

Charity Registration No. 20013769

**ROYAL HIBERNIAN ACADEMY OF ARTS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

ROYAL HIBERNIAN ACADEMY OF ARTS

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Abigail O'Brien - President Una Sealy - Secretary Robin Buick - Treasurer Eithne Jordan - Keeper Des McMahon James English Peter McGovern James Hanley (Appointed 19 October 2021) Mick O'Dea (Appointed 19 October 2021) Vivienne Roche (Appointed 19 October 2021)
Charity number	20013769
CHY number	6873
Principal 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
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 2021

The council members present their annual report and financial statements for the year ended 31 December 2021.

Mission

The Royal Hibernian Academy ("RHA" / the "Academy") is an artist owned organisation dedicated to supporting artists at all stages of their career. The RHA is committed to engaging with current audiences and encouraging new audiences through presenting exhibitions and its learning and public engagement programmes. The RHA nurtures a synergy between artists and the public in the appreciation, support and enjoyment of art.

Objectives and activities

The RHA's current strategic plan sets out five key policy areas, 21 strategic aims and 65 tactical objectives to further enhance its mission in the document.

- 1) To be exemplary in our support of artists at all stages of their career.
- 2) Increase the number and diversification of its audiences.
- 3) Renew governance and organisational arrangements
- 4) Diversify and increase revenue sources.
- 5) Develop the RHA campus and executive capacity.

Financial review

The operating surplus/deficit for the year after providing for depreciation amounted to €588,956 (2020: €34,517).

At the end of the year, the Academy has assets of €12,369,655 (2020: €12,121,909) and liabilities of €726,043 (2020: €3,213,735). The net assets of the Academy have increased by €2,735,438.

Principal risks and uncertainties

During the year, the academy has had to deal with the continued uncertainty arising from the COVID 19 pandemic. To reduce its operational risk the charity continued to adopt government guidelines surrounding social distancing, mask wearing, and increased hygiene.

The academy has secured funding for 2022 and expects to provide services for the foreseeable future. The academy continues to have a good relationship with its funders however core funding has not been secured beyond 2022 and any loss of funding from its principal funders poses a financial risk.

Structure, governance and management

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

Gary Coyle

(Resigned 19 October 2021)

Andrew Folan

(Resigned 19 October 2021)

Diana Copperwhite

(Resigned 19 October 2021)

Des McMahon

James English

Peter McGovern

James Hanley

(Appointed 19 October 2021)

Mick O'Dea

(Appointed 19 October 2021)

Vivienne Roche

(Appointed 19 October 2021)

ROYAL HIBERNIAN ACADEMY OF ARTS

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Review 2021

Dr. Abigail O'Brien entered her fourth year as President of the RHA, Professor Una Sealy (Secretary), Eithne Jordan (Keeper) and Robin Buick (Treasurer) also remained in their respective officer positions for 2021. Two new members were elected to the Academy, Joy Gerrard and Niamh O'Malley. The Chair of the Programme Board, Bernard Dunleavy S.C stepped down as part of the rotation policy and we are deeply grateful for his contribution and leadership over the past six years. Clodagh Kenny assumed the chair and Seamus Puirseil continued as chair of the School & Studios Board. These boards continued to provide advice and expertise to the Academy throughout the year and met on a quarterly basis.

Official COVID restrictions necessitated a continued agility in achieving the Academy's programme objectives in 2021. The physical facilities of the Academy were closed down from January to May requiring the deferment of exhibitions and studio residencies. Public Engagement Programmes and School Courses continued online on the basis of expertise and technical support learned from previous lockdowns in 2020.

The 191st Annual Exhibition postponed again from its traditional summer slot took place in September/October 2021. Initial selection for the exhibition was via digital format with over 4,000 submissions. The exhibition opened to the public for eight weeks and was also available online for viewing and purchasing. A remarkable exhibition by Sean Scully postponed from January was on show from May to end of June. Delayed exhibitions for artists including Barbara Knezevic, Damien Flood, Mark Swords, John Beattie and Maria Maarbjerg also took place in 2021. Ashford Gallery Exhibitions featured Fiona Hackett, Denis Kelly, Miriam O'Connor and the Asylum Archive.

