

Charity Registration No. 20013769

ROYAL HIBERNIAN ACADEMY OF ARTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

ROYAL HIBERNIAN ACADEMY OF ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members

Abigail O'Brien - President
Una Sealy - Secretary
Robin Buick - Treasurer
Eithne Jordan - Keeper
Donald Teskey (Appointed 8 October 2019)
Gary Coyle
Sinead Ni Mhaonaigh
Brett McEntagart
Andrew Folan (Appointed 8 October 2019)
Diana Copperwhite (Appointed 8 October 2019)

Charities Regulatory Authority No: 20013769

Charity Registration No: CHY 6873

Business Address

Gallagher Gallery
15 Ely Place
Dublin 2
Ireland

Auditor

UHY Farrelly Dawe White Limited
Unit 4A
Fingal Bay Business Park
Balbriggan
Co.Dublin

Bankers

Bank of Ireland
College Green
Dublin 2

Beltany Property Finance DAC
1-2 Victoria Buildings
Haddington Road
Dublin 4

Solicitors

AMOSS Solicitors
Warrington House
Mount Street Crescent
Dublin 2

ROYAL HIBERNIAN ACADEMY OF ARTS

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ROYAL HIBERNIAN ACADEMY OF ARTS

COUNCIL MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The Council Members present their report and financial statements for the year ended 31 December 2019.

Mission

The Royal Hibernian Academy is an artist owned and artist orientated institution that has promoted the visual arts in Ireland since its founding in 1823. It is dedicated to developing, affirming and challenging the public's appreciation and understanding of traditional and innovative approaches to the visual arts. It facilitates and encourages the transfer of skills between artists through its School's programme.

Aims

- a) The Academy is dedicated to the presentation, documentation and promotion of Irish artists in their emerging, established and senior years;
- b) The Academy is devoted to creating an enjoyable and educational institution where we can develop, affirm and challenge the public's perception of art;
- c) The RHA promotes traditional and innovative approaches to art making;
- d) Through its studio facilities the Academy creates opportunities for the exchange of skills, techniques and professional acumen from established working artists to young and/or emerging artists;
- e) The Academy contextualises issues in Irish art through a focused international element in its exhibition programme.

Results

The operating (deficit)/surplus for the year after providing for depreciation amounted to (€27,835)(2018: €35,014).

At the end of the year, the company has assets of €11,697,084 (2018: €11,552,965) and liabilities of €2,819,813 (2018: €2,731,290). The net assets of the Academy have increased by €55,596.

Council members

The Council Members who served during the year and up to the date of signature of the financial statements were:

Abigail O'Brien - President	
Una Sealy - Secretary	
Robin Buick - Treasurer	
Eithne Jordan - Keeper	
Donald Teskey	(Appointed 8 October 2019)
Geraldine O'Neill	(Resigned 8 October 2019)
Carey Clarke	(Resigned 8 October 2019)
Gary Coyle	
Sinead Ni Mhaonaigh	
Brett McEntagart	
Andrew Folan	(Appointed 8 October 2019)
Diana Copperwhite	(Appointed 8 October 2019)

Review 2019

Abigail O'Brien entered her second year, of a five year term, as President of the RHA in October 2019. Una Sealy (Secretary), Eithne Jordan (Keeper) and Robin Buick (Treasurer) also remained in their respective RHA Officer positions in 2019. The additional Members of the RHA Council are currently Brett McEntagart, Donald Teskey, Sinead Ni Mhaonaigh, Diana Copperwhite, Andrew Folan and Gary Coyle. Two new Members were elected to the Academy in 2019 - Peter McGovern and Joy Gerrard. The Programme Board (Chair, Bernard Dunleavy) S.C) and School Board (Chair Dr. Frances Ruane) continued to provide advice and expertise to the Academy throughout 2019 and met on a quarterly basis. Dr. Frances Ruane completed her term in December 2019 and Seamus Puirseil was appointed the next chair of the RHA School Board.

