Charity No. 258348 (England and Wales)

Royal Watercolour Society

Trustees' report and financial statements for the year ended 31 December 2025

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Royal Watercolour Society

Report of the members of Council
For the year ended 31 December 2025

Registered charity number	258348
Charity name	Royal Watercolour Society is the working name of the registered charity Royal Society of Painters in Water Colours
Council	**Until 27 April 2025:** Charles Williams (President) Jim Hunter (Senior Vice President) John Crossley (Junior Vice President) Martin Jacobs (Hon. Treasurer) Davina Jackson (Hon. Curator) Paul Regan Lucy Marks Lottie Cole Chloe Fremantle Jill Leman Anne Lynch Julia Midgeley Olivia O'Sullivan David Wiseman Mark Raggett From 27 April 2025 and to the date of signing* Charles Williams (President) Paul Regan (Senior Vice President) Anne Lynch (Junior Vice President) Martin Jacobs (Hon. Treasurer) Davina Jackson (Hon. Curator) John Crossley Lottie Cole Chloe Fremantle Jill Leman Julia Midgeley Olivia O'Sullivan David Wiseman Mark Raggett Lucy Marks *with exception to the following who stepped down from Council part way through the year: Paul Regan – until 30th September 2025 Lucy Marks – until 31st October 2025
Administrative office	Bankside Gallery 48 Hopton Street Blackfriars London SE1 9JH

Bankers	National Westminster Bank Plc 91 Westminster Bridge Road London SE1 7HW
Investment advisers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Independent examiner	Cara Turtington FCA DChA Saffery LLP 71 Queen Victoria Street London EC4V 4BE

Introduction

The Council is pleased to present the annual report and financial statements of the Royal Watercolour Society for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with its own Laws and Regulations, the Charities Act 2011 and Accounting and reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Structure, governance and management

Governing document and legal status

The Royal Watercolour Society was founded in 1804 and received its Royal Patronage in 1881. The Society has administered its affairs and exhibited as an independent body since its foundation. The Society is an unincorporated association, governed by an internally approved set of Laws. The Society is a registered charity No. 258348.

Related parties

The Royal Watercolour Society and The Royal Society of Painter-Printmakers are jointly and equally owners of Bankside Gallery, a company limited by guarantee and a registered charity. The Royal Watercolour Society works regularly in partnership with The Royal Society of Painter-Printmakers and Bankside Gallery to pursue its charitable purposes, and shares some common Council/Board members.

Organisational structure

The governance and strategic planning of the Society are carried out by a Council of Members (acting as trustees of the charity) that meets quarterly. The Council comprises the officers of the Society elected by ballot, together with at least eight Members who serve for three years. The President is also a custodian Trustee. The officers of the Society comprise the President, two Vice Presidents, and a Treasurer who provides financial reports to Council.

The Director of Bankside Gallery is charged with finding suitable artists or organisations to hire the Gallery for exhibitions when it is not being used for shows by Members of the two Royal Societies. To ensure the requisite standard of work, all external proposals are reviewed by the two Society Presidents.

Since 2020, the Society owns a 250-year peppercorn lease on a gallery space at 3 – 5 Whitcomb Street, in Central London. An agreement was put in place with the property landlord to ensure the RWS would receive rental income from part of the unused leased area. In addition to this the gallery is rented out to third parties for exhibitions and events to contribute towards an income for the Society, and the space is also used to host educational activities run by the Society. A business plan for furthering the use of the Whitcomb Street gallery is in development and the Council oversee related decisions through a sub-committee comprising a number of Council Members and operational staff.

Recruitment and appointment of Council members

Council members are elected to carry out defined roles; in addition to the usual officer duties, these are Collection & Archives and Education. Appointments are for a term of three years, with the possibility of re-appointment.

Members of the Council are elected at an Annual General Meeting. A limited number of new members may be co-opted by the President.

Investment powers and management
All funds requiring investment are, in the absence of any special direction by a General Meeting of the Society, applied or invested by the Council, who have authority to effect transactions of stocks and shares held by them for the Society.

Funds are managed, on behalf of the Council, by Cazenove Capital Management Limited.

Risk assessment
Council reviews annually the major risks to which the charity is exposed, and takes action as appropriate to manage and mitigate those risks.

The principal risk faced by the Society is its limited sources of income which, in recent years, have been insufficient to cover the cost of its activities. Council is working to reduce this risk by implementing tighter controls over expenditure and by seeking ways to increase the Society's income in the future.