The RHA Studios run a number of programmes and the following artists were accommodated in 2021: Du Jingze, Maria McKinney, Bassam Al-Sabah, Joanne Reid, Neil Carroll, Ellen Duffy and Dominique Crowley.

The IPUT/RHA Wilton Park Studios included artists: Brendan Earley, Elizabeth Archibold, Helen McMahon, Cathy Dorman, Sarah Wren-Wilson and Alan Phelan.

Atsushi Kaga completed his yearlong residency at the O'Malley Studio, Callan, Co. Kilkenny in mid 2021 followed by Roisin O'Sullivan who continues in 2022.

Hannah Fitz was in residence at the Clare Island Studio during October/November 2021.

Aras Eanna on the Aran Islands provided a one month residency for Daniel Coleman.

The Arts Council/An Chomhairle Ealaíon continued its essential funding of the RHA artistic activities with a supportive spirit as COVID restrictions continued in 2021. A The number of revenue generating opportunities diminished for the Academy and we are grateful for their support and generosity in 2021.

Another important financial milestone achieved in 2021, was the buyout of the loan debt that had remained since the Academy's major refurbishment in 2009. We especially acknowledge those individuals who assisted the Academy in disposing of this onerous burden.

Events after the reporting period

There have been no significant events affecting the charity since the year end.

Auditor

In accordance with the organisation's charter, a resolution proposing that UHY Farrelly Dawe White Limited be reappointed as auditor of the organisation will be put at a General Meeting.

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.

ROYAL HIBERNIAN ACADEMY OF ARTS

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Accounting records

To ensure that adequate accounting records are maintained and retained in accordance with Charities Act 2009, 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.

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



Abigail O'Brien - President

Dated: 13 September 2022



Robin Buick - Treasurer

Dated: 13 September 2022

ROYAL HIBERNIAN ACADEMY OF ARTS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

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

Irish charity 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 academy 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 academy 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 academy, 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:

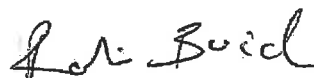
- there is no relevant audit information (information needed by the Academy's auditor in connection with preparing the auditor's report) of which the Academy's auditor is unaware, and
- the members have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information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

Signed on behalf of the board:



Abigail O'Brien - President

Dated: 13 September 2022



Robin Buick - Treasurer

Dated: 13 September 2022

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 2021 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 2021 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, as modified by the Charities SORP (FRS 102).

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 the provisions available for small entities, in the circumstances set out in note 26 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the council members' 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 Academy'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 council members 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 council members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Opinions on other matters

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

- In our opinion, the information given in the council members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion the accounting records of the foundation were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

ROYAL HIBERNIAN ACADEMY OF ARTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF ROYAL HIBERNIAN ACADEMY OF ARTS

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.

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-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/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.



Thomas McDonagh

for and on behalf of UHY Farrelly Dawe White Limited

Chartered Certified Accountants

Statutory Auditor

Unit 4A

Fingal Bay Business Park

Balbriggan

Co. Dublin

13/9/2022

ROYAL HIBERNIAN ACADEMY OF ARTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Income from:							
Donations and legacies	3	555,244	-	555,244	102,464	-	102,464
Charitable activities	4	933,623	91,520	1,025,143	706,850	20,000	726,850
Other activities	5	27,011	-	27,011	39,921	-	39,921
Total income		1,515,878	91,520	1,607,398	849,235	20,000	869,235
Expenditure on:							
Programme expenses	6	352,959	75,808	428,767	358,359	20,615	378,974
Overhead expenses	6	573,168	16,507	589,675	455,744	-	455,744
Total resources expended		926,127	92,315	1,018,442	814,103	20,615	834,718
Net operating surplus		589,751	(795)	588,956	35,132	(615)	34,517
Net gains/(losses) on investments	10	-	146,482	146,482	-	(3,614)	(3,614)
Net incoming resources		589,751	145,687	735,438	35,132	(4,229)	30,903
Other recognised gains/(losses)							
Amounts written off financial liabilities	11	2,000,000	-	2,000,000	-	-	-
Net movement in funds		2,589,751	145,687	2,735,438	35,132	(4,229)	30,903
Reconciliation of funds							
Fund balances at 1 January 2021		8,034,111	874,063	8,908,174	7,998,979	878,292	8,877,271
Fund balances at 31 December 2021	19	10,623,862	1,019,750	11,643,612	8,034,111	874,063	8,908,174