ROYAL HIBERNIAN ACADEMY OF ARTS

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Audience numbers for exhibitions and engagement events continued a steady rise, up 3.7% on the previous year to a total of 162,643 visits. The first four months of the year an increase of 17.5% was experienced driven by two exhibitions, in January/February the UK based musician and producer Brian Eno and in March/April international renowned Dublin based photographer Eamon Doyle - the latter exhibition was promoted in association with the St. Patrick's Day Festival. Artists in their mid career were also presented with exhibitions by Orla McHardy and Niamh O'Malley. In the autumn we celebrated the work of the late Melanie LeBrocqy HRHA, will a selection of her work from a private collection. We also feature in the Spring a selection from the AIB Collection. September also saw the first biennial presentation of the Hennessy-Craig Award with an award of €20,000, from an exhibition of ten artists selected over two years from the Annual Exhibition Marcel Vidal received the prize. On the invitation of the RHA Keeper, Diana Copperwhite selected an exhibition of contemporary painting for the Ryan Gallery in November/December. The Ashford Gallery presented a number of exhibitions featuring artists Cecilia Dannel, Myra Jago, Shea Dalton, and Kurt Opperman. The main exhibitions programme concluded the year with the Futures series of emerging artist and two video installations by LA based Michael Robinson. In November the RHA produced RHA X a collaborative installation/event with designer Roland Mouret and Dublin based photographer Dragana Jurisic which took place over a weekend and attracted a new audience.

The continuously developing Learning and Public Engagement programme saw a number of new services directed at different audiences in 2019. A new primary schools programme with three local schools thanks to our new IPUT sponsorship; Teen Directives, a 6 week programme aimed at 15 - 18 years joined our Young People's programme alongside the second year of the Young Art Writers; Tours for the Visually Impaired; Summer Art Camps, and an Art Therapy placement with an MA Student from Ulster University saw weekly art therapy sessions offered for free to the public. These took place alongside our existing programme of kids workshops and drop-in activities, exhibition related talks and events, and lecture series.

The six RHA School modules in drawing and painting were accredited in 2019 by TU Dublin, School of Creative Arts, a strategic objective of the RHA School. Self-Directed life drawing also continued on Fridays throughout the year and the RHA School hosted student groups from IADT, TU Dublin and NCAD for drawing sessions in the main studio space during both semesters.

The RHA has been an active agent in the provision of quality studio space for artists in the context of a growing studio crisis for artists and currently administers a suite of studio provision both within the building and offsite studio provision:

- The RHA and IPUT were delighted to announce a new studio initiative in 2019 - the Artist in Residence Programme at Wilton Park Studios, Dublin 2. Una Sealy, Leah Hewson and Corban Walker were the first residents of this studio programme followed by Helen Mac Mahon, Elizabeth Archbold and Brendan Earley;
- The Tony O'Malley Residency in Co. Kilkenny was completed by Oscar Fouz Lopez in 2019 and Atsushi Kaga began his residency in November 2019.
- In 2019, the RHA Graduate Award was received by Anistha Chooramun and the Fingal Arts Studio award was granted to Naomi Sex;
- Ravi Chaurasiya completed the final Avolon Global Studio Residency in March 2019;
- And the RHA School announced the inaugural Stephen McKenna Fellowship in 2019 received by painter Kathy Tynan;
- Additional onsite residencies were completed by Martin Healy, Charlie Tyrell, Eleanor Mccaughey and Glenn Fitzgerald.

In May 2019 the RHA School hosted a day seminar for late career artists as part of the *Bealtaine Festival*. The *Lens PosVLens* talk series continued in the first semester of 2019 followed by a new series entitled *Plinth Politics* in autumn 2019. RHA School held a panel discussion linked to the themes of the *Lens/Post Lens* talks series which included a critique held in Temple Bar Gallery & Studios led by Kevin Gaffney for NCAD students. Masterclasses were delivered by Damien Flood, Gabhann Dunne, Marcel Vidal, David Hedermann, Michael Wann and Colin Crotty throughout 2019.

ROYAL HIBERNIAN ACADEMY OF ARTS

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The fundamental funding of the Academy and its activities continues to come from the Arts Council/An Chomhairle Ealaíon (with the exception of the accredited courses). Arts Council funding accounts for nearly 40% of revenue. The Friends of the RHA now number around 900 and are an important community of stakeholders in the organisation. A new level of friends the Presidents Circle was introduced during the year and aims to assist in acquisition of art knowledge and collecting. Corporate sponsorship continues to be a vital supporter of the RHA activities and earned income from venue hire and rentals also make an important contribution. The RHA values its collaborations with other institutions such as the RDS, TU, UCO, and Fingal County Council.