The RWS owns a long term lease for a gallery in Whitcomb Street near Trafalgar Square (The RWS Gallery). The Society has a vision and plan to develop this gallery which includes pursuing short term commercial hire in order to support the Society's charitable activities. Such commercial activity brings opportunity but also a range of associated risks to the RWS for which the Council is seeking to manage and mitigate as appropriate.

The Society is also vulnerable to the high cost of exhibitions, and to the susceptibility of painting sales to economic conditions and increasing competition for sales of artworks. Council mitigates these risks through careful planning of its exhibitions, and through working closely with Bankside Gallery in the promotion of its exhibitions to the public.

The In the Society also continues to work closely with Bankside Gallery staff in the relevant areas.

Reserves policy
Council has reviewed the Society's need for reserves in line with the guidance issued by the Charity Commission. Council currently recognises the need to set aside amounts to ensure the continuance of the following activities, for a minimum period of two years. Until such time as the Society is able to regularly cover its costs, calls are made on the Society's funds for:

- the continuing day-to-day operations of the Society;
- the Society's regular programme of education events;
- exhibition opportunities deemed by Council as important to maintain the Society's profile;
- agreed support for charitable activities carried out by Bankside Gallery on behalf of the Society.

At 31 December 2025, the Society held total reserves of £1,192,513 (2024: £1,103,572), comprising unrestricted reserves of £973,864 (2024 £901,007) restricted reserves of £185,688 (2024: £170,249) and an expendable endowment of £32,961 (2024: £32,316). Council is of the opinion that, in light of its future plans to mitigate the risks faced by the Society, the reserves held at the end of the year were sufficient to enable the Society to work successfully towards fulfilling its aims and objectives.

Reserves policy (continued)
Restricted Funds comprise the Peter de Wint Capital Fund and the Peter de Wint General Fund. The Peter de Wint funds are held for long-term use in accordance with the donor's intentions.

Designated Funds fall into two broad categories; firstly, funds set aside by Council to absorb future depreciation costs of recent capital projects - the balances on these funds will reduce though annual depreciation charges in accordance with the depreciation policy set out in Note 1.4 until such time as the related assets have been fully written down.

Summaries of movements in all funds during the year, together with a detailed description of the purposes for which the various funds may be used, are contained in the notes to the accounts.

Accounting records
The preparation of the Society's accounting records is outsourced to a bookkeeper who is suitably qualified for the task. Internal controls, appropriate for a charity of this size, have been put in place to protect the Society's funds and to ensure their proper application.

Objectives and activities

Objectives
The main objectives of the Society are the advancement of education and the improvement of public taste in art by means of the encouragement of watercolour painting.

Activities
The Royal Watercolour Society aims to achieve its objectives through the following activities:

- recruitment and election of Members;
- provision of gallery facilities;
- holding public exhibitions at both of its galleries in London: Bankside Gallery and the RWS Gallery, and in other cities and towns throughout the country, as well as overseas;
- delivering educational activities such as workshops, school visits, and hands on events;
- conserving, for the enjoyment and study of present and future generations, the Society's collections of paintings and paper archives;
- building and retaining appropriate reserves to safeguard the charity's existence;
- managing the charity's funds and bequests responsibly to enable the Charity to achieve its objectives;
- such other ways as may from time to time be most appropriate.

Public benefit
Council has paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake. The Royal Watercolour Society recognises and welcomes the need to carry out its charitable activities for the benefit of the general public, and retains this aim at the centre of its strategic planning. The Society continues to offer free admission to all of its exhibitions and is working to increase the amount and breadth of education work it carries out in the local community and beyond, seeking to involve people from the widest possible range of backgrounds and abilities.

Achievements and performance

The Royal Watercolour Society has worked hard to develop a programme of exhibitions, workshops and events in support of its charitable aims and objectives. At a time when public funding of the Arts has been squeezed by other pressing concerns, the Society has stood firm and strengthened its efforts in the important task of promotion of the Arts, and the Visual Arts and works on paper in particular.
Council seeks to preserve the Society's nationally important historic legacy in the form of its Archive and Diploma collection, as well as being a significant cultural voice speaking on behalf of the Visual Arts and of the UK's tradition of works on paper and that of watercolour in particular, for which the Society is internationally recognised. Council continues to challenge itself to be bold in its mission to promote its artistic and charitable aims through exhibitions and educational outreach.

