

THE ROYAL SCOTTISH ACADEMY

Annual Report and Financial Statements

For the year to 31 March 2025

Charity No: SC004198

THE ROYAL SCOTTISH ACADEMY
Annual Report and Financial Statements
For the year to 31 March 2025

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THE ROYAL SCOTTISH ACADEMY

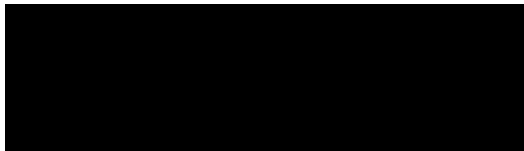
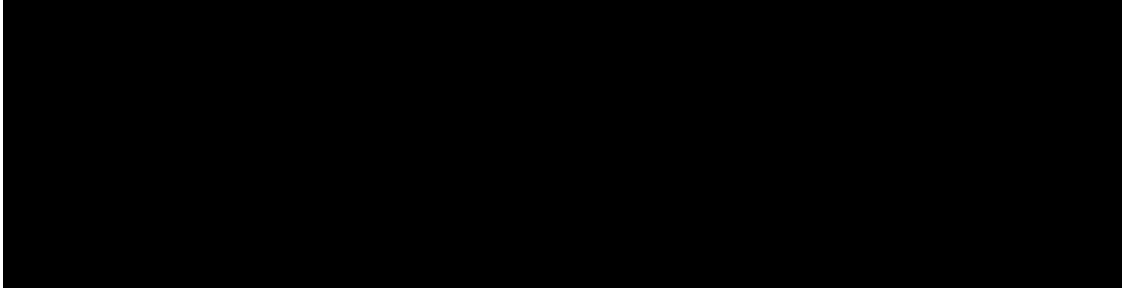
Trustees' Report

For the year to 31 March 2025

The Trustees of the Charity present their report and the financial statements for the year ended 31 March 2025 which includes the Reference and Administrative Details.

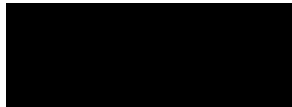
This report is prepared in accordance with the Constitution and Rules of the charity and the recommendations of Statement of Recommended Practice – Accounting and Reporting by Charities and complies with applicable law.

Reference and Administrative Details



Investment Advisors

Cazenove Capital Management Limited
18 Charlotte Square
Edinburgh EH2 4DF



Auditor

Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

Bankers

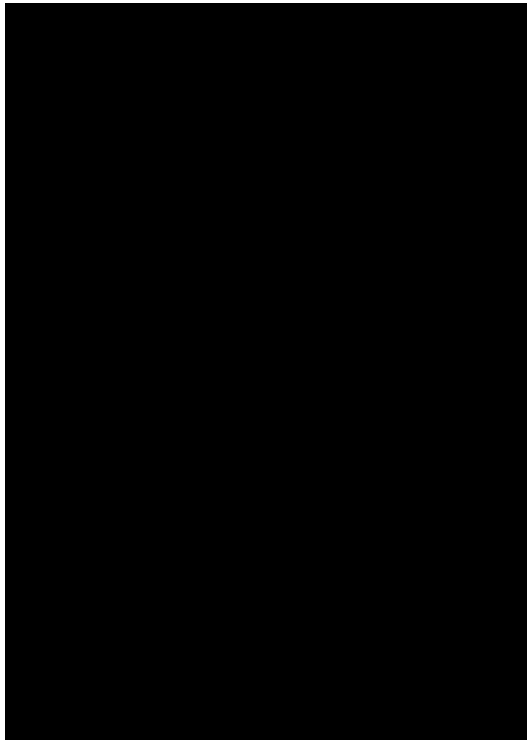
Bank of Scotland plc
75 George Street
Edinburgh EH2 3EW

Solicitors

Morton Fraser MacRoberts LLP
9 Haymarket Square
Edinburgh EH3 8RY

Charity Name: The Royal Scottish Academy (known as "RSA")

Charity No: SC004198



THE ROYAL SCOTTISH ACADEMY

Trustees' Report

For the year to 31 March 2025

Objectives and Activities

The Academy was established for the purpose of promoting the advancement of the fine arts in Scotland and affording facilities in pursuance of excellence in the disciplines of Art and Architecture and other branches of art connected with these studies.

The Academy is an independent body of artists and architects of excellence, elected by their peers, to:-

- uphold the best practice in contemporary Scottish art and architecture;
- inform debates nationally on a range of relevant visual, cultural and educational issues;
- maintain a collection, archive and library relevant to the Academy's history and activities and to make these accessible to the public; and
- provide a conduit for encouraging and supporting emerging artists and architects.

The Academy is empowered to allocate such proportion of its annual income from its General Fund as it deems necessary and appropriate in continuance of the Academy's traditional role in the encouragement and advancement of studentship of the Fine Arts and Architecture.

There have been no changes to the objectives of the Academy during the period.

The Academy aims to achieve its stated objectives through a programme of engaging exhibitions which are inclusive of Academicians, RSA award winners, graduates selected for the annual RSA New Contemporaries Exhibition and through the annual RSA Open exhibitions of art & architecture which are open to all. Exhibitions often include Collection items, making the RSA Collection accessible to the widest possible audience. The Academy also administers monetary awards and residency opportunities for artist of all ages. There is also a series of annual talks and events which aim to promote art and architecture to the widest audience.

The Academy evaluates the success in achieving the stated objectives through counting visitor attendances, measuring press interest, visitor feedback, artist evaluation returns and engaging peer response.

Achievements and Performance

The Academy continues to present an Annual Exhibition and a New Contemporaries Exhibition, together with a rolling programme of contemporary exhibitions including innovative new projects by local, national and international artists and architects. The Academy also offers a number of scholarships and awards for students of art and architecture and artists and architects who are Scots by birth or domicile. The RSA Residencies for Scotland programme gives funded residency opportunities with partner venues across Scotland, enabling contemporary artists a period of research.

