

Charity number 309268

Royal College of Music Annual Review and Financial Statements 2023/24



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Patron

HM King Charles III

Vice-Presidents

The Most Revd and Rt Hon the Lord Archbishop of Canterbury

The Most Revd and Rt Hon the Lord Archbishop of York

The Rt Hon the Lord Mayor of London

Jane Barker CBE FRCM

Sir Anthony Cleaver FRCM

Professor Colin Lawson CBE FRCM

[appointed August 2024]

Lady Middleton FRCM

[deceased August 2023]

Humphrey Norrington OBE FRCM

Dame Janet Ritterman DBE HonDMus

Sir Ian Stoutzker CBE FRCM

[deceased April 2024]

Professor Lord Winston FRCM

Council members

Council independent members

Lord Black of Brentwood (Chairman)

Catherine Clarke (Deputy Chair)

Peter Dart

Baroness Fleet CBE

Douglas Gardner

[term completed July 2024]

Richard Goulding

Professor Peter Holgate

Sir George Iacobescu CBE

Ruth Keattch

Jamie Njoku-Goodwin

Duncan Owen

[appointed August 2024]

Nandkishore (Nandu) Patel

[appointed August 2024]

Andrew Ratcliffe

[term completed July 2024]

Geoffrey Richards HonRCM

Professor Shirley J. Thompson OBE

Dr Paula Walter

Sir Guy Weston HonRCM

James Williams LVO FRCM

[becomes ex-officio from September 2024]

Council ex-officio and elected members

Professor Colin Lawson CBE FRCM (Director to August 2024)

[retired August 2024]

James Williams LVO FRCM (Director from September 2024)

[appointed September 2024]

Kevin Porter HonRCM (Deputy Director)

[& Acting Director Mar 2023 to Sept 2023]

Dr Ingrid Pearson HonRCM

Patricia Rozario OBE FRCM

Sarah Hanratty HonRCM

[appointed August 2024]

Ann Somerville HonRCM

[term completed July 2024]

Tymon Zgorzelski

[Students' Union: term completed July 2024]

Leila Hooton

[Students' Union: elected August 2024]

Clerk to the Council

Sharon Moloney

[appointed Sept 2023]

Finance and General Purposes Committee

Richard Goulding (Chair)

Lord Black of Brentwood

Catherine Clarke

Douglas Gardner

[term completed July 2024]

Ruth Keattch

Duncan Owen

[appointed August 2024]

Professor Colin Lawson CBE FRCM (*ex officio to August 2024*)

[retired August 2024]

James Williams LVO FRCM (*ex officio from September 2024*)

[appointed September 2024]

Audit & Risk Assurance Committee

Andrew Ratcliffe (Chair to July 2024)

[term completed July 2024]

Professor Peter Holgate (Chair from August 2024)

Peter Dart

[appointed August 2024]

Dr Paula Walter

James Williams LVO FRCM

[resigned August 2024]

Registered Office

Royal College of Music

Prince Consort Road

London

SW7 2BS

Auditors

MHA

6th Floor, 2 London Wall Place

London

EC2Y 5AU

Bankers

Royal Bank of Scotland PLC

36 St Andrew Square

Edinburgh

EH2 2YB

Solicitors

Boodle Hatfield LLP

240 Blackfriars Road

London SE1 8NW

CHAIRMAN'S WELCOME



The Royal College of Music stands as a global leader among conservatoires, blending heritage and innovation to prepare students for their futures in music. Our students benefit from cutting-edge research in performance science, whether through our groundbreaking Performance Laboratory or the use of 3D printing technologies that bring musical history to life. This vibrant learning environment equips them with the confidence and versatility needed to excel as musicians.

For the third consecutive year the Royal College of Music ranked the Global No.1 institution for Performing Arts, also earning the inaugural top spot for Music in the 2024 QS World University Rankings by Subject. This accolade is a tribute to the hard work and dedication of all the College's staff and the vision and commitment of Director Professor Colin Lawson CBE and all the College's staff.

Royal College of Music students are amongst the most talented musicians in the world and we support the very best students from the UK, EU and beyond with scholarships, whatever their financial means. This year we awarded £5.7million in scholarships, bursaries and awards, made possible by the generous donations of our supporters to whom we extend heartfelt thanks.

We are honoured that His Majesty King Charles III has become Patron of the Royal College of Music this year, continuing his longstanding relationship with the College where he has served as President since 1993. We were also greatly privileged to host a visit by His Majesty The Emperor of Japan on 26 June 2024 during the official Japan State Visit to the UK. His visit celebrated the College's innovation and heritage, including the pioneering Performance Laboratory and the historical collections in the RCM Museum. Staff and students were honoured to perform for His Majesty, both at the College and at the State Banquet held at Buckingham Palace.

Director Professor Colin Lawson retired this summer after almost two decades of dedicated leadership. His vision, immaculate care and boundless energy have powered the transformation of the College, and his profound commitment has left an incredible legacy both for the College and for music. Building on this enduring legacy, James Williams now leads the Royal College of Music as our 11th Director. He brings with him a deep understanding of the music industry and his expertise and global perspective will greatly benefit the Royal College of Music's students, staff and reputation as we look to the College's future with optimism.