Achievements against objectives

The Royal Watercolour Society set out, at the start of 2025, to carry out the following activities:

- to promote Spring and Autumn exhibitions at Bankside Gallery, supported by a full programme of education and outreach activities and workshop days run by Society members some of which are free to the public across all age ranges, including running free events in Spring and Autumn.
- to continue to develop the Society's Whitcomb Street space to provide a gallery and education space where the Society can further fulfil its charitable objective of the promotion of the arts and education. The space continues to provide a venue for special exhibitions and regular educational activities in line with the Society's charitable aims.
- actively to seek partnerships, with other like-minded National institutions, to promote the Society's remit and charitable aims through exhibitions and events - this is an area the Society continues to explore.
- to continue to develop relationships with eminent art historians, authors and artists who will engage with a wider audience about themes and ideas connected to the Society's exhibitions – this is a continuing aim of the Society in order to augment and enrich its exhibitions.

Financial review

Sources of funding and financial position

The Royal Watercolour Society funds its activities and administrative costs through membership subscriptions, grants, donations, bequests, income from exhibitions and education events, royalties from publications, commercial hires of the RWS Gallery, sublet of the first floor space at 3 – 5 Whitcomb Street, and investment income and gains generated on its invested funds.

The financial position of the Charity is set out in the Statement of Financial Activities on page 12 and the Balance sheet on page 13.

During the year under review, total income amounted to £305,214 (2024: £261,534).

The cost of raising funds in the year was £9,567 (2024: £9,504), the total costs of charitable activities was £293,922 (2024: £287,177), of which support costs and governance costs (see note 3) amounted to £195,935 (2024: £166,717) and £5,336 (2024: £9,658) respectively.

Before investment movements, the Society made a net surplus from activities of £1,724 (2024: net deficit of £35,147). After investment gains of £87,217 (2024: gains of £65,498), the Society's Total Funds showed a net movement in the year of £88,941 (2024: net surplus of £30,351).

Investment performance
Investments are held in intermediate risk funds which provide opportunities for a good income return and also some growth of capital in real terms.

Plans for future periods
During 2026 and 2027, the Society plans to carry out the following activities:

- to promote exhibitions at Bankside Gallery and Whitcomb Street, supported by a programme of education and outreach activities for members of the public across all ages.
- to continue to develop programmes at RWS Gallery at Whitcomb Street, featuring exhibitions by RWS Members and associated events including talks, workshops and demonstrations.
- To continue to build capability to operate the RWS Gallery to become a destination for watercolour in London
- to continue fundraising events.
- to actively seek partnerships with other like-minded National institutions, to promote the Society's remit and charitable aims through exhibitions and events;
- to continue to develop relationships with eminent art historians, authors and artists who will engage with a wider audience about themes and ideas connected to the Society's exhibitions.

Council's responsibilities in relation to the financial statements

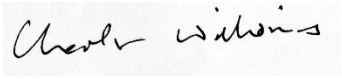
The charity's trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the charity's trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity, and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

By Order of the Council



Charles Williams
President
19th April 2026

Royal Watercolour Society

Independent Examiner's report to the trustees of the Royal Watercolour Society
For the year ended 31 December 2025

I report to the trustees on my examination of the accounts of the Royal Watercolour Society (the Charity) for the year ended 31 December 2025.

Respective Responsibilities of trustees and examiner
As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of independent examiner's report
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement
Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies**.**

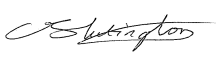
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or

2. the accounts do not accord with those records; or

3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Cara Turtington FCA DChA
For and on behalf of
Saffery LLP