In addition to the Annual Exhibition and New Contemporaries, the Academy presented the following exhibitions in the gallery space:

- *Constructed Narratives* – a new iteration of an exhibition first shown in Aberdeen Art Gallery in winter 2023 by Aberdeen-born Academicians [REDACTED], focusing on the significance of construction, whether physical or implied. [REDACTED] each use building, layering and installation in different ways to create their own narratives, and the works on view explore how these themes have shaped their careers.
- *Frontiers: Painting in Scotland Now* explores the ways in which artists are pushing the boundaries of the medium of painting and reveal it to be a vital connection between the traditions of the past and ambitions for the future of the visual arts in Scotland. Co-curated by [REDACTED] the exhibition includes paintings by 31 artists currently practicing in Scotland.
- *Evolutions*, an exhibition of new work from nine recent recipients of RSA awards. The exhibition will include winners of our travel awards for graduating students, the RSA Barns-Graham and David Michie Awards, alongside recipients of the RSA Morton Award for Lens-Based Media and the RSA William Littlejohn Award for Water-Based

THE ROYAL SCOTTISH ACADEMY

Trustees' Report - continued

For the year to 31 March 2025

Achievements and Performance (continued)

- *Benno Schotz and a Scots Miscellany* Since our foundation in 1826, international artists have been part of the fabric of the Royal Scottish Academy and have helped to shape the wider story of art in Scotland. In 2020, our Collections received a significant studio gift from the family of sculptor Benno Schotz RSA (1891-1984), who came to Scotland from Estonia in 1912. This exhibition showcases this important gift alongside the work of first-generation immigrant artists who have made Scotland their home and have gone on to be elected as Royal Scottish Academician
- *In Orcadia* - an exhibition of artwork inspired by Orkney's landscape and natural environment, including a new body of work from the inaugural winner of the RSA MacRobert Art Award for Painting, [REDACTED] by Academicians who are based on, or have been inspired by Orkney, including [REDACTED]

The Academicians' Gallery is open throughout the year, standing apart from the other exhibitions taking place in the RSA Building and showcasing work of RSA Academicians.

The Academy disburses a number of awards to artists and beneficiaries. In the year to 31 March 2025, £126,596 of awards and prizes were funded by the RSA Foundation which included the following:

- Twelve John Kinross scholars were awarded £3,000 (a total of £36,000) for travel and study in Florence, Italy.
- One artist was awarded £2,000 for the RSA William Littlejohn Prize for Excellence and Innovation in Water-based Media.
- Two artists were awarded RSA Blackadder Houston Mid-Career Travel Awards of £5,000.
- One artist was awarded the RSA Blackadder Houston Mid- Career Painting Award of £20,000.
- Two artists were awarded RSA Blackadder Houston Student Travel Awards of £3,000.

The RSA Foundation also contributes towards New Contemporaries, the RSA Metzstein Discourse and the Gillies lecture and supports the Blackadder Houston Study Collection.

Other awards and prizes were sourced from partners including the Wilhelmina Barns Graham Trust (£2,000). The RSA David Michie Travel Award (£2,500), the RSA Lens-based Media Award (£4,000) and the RSA MacRobert Art Award for Painting (£20,000) were awarded in the year.

The Academy has achieved the aims set out for support of artists through the administration and disbursement of these awards to artists.

THE ROYAL SCOTTISH ACADEMY

Trustees' Report - continued

For the year to 31 March 2025

Financial Review

Risk management

The Trustees continue to assess the risks to which the Academy is exposed on a regular basis. They will be ensuring that systems are in place to mitigate these risks.

The principal risks and mitigation strategies include:

- The poor performance of the investment portfolio. The Academy engages a professional investment manager.
- Reduced income from sales of artwork. The Academicians' Gallery is open throughout the year while, in the other spaces, the Academy schedules a balanced programme of exhibitions to include a number of more commercial shows alongside exhibitions showcasing the work of RSA award winners.
- Increased costs and associated gallery use (currently free or covered by agreements with the National Galleries of Scotland). Programme expenditure is monitored closely, and regular meetings are held with the National Galleries of Scotland to manage this relationship.

Financial Results

The Academy holds a portfolio of investments valued at £1,051,167 at 31 March 2025. Income of £44,967 was generated in the year from the investments held. The investments have been re-valued to bring them into line with the market value at the year end.

Diploma works and other work, valued at £73,925 were donated or added to the Collection in the year to 31 March 2025. The picture rental scheme generated £85,941 of income in the year. Costs associated with maintaining and managing the Collection were £366,021.

The Annual Exhibition and the rolling programme of exhibitions generated £397,256 of income from sales commission, admissions and sponsorship. In addition, sponsorship in kind valued at a total of £33,000 was received through a media partnership agreement for the New Contemporaries Exhibition, drinks sponsorship of the Private Views, use of a lecture theatre for three events and free online advertising for the year. Art services generated income of £55,953. The cost of the exhibition programme and the provision of art services was £909,425 which included support costs of £226,709.

Reserves policy

The Academy has identified a minimum reserve requirement of £400,000 in order to be able to meet commitments as they fall due, which was met at the year end. Total reserves at 31 March 2025 were £4,287,861 (2024: £4,434,005) comprising unrestricted reserves of £2,163,752 (2024: £2,387,551) and restricted reserves, not available for general purposes of £2,124,109 (2024: £2,046,454).

Reserves are held and invested to provide income to help fund the exhibition and awards programme and to maintain the Collection.

Investment policy

The Trustees have delegated the management of the investments to Cazenove Capital Management Limited. An Investment Agreement has been in place since 5 December 2003 which outlines Cazenove's (now Schroders) duties. The Investment Manager must manage the Funds conservatively with the objective of achieving real growth in both income and capital.

The objective going forward is to maintain a strong portfolio which will generate an adequate return to fund the quality activities of the Academy as set out in the Aims and Objectives. This would be achieved by monitoring the performance of the Fund Manager and continuing to develop a strong relationship with them.

THE ROYAL SCOTTISH ACADEMY

Trustees' Report - continued

For the year to 31 March 2025

Financial Review (continued)

Grant making policy

The Academy invites applications for the different awards by advertising them on the Academy's web-site, by circulating application forms and posters to art colleges or by advertising in appropriate publications. Applications are reviewed against the appropriate criteria and selected by the responsible committee.

Plans for future periods

The Academy will continue to present an Annual Exhibition and a New Contemporaries Exhibition of work by recent graduates, together with a rolling programme of contemporary exhibitions including innovative new projects by local, national and international artists and architects. The Academy will also continue to offer a number of scholarships and awards for art students and artists and architects who are Scots by birth or domicile.