On Council we were very sorry to say goodbye to Douglas Gardner, Andrew Ratcliffe and Ann Somerville. In turn, we welcome new Council members Duncan Owen, Nandu Patel and Sarah Hanratty. After two years as the Students' Union President, we said goodbye to Tymon Zgorzelski and welcome Leila Hooton as the new Students' Union President. I am profoundly grateful to all members of Council for their insight, expertise and their unwavering commitment to the future of music.

Lord Black of Brentwood
Chairman

REPORT FROM THE FORMER DIRECTOR



The academic year culminated in a joyful day of ceremonies marking the graduation of over 400 of our students. It is always a proud occasion for the College and for family members as they join with us in celebrating the amazing achievements of our students. The occasion is also an opportunity to pay tribute to the commitment of our inspiring professors and teaching staff who are leaders in their field and who dedicate so much to developing each cohort of future musicians.

The £1.9 million Performance Innovation Laboratory opened during the year, where students can refine and reimagine their performances using the latest acoustic and visual technology. The significant contribution of the Museum was recognised by an award of core funding from Research England to support the costs of offering access and research support to other national and international institutions over the next five years.

We say farewell to our Artistic Director, Stephen Johns, who curated a phenomenal year of artistic experience for our students in his final year, including a visit from the late Sir Andrew Davis in autumn. In the Summer term an outstanding performance of Messiaen's vast *Turangalîla-Symphonie* at London's Royal Festival Hall was followed later in the term by a series of professionally staged mini operas written by our student composers. An outstanding year was completed by a joint concert with the Sibelius Institute in August at the BBC Proms and the Helsinki Festival, broadcast live on TV and radio.

Since the start of the next academic year in September 2024 there has been a new Director at the helm, James Williams LVO FRCM. I am confident that under James' leadership the College will continue to go from strength to strength and wish him every success in the role.

Colin Lawson CBE FRCM

Former Director [retired August 2024]

FINANCIAL REVIEW

<p>Performance *</p> <p>Total income: £37.1m (£34.1m)</p> <p>Surplus for the year: £8.8m (£0.2m)</p> <p>Underlying surplus before gains and losses: £1.3m (£1.3m)</p> <p><i>Underlying surplus is explained below</i></p>	<p>Liquidity and Debt</p> <p>Borrowings: £1.9m (£2.0m)</p> <p>Cash and short-term investments: £10.5m (£6.7m)</p> <p>Net Cash: £8.6m (£4.7m)</p> <p><i>Net cash includes short-term investments</i></p>
<p>Investment</p> <p>Capital Expenditure: £1.9m (£2.7m)</p>	<p>Financial Strength</p> <p>Net assets: £113.8m (£105.6m)</p>

* Comparative data for the prior year 2022/23 is shown in brackets throughout this review.

The reported surplus for the year was £8.8m, compared to £0.2m in 2022/23, although £5m of this surplus was due to an adjustment in relation to the USS pension scheme (last year the corresponding adjustment was just £0.3m), partly offset by a new provision for unfunded pensions of £0.4m. It also included a £2.9m gain on our investments, compared to £1.4m of losses on investments included in 2022/23. These gains and losses relate primarily to investments held by the restricted Scholarships and Awards fund and are not reflective of the underlying operations of the College.

In order to provide a comparable measure of the College's performance we have excluded the impact of pension adjustments and the gains and losses on investments to calculate the underlying surplus. The underlying surplus for the year was £1.3m, in line with the £1.3m in the previous year.

The unchanged underlying surplus reflects a year-on-year increase of 9% in both income and in our underlying costs, despite ongoing inflationary pressures. Staff costs were well controlled after a targeted investment last year, with the underlying cost increasing by 5% compared with a 9% increase in the previous year. The increase in other operating costs was also lower at 12% (last year 14%), and we can expect this rate of increase to continue to reduce as inflation, particularly on energy and other premises costs, starts to fall further.

	2023/24	2022/23
	£m	£m
Reported surplus / (deficit) for the year	8.8	0.2
Remove gains / (losses) on investments/disposals	(2.9)	1.4
Remove pension adjustments	(4.6)	(0.3)
Underlying surplus before gains and losses	1.3	1.3

Capital Investment

We invested £1.9m (£2.7m) in Capital Expenditure in 2023/24, including a £1.4m investment in our digital provision, including the final spend on the new Performance Laboratory and £0.4m on ICT.

Liquidity and Debt

Cash balances and current asset investments at 31 July 2024 were £10.5m (£6.7m) including a £2m investment in a money market fund managed by the Cazenove Capital Cash Administration Service which replaced the Ruffer General fund which was a fixed asset investment. Excluding balances relating to restricted funds, this represented 73 (83) liquidity days, in line with our policy to maintain operating cash in a range of 60 to 120 days.

Borrowings of £1.9m were slightly lower than last year; they included £1.5m drawn on the £11m Revolving Credit Facility (RCF) and the £0.4m balance on our long term loan from RBS which will be fully repaid by 2026. Including current asset investments, our overall year end net cash was £8.6m (£4.7m). In November 2024, the College signed a replacement five year RCF expiring in November 2029.