3 June 2026

71 Queen Victoria Street
London
EC4V 4BE

Royal Watercolour Society

Statement of Financial Activities
For the year ended 31 December 2025

	Note	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Expendable Endowment Funds £	Total Funds 2025 £	Total Funds 2024 £
Income and endowments from:							
Donations and legacies	**2a**	29,295	-	-	**-**	29,295	**45,990**
Charitable activities	**2b**	252,042	-	-	**-**	252,042	**187,178**
Investments		21,380	-	2,497	**-**	23,877	**28,366**
Total		**302,717**	**-**	**2,497**	**-**	**305,214**	**261,534**
Expenditure on:							
Raising funds		8,421	-	951	195	**9,567**	**9,504**
Charitable activities		278,707	13,215	-	2,000	**293,922**	**287,177**
Total	**3**	**287,129**	**13,215**	**951**	**2,195**	**303,490**	**296,681**
Net (expenditure)/income before (losses)/gains on investments		15,588	(13,215)	1,546	(2,195)	**1,724**	**(35,147)**
Net gains/(losses) on investments		70,484	-	13,893	2,840	**87,217**	**65,498**
Net income/(expenditure) for the year		**86,072**	**(13,215)**	**15,439**	**645**	**88,941**	**30,351**
Transfers between funds	**13**	-	-	-	-	**-**	-
Net movement in funds		**86,072**	**(13,215)**	**15,439**	**645**	**88,941**	**30,351**
Reconciliation of funds							
Total funds brought forward		**693,921**	**207,086**	**170,249**	**32,316**	**1,103,572**	**1,073,221**
Total funds carried forward		**779,993**	**193,871**	**185,688**	**32,961**	**1,192,513**	**1,103,572**

The Statement of Financial Activities includes all gains and losses in the year.

All of the above amounts relate to continuing activities.

The notes on pages 14 to 28 form part of these financial statements.

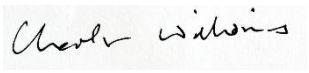
Royal Watercolour Society

Balance sheet
As at 31 December 2025

	Note	Unrestricted £	Restricted £	Expendable Endowment £	2025 Total £	2024 Total £
Fixed assets						
Tangible assets	**5**	211,169	-	-	**211,169**	**228,815**
Investments	**6**	952,442	170,881	32,961	**1,156,284**	**1,237,372**
		1,163,661	170,881	32,961	**1,367,453**	**1,466,187**
Current assets						
Debtors	**8**	18,082	-	-	**18,082**	**3,958**
Cash at bank and in hand		106,680	14,807	-	**121,487**	**53,286**
		124,762	14,807	-	**139,569**	**57,244**
Creditors: amounts falling due within one year	**9**	(105,235)	-	-	**(105,235)**	**(143,616)**
Net current (liabilities)/ assets		19,527)	14,807	-	**34,334**	**(86,372)**
Creditors: amounts due after more than one year	**10**	(209,275)	-	-	**(209,275)**	**(276,243)**
Net assets		**973,863**	**185,688**	**32,961**	**1,192,512**	**1,103,572**
Charitable funds						
Unrestricted income funds	**13**	973,863	-	-	**973,863**	**901,007**
Restricted income funds	**14**	-	185,688	-	**185,688**	**170,249**
Expendable endowment	**15**	-	-	32,961	**32,961**	**32,316**
Total funds		**973,863**	**185,688**	**32,961**	**1,192,512**	**1,103,572**

The notes on pages 14 to 28 form part of these financial statements.

These financial statements were approved and signed by a member of the Council and authorised for issue on 19th April 2026.



Charles Williams
Trustee
Charity No. 258348

1. Accounting policies

1.1 Basis of accounting

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Advantage has been taken of the exemption for charities with income less than £500,000 from preparing a cash flow statement.

The charity constitutes a public benefit entity as defined by FRS 102.

Council is of the opinion that there are no material uncertainties about the charity's ability to continue as a going concern. The Council has considered the impact of the coronavirus pandemic and do not believe this has an impact on the going concern status of the charity.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Membership income is treated as a donation as the benefits of membership are not of significant monetary value and the fee paid is therefore treated as a donation to the charity's general funds.

1. Accounting policies (continued)

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is recognised on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Costs in respect of future events or exhibitions are charged when the relevant events or exhibitions take place.

Support costs have been allocated between support costs and governance costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. All support costs are allocated to charitable and fundraising activities on the basis of time spent.

1.4 Tangible fixed assets and depreciation

Expenditure on improvements, furniture and equipment that exceeds £1,000 is capitalised. Fixed assets are stated at cost less accumulated depreciation. Provision for depreciation of fixed assets held for use by the charity is made at annual rates calculated to spread the cost of each asset over its expected useful life. The depreciation rates currently in use are:

Leasehold property and improvements	- Evenly over the remainder of the lease
Gallery development Whitcomb Street	- Evenly over 20 years
Plant and security	- straight line over 3 years
Furniture and equipment	- straight line over 5 years

Assets are not depreciated until they are brough fully into use by the charity.

1.5 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.6 Historic assets

The Society's Historic Assets (note 5) are not capitalised as the Members of Council consider that the cost of obtaining valuations would outweigh the benefit to users of the financial statements.