Structure, Governance and Management

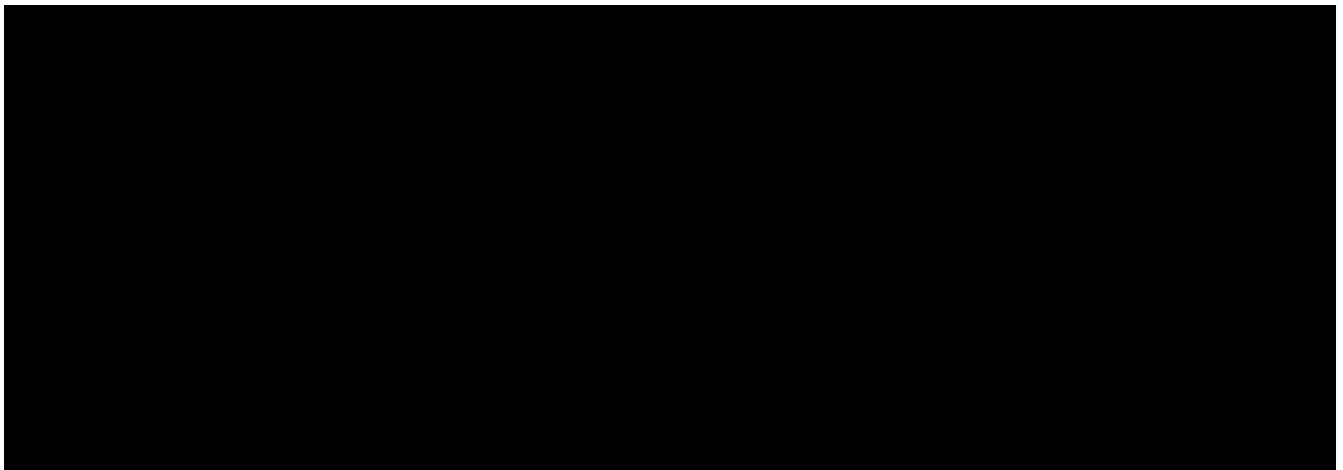
Governing Document

The Royal Scottish Academy was incorporated by Royal Charter on 13 August 1838 and Supplementary Royal Charters dated 31 October 1891; 31 May 1895; 30 January 1959; 2 December 1987; 2 February 2005; and 17 January 2014, with the registered number RC000515, have amended and amalgamated the original terms of that Charter which governs the way in which the Academy functions in pursuit of its objectives.

Trustees

The Council, as elected representatives of the membership, have fiscal responsibility for the general administration of the business of the Academy. It is subject to the control of the Assembly of Academicians and, as such, acts as Trustees. New Trustees are provided with an induction pack explaining their responsibilities. No other formal training for Trustees is currently in place.

Those who were appointed at the Assembly of Academicians on 21 November 2023 to serve for 2023/24 and on 20 November 2024 to serve for 2024/25 were as follows:



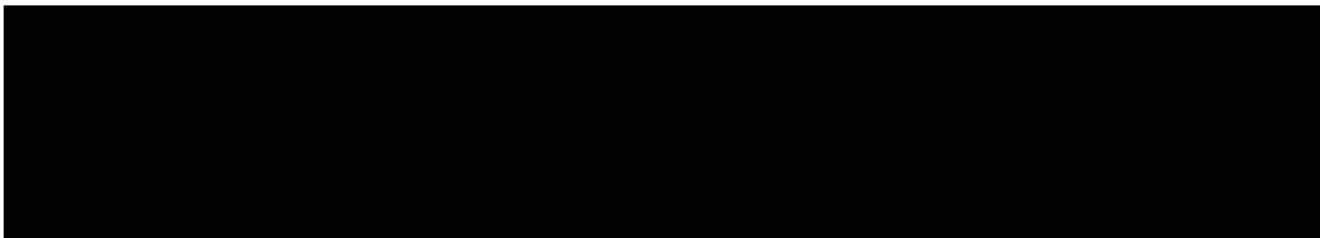
THE ROYAL SCOTTISH ACADEMY

Trustees' Report - continued

For the year to 31 March 2025

Structure, Governance and Management (continued)

Trustees (continued)



Organisation

The government and administration of the Academy is vested in the Assembly of Academicians and in a Council and in a Standing Committee to be appointed in the manner set out in the Charters and Rules.

The Council is responsible for the general administration of the business of the Academy subject to the control of the Assembly of Academicians. It shall consist of the President, the Secretary, the Treasurer, the Chair of the Exhibitions and Events Committee, the Chair of the General Purposes Committee and eight Academicians. It shall be declared annually at an Assembly of Academicians.

The seats in Council, other than those of the President, Secretary and Treasurer and the Chairs of Exhibitions and Events and General Purposes Committees are appointed at an Assembly of Academicians. Members of Council are elected for a three year period, retiring by rotation. On demitting Office, Council Members shall not be eligible for re-election for three years.

The Standing Committee consists of the President, the Secretary and the Treasurer and the Chairs of the Exhibitions and Events and General Purposes Committees or such of them as may be available. Its role is to give short notice decisions on routine matters pertinent to the running of the Academy. Any decision of significance is reported to and ratified at the next Council meeting.

The remuneration of the Director, Head of Collections and Head of Programme (who are considered to be the 'Key Management Personnel') is discussed and approved by the Standing Committee who ensure salary packages are benchmarked against the arts and voluntary sectors.

The Royal Scottish Academy Foundation is a Trust established to benefit or further the advancement of the arts, heritage and culture through the support of the work of the Royal Scottish Academy. The Trustees of the Royal Scottish Academy Foundation consist of the President, Secretary and Treasurer of the Royal Scottish Academy together with up to three senior Academicians and up to three other persons who are not Academicians of the Royal Scottish Academy.

THE ROYAL SCOTTISH ACADEMY

Trustees' Report - continued

For the year to 31 March 2025

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

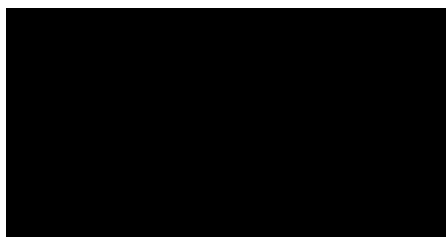
Statement of disclosure of information to the auditor

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- so far as the Trustee is aware, there is no relevant information of which the Academy's auditor is unaware, and
- he/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the Academy's auditor is aware of the information.