Pensions

The value of our pension liabilities decreased in the year from £5.0m at 31 July 2023 to £0.4m at 31 July 2024. The prior year liability of £5.0m related to the Universities Superannuation Scheme, and the liability at 31 July 2024 related to the unfunded pension liabilities of the College.

Universities Superannuation Scheme (USS)

Most support staff are in USS, a multi-employer scheme where the assets and liabilities are pooled and the College's share cannot be separately identified. Instead we account for liabilities arising under the scheme's deficit recovery plan. At 31 July 2024 the scheme was in surplus. Our contribution rate decreased from 21.6% to 14.5% on 1 January 2024.

Teachers' Pension Scheme (TPS)

TPS is also significant, covering most of our teaching staff. Our contribution rate for this scheme increased by 23.7% to 28.7% on 1 April 2024. For TPS we account for contributions on a "pay as you go" basis with contribution rates determined by the Exchequer.

RCMP Pension & Assurance Scheme (RCMP&AS)

RCMP&AS has been closed to future accrual since 2007. An actuarial valuation was carried out at 1 August 2022 showing a funding shortfall of £4.3m and, following an agreement with the Trustee, the College made deficit contributions of £4.6m in the year ended 31 July 2023 and £0.8m in the year ended 31 July 2024 which were used by the Trustee to realign the investment portfolio of the scheme to lock in the benefit of the higher long term interest rates we have seen recently. With the Trustee, we are now working to achieve a "buy-in" of the pension liabilities whereby an insurer will assume a portion of the scheme's liabilities, with the aim of securing a full buy-out of the liabilities by an insurer at a future date.

Following these payments, the scheme showed an actuarial surplus of £2.4m at the end of the year, compared to £2.1m last year. As explained in the accounting policies, it was not appropriate to recognise these surpluses as an asset in the financial statements.

Unfunded pension liabilities

As part of the preparation work for the "buy-in" of RCMP&AS, the College obtained an actuarial valuation of £0.4m for the College's historic unfunded pension commitments, which has been included as a provision at 31 July 2024. The College aims to include these liabilities as part of the buy-in.

Investments

The Investment Committee monitors the performance of RCM's investment portfolios; at 31 July 2024 these had a total value of £47.9m (£45.6m). The increase of £2.3m was mainly due to net market gains of £2.6m, with new endowments of £0.4m. Partly offsetting this was a withdrawal from the General Fund to fund the deficit payments made to RCMP&AS in the year outlined above.

There are three main funds:

- Scholarship and Awards Fund £44.7m (£41.5m): a permanently endowed fund for scholarships and awards, managed during the year by Cazenove Capital and Sarasin & Partners;
- Junior Department Appeal Fund £0.9m (£0.9m): a permanently endowed fund for bursaries, managed during the year by Sarasin & Partners;
- General Fund £2.0m (£2.8m): an unrestricted fund established to work in coordination with RCM's working capital and capital requirements. During the year, the General Fund was moved from Ruffer LLP to a money market fund managed by the Cazenove Capital Cash Administration Service.

RCM's investment strategy and [policy for responsible investment](#) are set by the Finance & General Purposes Committee, on the recommendation of the Investment Committee.

Total Return

The Council exercised the power granted under s.104A(2) of the Charities Act 2011 to manage the Scholarships and Awards Fund ("S&AF") (excluding the portion of it that is invested in CLV (RCM) LLP through the RCM subsidiary RCM Business Enterprises Limited) on a total return basis from 1 August 2021, and to manage the Junior Department Appeal Fund ("JDAF") on a total return basis from 1 August 2022. In both cases the power permits RCM to invest the funds to maximise the Total Return on investments (taking both capital values and income into consideration) and, therefore, to make available an appropriate portion of the Total Return for expenditure each year, after accounting, among other

things, for preservation of the real term value of the permanent endowment. Until this power is exercised in full, the Total Return shall be an 'Unapplied Total Return' and remain as part of the permanent endowment.

Investment Strategy and Objectives

Our strategy is to maintain the value of the funds in real terms over the long term, with reference to the UK's Consumer Prices Index, and to produce a consistent and sustainable amount each year to be available for spend on scholarships and awards. Growth in the real term value of the funds is achieved through adding capital to the funds through new legacies and endowments.

The investment objective for both funds is to generate an average total return of 4.0% per annum over the Consumer Prices Index (CPI), after deduction of fees, over rolling five year periods, with an appropriate profile of risk.

Strategy for managing the funds on a total return basis

Our strategy addresses market risk by maintaining an appropriate level of Unapplied Total Return at both the overall and individual fund level to provide a good level of assurance that the planned income distribution can be released each year, even when there is a temporary reduction in the value of the endowment due to stressed market conditions. For the JDAF we aim to distribute 4.0% of the average of the value of the fund at the three previous year ends to be used for scholarships and awards. For the S&AF we aim to distribute 3.4% using the same calculation: this is set at lower than the 4.0% investment objective used for the JDAF to allow for a reduced distribution on newer funds within the endowment as a suitable level of Unapplied Total Return is built up on those individual funds.