1.7 Taxation

No tax provision is included in the financial statements on the basis that all income for the registered charity is derived from wholly charitable activities.

1.8 Fund accounting

The charity has restricted funds, where the donor has specified that they can only be used on specific projects in the future. All other funds are unrestricted.

1. Accounting policies (continued)

Fund Accounting (continued)

Where funds are received via gift or legacy to support the longer term work of the charity these will be treated as an endowment. An endowment will be classed as permanent when the donor specifies that the capital must be maintained in perpetuity and as expendable in all other circumstances.

Designated funds have been nominated by the Council to represent their intentions to fund future projects or to reflect a wish of donors that was not legally binding at the time a gift was made. These funds can be undesignated and applied to any of the charitable activities in the future at the Council's absolute discretion.

2. Analysis of income

a. Donations and legacies

	General Funds £	Designated Funds £	Restricted Funds £	Expendable Endowment £	2025 Total £	2024 Total £
Membership income	27,295	-	-	-	27,295	28,865
Grants and donations	300	-	-	-	300	15,325
Legacies received	-	-	-	-	-	-
Election fees	1,700	-	-	-	1,700	1,800
	29,295	**-**	**-**	**-**	**29,295**	**45,990**

Donations and legacies

	General Funds £	Designated Funds £	Restricted Funds £	Expendable Endowment £	2024 Total £
Membership income	28,865	-	-	-	28,865
Grants and donations	15,325	-	-	-	15,325
Legacies received	-	-	-	-	-
Election fees	1,800	-	-	-	1,800
	45,990	**-**	**-**	**-**	**45,990**

b. Charitable activities

	2025 Total £	2024 Total £
Lease and service charge income	79,961	79,905
Gallery Hire and events	132,385	92,661
Auction income	15,755	12,025
Sundry income	23,941	2,587
	252,042	**187,178**

3. Expenditure

2025

	Direct costs £	Support costs £	Governance costs £	2025 Total £	2024 Total £
Raising funds	9,567	-	-	9,567	9,504
Charitable activities:					
Running the RWS	33,175	97,968	5,336	136,478	158,574
Support of Bankside Gallery	20,600	-	-	20,600	26,928
Running Whitcomb Street	38,876	97,968	-	136,844	101,675
Total charitable activities	**92,651**	**195,935**	**5,336**	**293,922**	**287,177**
Total expenditure	**102,218**	**195,935**	**5,336**	**303,490**	**296,681**

2024

	Direct costs £	Support costs £	Governance costs £	2024 Total £
Raising funds	9,504	-	-	9,504
Charitable activities:				
Running the RWS	34,193	114,723	9,658	158,574
Support of Bankside Gallery	26,928	-	-	26,928
Running Whitcomb Street	49,681	51,994	-	101,675
Total charitable activities	**110,802**	**166,717**	**9,658**	**287,177**
Total expenditure	**120,306**	**166,717**	**9,658**	**296,681**

	2025 £	2024 £
Net income/(expenditure) is stated after charging:		
Depreciation	17,645	18,220
Examiner's remuneration:		
- independent examination	1,800	1,550
- preparation of accounts	2,820	2,718
- other advice	716	5,386

4. Staff costs

Included within direct costs of charitable activities are staff costs of:

	2025	2024
	£	£
Wages and salaries	98,552	84,764
National insurance	2,233	3,575
Pensions	2,186	1,892
	102,971	**90,231**

The average number of employees during the period was 7 (2024: 3). A number of staff work part time hours.

No employee earned over £60,000 in the current or preceding period.

5. Tangible fixed assets

	Equipment	Leasehold property	Gallery improvements	Total
	£	£	£	£
Cost				
At 1 January 2025	12,132	150,345	182,534	345,011
Additions	-	-	-	-
At 31 December 2025	12,132	150,345	182,534	345,011
Depreciation				
At 1 January 2025	8,224	86,510	21,462	116,196
Charge for the year	3,430	3,438	10,778	17,466
At 31 December 2025	11,654	89,948	32,240	133,482
Net book value				
At 31 December 2025	**478**	**60,397**	**150,294**	**211,169**
At 31 December 2024	3,908	63,835	161,072	228,815

The leasehold property relates to the Gallery and Office premises at 48 Hopton Street, which is owned on a 60-year lease from the Corporation of London Borough of Southwark that expires on 27 August 2044. The lease was professionally valued in 2005, by Drivers Jonas, at £425,000.