Approved by the Trustees and signed on their behalf by:

17 December 2025



.. Secretary

THE ROYAL SCOTTISH ACADEMY

Independent Auditor's Report to the Trustees

For the year to 31 March 2025

Opinion

We have audited the financial statements of the Royal Scottish Academy for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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 audit 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 charity'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 auditor's 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. 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 this gives rise to 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.

THE ROYAL SCOTTISH ACADEMY
Independent Auditor's Report to the Trustees
for the year to 31 March 2025

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on pages 4-5, the Trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

THE ROYAL SCOTTISH ACADEMY
Independent Auditor's Report to the Trustees
for the year to 31 March 2025

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were considered, reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried income testing and grants payable testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

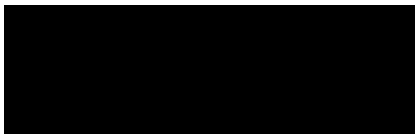
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charity's Trustees, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

17 December 2025

THE ROYAL SCOTTISH ACADEMY
Statement of Financial Activities
For the year to 31 March 2025

	Notes	Unrestricted General £	Unrestricted Investment £	Restricted £	2025 Total £	2024 Total £
Income and endowments from:						
Donations and legacies	4	532,566	-	367,892	900,458	2,360,678
Investments	5	38,870	-	6,097	44,967	44,081
Charitable activities						
Exhibitions, events, art services and commission		453,209	-	-	453,209	790,440
Art rental		85,941	-	-	85,941	87,688
Other income		22,546	-	-	22,546	33,941
Total income		1,133,132	-	373,989	1,507,121	3,316,828
Expenditure on:						
Raising funds	7	133,859	3,531	1,833	139,223	120,734
Charitable activities						
Donations, awards and pensions	7	24,721	-	183,323	208,044	149,235
Exhibitions, events and art services	7	856,084	-	53,341	909,425	1,084,479
RSA Collection	7	306,771	-	59,250	366,021	235,997
Total expenditure		1,321,435	3,531	297,747	1,622,713	1,590,445
Investment (losses)/gains	13	-	(26,410)	(4,142)	(30,552)	54,103
Net (expenditure)/income		(188,303)	(29,941)	72,100	(146,144)	1,780,486
Transfers between funds	18	2,607	(8,162)	5,555	-	-
Net movement on funds		(185,696)	(38,103)	77,655	(146,144)	1,780,486
Reconciliation of funds:						
Total funds brought forward as previously stated		1,366,596	1,020,955	2,046,454	4,434,005	2,653,519
Total funds carried forward	18	1,180,900	982,852	2,124,109	4,287,861	4,434,005

All the results relate to continuing activities.

The notes on pages 15 to 32 form part of these financial statements

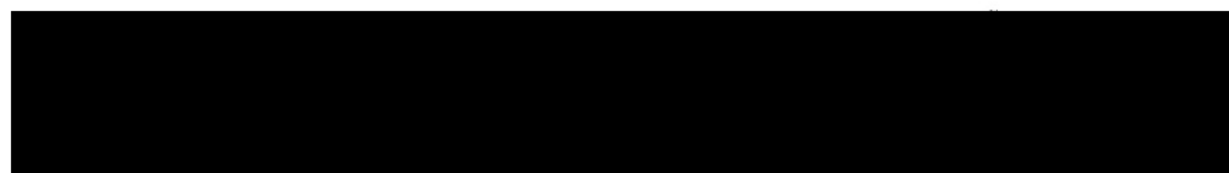
THE ROYAL SCOTTISH ACADEMY

Balance Sheet

As at 31 March 2025

	Notes		2025		2024
		£	£	£	£
Fixed assets					
Tangible fixed assets	9		63,020		65,180
Heritage assets	10		1,880,991		1,799,571
Investments	13		1,051,167		1,075,039
Total fixed assets			2,995,178		2,939,790
Current assets					
Stock	14	1,087,175		1,104,786	
Debtors	15	260,469		316,117	
Cash at bank and in hand		230,889		430,283	
		1,578,533		1,851,186	
Creditors: amounts falling due within one year	16	(285,850)		(356,971)	
Net current assets			1,292,683		1,494,215
Total net assets			4,287,861		4,434,005
The funds of the charity	18				
Unrestricted - general			(220,835)		(39,104)
- 2026			100,000		60,000
- Blackadder Houston			1,301,735		1,345,700
			1,180,900		1,366,596
Unrestricted - investment					
- general		761,782		784,526	
- designated - acquisitions		221,070		236,429	
		982,852		1,020,955	
			2,163,752		2,387,551
Restricted funds			2,124,109		2,046,454
Total charity funds			4,287,861		4,434,005

The financial statements were authorised for issue by the Trustees on 17 December 2025 and signed on their behalf by



The notes on pages 15 to 32 form part of these financial statements

THE ROYAL SCOTTISH ACADEMY
Statement of Cash Flows
For the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	20	(230,186)	126,031
Cash flows from investing activities			
Dividends and interest from investments		44,967	44,081
Purchase of heritage assets		(7,495)	(9,910)
Proceeds from investments		-	-
Purchase of investments		-	36
Net cash provided by investing activities		37,472	34,207
Change in cash and cash equivalents in the year			
		(192,714)	160,238
Cash and cash equivalents at beginning of the year		462,869	302,631
Cash and cash equivalents at end of year		270,155	462,869
Analysis of cash and cash equivalents			
Cash at bank		230,889	430,283
Cash held within investment portfolio		39,266	32,586
		270,155	462,869

The notes on pages 15 to 32 form part of these financial statements

THE ROYAL SCOTTISH ACADEMY

Notes to the Financial Statements

For the year to 31 March 2025

1. Accounting policies

General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Academy's transactions are denominated. They comprise the financial statements of the Royal Scottish Academy.

The objective of the Royal Scottish Academy is to promote the advancement of the fine arts in Scotland and afford facilities in pursuance of excellence in the disciplines of Art and Architecture and other branches of art connected with these studies.

The Royal Scottish Academy is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC004198. Details of the principal address can be found on page 1 of these financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Royal Scottish Academy meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the Academy's financial statements unless otherwise stated.