Statement of relevant audit information

So far as the members are aware, there is no relevant audit information of which the statutory auditors are unaware. The members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

Future developments

The directors do not expect to make any significant changes in the nature of the company's activities in the near future. At the time of approving the financial statements, the gallery is exposed to the effects of the Covid-19 pandemic which has had a negative effect on the level of its operations since March 2020. In planning for the future, the directors will seek to develop the company's activities whilst managing the impact of the difficult operational period caused by this outbreak.

Events after the reporting period

Certain impacts on public health conditions particular to the coronavirus (COVID-19) outbreak that occurred subsequent to year end and the resulting potential for further subsequent events, as well as general economic political and public health conditions, may have a significant negative impact on The Royal Hibernian Academy of Arts. The Gallery has been closed since March 12th and is scheduled to open in late August.

The overall extent of the impact on the finances of The Royal Hibernian Academy of Arts for 2020 is still somewhat unclear but it is not expected to impact on the Arts Council grant for this year. However, the impact beyond 2020 will depend on future developments, including (i) the duration and spread of the outbreak, (ii) the restrictions and advisories, (iii) the effects on the Arts Council, and (iv) the effects on the economy overall and our ability to raise funds and other income, all of which are highly uncertain and unpredictable at this time.

Auditor

UHY Farrelly Dawe White Limited were appointed during the year to replace BCK Audit, Accounting & Tax Limited who dissolved in the year.

Accounting records

To ensure that adequate accounting records are kept in accordance with relevant legal and regulatory requirement and International Standards on Auditing (UK and Ireland), the members have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the Academy's office at 15 Ely Place, Dublin 2.

ROYAL HIBERNIAN ACADEMY OF ARTS

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The council members' report was approved by the Board of Council Members.

1. 
David O'Brien - President

Dated: .. / .. 2019 ctb


Robin Buick - Treasurer

Dated: ... f- Qo

ROYAL HIBERNIAN ACADEMY OF ARTS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

The members are responsible for preparing the Council Members' Report and the financial statements in accordance with applicable Irish law and regulations.

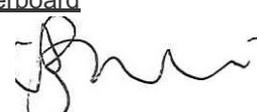
Irish company law requires the members to prepare financial statements for each financial year. Under the law the members have elected to prepare the financial statements in accordance with SORP FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council. The members must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the Academy for the financial year and otherwise comply with SORP.

- In preparing these financial statements, the members are required to:
- select suitable accounting policies for the company financial statements and then apply them consistently;
 - make judgements and estimates that are reasonable and prudent;
 - state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

The members are responsible for ensuring that the academy keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the academy to be determined with reasonable accuracy and enable them to ensure that the financial statements and Council Members' Report comply with SORP and enable the financial statements to be audited. 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.

- In so far as the members are aware:
- there is no relevant audit information (information needed by the Academy's auditor in connection with preparing the auditor's report) of which the Academy's auditor is unaware, and
 - the members have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Academy's auditor is aware of that information

Signed on behalf of the board

Abi

Jent
Dated:   L.D.

&
Robin ~~Bullock~~ Treasurer
Dated: 3 Sept 2020

ROYAL HIBERNIAN ACADEMY OF ARTS

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF ROYAL HIBERNIAN ACADEMY OF ARTS

Opinion

We have audited the financial statements of Royal Hibernian Academy of Arts (the 'Academy') for the year ended 31 December 2019 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 the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Council Members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Council Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified any material misstatements in the Council Members' report.

We have nothing to report in respect of our obligations to report to you if, in our opinion, the disclosures of members' remuneration and transaction are not made.

ROYAL HIBERNIAN ACADEMY OF ARTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF ROYAL HIBERNIAN ACADEMY OF ARTS

Responsibilities of Council Members

As explained more fully in the statement of council members' responsibilities, the Council Members 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 Council Members 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 Council Members are responsible for assessing the Academy'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 Council Members either intend to cease operations, or have no realistic alternative but to do so.