Gallery improvement additions relate to capital works under construction on the Whitcomb Street property. Depreciation commenced in 2023, following the gallery space being brought fully into use.

5. Fixed assets (continued)

Historic Assets

The Society's Historic Assets are insured for the sum of £2.5m and comprise the following:

i) Diploma Collection:
The Diploma Collection comprises paintings acquired from Members on their election to the Society; ownership of these is inalienable as the Society's Laws do not permit their disposal.

ii) Other Works of Art:
Through bequests, the Society has acquired some other works which are mainly held for historical, educational and artistic reasons.

6. Investments

	2025 £	2024 £
Market value		
At 1 January 2025	1,149,688	1,157,786
Contribution of funds	-	-
Funds withdrawn	(215,937)	(90,461)
Income less fees	13,861	16,864
Realised and unrealised (losses) / gains	87,217	65,499
	1,034,829	1,149,688
Investment cash held on deposit	121,455	87,684
At 31 December 2025	**1,156,284**	**1,237,372**

At 31 December 2025, 19% of investments were held in UK Equity and Bond funds (2024: 20%), 53% in Equity and Bond funds outside the UK (2024: 53%), 19% in Hedge and Alternative Funds (2024: 19%), and the remaining 9% in cash (2024 8%).

No investments were considered to be material in the context of the market value of the portfolio.

7. Council expenses

No Council member received any emolument or payment for professional or other services during the year, but three Council members (2024: three) received reimbursement of £786 (2024: £565) for travel, subsistence and telephone expenses incurred during the course of carrying out their duties as charity trustees.

8. Debtors

	2025	2024
	£	£
Trade debtors	1,879	38
Prepayments	16,203	3,920
	18,082	3,958

9. Creditors

Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	3,479	8,313
Amount due to Bankside Gallery	-	1,197
Sundry creditors and accruals	19,209	18,121
Deferred income	82,546	115,985
	105,234	143,616

10. Creditors

Amounts falling due after more than one year	2025	2024
	£	£
Deferred income due after more than one year	209,275	276,243
Deferred Income		
Balance brought forward	392,228	418,052
Income deferred to the following year	15,578	47,982
Deferred income released during the year	(115,985)	(73,806)
Balance carried forward	291,821	392,228
The deferred income is expected to be recognised as follows		
Within 1 year	82,546	115,985
Within 1 to 2 years	66,968	66,968
Within 2 to 5 years	142,307	200,904
After more than 5 years	-	8,371
	291,821	392,228

Deferred income relates to rental income received in advance. Rental income was received for a period of 10 years in advance for the Whitcomb Street property, with the lease commencing on 13 February 2020.

11. Contingent Liabilities

The Society is party to an indemnity, jointly with the Royal Society of Painter-Printmakers, to provide Bankside Gallery Limited with continuing financial support and assistance as may be agreed with the company for periods of two years at a time, and to make good any shortfall in the company's annual budget over the same period.

No liability under the indemnity arose for the year ended 31 December 2025 and, based on the financial statements and budgets of Bankside Gallery Limited, Council is of the opinion that it is unlikely that any substantial liability will arise from the indemnity within two years.

12. Financial commitments

In February 2020 the charity signed a lease for a property on Whitcomb Street. The lease has a length of 250 years. The annual commitment is a peppercorn rent. This constitutes a long-term commitment for the charity.

13. Unrestricted funds

	Mezzanine Dep'n Fund	Diploma Room Dep'n Fund	Whitcomb Street Refurbishment Fund	Total Designated Funds	General Funds	Total unrestricted funds
	£	£	£	£	£	£
At 1 January 2025	**23,050**	**22,964**	**161,072**	**207,086**	**693,921**	**901,007**
Income from donations and charitable activities	-	-	-	**-**	281,337	**281,337**
Investment income	-	-	-	**-**	21,380	**21,380**
Expenditure on charitable activities	(1,154)	(1,283)	(10,778)	**(13,215)**	(287,129)	**(300,344)**
Transfers between funds	-	-	-	**-**	-	**-**
Investment gains	-	-	-	**-**	70,484	**70,484**
At 31 December 2025	**21,896**	**21,681**	**150,294**	**193,871**	**779,993**	**973,864**

Unrestricted Funds (2024 comparative)