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 2021

	Notes	2021 €	€	2020 €	€
Fixed assets					
Tangible assets	12	10,627,517		10,630,923	
Investments	13	1,031,512		885,030	
		<u>11,659,029</u>		<u>11,515,953</u>	
Current assets					
Debtors	14	250,500		179,811	
Cash at bank and in hand		460,126		426,145	
		<u>710,626</u>		<u>605,956</u>	
Creditors: amounts falling due within one year	16	<u>(726,043)</u>		<u>(1,213,735)</u>	
Net current liabilities			<u>(15,417)</u>		<u>(607,779)</u>
Total assets less current liabilities			<u>11,643,612</u>		<u>10,908,174</u>
Creditors: amounts falling due after more than one year	17		-		(2,000,000)
Net assets			<u><u>11,643,612</u></u>		<u><u>8,908,174</u></u>
Income funds					
Restricted funds	19	1,019,750		874,063	
Unrestricted funds	19	10,623,862		8,034,111	
		<u>11,643,612</u>		<u>8,908,174</u>	

The financial statements were approved by the Council Members on 13 September 2022


Abigail O'Brien - President
Trustee


Robin Buick - Treasurer
Trustee

ROYAL HIBERNIAN ACADEMY OF ARTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €	€	2020 €	€
Cash flows from operating activities					
Cash generated from operations	24		539,509		332,280
Investing activities					
Purchase of tangible fixed assets		(4,989)		(3,613)	
Net cash used in investing activities			(4,989)		(3,613)
Financing activities					
Repayment of bank loans		(500,000)		-	
Net cash used in financing activities			(500,000)		-
Net increase in cash and cash equivalents			34,520		328,667
Cash and cash equivalents at beginning of year			423,130		94,463
Cash and cash equivalents at end of year			<u>457,650</u>		<u>423,130</u>
Relating to:					
Cash at bank and in hand			460,126		426,145
Bank overdrafts included in creditors payable within one year			<u>(2,476)</u>		<u>(3,015)</u>

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Royal Hibernian Academy of Arts is an entity and registered charity located in Republic of Ireland. Its business premises are 15 Ely Place, Dublin 12, Ireland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Academy's charter, the Charities Act 2009, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 (FRS 102)" (effective 1 January 2019). The Academy is a Public Benefit Entity as defined by 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).

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

At the time of approving the financial statements, the council members have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. Thus the council members continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

Grants from governments and institutional donors, are recognised as income when the activities which they are intended to fund have been undertaken, the related expenditure incurred, and there is reasonable certainty of receipt.

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 strategic funding totalling €425,700 in respect of 2021 (2020: €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	Not depreciated
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 the statement of financial activities.

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.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

(Continued)

1 Accounting policies

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).

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 2021

1 Accounting policies

(Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 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.

1.13 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 academy 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 council members 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 2021

3 Donations and legacies

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Donations and gifts	158,654	-	158,654	102,464	-	102,464
Capital donations	381,000	-	381,000	-	-	-
Fundraising events	15,590	-	15,590	-	-	-
Total	555,244	-	555,244	102,464	-	102,464