Going concern

The Trustees are of the opinion that the Academy will continue its activities for the foreseeable future.

The Academy has a long history and is suitably experienced and able to achieve its aims. It is governed by a succession of Academicians, elected from within its own membership, with a vested interest in the Academy's continued success. The Academy has a dedicated staff whose primary interest is to develop, manage and strengthen the relationships of the Academy and to act on its behalf. It has a significant unrestricted investment portfolio from which to draw funds.

Recognition and allocation of income

Income is recognised when the Academy has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where practicable, income is related to the operating activities of the Academy.

Donation and legacy income is recognised when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Interest is recognised using the effective interest rate applicable to the asset. Dividend income is recognised when the right to receipt is established and is measured at fair value.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

1. Accounting policies (continued)

Recognition and allocation of expenditure

Expenditure is recognised when the Academy has entered into a legal or constructive obligation and related where practicable to the operating activities of the Academy. Where possible, expenditure is attributed directly to the function to which it relates.

Raising funds comprises those costs which are associated with the generation of income from sources other than from undertaking charitable activities, and includes investment management costs.

Charitable expenditure comprises those costs incurred by the Academy associated with providing donations and include both the direct costs and support costs relating to this activity.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Academy and include costs linked to the strategic management of the Academy.

Support costs enable output creating activities to be undertaken and include office functions such as general management and information technology. Support costs are allocated to activities on the basis of direct costs less direct salary costs.

Government grants

Grants of a revenue nature are recognised in the statement of financial activities in the same period as the related expenditure.

Fixed assets

The Royal Scottish Academy hold a collection of paintings, books and other archive documents which have been purchased or donated.

These assets form part of the Academy's history and are exhibited by them and are loaned to external exhibitions. The Trustees have decided they will not be sold and the assets are held for heritage purposes. A value has been included in the accounts for items purchased or donated since 1 December 2005.

Other fixed assets are included in the balance sheet at cost or at market value at the date of the gift less any depreciation on the assets.

Depreciation

Depreciation is charged to write off the cost less estimated residual value of assets evenly over their expected useful life as follows:

- refurbishment costs - 50 years
- equipment - 5 years

Items under £1,000 are not capitalised.

Heritage assets

The Royal Scottish Academy of Art and Architecture (RSA) has a wide-ranging collection of art and associated objects that have been acquired since its foundation in 1826. This reflects both the life and work of the Academy as an institution and its individual members as well as a broader view of Scottish art from c.1780 to the present day.

The RSA Collections Department has the status of an Accredited Museum under the Accreditation Scheme which was established by the Museums Libraries & Archives Council (MLA) and is now managed by Arts Council England (ACE). This is a formal recognition that the RSA meets professional standards in the care, maintenance and development of its collections. Additionally the RSA collections have been recognised as being of national significance under the National Significance Recognition Scheme, managed by Museums Galleries Scotland on behalf of the Scottish Executive.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

1. Accounting policies (continued)

Heritage assets (continued)

The Academy's collection of art and associated objects is accounted for as follows:

Paintings and Drawings; Sculptures; Architectural Drawings, Models, etc; Prints and Artist Books; Photography; Time-based work.

Acquisitions are made in most instances by gift or bequest. It is a formal requirement of the RSA that each member on election to the status of Academician ("RSA") deposit a work that is representative of his/her practice and, once accepted by the Assembly of the Academy, this enters the RSA Diploma Collection. The Diploma Collection is at the heart of the Academy's collections and is of special importance to the Academy. Artists in receipt of awards administered by the RSA are also required to deposit selected samples of their work in accordance with the wording of the scholarships and awards. In addition a limited number of purchases are made from designated purchase fund: the David Muirhead Memorial Fund, in accordance with the regulations of the fund; the Rationalisation Acquisition Fund; and the Collections Budget acquisition fund.

Acquisitions which have been accessioned since 1 December 2005 are included in the financial statements at cost or at market value at the date of the gift. Acquisitions prior to 1 December 2015 have not been valued and are not included in the financial statements as it would not be practical to do this.

The policy of the RSA is to make valuations on material received at the time of acquisition and at all times that any item is moved from the RSA's designated stores.

The condition of all potential acquisitions is taken into account prior to acceptance into the collections. Wherever possible, material is accepted only when it is in sound condition and all preventative conservation practices are put in place to minimise deterioration.

The aging and potential natural deterioration of the collection does not necessarily impact on its value. With age comes scarcity and the importance of an art collection lies in its aesthetic quality – and this does not change with time, hence the Trustees do not consider it appropriate to charge depreciation.

The disposal of any item from the collections, i.e. "de-accessioning," must be approved of by the Assembly of the Academy in accordance with the terms of the Collections Development Policy. The Academy follows the guidelines on disposal as laid out by the Museums Association, this being the current accepted professional practice.

Associated objects

The collection of associated objects comprises institutional memorabilia and personalia; artists' equipment and materials (otherwise defined as "studio collections"); and inspirational objects. The Trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of these items. The Academy does not therefore recognise these assets on its Balance Sheet other than some recent acquisitions which are reported at cost, where the object is purchased, or at the curator's best estimate of current value where the object is donated.

Preservation costs

There is an allocated sum within the annual budget of the RSA Collections Department for the conservation of the collections. There is a rolling programme of remedial and preventative conservation of the collections and the expenditure is recognised in the Income and Expenditure account when it is incurred.

Further information on the collection is given in Notes 10, 11 and 12.

Investments

Investments in securities are measured initially at cost and subsequently at fair value at each reporting date. Fair value is taken as the mid-market value of the investment report by the investment manager at the reporting date. Realised and unrealised gains and losses are recognised in the statement of financial activities in the year in which they arise.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

1. Accounting policies (continued)

Stocks

Stock is stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Debtors

Debtors are amounts due from customers for purchased art works or subscriptions. Debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at amortised cost.

Creditors

Creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial assets and financial liabilities

Financial instruments are recognised in the statements of financial activities when the Academy becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method.

Financial assets are derecognised when the contractual rights to the cash flows from that asset expire, or when the Academy has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Pensions

The Academy makes contributions to an approved defined contribution pension scheme. These are charged in the year in which they are incurred.