	President's Fund	David Gluck Fund	Elizabeth Scott Moore Fund	Mezzanine Dep'n Fund	Diploma Room Dep'n Fund	Whitcomb Street Refurbishment Fund	Whitcomb Street Rent in Advance Fund	Joan Williams Memorial Fund	Arthur Wise Whitcomb Street Fund	Total Designated Funds	General Funds	Total unrestricted funds
	£	£	£	£	£	£			£	£	£	£
At 1 January 2024	**647**	**96,623**	**11,221**	**24,204**	**24,247**	**176,792**	**273,984**	**129,177**	**736,895**	**146,078**	**882,973**	**1,029,051**
Income from donations and charitable activities	-	-	-	-	-	-	-	-	-	-	233,168	**233,168**
Investment income	-	-	-	-	-	-	-	-	**-**	-	25,658	25,658
Expenditure on charitable activities	-	-	-	(1,154)	(1,283)	(14,783)	-	-		**(17,220)**	(275,694)	**(292,914)**
Transfers between fund	(647)	(96,623)	(11,221)	-	-	(937)	(273,984)	(129,177)	**(512,589)**		512,589	**-**
Investment gains	-	-	-	-	-	-	-	-	**-**		52,122	**52,122**
At31 December 2024	**-**	**-**	**-**	**23,050**	**22,964**	**161,072**	**-**	**-**	**-**	**207,086**	**693,921**	**901,007**

13. Unrestricted funds (continued)

The Diploma Room Depreciation Fund was established to record funds used to build the Diploma Collection Storage Room at Bankside Gallery, and depreciation charged in respect of this work. The room is used for the unrestricted purpose of education and learning about the Society's Collections.

The Mezzanine Depreciation Fund was established to record funds used to build the mezzanine floor in the archive room at Bankside Gallery, and depreciation charged in respect of this work.

The Whitcomb Street Refurbishment Fund relates to capital improvements at the Whitcomb Street property. These will be depreciated over the lift of the lease.

During the year ended 31 December 2024, the Trustees agreed to reduce the number of designated funds held by the Charity, consolidating specific designated funds together into the general unrestricted funds of the Charity. The designated funds transferred were the President's Fund, the David Gluck Fund, the Elizabeth Scott Moore Fund, the Joan Williams Memorial Fund and the Arthur Wise Whitcomb Street Fund. The transfers are shown in the table of funds above.

The income and capital bequests received from Mrs Elizabeth Scott Moore, Mr David Gluck and the JE Eddison Trust may be used at the discretion of the Council in accordance with its Reserves Policy as set out in the Report of the Council that introduces these financial statements.

The David Gluck Fund is invested in the Society's General Fund portfolio and not held in a separate and distinct investment portfolio or bank account; investment income is not currently reallocated from the General Fund to the David Gluck Fund.

The President's Fund is designated to be used at the discretion of the President.

The purpose of the Collections Designated Fund varies over time, depending on the Council's priorities. All unrestricted income raised for the purpose of maintaining the Society's collections, together with all related expenditure, is recorded in the Fund in order that an overview of activities in this area can be clearly seen. However, from time to time, Council agrees that certain elements of this expenditure may be financed from other funds, such as the General Fund, or the David Gluck Fund – in these cases, appropriate transfers are made from those funds to provide the agreed subsidy.

The Arthur Wise Whitcomb Street Fund was established using part of a legacy received from the estate of Arthur Wise in 2017 and 2018. It is to be used on the future expenses for the Whitcomb Street Gallery.

The Joan Williams Memorial Fund was left to the Society by former member Joan Williams. The funds are unrestricted but has been designated as the Council intend to hold an exhibition or regular exhibition for young artists at the Whitcomb Street Gallery. However, the funds could be applied for any purposes at the discretion of the Council if required.

14. Restricted funds

	Peter De Wint Capital Fund	Peter de Wint General Fund	Total
	£	£	£
At 1 January 2025	**4,551**	**165,698**	**170,249**
Income	-	2,497	2,497
Expenditure on charitable activities	-	(951)	(951)
Transfers between funds	-	-	-
Investment gain/(losses)	-	13,893	13,893
At 31 December 2025	**4,551**	**181,137**	**185,688**

The Peter De Wint Funds are held to provide relief of distress among members (including honorary retired members) of the Royal Watercolour Society.