4 Income from charitable activities

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Arts Council - Strategic funding	382,700	-	382,700	387,000	-	387,000
Arts Council - COVID grant	-	91,520	91,520	-	-	-
Arts Council - Other funding	35,500	-	35,500	-	-	-
Friends of RHA	61,242	-	61,242	60,675	-	60,675
Ashford Gallery	3,038	-	3,038	844	-	844
Exhibitions	378,115	-	378,115	175,383	-	175,383
Course fees	69,748	-	69,748	64,311	-	64,311
Publications	3,280	-	3,280	2,474	-	2,474
Other income	-	-	-	16,163	-	16,163
Albert prize fund	-	-	-	-	20,000	20,000
Total	933,623	91,520	1,025,143	706,850	20,000	726,850

5 Other activities

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Rental income	27,011	-	27,011	39,921	-	39,921

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Expenditure on charitable activities

	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Programme costs						
Staff costs	118,535	-	118,535	46,144	-	46,144
Staff costs schools	64,415	-	64,415	46,805	-	46,805
Fundraising events	8,522	-	8,522	3,908	-	3,908
Exhibitions	35,332	54,655	89,987	154,035	-	154,035
Advertising and marketing	84,392	-	84,392	58,160	-	58,160
T Weir touring budget	-	795	795	-	615	615
Collection maintenance	8,812	-	8,812	4,198	-	4,198
Public programmes	26,021	-	26,021	7,235	-	7,235
Friends of RHA	6,930	-	6,930	3,166	-	3,166
Royal Hibernian Academy schools	-	20,358	20,358	34,708	20,000	54,708
Total programme costs	352,959	75,808	428,767	358,359	20,615	378,974
Overhead costs						
Staff costs	480,182	14,600	494,782	372,384	-	372,384
Depreciation and impairment	8,395	-	8,395	8,459	-	8,459
COVID wages subsidy	(60,217)	-	(60,217)	(95,850)	-	(95,850)
Staff training	4,000	-	4,000	1,861	-	1,861
Insurance	18,130	-	18,130	17,898	-	17,898
Light and heat	35,670	-	35,670	37,124	-	37,124
Repairs and maintenance	31,950	1,907	33,857	53,696	-	53,696
Printing, postage and stationery	6,380	-	6,380	6,407	-	6,407
Telephone	8,149	-	8,149	8,550	-	8,550
Staff travel and subsistence	3,667	-	3,667	2,424	-	2,424
Board & honorary council expenses	11,113	-	11,113	6,358	-	6,358
Professional fees	11,897	-	11,897	26,713	-	26,713
Audit and accountancy	10,196	-	10,196	6,040	-	6,040
Bank charges	3,309	-	3,309	3,100	-	3,100
Office expenses	347	-	347	580	-	580
Total overhead costs	573,168	16,507	589,675	455,744	-	455,744
Total expenditure	926,127	92,315	1,018,442	814,103	20,615	834,718

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 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	425,700
Income deferred as at 01/01/2021			96,750
Cash received			365,560
Accrued Income (Final payment 2021)			85,140
Income deferred as at 31/12/2021			(164,750)
Income recognised in 2021			382,700
Expenditure incurred			(382,700)
Surplus for the year			-

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

Name of grantor	Name of grant	Purpose of grant	Amount €
The Arts Council	COVID-19 costs	COVID-19 related costs	91,520
Income deferred as at 01/01/2021			-
Cash received			91,520
Income deferred as at 31/12/2021			-
Income recognised in 2021			91,520
Expenditure incurred			(91,520)
Surplus for the year			-

The grant is restricted and is used to offset COVID-19 related costs.

Name of grantor	Name of grant	Purpose of grant	Amount €
The Arts Council	Capacity Support Scheme	Digital capacity building	16,000
Income deferred as at 01/01/2021			-
Cash received			12,800
Accrued Income (Final payment 2021)			3,200
Income deferred as at 31/12/2021			-
Income recognised in 2021			16,000
Expenditure incurred			(16,000)
Surplus for the year			-

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

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Funding from government sources			(Continued)
Name of grantor	Name of grant	Purpose of grant	Amount €
The Arts Council	Capacity Support Scheme	Digital capacity building	19,500
Income deferred as at 01/01/2021			-
Cash received			19,500
Income deferred as at 31/12/2021			-
Income recognised in 2021			19,500
Expenditure incurred			(19,500)
Surplus for the year			-

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

The Board confirms that all 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 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".