We monitor the level of Unapplied Total Return each year and adjust the target distributions accordingly. We also ensure that no distribution is made from the original endowments. We also monitor and report each year on the real terms value of the original endowments (including future sums received), comparing them to the overall fund values to gain assurance that we are taking the right steps to maintain the real term value of the funds over the long term. We also gain assurance through monitoring the performance of the investment portfolio against short term benchmarks and longer term measures of CPI.

Note 20 to the financial statements discloses the amounts set as opening Unapplied Total Return and the amounts allocated to income in the year from the Unapplied Total Return.

Individual funds within the Scholarships & Awards fund

In July 2023 the College commenced a project to rationalise and consolidate some of the over 100 individual funds that make up the Scholarships & Awards fund to enable the funds to be used more effectively. The project is being carried out in stages, supported by legal advice and in accordance with the Charities Acts 2011 and 2022. A first phase was completed in September 2023 where a number of smaller funds were combined. The College has taken great care to ensure that donors' wishes and preferences are respected, and all named scholarships will continue.

Future Outlook

The overall economic and social outlook continues to be uncertain with a new government in place, and financial pressures on the Higher Education sector are increasingly understood. Inflation has come down, but the College continues to experience the effects of the UK's departure from the EU. We continue to monitor geopolitical risks, most notably in engagement with China.

Nevertheless, enrolments to study at RCM were strong in 2023/24 and have strengthened further for the 2024/25 academic year. Our current plans do not include any significant growth in overseas student numbers for the next few years, although we anticipate small increases in students from outside Europe offsetting a degree of continued decline in EU recruitment.

The draft Budget for 2024/25 shows a similar surplus to the result for 2023/24. Beyond that we expect a small increase in the level of surplus as inflation starts to reduce. We plan to invest between £1.5m and £2m per annum of Capital Expenditure in 2024/25 and beyond.

Going Concern

The accounts have been prepared on a going concern basis, and the Statement of Corporate Governance & Responsibilities of Council sets out the steps taken by the Board in reaching the conclusion that the going concern basis is appropriate.

Staff

RCM's teaching is undertaken mainly by hourly-paid professional musicians who provide one-to-one tuition for their students, with administration undertaken in the main by permanent, full or part-time salaried staff. In 2024/25 RCM granted a pay award of 3% on the pay scale, effective 1 August 2024.

Unison is a trade union recognised by RCM and its elected representatives are permitted to take reasonable paid time off to carry out certain union duties. In the 12 months to 31 March 2024, the amount of time spent by RCM staff on trade union activities and the cost related to that time was:

• number of union officials	one
• time spent on union activities by this employee was in the band	1% to 50%
• cost of staff time spent on union activities	£997
• total RCM staff cost (excluding pension adjustments)	£18million
• staff cost related to union activities as a percentage of RCM's total staff cost	0.01%
• time spent on paid trade union activities	0.00%

Charities Act 2006 and principal regulator

Under the Charities Act 2006, the Office for Students (OfS) is the principal regulator of those English higher education institutions (HEIs) that are exempt charities; the OfS is expected to promote charity law compliance by the exempt charities for which they are responsible. A small number of HEIs, including RCM, are also registered charities and monitored and regulated as charities by the Charity Commission; this is in addition to OfS' own accountability oversight.

RCM is registered with the Fundraising Regulator. Registration is on a voluntary basis and RCM is committed to adhering to the Regulator's "Code of Fundraising Practice".

Public benefit

The RCM Council is cognisant of the Charity Commission's guidance on public benefit and in preparing this Annual Review has given due consideration to this guidance and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

RCM's charitable aims are to provide specialised musical education and professional training at the highest international level for performers and composers, within an environment that stimulates innovation and research. This enables talented students from all backgrounds to develop the musical skills, knowledge, understanding and resourcefulness that will be required to contribute significantly to arts and culture in this country and internationally.

Those benefiting from RCM's charitable aims are: RCM students, members of the public and the community when attending concerts and education outreach work. Outreach work is centred in the London Boroughs of Westminster, Hammersmith & Fulham and Kensington & Chelsea. These areas are densely populated with remarkable diversity, wide socio-economic disparities and pockets of high deprivation. More details of our concerts and outreach work may be found throughout this Annual Review.

Rachel Harris
Director of Finance & Technology

PROGRESS OF RCM STRATEGIC PLAN 2017 TO 2027

Mission and principal objectives

Royal College of Music provides specialised musical education and professional training at the highest international level for performers and composers, within an environment that stimulates innovation and research. This enables talented students from all backgrounds to develop the musical skills, knowledge, understanding and resourcefulness which will equip them to contribute significantly to musical life in this country and internationally.

Objects of the Royal College of Music

The Mission Statement supplements RCM's objects as set out in the 1883 Charter:

- 'the advancement of the Art of Music by means of a central teaching and examining body charged with the duty of providing musical instruction of the highest class, and of rewarding with academical degrees and certificates of proficiency and otherwise persons, whether educated or not at the RCM, who on examination may prove themselves worthy of such distinctions and evidences of attainment';
- 'the promotion and supervision of such musical instruction in schools and elsewhere, as may be thought most conducive to the cultivation and dissemination of the Art of Music in the United Kingdom'; and
- 'generally encouragement and promotion of the cultivation of music as an art throughout the world'.