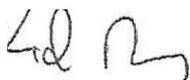
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ireland/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ireland/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable academy members, as a body. Our audit work has been undertaken so that we might state to the charitable academy'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 anyone other than the charitable academy and the charitable academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Berney

Richard Berney
for and on behalf of UHY Farrell & White Limited

Chartered Certified Accountants

Statutory Auditor

Unit 4A

Fingal Bay Business Park

Balbriggan

Co. Dublin

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ROYAL HIBERNIAN ACADEMY OF ARTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 €	Restricted funds 2019 €	Total 2019 €	Total 2018 €
Incoming resources					
Charitable activities	3	868,897	68,000	936,897	824,410
Other activities	3	121,428		121,428	139,813
Donations	3	182,927		182,927	212,358
Total incoming resources		1,173,252	68,000	1,241,252	1,176,581
Resource expended					
Programme expenses	4	(524,811)	(65,451)	(590,262)	(441,539)
Overhead expenses	4	(678,825)		(678,825)	(616,328)
Contribution to building fund					(83,700)
Total resources expended		(1,203,636)	(65,451)	(1,269,087)	(1,141,567)
Net operating surplus		(30,384)	2,549	(27,835)	35,014
Gross transfers between funds					
Donation to building fund					83,700
Other gains and (losses)	9		83,431	83,431	130,217
Net movement in funds		(30,384)	85,980	55,596	248,931
Fund balances at 1 January 2019		8,029,363	792,312	8,821,675	8,572,744
Fund balances at 31 December 2019		7,998,979	878,292	8,877,271	8,821,675

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

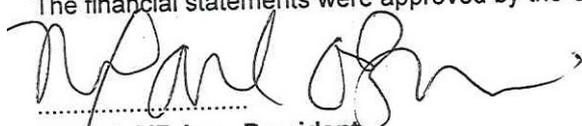
ROYAL HIBERNIAN ACADEMY OF ARTS

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		€	€	€	€
Fixed assets					
Tangible assets	8	10,635,769		10,646,293	
Investments	9	888,644		805,213	
		<hr/>		<hr/>	
		11,524,413		11,451,506	
Current assets					
Debtors	10	76,665		41,214	
Cash at bank and in hand		96,006		60,245	
		<hr/>		<hr/>	
		172,671		101,459	
Creditors: amounts falling due within one year					
	12	(469,813)		(381,290)	
		<hr/>		<hr/>	
Net current liabilities		(297,142)		(279,831)	
Total assets less current liabilities					
		11,227,271		11,171,675	
Creditors: amounts falling due after more than one year					
	13	(2,350,000)		(2,350,000)	
		<hr/>		<hr/>	
Net assets		8,877,271		8,821,675	
Income funds					
Restricted funds		878,292		792,312	
Unrestricted funds		7,998,979		8,029,363	
		<hr/>		<hr/>	
		8,877,271		8,821,675	
		<hr/>		<hr/>	

The financial statements were approved by the Council Members on 2020



 Abigail O'Brien - President



 Robin Buick - Treasurer

ROYAL HIBERNIAN ACADEMY OF ARTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
Cash flows from operating activities					
Cash generated from operations	20		37,956		59,811
Investing activities					
Purchase of tangible fixed assets		(1,144)		(3,312)	
Net cash used in investing activities					
			(1,144)		(3,312)
Financing activities					
Repayment of bank loans				(150,000)	
Net cash used in financing activities					
					(150,000)
Net increase/(decrease) in cash and cash equivalents					
			36,812		(93,501)
Cash and cash equivalents at beginning of year			57,651		151,152
Cash and cash equivalents at end of year					
			<u>94,463</u>		<u>57,651</u>
Relating to:					
Cash at bank and in hand			96,006		60,245
Bank overdrafts included in creditors payable within one year			<u>(1,543)</u>		<u>(2,594)</u>

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Royal Hibernian Academy of Arts is an entity operating in the Republic of Ireland.

1.1 Accounting convention

The financial statements of the academy for the year ended 31 December 2019 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Academy has applied the recommendations contained in the charities Statement of Recommended Practice (FRS 102) effective January 2016.

The financial statements are prepared in euro, which is the functional currency of the Academy. Monetary amounts in these financial statements are rounded to the nearest€.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Academy's financial statements

1.2 Going concern

During the first quarter of 2020, The Covid-19 pandemic has spread initially from Asia to Europe and subsequently worldwide. The initial economic effect of this has been a worldwide slowdown in economic activity and the loss of jobs across many businesses. In Ireland there are restrictions placed on "nonessential" businesses which has resulted in many businesses temporarily closing in measures designed to restrict the movement of people and to slow down the spread of the virus. The members have prepared budgets for the upcoming 12 months which show that the Academy will continue as a going concern.