8 Key management compensation

Key management includes the council members, all members of the Academy's management, and the secretary. The cost of the compensation package paid or payable to key management for employee services is shown below:

	2021 €	2020 €
The following was paid to management excluding council members below:		
Remuneration package	113,831	110,702
Social welfare costs	11,889	11,722
	<u>125,720</u>	<u>122,424</u>

The following council members were employed by RHA during the year:

Employee	Role	Salary €	Social welfare costs €
Una Sealy	Tutor	5,035	539
Colin Martin	Head of School	40,000	4,420

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 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Permanent staff	9	9
Part-time staff	8	3
Project specific staff	5	5
	<u>22</u>	<u>17</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 13 (2020: 8).

Employment costs	2021 €	2020 €
Wages and salaries	593,076	409,989
Social security costs	64,169	38,665
Other pension costs	20,487	16,712
COVID-19 wages subsidy	(60,217)	(95,850)
	<u>617,515</u>	<u>369,516</u>

The number of higher paid employees:

	2021 Number	2020 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	-	-
	<u>1</u>	<u>1</u>

10 Net gains/(losses) on investments

	Restricted funds	Total	Restricted funds	Total
	2021 €	2021 €	2020 €	2020 €
Unrealised gains/(losses) on investments	<u>146,482</u>	<u>146,482</u>	<u>(3,614)</u>	<u>(3,614)</u>

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Other gains and losses	Unrestricted funds 2021 €	Restricted funds 2021 €	Total 2021 €	Unrestricted funds 2020 €	Restricted funds 2020 €	Total 2020 €
Amounts written of long term loan	2,000,000	-	2,000,000	-	-	-

In Q3 2020, an agreement was reached between RHA and Pepper Finance to repay €500,000 by 31st December 2021 as full and final settlement of the €2.5 million loan. The final payment was made in October 2021 and Pepper Finance has confirmed the loan has been settled in full. Under the settlement agreement, an amount of €2 million was written off the loan and this has been recognised in as other gains in 2021.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Freehold land and buildings	Lift	Fixtures and fittings	Purchased art works	Albert fund	Total
	€	€	€	€	€	€
Cost						
At 1 January 2021	10,500,000	147,882	118,462	114,237	6,000	10,886,581
Additions	-	-	4,989	-	-	4,989
At 31 December 2021	10,500,000	147,882	123,451	114,237	6,000	10,891,570
Depreciation and impairment						
At 1 January 2021	-	147,882	107,776	-	-	255,658
Depreciation charged in the year	-	-	8,395	-	-	8,395
At 31 December 2021	-	147,882	116,171	-	-	264,053
Carrying amount						
At 31 December 2021	10,500,000	-	7,280	114,237	6,000	10,627,517
At 31 December 2020	10,500,000	-	10,686	114,237	6,000	10,630,923

The board obtained a valuation of land and buildings at 15 Ely Place in February 2017. This resulted in an decrease in value which was recorded in the 2016 financial statements. The board are satisfied the carrying balance at year end 31 December 2021 is at least equal to the market value.

Due to the impact of COVID-19, the Academy did not obtain a professional valuation as at the time of approval of these financial statements and thus there has been no revaluation of land and buildings recorded in the 2021 financial statements.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Fixed asset investments

	Listed investments €
Cost or valuation	
At 1 January 2021	885,030
Valuation changes	146,482
At 31 December 2021	1,031,512
Carrying amount	
At 31 December 2021	1,031,512
At 31 December 2020	885,030

14 Debtors

	2021 €	2020 €
Amounts falling due within one year:		
Trade debtors	120,001	115,341
Other debtors	113,445	32,325
Prepayments and accrued income	17,054	32,145
	250,500	179,811

15 Loans and overdrafts

	2021 €	2020 €
Credit card	2,476	3,015
Bank loans	-	2,500,000
	2,476	2,503,015
Payable within one year	2,476	503,015
Payable after one year	-	2,000,000

In Q3 2020, an agreement was reached between RHA and Pepper Finance to repay €500,000 by 31st December 2021 as full and final settlement of the €2.5 million loan. The final payment was made in October 2021 and Pepper Finance has confirmed the loan has been settled in full. Under the settlement agreement, an amount of €2 million was written off the loan and this has been recognised in as other income in 2021.