Restricted funds (2024)

	Peter De Wint Capital Fund	Peter de Wint General Fund	Total
	£	£	£
At 1 January 2023	**4,551**	**153,574**	**158,125**
Income	-	2,708	2,708
Expenditure on charitable activities	-	(1,571)	(1,571)
Transfers between funds	-	-	-
Investment gain/(losses)	-	10,987	10,987
At 31 December 2024	**4,551**	**165,698**	**170,249**

15. Expendable endowment

	Total 2025	Total 2024
	£	£
At 1 January 2025	32,316	32,123
Income	-	-
Expenditure on charitable activities	(2,195)	(2,196)
Transfers between funds	-	-
Investment gains/(losses)	2,840	2,389
At 31 December 2025	**32,961**	**32,316**

Part of a legacy received from the estate of Arthur Wise has been used to establish a prize fund for watercolour paintings in his memory.

16. Related party transactions

As described in the Report of the Council earlier in these financial statements, the charity has a close working relationship with the Royal Society of Painter-Printmakers and with Bankside Gallery Limited. Bankside Gallery Limited manages Bankside Gallery, 48 Hopton Street, London, on behalf of both the Royal Watercolour Society and the Royal Society of Painter-Printmakers.

The outstanding balances with related parties at the year-end are disclosed in Notes 7 and 8 above. The Royal Watercolour Society makes a donation to Bankside Gallery to cover a proportion of the running costs of the gallery, in recognition of Bankside Gallery's role in helping the Society achieve its charitable aims. Donations may also be made if the Society decides to promote any exhibitions beyond its regular annual programme.

A summary of these donations during the year follows:

	2025	2024
	£	£
Donation towards running costs of Bankside Gallery	20,600	26,928

This expenditure is included in the Statement of Financial Activities under outgoing resources.

As recorded in Note 4 above, the Royal Watercolour Society owns a lease from the Corporation of London Borough of Southwark on 48 Hopton Street, London. Bankside Gallery is afforded full rent-free occupation and use of these gallery and office premises in return for granting an indemnity to the Royal Watercolour Society in respect of all outgoing and covenant obligations under the Lease. The value of this donation is not included in these accounts but is estimated to be £38,770 per annum.

17. Comparative information

The information below is an analysis by fund for the year ended 31 December 2024.

	Note	Unrestricted General Funds £	Designated Funds £	Restricted Funds £	Expendable Endowment Funds £	Total Funds 2024 £
Income and endowments from:						
Donations and legacies	**2a**	45,990	-	-	**-**	**45,990**
Charitable activities	**2b**	187,178	-	-	**-**	**187,178**
Investments		25,658	-	2,708	**-**	**28,366**
Total		**258,826**	**-**	**2,708**	**-**	**261,534**
Expenditure on:						
Raising funds		8,407	-	901	196	**9,504**
Charitable activities		267,287	17,220	670	2,000	**287,177**
Total	**3**	**275,694**	**17,220**	**1,571**	**2,196**	**296,681**
Net (expenditure)/income before (losses)/gains on investments		(16,868)	(17,220)	1,137	(2,196)	**(35,147)**
Net gains/(losses) on investments		52,122	-	10,987	2,389	**65,498**
Net income/(expenditure) for the year		**35,254**	**(17,220)**	**12,124**	**193**	**30,351**
Transfers between funds	**13**	512,589	(512,589)	-	-	**-**
Net movement in funds		**547,843**	**(529,809)**	**12,124**	**193**	**30,351**
Reconciliation of funds						
Total funds brought forward		**146,078**	**736,895**	**158,125**	**32,123**	**1,073,221**
Total funds carried forward		**693,921**	**207,086**	**170,249**	**32,316**	**1,103,572**

17. Comparative Information (continued.)

The information below is a columnar balance sheet from the previous period**.**

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	2024 Total
	£	£	£	£
Fixed assets				
Tangible assets	228,815	-	-	228,815
Investments	1,047,117	157,939	32,316	1,237,372
	1,275,932	157,939	32,316	1,466,187
Current assets				
Debtors	3,958	-	-	3,958
Cash at bank and in hand	40,976	12,310	-	53,286
	44,934	12,310	-	57,244
Creditors: amounts falling due within one year	(143,616)	-	-	(143,616)
Net current (liabilities)/ assets	(98,682)	12,310	-	(86,372)
Creditors: amounts due after more than one year	(276,243)	-	-	(276,243)
Net assets	**901,007**	**170,249**	**32,316**	**1,103,572**
Charitable funds				
Unrestricted income funds	901,007	-	-	901,007
Restricted income funds	-	170,249	-	170,249
Expendable endowment	-		32,316	32,316
Total funds	**901,007**	**170,249**	**32,316**	**1,103,572**