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

1.3 Charitable funds

Unrestricted funds are general funds that are available for use at the Councils' discretion in furtherance of any of the objectives of the charity.

Restricted funds are those received for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose and the restriction means that the funds can be used only for specific projects or activities.

Restricted funds consist of three bequests, Albert Prize Fund, Judith Wilson Fund and Hennessy Craig Scholarship received by the RHA, which can be used for specified purposes as set out in the conditions attaching to each bequest.

1.4 Incoming resources

Income from donations, gifts and legacies is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. This includes donations, gifts, bequests, income from donation of assets and membership income.

Income from Charitable Activities also includes any grant income received to carry on the charitable purpose of the organisation. This income may be classed as restricted and unrestricted dependant on the conditions included in each agreement.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Investment income is recognised on a receivable basis. Investment income includes income received on deposits held by the charity and income from any other investments.

Current funding

The Arts Council provided current funding totalling €412,000 in respect of 2019 (2018: €387,000). Funding is granted for a 12-month period and paid in accordance with the terms and conditions of the funding agreement.

Donations

Donations received are accounted for on a receipt basis and are dealt with consistent with the wishes of the donor. Donations in relation to the funding of capital projects are released to Income and Expenditure in step with loans incurred.

1.5 Resources expended

Expenditure is recognised when a liability is incurred. Funding provided through contractual agreements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being an unavoidable commitment.

Expenditure on Raising Funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Support costs include those incurred in the governance by the members of the charity's assets and are primarily associated with constitutional and statutory requirements of operating the organisation.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation
Lift	5% Straight line
Fixtures and fittings	20% Straight line
Purchased art works	No depreciation
Albert fund	No depreciation

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The balance sheet does not include the following:

- The cost of the site on which RHA Gallagher Gallery is built;
- The art collection of the Academy acquired prior to 30 September 1984;
- Donated works of art.

1.7 Impairment of fixed assets

At each reporting end date, the Academy reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of Financial Position bank overdrafts are shown within payables.

1.9 Financial instruments

The Academy has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Academy's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Academy is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Investments

Investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value. Fair value is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction other than in a forced or liquidation sale". Estimates are made at a specific point in time, based on market conditions and information about the financial instrument.

Such financial assets subsequently measured at fair value and the changes in fair value are recognised in the Statement of Financial Activities, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are subsequently measured at cost less impairment.

1.12 Taxation

As a result of the Academy's charitable status, no charge to corporation tax arises under the provisions of Section 207 of the Taxes Consolidation Act, 1997.

2 Critical accounting estimates and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions identified that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Establishing lives for depreciation purposes of property, plant and equipment.

Long-lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and charge them as necessary to reflect current thinking on remaining lives in light of perspective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in the accounting policies.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Incoming resources

	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Income from charitable activities				
Arts Council annual grant	387,000	25,000	412,000	387,000
Friends of Royal Hibernian Academy	79,330		79,330	80,172
Ashford Gallery	17,076		17,076	12,158
Exhibitions	271,728		271,728	226,116
Course fees	99,362		99,362	76,007
Publications	7,973		7,973	16,093
Other income	6,428		6,428	1,864
Albert Prize Fund		20,000	20,000	25,000
Hennessy Craig Fund		23,000	23,000	
Income from donations				
Fundraising events	21,434		21,434	33,933
Donations	161,493		161,493	178,425
Income from other trading activities				
Rental income	121,428		121,428	139,813
Total incoming resources	1,173,252	68,000	1,241,252	1,176,581

The whole of the entity's Income is attributable to its market in the Republic of Ireland and is derived from the principal activity of the promotion of the visual arts.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Resources expended	Unrestricted funds	Restricted funds	Total	Total
	2019	2019	2019	2018
	€	€	€	€
Payroll costs on programme expenses	179,959		179,959	128,147
Payroll costs schools	63,137		63,137	68,679
Fund raising events	38,809		38,809	8,060
Exhibition	157,360		157,360	125,847
Advertising and marketing	38,256		38,256	34,255
Collection maintenance	3,114		3,114	4,597
Public programmes	8,699		8,699	1,027
Friends	6,618		6,618	2,199
Royal Hibernian Academy schools	28,859	20,000	48,859	68,728
Hennesy Craig Fund		23,000	23,000	
T Weir Touring budget		22,451	22,451	
Payroll costs on overhead expenses	451,465		451,465	427,858
Staff training	2,695		2,695	1,251
Staff travel and entertainment	9,221		9,221	9,186
Board & Honorary Council expenses	13,982		13,982	6,988
Postage and telephone	17,845		17,845	17,111
Office expenses	2,143		2,143	4,218
Building maintenance	44,550		44,550	46,456
Light and heat	51,924		51,924	50,966
Professional fees	32,889		32,889	3,016
Accounting	14,506		14,506	10,872
Insurance	16,803		16,803	16,812
Bank charges	9,134		9,134	6,687
Depreciation of fixed assets	11,668		11,668	14,907
Contribution to building fund				83,700
Total resources expended	1,203,636	65,451	1,269,087	1,141,567