Strategic Plan 2017-27

The College's current Strategic Plan runs from 2017-2027. The previous phase of the Strategic Plan (extended to 2021 because of Covid-19) centred on the More Music: Reimagining the Royal College of Music Campaign, which transformed the College. The project effected a physical transformation that has expanded the spaces available to students and visitors of all ages to make and learn about music. These vibrant, cutting-edge facilities provide an inspirational learning environment in which our students can create, research and perform.

The More Music Campaign delivered a new Performance Hall and Performance Studio, each with broadcast and integrated digital infrastructure; new visitor facilities and public spaces, including a café; College-wide step-free access and intuitive circulation between key public spaces; increased provision to over 100 multi-purpose teaching, rehearsal and practice rooms; additional recording and broadcast capability, enabling increased access for global audiences; a major new Museum, offering a permanent and interactive space for our internationally significant collections; a rebuilt entrance hall, welcoming the public to our performances and events; and a striking new Flentrop Orgelbouw organ for the Amaryllis Fleming Concert Hall.

Council approved an updated Plan in 2023, starting with a refreshed ten-year Vision for the RCM to 2027, it goes on to our key initiatives for the three-year immediate period 2022–25, and finishes with the guiding objectives and principles in the main ongoing areas of the College's activity.

Over the three-year period 2022–25, the College is focussing on:

- Programming, staff appointments and student recruitment to reflect the diversity of contemporary society in the UK and beyond. Pre-tertiary provision and community engagement are being further integrated into the RCM's programmes and ethos, reflecting the College's obligation to be a relevant, persuasive advocate for music globally.

- Recognising that student and staff well-being is of the utmost importance, the RCM prioritises support accordingly.
- The College is pursuing further access and engagement across the globe, collaborating in and opening up online resources to a worldwide audience and undertaking international initiatives, while taking into account the changing geopolitical environment.
- Research Strategy is making further connections between learning, teaching and the artistic programme. The RCM encourages all its members to engage in critical enquiry leading to the creation and dissemination of new knowledge across theory and practice. Major projects demonstrate the RCM's value to society beyond music, such as in arts and health.
- Opportunities afforded by the College's new facilities, created through the previous three year plan, are being maximised to serve the RCM's ambitions and aspirations in innovative ways.
- Capitalising on rapid progress during the pandemic, the RCM is embarking on further digital transformation of its systems. This enables the College to become a more agile and efficient organisation with improved channels for internal communication and information sharing and sector-leading advances in technology in learning and teaching.

In setting RCM's priorities and planning its activities the RCM Council has given careful consideration to the Charity Commission's general guidance on public benefit.

Principal risks and uncertainties

The RCM Risk Management Strategy and Policy (reviewed and revised during 2024) sets out the respective roles of the RCM Directorate, Council, Audit & Risk Assurance Committee and Finance & General Purposes Committee in managing risk. It also sets out the key controls and our approach to risk management. The RCM Risk Register identifies key risks, likelihood of occurrence, potential impact on RCM and actions being taken to reduce and mitigate risks. The risks themselves are prioritised using a consistent simple three tier scoring system to denote the priority level of each strategic risk. These are: red (high priority); amber (medium priority); and green (low priority).

The Register is subject to annual review by the RCM Directorate and is monitored and updated throughout the year with an annual report on risk management presented to all committees involved in managing risk, including the Council. The risk register had its final review of the academic year by Directorate in June 2024.

Overall we have much the same number of risks and the same number of red (1), amber (10) and green (4) risks. We have reviewed the definitions and scoring of risks and updated the text that accompanies them.

Last year's single red risk related to ICT, 'Failure to maintain and upgrade digital and ICT hardware and software', has been separated into two risks: 'Failure to protect against cyber attack or other ICT security breach', which has now been scored amber to reflect the work that has been done to mitigate this risk, and a new red risk of 'Failure to deliver efficient ICT solutions for staff and systems' reflects the priority to identify and implement a new and more modern student record system. We have added a new amber risk to reflect geopolitical circumstances and the possible impact of a geopolitical event on international student recruitment.