BOI plc holds guarantees on behalf of the organisation in relation to VISA and EFT facilities amounting to €21,250.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Creditors: amounts falling due within one year

	Notes	2021 €	2020 €
Bank loans and overdrafts	15	2,476	503,015
Taxation		16,486	13,515
Trade creditors		365,995	305,311
Other creditors		31,910	61,853
Accruals and deferred income		309,176	330,041
		<u>726,043</u>	<u>1,213,735</u>

17 Creditors: amounts falling due after more than one year

	Notes	2021 €	2020 €
Bank loans	15	-	2,000,000

18 Contingent liabilities - Government grants

	Total €
At 1 January 2021	2,400,000
Advanced during the year	-
At 31 December 2021	<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.

19 Reconciliation of funds

	Balance 1 January 2021 €	Incoming resources €	Resources expended €	Other gains €	Transfers	Balance 31 December 2021 €
Unrestricted funds						
General funds	8,034,111	1,515,878	(926,127)	2,000,000	-	10,623,862
Restricted funds						
Restricted funds	874,063	91,520	(92,315)	146,482	-	1,019,750
	-	-	-	-	-	-
Total funds	<u>8,908,174</u>	<u>1,607,398</u>	<u>(1,018,442)</u>	<u>2,146,482</u>	<u>-</u>	<u>11,643,612</u>

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 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 18). These amounted to €2,400,000 as at 31 December 2021 (2020: €2,400,000).

21 Capital commitments

The entity had no material capital commitments at 31 December 2021.

22 Related party transactions

Transaction with council members

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	
	2021	2020
	€	€
Gary Coyle	-	1,495
Andrew Folan	3,120	-
Donald Teskey	-	38,350
Abigail O'Brien	-	3,250
Blaise Smith	-	7,150
Una Sealy	4,160	5,730
James English	6,864	6,340
Colin Martin	1,950	1,378
Brett McEntagart	-	4,290
Sinead Ní Mhaonaigh	-	4,160
Diana Copperwhite	9,019	14,950
James Hanley	1,170	-
	<u> </u>	<u> </u>

During the year, one (1) council member 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	<u>430</u>	<u>-</u>

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Related party transactions

(Continued)

Transaction with other related parties

The following transactions were carried out with other related parties:

	2021	2020
	€	€
Amounts receivable from related parties (included in other debtors)	4,126	2,047

Royal Hibernian Academy of Arts owns 100% of the share capital of Royal Hibernian Academy Retail Ltd. During the year, Royal Hibernian Academy paid professional fees in the amount of €4,078 on behalf of Royal Hibernian Academy Retail Ltd.

23 Events after the reporting date

There have been no significant events affecting the Academy since the year end.

24 Cash generated from operations

	2021	2020
	€	€
Surplus for the year	735,438	30,903
Adjustments for:		
Fair value gains and losses on investments	(146,482)	3,614
Depreciation and impairment of tangible fixed assets	8,395	8,459
Movements in working capital:		
(Increase) in debtors	(70,689)	(103,146)
Increase in creditors	12,847	392,450
Cash generated from operations	539,509	332,280

25 Analysis of changes in net funds/(debt)

	At 1 January 2021	Cash flows	At 31 December 2021
	€	€	€
Cash at bank and in hand	426,145	33,981	460,126
Cash equivalents	-	-	-
Credit card	(3,015)	539	(2,476)
	<u>423,130</u>	<u>34,520</u>	<u>457,650</u>

26 Non-audit services provided by auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.

ROYAL HIBERNIAN ACADEMY OF ARTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Approval of financial statements

The financial statements were approved and authorised for issue by the council members on 13 September 2022.