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Funding from government sources

The following information is in relation to grant information required as per the Department of Public Expenditure and Reform circular 13/2014:

Name of grantor	Name of grant	Purpose of grant	Amount €
The Arts Council	Strategic Funding	Salary and overhead support	387,000
Income deferred as at 01/01/2019			
Cash received			464,400
Income deferred as at 31/12/2019			(77,400)
			<hr/>
Income recognised			387,000
Expenditure incurred			(387,000)
			<hr/>
Surplus held in restricted funds			<hr/>

Name of grantor	Name of grant	Purpose of grant	Amount €
The Arts Council	Touring Funding	Touring & Dissemination of Work	25,000
Income accrued as at 01/01/2019			
Cash received			20,000
Income accrued as at 31/12/2019			5,000
			<hr/>

The Board confirms that the funding was used in accordance with the conditions outlined in the letters of offer and that there are adequate financial controls in place to manage grant income.

The grant is not restricted and is used for the general purpose of the organisation.

The Board confirms that the organisation held an active tax clearance certificate.

Royal Hibernian Academy of Arts is compliant with relevant Circulars, including Circular 44/2006 "Tax Clearance Procedures Grants, Subsidies and Similar type Payments".

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Key management compensation

Key management includes the Council members, all members of the company management, and the Secretary. The cost of the compensation package paid or payable to key management for employee services is shown below:

	2019	2018
	€	€
Remuneration package	110,702	110,701
Social welfare costs	11,616	11,510
	<u>122,318</u>	<u>122,211</u>

The following Council Members were employed by RHA during the year:

Employee	Role	Salary	Social welfare costs
		€	€
Una Sealy	Tutor	3,000	318
Colin Martin	Head of School	40,000	4,380

Members are not remunerated for their roles as Council Members.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2019	2018
	Number	Number
Permanent staff	8	7
Part-time staff	6	6
Project specific - casual staff	10	9
	24	<u>22</u>

Employment costs	2019	2018
	€	€
Wages and salaries	629,879	573,591
Social security costs	64,682	51,093
	694,561	<u>624,684</u>

The number of higher paid employees:

	2019	2018
	Number	Number
€110,001 - €120,000	1	1
€100,001 - €110,000		
€90,001 - €100,000		
€80,001 - €90,000		
€70,001 - €80,000		
€60,000 - €70,000		

	2019	2018
	€	€
Total employer pension contributions:	<u>16,168</u>	<u>13,719</u>

Members are not remunerated for their role as Council Members. Many permanent staff work on a part-time basis. The whole time equivalent number of employees is 8 (2018: 8).

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

8 Tangible fixed assets

	Freehold land and buildings	Lift	Fixtures and fittings	Purchased :art works	Albert fund	Totiti
	€	€	€	€	€	€
Cost						
At 1 January 2019	10,500,000	147,882	113,705	114,237	6,000	10,881,824
Additions			1,144			1,144
At 31 December 2019	10,500,000	147,882	114,849	114,237	6,000	10,882,968
Depreciation and impairment						
At 1 January 2019		143,950	91,581			235,531
Depreciation charged in the year		3,932	7,736			11,668
At 31 December 2019		147,882	99,317			247,199
Carrying amount						
At 31 December 2019	10,500,000		15,532	114,237	6,000	10,635,769
At 31 December 2018	10,500,000	3,932	22,124	114,237	6,000	10,646,293

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Investments

	Listed investments €
Cost or valuation	
At 1 January 2019	805,213
Revaluation	86,481
At 31 December 2019	<u>888,644</u>
Carrying amount	
At 31 December 2019	<u>888,644</u>
At 31 December 2018	<u>805,213</u>