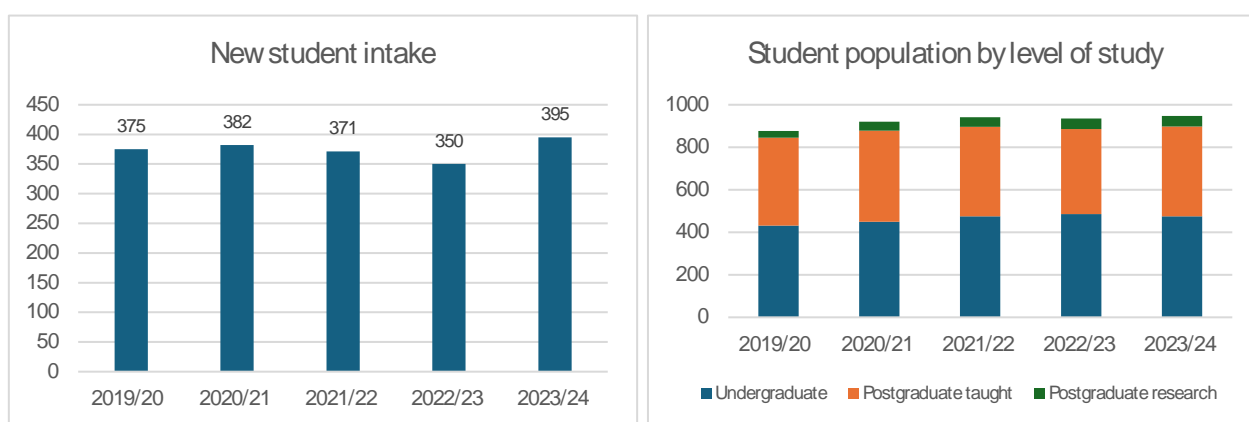
Key Performance Indicators

The RCM Council reviews annually key performance indicators (KPIs) which have been developed to measure and to give assurance over the College's sustainability. The KPIs cover financial performance and sustainability, financial health, research sustainability, teaching & learning, student experience and environmental sustainability.

INSPIRATIONAL PROGRAMMES

The Royal College of Music offers students learning experiences that reflect cutting-edge professional practice, research, and innovation in music, including transnational modules through the Global Conservatoire.

The 2024 National Student Survey results for the College were very strong overall, with improved positivity scores across almost all question areas compared to 2023. The College achieved very high positivity scores compared to sector norms for the overall quality of our teaching and for course organisation, management, and communication. It was also encouraging to see significant improvements in the areas of timely assessment feedback and the way in which students feel their feedback and opinions are valued by staff. Other strengths compared to the wider higher education sector were the balance of independent and directed study, Students' Union representation, and communication about wellbeing support services. Once again, the College's Library received outstanding feedback from students, ranking second in the UK after the University of Oxford.



National and international demand to study at the College is very high and home and overseas recruitment for all programmes remained strong in 2023-24. In addition to the figures above, during 2023-24 we welcomed visiting students from partners including Nanyang Academy of Fine Arts in Singapore, Boston University and Princeton University.

The College's new MMusEd Teaching Musician programme was approved in February 2024. This two-year, full-time Masters programme combines the College's expertise in performance and composition training with placement learning that immerses students in real-life music education contexts. The programme is designed to align with the College's emerging strategic priorities in areas such as strengthening the pipeline of young musicians and growing our music education partnerships. Following a very short window to market the course, it has already attracted UK and international applicants, and the first cohort will commence in September 2024. The programme leader, Dr Mary Stakelum, has been collaborating with multiple local educational partners to ensure our MMusEd students experience stimulating and relevant placement experiences. Our partners for 2024-25 will include the Tri-Borough Music Hub, Hertfordshire Music Service, Nucleo, and the Purcell School for Young Musicians. Two of the first MMusEd students will be supported by scholarships generously funded by the Oak Foundation.

A periodic review of the College's doctoral programmes was led by Prof Robert Adlington (Head of Research) and Dr Sarah Whitfield (Doctoral Programmes Coordinator). Senate Executive Committee and Senate approved the updated doctoral programme structure and regulations in the Summer term following an extensive consultation process with students, supervisors, and expert external reviewers. A major outcome of the Doctoral Review was to phase out the existing DMus award and align scholarly and practice-based research in a single, flexible PhD programme. In addition, the new PhD programme structure incorporates enhanced monitoring processes and student support to promote timely completion.

As set out in the College's Learning, Teaching, and Assessment Strategy, we are committed to offering our students learning experiences that reflect cutting-edge professional practice, research, and innovation in music. This ethos was encapsulated in a number of new modules offered during 2023-24, including 'Music and Dance Collective', a collaboration with students from Rambert School of Ballet and Contemporary Dance which led to the performance of six new devised works by Masters students combining live music with improvisation, dance, movement, lighting, and electronic media.

In a similar vein, the College is now a member of METRIC (Modernising European Higher Education through Improvisation), a network of leading European conservatoires focussed on the integration of improvisation into conservatoire curricula. This new relationship will support further development of the College's progressive undergraduate musicianship curriculum, which teaches the core concepts of music theory through practical improvisation.

There continues to be much discussion in the higher education sector about the impact of Generative AI tools on assessment integrity and design. In autumn 2023 the College published new Guidelines on the Responsible Use of AI in Assessment to accompany updates to our academic misconduct procedures. Undergraduate written assessments have been updated to promote critical engagement with AI tools in research, whilst ensuring that students are fully aware of the limitations, ethical implications, and potential bias of such tools. Students and staff have responded positively to the changes, and we plan to update other areas of the academic curriculum to reflect the ways in which these emerging digital tools are shaping musical practice and study.

