023: £20,921).

The Charity's other trustees give their time freely and receive no remuneration for the work that they undertake as trustees. However, they can claim expenses to reimburse them for costs that they incur in fulfilling their duties.

No trustee was reimbursed for any costs incurred in fulfilling their duties (2023: £nil).

**9 Taxation**

The Charity has suffered no tax charge, as it is not subject to UK corporation tax on its charitable activities.

**10 Debtors**

	<b>2024</b>	2023
	<b>£</b>	£
Trade debtors	<b>4,338</b>	6,028
Amounts owed by The Royal Academy of Arts	<b>239,649</b>	192,940
Recoverable taxes	<b>96,188</b>	103,626
Prepayments	<b>8,905</b>	12,960
	<hr/>	<hr/>
Total	<b>349,080</b>	315,554
	<hr/>	<hr/>

Amounts owed by related undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**11 Creditors - amounts falling due within one year**

	<b>2024</b>	2023
	<b>£</b>	£
Trade creditors	<b>14,845</b>	19,596
Amounts due to R.A. Enterprises Limited	<b>113,021</b>	119,658
Taxation	<b>62,431</b>	44,035
Accruals	<b>43,049</b>	16,531
	<hr/>	<hr/>
Total	<b>233,346</b>	199,820
	<hr/>	<hr/>

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

**12 Notes to the statement of cash flows**

<b>Reconciliation of net movement in funds to net cash flow from operating activities:</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net movement in funds:	-	-
Adjustments for:		
- (Increase)/decrease in debtors	<b>(33,526)</b>	52,883
- Increase/(decrease) in creditors	<b>33,526</b>	(52,883)
	<hr/>	<hr/>
Net cash (used in) / provided by operating activities	<hr/> <b>-</b> <hr/>	<hr/> <b>-</b> <hr/>

**13 Financial instruments**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	<hr/> <b>243,987</b> <hr/>	<hr/> 198,968 <hr/>
Financial liabilities measured at amortised cost	<hr/> <b>170,915</b> <hr/>	<hr/> 155,785 <hr/>

**14 Related party transactions**

During the year the Charity donated £10,105,047 (2023: £10,598,061) to the Royal Academy and reimbursed expenditure of £606,306 (2022: £623,694), including staff costs recharged of £480,011 (2023: £443,018) and facilities charges of £126,295 (2023: £180,676) for the Charity's use of Keeper's House, being £102,000 (2023: £151,000) for rent and £24,295 (2023: £29,676) for utilities. At the year end, £239,649 (2023: £192,940) was owed and included within debtors.

During the year the Charity purchased £386,993 (2023: £299,429) of goods from R.A. Enterprises Limited, a subsidiary of the Royal Academy, related to costs for the quarterly RA Magazine. R.A. Enterprises Limited sold subscriptions with a value of £12,917 (2023: £11,123) on behalf of the Charity. At the year end, £113,021 (2023: £119,658) was outstanding.

In order to optimise cash management efficiency, the current accounts of the Charity and the Royal Academy and its subsidiary undertakings 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.