10 Debtors

	2019 €	2018 €
Amounts falling due within one year:		
Trade debtors	24,985	3,360
Other debtors	22,368	15,978
Prepayments	29,312	21,876
	<u>76,665</u>	<u>41,214</u>

11 Loans and overdrafts

	2019 €	2018 €
Credit card	1,543	2,594
Bank loans	2,500,000	2,500,000
	<u>2,501,543</u>	<u>2,502,594</u>
Payable within one year	151,543	152,594
Payable after one year	<u>2,350,000</u>	<u>2,350,000</u>

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Creditors: amounts falling due within one year

	Notes	2019 €	2018 €
Bank loans and overdrafts	11	151,543	152,594
Taxation		12,746	12,470
Trade creditors		109,145	109,174
Other creditors		33,463	44,624
Accruals		162,916	62,428
		<u>469,813</u>	<u>381,290</u>

13 Creditors: amounts falling due after more than one year

	Notes	2019 €	2018 €
Bank loans	11	<u>2,350,000</u>	<u>2,350,000</u>
Loans			
Repayable in one year or less, or on demand		151,543	152,594
Repayable between two and five years		650,000	650,000
Repayable in five years or more		1,700,000	1,700,000
		<u>2,501,543</u>	<u>2,502,594</u>

The bank loan is secured by a limited charge (€1m) over the property of the company.

14 Government grant

	Total €
At 1 January 2019	2,400,000
Advanced during the year	
At 31 December 2019	<u>2,400,000</u>

This amount was granted to the Academy from the Department of Arts, Sports and Tourism to help fund the expenditure incurred in relation to the Capital Arts Programme. In the event of the Academy not continuing to be used in accordance with the terms of the grant agreement, the Academy will become liable for repaying the outstanding balance of the grant in full to the Department. During the year the Academy did not receive any additional funding from the Department of Arts, Sports and Tourism.

15 Capital commitments

The entity had no material capital commitments at 31 December 2019.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Contingent liabilities

If the Academy were to sell the building before 17 January 2026 they would be liable to repay any grants received from the Department of Arts, Sports and Tourism (Note 14). These amounted to €2,400,000 as at 31 December 2019 (2018: €2,400,000).

The bank hold guarantees on behalf of the organisation in relation to VISA and EFT facilities amounting to €21,250.

17 Events after the reporting date

In the first half of 2020, the Covid-19 virus spread worldwide. In common with many other countries, the Irish government issued guidance and restrictions on the movement of people designed to slow the spread of this virus. In early March 2020, many businesses closed voluntarily and throughout the month more restrictions were placed on people and businesses. On 28 March all "non-essential" businesses were ordered to close temporarily.

At the time of approving the financial statements, there is uncertainty regarding how the balance sheet may be impacted based on events since the year end and as a result an estimate of its financial effect cannot be made.

18 Related party transactions

The organisation hosts exhibitions and buys and sells artwork.

During the year Council Members provided tutoring services and sold artwork through the organisation. The respective members received payments less commission in return. These transactions are detailed below.

Council member	Net amount after commissions deducted
	€
Donald Teskey	35,100
Bret McEntagart	
Blaise Smith	5,525
Una Sealy	6,565
Eithne Jordan	
Colin Martin	9,295
Geraldine O'Neill	12,350

During the year, one (1) Council Members purchased artwork from the organisation by way of an arm's length market value transactions. These transactions amounted to the following.

Council member	Total amount for the year	Amount due at the year end
	€	€
Abigail O'Brien	3,500	
	--	--

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

19 Cash and cash equivalents

	2019	2018
	€	€
Cash and bank balances	66,634	58,160
Credit card	(1,543)	(2,594)
Cash equivalents	29,372	2,085
	94,463	57,651

20 Cash generated from operations

	2019	2018
	€	€
Surplus for the year	55,596	248,931
Adjustments for:		
Fair value gains and losses on investments	(83,431)	(129,115)
Depreciation and impairment of tangible fixed assets	11,668	14,907
Movements in working capital:		
(Increase)/decrease in debtors	(35,451)	85,947
Increase/(decrease) in creditors	89,574	(160,859)
Cash generated from operations	37,956	59,811

21 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on

@ S. P. L. T. O. L. O.