Grants

The Academy invites applications for the different awards by advertising them on the Academy's web-site, by circulating application forms and posters to art colleges or by advertising in appropriate publications. Applications are reviewed against the appropriate criteria and selected by the responsible committee.

Funds structure

The funds are held in unrestricted or restricted funds. The general activities of the Academy are funded by the unrestricted funds, while the income from the restricted funds is applied for the purpose laid out in the particular deed.

VAT

The Academy is registered for VAT on a partial exemption basis.

Operating leases

Annual rentals are charged to the revenue account on a straight line basis over the lease term.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

2. Critical judgements and estimates

In preparing the financial statements Trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

The heritage assets received as donations are valued at market value at the date of the gift.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

3. Comparative statement of financial activities

	Unrestricted General £	Unrestricted Investment £	Restricted £	2024 Total £
Income and endowments from:				
Donations and legacies	1,614,704	-	745,974	2,360,678
Investments	38,104	-	5,977	44,081
Charitable activities				
Exhibitions, events, art services and commission	790,440	-	-	790,440
Art rental	87,688	-	-	87,688
Other income	33,941	-	-	33,941
	-----	-----	-----	-----
	2,564,877	-	751,951	3,316,828
	-----	-----	-----	-----
Expenditure on:				
Raising funds	117,920	2,567	247	120,734
Charitable activities				
Donations, awards and pensions	22,450	-	126,785	149,235
Exhibitions, events and art services	1,007,097	-	77,382	1,084,479
RSA Collection	177,997	-	58,000	235,997
	-----	-----	-----	-----
	1,325,464	2,567	262,414	1,590,445
	-----	-----	-----	-----
Investment (losses)/gains	-	46,767	7,336	54,103
	-----	-----	-----	-----
Net (expenditure)/income	1,239,413	44,200	496,873	1,780,486
Transfers between funds	(9,292)	(751)	10,043	-
	-----	-----	-----	-----
Net movement on funds	1,230,121	43,449	506,916	1,780,486
Reconciliation of funds:				
Total funds brought forward as previously stated	136,475	977,506	1,539,538	2,653,519
	-----	-----	-----	-----
Total funds carried forward	1,366,596	1,020,955	2,046,454	4,434,005
	=====	=====	=====	=====

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

4. Donations and legacies

	2025	2024
	£	£
Donations	55,663	52,569
Donations of Heritage Assets	73,925	479,319
Received from the Royal Scottish Academy Foundation	713,000	640,000
Grants	16,204	16,946
Awards	41,185	45,335
Legacies	481	1,126,509
	-----	-----
	900,458	2,360,678
	=====	=====

5. Investment income

	2025	2024
	Total	Total
	£	£
UK listed investments	43,161	42,890
Interest	1,806	1,191
	-----	-----
	44,967	44,081
	=====	=====

6. Staff numbers and costs

	2025	2024
	£	£
Wages and salaries	781,675	681,227
Social security costs	45,106	56,337
Pension costs	33,430	28,737
	-----	-----
	860,211	766,301
	=====	=====
	Number	Number

The average monthly number of employees during the period was:	35	32
	-----	-----

There was one employee (2024: one employee) with emoluments above £60,000 in the £60,000-£70,000 salary band.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

8. Support costs

	2025	2024
	£	£
Staff costs	187,918	173,895
Hospitality	598	540
Advertising and publicity	1,708	1,988
Stationery, printing and postages	12,966	9,983
Transport and storage	1,170	1,040
Restoration, repairs and recycling	3,737	5,165
Computer support and supplies	33,744	28,855
Insurance	25,334	22,223
Professional fees	8,279	21,057
Telephone and broadband	11,659	10,447
Subscriptions	4,158	6,234
Bank charges	16,646	18,892
Depreciation	2,160	2,160
Irrecoverable VAT	6,719	8,655
Sundry	13,260	13,973
Governance costs (including auditor's remuneration)	10,133	13,615
	-----	-----
	340,189	338,722
	=====	=====

Support costs are allocated on the basis of direct costs less direct salary costs.

Included above are lease payments of £3,116 (2024: £3,978) and an audit fee of £7,978 (2024: £8,900).

9. Tangible fixed assets

	Refurbishment Costs	Total
	£	£
Cost		
As at 1 April 2024	109,365	109,365
Disposals in the year	-	-
	-----	-----
As at 31 March 2025	109,365	109,365
	=====	=====
Depreciation		
As at 1 April 2024	(44,185)	(44,185)
Charge for the year	(2,160)	(2,160)
On disposals	-	-
	-----	-----
As at 31 March 2024	(46,345)	(46,345)
	=====	=====
Net book value		
As at 31 March 2025	63,020	63,020
	=====	=====
As at 31 March 2024	65,180	65,180
	=====	=====

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

10. Heritage assets

	Art	Associated Objects	2025 Total
	£	£	£
Cost or valuation			
At 1 April 2024	1,797,626	1,945	1,799,571
Additions in year	81,420	-	81,420
	-----	-----	-----
At 31 March 2025	1,879,046	1,945	1,880,991
	=====	=====	=====
	Art	Associated Objects	2024 Total
	£	£	£
Cost or valuation			
At 1 April 2023	1,308,397	1,945	1,310,342
Additions in year	489,229	-	489,229
	-----	-----	-----
At 31 March 2024	1,797,626	1,945	1,799,571
	=====	=====	=====

Additions in 2024-25 comprise:

- Gifts and bequests valued at £73,925.
- 13 works purchased for £7,495.

11. Five year financial summary of heritage asset transactions

	2024-25	2023-24	2022-23	2021-22	2020-21
	£	£	£	£	£
Purchases					
Art	7,495	9,910	11,431	11,938	10,048
Donations					
Art	73,925	479,319	107,850	44,445	56,390
Disposal of Art					
Carrying value	-	-	-	-	-
Sales proceeds	-	-	-	-	-

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

12. Further information on the Academy's collection of heritage assets

Paintings and Drawings

The paintings and drawings collection of the Royal Scottish Academy numbers around 4,500 items. Discounting the Laing collection, this consists almost entirely of the work of Scottish artists or non-Scottish artists resident in Scotland dating from around 1780 to the present day. Being an institutional collection the artists represented are primarily past and present members of the Academy. Additionally artists in receipt of RSA training, scholarships or awards are represented by examples of their work. Certain Scottish artists who were/are not members of the Royal Scottish Academy are also represented where their association with this institution is particularly strong.