Having delivered two full years of online transnational modules, the Global Conservatoire commenced a new phase in 2023-24 with the addition of the Conservatorium van Amsterdam as a fifth partner. During 2023-24, ten online elective modules were offered to undergraduate and postgraduate students through this international partnership. The annual Global Conservatoire Transnational Meeting was hosted by the Conservatorium van Amsterdam in April, where teachers from all five conservatoires met to share best practice in digital learning and strategic goals for the consortium.



An RCM String player rehearsing in the Amaryllis Fleming Concert Hall taken by Phil Rowley

RESEARCH AND INNOVATION

The cutting-edge facilities of the new £1.9million performance laboratory are stimulating new areas of research and knowledge exchange.

The academic year 2023-24 has seen research grant bids submitted to the value of £1.2m with a number of further high-value bids in active development. These include large-scale multidisciplinary projects in collaboration with other HEIs, and smaller bids intended to consolidate early-stage research careers. Research staff across the fields of performance science, musicology, music education and composition have been active in submitting these bids, and the Research Office is working alongside colleagues in other faculties to develop project ideas that will broaden further the range of externally funded projects in the College.

The Performance Lab project, funded by a £1.9m AHRC grant (awarded December 2022), has demonstrated the potential of research to contribute substantially to the high reputation and visibility of the College. The cutting-edge facilities in the Performance Studio have been showcased to a steady stream of high-profile guests, including visiting dignitaries, politicians, principals of other conservatoires, and visitors from the funding councils, as well as attracting attention from the media. The Performance Lab has also drawn great interest from around the College, building an awareness amongst staff and students of the central role of research within the institution.

Several research events in 2023/24 have disseminated College research activity to diverse audiences. These include study days and symposia on topics including 3D printing of musical instruments, the neurodiverse musician, musical care in early life, music and parental wellbeing, and the music of Japanese composer Kikuko Kanai. Activity of this kind contributes tangibly to wider recognition of the College as a centre of academic excellence, one of the key criteria for the QS World University Rankings.

The College continued to receive recurrent funding streams dedicated to supporting participatory research, policy-oriented research, and the enhancement of research culture, which were distributed to individual researchers around the College, including hourly-paid faculty professors; the enhancing research culture funding was also used to support short term contractual extensions for research impact and posts such as the Research Data Officer.

In October College received a £67K one-off allocation from Research England's Regional Innovation Fund, enabling several initiatives that strengthen Knowledge Exchange as a core College activity. These initiatives include the first systematic overview of RCM public engagement partnerships and collaborations, new staff training in public engagement evaluation, new films showcasing the Museum, and support for the move of the small performance simulator to its new, accessible site to enable new collaborations with external users.

A pilot public engagement scheme with Kew Gardens came to fruition during Easter 2024. Six Composition students were commissioned by Kew to write and record short pieces which were situated around the Gardens as part of the Blossoms Festival. The new Knowledge Exchange web pages and films have proved popular, with further content planned to demonstrate the RCM's impact on, and engagement with, external communities. The Research Office has commissioned an experienced external consultant to advise on further development of the RCM Intellectual Property Policy so that it provides a clear framework for income-generating Knowledge Exchange partnerships.

Doctoral Programmes

The College has a diverse range of doctoral students, whose research projects range widely over the terrain of performance, composition, music education, musicology, organology and performance science. RCM is the only music conservatoire in London to belong to an Arts and Humanities Research Council (AHRC) Doctoral Training Partnership, the London Arts and Humanities Partnership (LAHP). The scheme connects eight leading London HEIs, offering generous studentships to their most outstanding doctoral students, and a programme of training that is available to all doctoral students at these institutions. In the 2023/24 competition, RCM secured two studentships worth over £12,000 per student per year (which is match-funded by the College). Next year will be the final round of LAHP funding; RCM has submitted an application for the new AHRC doctoral studentship funding which would begin in 2024/25.

MUSICAL PERFORMANCE

"The Royal College of Music is a global cauldron of creativity that has few, if any, equals in the world today." The conclusion of the review in Opera Today of the Revolutions opera project also sums up the remarkable achievements of RCM students in an exceptional year of performance. Learning and teaching sits at the heart of all the RCM concert programmes, developing the skills and expectations of professional level performance. The College's reputation is further enhanced by the range and depth of its programming, and in the world-class performers who regularly visit to work with our students.

Autumn 2023

Orchestral concerts included three particularly memorable experiences, with the first visit to the College by the late Sir Andrew Davis, who led the RCM Symphony Orchestra and Chorus in music including Britten, Boulanger, and Stravinsky's Symphony of Psalms. Vasily Petrenko, Music Director of the Royal Philharmonic Orchestra, performed a programme including the powerful "Wrath of God" by Sofia Gubaidulina, alongside works by Beethoven and Prokofiev, while Prince Consort Professor of Conducting, Martyn Brabbins, conducted Tchaikovsky's Swan Lake, alongside Betsy Jolas's evocative Little Summer Suite.

Further large-scale projects included the RCM Wind Orchestra, led by David Gordon-Shute, and featuring works including Bruce Boughton's Tuba Concerto, and the rediscovered Iken Fanfare by RCM alumna Imogen Holst. Armstrong returned to direct the RCM Jazz Orchestra in "the History of the Jazz Band", both in a sold-out concert in the Britten Theatre and a vibrant Sparks event. A family-friendly concert also featured in the project based on the film music from Disney films – this project is a great favourite of audiences and students alike, and the sounds of Cuban music featured in an exhilarating programme for brass ensemble, led by trumpet specialist, Mike Lovatt.