Sculptures

There are around 230 pieces in the RSA sculpture collection. The main body of work is by Scottish sculptors, working either at home or abroad. Being an institutional collection the sculptors represented are primarily past and present members of the Academy.

In addition the Academy has acquired a few pieces by non-Scottish or non-Scottish based sculptors, yet with connections to the RSA through provenance.

Architectural Drawings, Models, etc

There are around 100 items in this category, split between architectural drawings, models and presentational assemblages of photographs and/or computer-generated images. The raison d'être behind this collection is to present excellent examples of architectural practice by Scottish architects, and being an institutional collection the figures represented are primarily past and present members of the Academy.

Prints and Artist Books

The Academy's print collection numbers around 2,000 items. This covers a very broad range: in date terms it extends from c.1650 to the present day; and in nationality terms it includes Scottish, British and foreign work.

Photography

This section falls into two categories, 1) Art photographs, and 2) Documentary photographs.

1. Art photographs, produced solely or primarily for aesthetic ends, number around 400 in the Academy's collection and they fall into two main groups: very early and recent.
2. Documentary photographs number around 1,800 in the Academy's collection and these date from c.1853/4 to the present day. The items in this section record the history of the RSA as an institution, Scottish artists and artist life, and also working studio practice by Scottish artists. This part of the collection is maintained purely for its historic and documentary significance. It is not evaluated for its artistic qualities.

Time-based work

This is a small category at present and items represent diverse current artistic practice. It covers recorded sound, video and performance-based documentation by Scottish artists or artists working in Scotland.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

12. Further information on the Academy’s collection of heritage assets (continued)

Associated Objects

This category breaks down into the following:

1. Institutional memorabilia and personalia cover a mixed collection of around 150 items memorialising the Academy and certain of its constituent members.
2. Artists’ equipment and materials (otherwise defined as “studio collections”) comprise around 120 items dating from the nineteenth, twentieth and twenty-first centuries. These are the working tools of Scottish artists who have been members of the Academy or otherwise associated with it.
3. Inspirational objects number some 160 items and all have belonged to Scottish artists who have been members of the Academy or otherwise associated with it.

Acquisitions which have been accessioned since 1 December 2005 are included in the financial statements at cost or at market value at the date of the gift. These items are acquired by the RSA Collection, generally through gift and occasionally by purchase. Valuations are carried out by the Collections Curator using artist information, exhibition catalogues, auction sales results and current market values. Heritage assets accessioned prior to 1 December 2005 are not included in the financial statements.

13. Investments

	2025	2024
	£	£
Listed investments	1,011,901	1,042,453
Cash held as part of the portfolio	39,266	32,586
	-----	-----
	1,051,167	1,075,039
	-----	-----
	2025	2024
	£	£
Market value at 1 April 2024	1,042,453	988,386
Disposal proceeds	-	-
Additions at cost	-	(36)
Unrealised (loss)/gain	(30,552)	54,103
	-----	-----
Market value at 31 March 2025	1,011,901	1,042,453
	=====	=====
Historical cost as at 31 March 2025	952,386	952,386
	=====	=====

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

14. Stock

	2025	2024
	£	£
Art	1,087,175	1,104,786
	<u> </u>	<u> </u>

15. Debtors

	2025	2024
	£	£
Other debtors	209,088	287,515
Prepayments and accrued income	51,381	28,602
	-----	-----
	260,469	316,117
	<u> </u>	<u> </u>

16. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Accruals and deferred income	171,762	172,951
Other taxes and social security	24,300	30,471
Other creditors	89,788	153,549
	-----	-----
	285,850	356,971
	<u> </u>	<u> </u>

	2025	2024
	£	£
Deferred income		
Balance at 1 April 2024	62,348	60,048
Income released in year	(53,155)	(50,470)
Income deferred in year	71,676	52,770
	-----	-----
Balance at 31 March 2025	80,869	62,348
	<u> </u>	<u> </u>

Income has been deferred where it relates to an activity scheduled to take place after the financial year end.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

17. Financial assets and liabilities

	2025	2024
	£	£
Financial assets at amortised cost	484,243	765,388
Financial assets at fair value through Statement of Financial Activities	1,011,901	1,042,453
Financial liabilities at amortised cost	180,681	264,158
	-----	-----
	1,676,825	2,071,999
	=====	=====

Financial assets at amortised cost comprise of cash at bank and in hand, cash held within the investment portfolio, other debtors and accrued income. Financial assets at fair value comprise of quoted investments which are measured at market value at the year end. Financial liabilities comprise of accruals and other creditors, all due within one year.

18. Funds

	Balance at 1 April 2024	Income	Expenditure	Investment gains	Transfers	Balance at 31 Mar 2025
	£	£	£	£	£	£
Unrestricted funds						
<i>Free reserves:</i>						
General	(39,104)	1,133,132	(1,321,435)	-	6,572	(220,835)
Investment	784,526	-	(2,682)	(20,062)	-	761,782
	-----	-----	-----	-----	-----	-----
	745,422	1,133,132	(1,324,117)	(20,062)	6,572	540,947
<i>Designated funds:</i>						
2026	60,000	-	-	-	40,000	100,000
Acquisitions	236,429	-	(849)	(6,348)	(8,162)	221,070
Blackadder Houston	1,345,700	-	-	-	(43,965)	1,301,735
	-----	-----	-----	-----	-----	-----
	2,387,551	1,133,132	(1,324,966)	(26,410)	(5,555)	2,163,752
	=====	=====	=====	=====	=====	=====
Restricted funds						
Littlejohn Bequest	51,130	-	-	-	-	51,130
RSA Collection	1,799,571	73,925	-	-	7,495	1,880,991
RSA Friends	183,228	6,097	(262)	(4,142)	(1,940)	182,981
Peter Spalding Trust	7,997	-	-	-	-	7,997
Aperture Trust	9,236	-	(4,000)	-	-	5,236
Other funds	(4,708)	293,967	(293,485)	-	-	(4,226)
	-----	-----	-----	-----	-----	-----
	2,046,454	373,989	(297,747)	(4,142)	5,555	2,124,109
	=====	=====	=====	=====	=====	=====
	4,434,005	1,507,121	(1,622,713)	(30,552)	-	4,287,861
	=====	=====	=====	=====	=====	=====

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

18. Funds (continued)

	Balance at 1 April 2023 £	Income £	Expenditure £	Investment gains £	Transfers £	Balance at 31 Mar 2024 £
Unrestricted funds						
<i>Free reserves:</i>						
General	(42,498)	2,564,877	(1,325,464)	-	(1,236,019)	(39,104)
Investment	750,950	-	(1,950)	35,526	-	784,526
	-----	-----	-----	-----	-----	-----
	708,452	2,564,877	(1,327,414)	35,526	(1,236,019)	745,422
<i>Designated funds:</i>						
2026	20,000	-	-	-	40,000	60,000
Acquisitions	226,556	-	(617)	11,241	(751)	236,429
Blackadder Houston	158,973	-	-	-	1,186,727	1,345,700
	-----	-----	-----	-----	-----	-----
	1,113,981	2,564,877	(1,328,031)	46,767	(10,043)	2,387,551
	=====	=====	=====	=====	=====	=====
Littlejohn Bequest	47,080	-	-	-	4,050	51,130
RSA Collection	1,310,342	479,319	-	-	9,910	1,799,571
RSA Friends	174,079	5,977	(247)	7,336	(3,917)	183,228
Peter Spalding Trust	7,997	-	-	-	-	7,997
Aperture Trust	-	9,236	-	-	-	9,236
Other funds	40	257,419	(262,167)	-	-	(4,708)
	-----	-----	-----	-----	-----	-----
	1,539,538	751,951	(262,414)	7,336	10,043	2,046,454
	=====	=====	=====	=====	=====	=====
	2,653,519	3,316,828	(1,590,445)	54,103	-	4,434,005
	=====	=====	=====	=====	=====	=====

Designated Funds

The Investment fund is the carrying value of unrestricted investments.

Reserves are being built up in a 2026 fund in anticipation of the Academy's 200th anniversary.

The Acquisitions fund was established to facilitate the purchase of art works to fill gaps in the Collection.

The Blackadder Houston Bequest was transferred to the RSA Foundation to be invested to support the activities of the Royal Scottish Academy and to fund a range of awards and initiatives in line with Elizabeth Blackadder's wishes. The Blackadder Houston fund, retained by the Academy, has the same purpose.

Restricted Funds

The William Hunter Littlejohn Bequest was established in 2007 from the residue of the estate of William Littlejohn, RSA. The funds are to be invested with a view to establishing an annual watercolour prize and for art education.

The RSA Collection represents heritage assets accessioned since 1 December 2005.

On 1 April 2017, the Royal Scottish Academy merged with the Friends of the Royal Scottish Academy. The assets of the Friends of the Royal Scottish Academy were transferred to the ownership of Royal Scottish Academy as a restricted fund for the purposes of activities related to the Friends.

THE ROYAL SCOTTISH ACADEMY
Notes to the Financial Statements - continued
For the year to 31 March 2025

18. Funds (continued)

Restricted Funds (continued)

In October 2017 the Academy received the balance of the Peter Spalding Trust from Morton Fraser. The funds are to be applied for the promotion and encouraging of the fine arts, in granting aid in cases of necessity to Academicians and other artists, or to their widows or others dependent on them.

Transfers between funds

Transfers between funds are in relation to those restricted funds whose free income can be used for the general purposes of the charity and from the unrestricted investment fund to cover any shortfall on the unrestricted general fund.

19. Analysis of net assets among funds

Balances at 31 March 2025 are represented by:	Unrestricted funds £	Restricted Funds £	2025 £
Tangible assets	63,020	-	63,020
Heritage assets	-	1,880,991	1,880,991
Investments	908,629	142,538	1,051,167
Net current assets	1,192,103	100,580	1,292,683
	-----	-----	-----
	2,163,752	2,124,109	4,287,861
	=====	=====	=====

Balances at 31 March 2024 are represented by:	Unrestricted funds £	Restricted Funds £	2024 £
Tangible assets	65,180	-	65,180
Heritage assets	-	1,799,571	1,799,571
Investments	929,264	145,775	1,075,039
Net current assets	1,393,107	101,108	1,494,215
	-----	-----	-----
	2,387,551	2,046,454	4,434,005
	=====	=====	=====

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For the year to 31 March 2025

20. Cash flows from operating activities

	2025	2024
	£	£
Net (expenditure)/income for the reporting period	(146,144)	1,780,486
Adjustments for:		
Depreciation	2,160	2,160
Losses /(gains) on investments	30,552	(54,103)
Dividends and interest from investments	(44,967)	(44,081)
Donation of heritage assets	(73,925)	(479,319)
Investments transferred in	-	-
Changes in working capital:		
Decrease/(increase) in stocks	17,611	(973,044)
Decrease/(increase) in debtors	55,648	(121,441)
(Decrease)/increase in creditors	(71,121)	15,373
	-----	-----
Net cash used in operating activities	(230,186)	126,031
	=====	=====

21. Commitments under operating leases

As at 31 March 2025, the Academy had commitments under non-cancellable operating leases payable as follows:

	2025	2024
	£	£
Office equipment		
Within one year	1,293	1,764
Within two to five years	5,172	-
	-----	-----
	6,465	1,764
	=====	=====
	2025	2024
	£	£
Art store		
Within one year	45,000	-
Within two to five years	180,000	-
More than 5 years	202,500	-
	-----	-----
	427,500	-
	=====	=====

Under the 1910 Order, the National Galleries of Scotland provides the Academy, in perpetuity, with accommodation on the ground floor and with gallery space in the Royal Scottish Academy building. In addition, there is a 100-year agreement, entered into between the National Galleries of Scotland and the Academy in August 1999, for the provision of storage facilities and related services by the National Galleries of Scotland to the Academy.

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22. Connected Charities and related parties

The Royal Scottish Academy Foundation is a separate charity registered with OSCR, managed and administered by the Academy. At the year end £128,744 (2024: £151,524) was due to the Academy from the Royal Scottish Academy Foundation and this is included within other debtors. The Royal Scottish Academy Foundation donated £713,000 (2024: £640,000) to the Royal Scottish Academy in the year.

Other related party transactions relate to transactions with the Trustees and are included in note 6.