The highlight of the chamber music series in the autumn was a project with the Brodsky Quartet, focusing on Shostakovich Quartets, while experimental music featured in the Electronics Concert, "With my eyes wide shut" curated by Director of Programmes, Diana Salazar. These two concerts exemplified the flexibility and suitability of the RCM's Performance Hall. We completed the term with a rare performance of Gazzaniga's Don Giovanni.

Spring 2024

A new development in this year has been the RCM repertoire orchestra, which provided conducting students with the chance to work with full symphony orchestra, overseen by Vasily Petrenko. Håkan Hardenberger returned to the RCM to play and conduct in works by Mark-Anthony Turnage and Mussorgsky, while Chloé Van Soeterstède gave a rousing performance of Saint-Saëns' Organ Symphony.

The RCM Baroque Orchestra regularly performs externally, and this spring saw a concert of music by the extended Bach Family, both in London and at Oxford. Many of our Faculties mount weekend Festivals, and recently these have included Conducting, Chamber Music, and the extensive Keyboard Festival, this year with the theme Forgotten Landscapes, New Frontiers.

The term concluded with our annual project with the Chamber Orchestra of Europe, an outstanding performance, led from the violin by RCM student, Esther Zaglia, as well as Brass and Wind Ensemble concerts, Haydn's Seven Last Words from the Cross, the Great Exhibitionists ground-breaking creative series, and a highly invigorating and witty performance of Lehár's The Merry Widow.

Summer 2024

The Summer term began with the annual Composition for Screen showcase, dedicated to the memory of composition student Samy Qoraiche-Sahraoui, who had sadly and unexpectedly died just a few weeks before. Our conducting students led works by Bax and Britten, alongside a world premiere by RCM student Jasper Eaglesfield. The RCM gave three concerts at the Wigmore Hall - the annual string showcase featured students across the faculty, culminating in an evocative performance of Schoenberg's Verklärte Nacht. RCM graduate and Benjamin Britten Scholar, Alexander Ullman, gave a solo piano recital. We also gave our first song recital at the Hall, with a programme, carefully curated by Deputy Head of Faculty, Audrey Hyland, featuring music by Samuel Coleridge Taylor, Helen Grime and Joseph Horowitz.

In an outstanding achievement, the RCM Symphony Orchestra, with Jac van Steen, performed Messiaen's vast Turangalîla-Symphonie to a large audience at London's Royal Festival Hall, featuring RCM pianist Thomas Kelly, and a guest Ondes Martinot player from the Paris Conservatoire. In further concerts away from the RCM, the RCM Baroque Orchestra travelled to Salzburg to work with musicians from the Mozarteum. Regular Festivals included Super String Sunday, themed around folksongs, and the annual Percussion Festival, the latter culminating in a rousing performance by the RCM Jazz Orchestra with guest drummer, Virgil Donati.

At the end of term, "Revolutions" was a series of mini-operas written by RCM students, directed by Bill Bankes-Jones in collaboration with Tête-à-Tête opera. Our final orchestral concert of the year featured Director Colin Lawson in a performance of Druschetzky's rarely heard Concerto for three basset horns and orchestra, alongside works by Korngold, RCM alumna Dani Howard, and Bartok's colourful suite, The Miraculous Mandarin. Between academic years, the RCM took part in performances in August 2024 at the BBC Proms and the Helsinki Festival, jointly with the Sibelius Institute, of music including Holst's The Planets, conducted by Sakari Oramo, and broadcast live on TV and radio, and also the subject of a Radio 4 documentary. An extraordinary end to an outstanding year of music-making and of student achievement.



An RCM Opera Studio production of Franz Lehár's *The Merry Widow* taken by Chris Christodoulou

CELEBRATING SUCCESS

At the Royal College of Music, we nurture exceptionally talented students in a creative environment, giving them the opportunity to develop as artists and fulfil their ambitions.

Over the last year, RCM students have achieved success in many forms, securing positions in leading ensembles and training programmes, winning prestigious international competitions, reaching new audiences and contributing to a dynamic research agenda. Below is a snapshot of student successes across 2023/24.

Brass

Robyn Anderson became a member of the Gustav Mahler Jugendorchester.

Meggie Murphy was selected as a London Symphony Orchestra Conservatoire Scholar.

Jamie Tweed recorded with NMC Records as part of his trombone quartet, Slide Action.

Composition

Ryan Collis won the National Centre for Early Music Young Composer Award 2024.

Louis Enright, Delyth Field, Lucy Holmes, Jasmine Morris, Daniel Musashi and Tymon Zgorzelski composed new works for the Kew Gardens *Sounds of Blossom* festival in spring 2024.

Delyth Field and Jasmine Morris were selected as members of the LSO Soundhub scheme.

Jack Ledger-Dowse composed a fanfare and anthem for the 75th anniversary of the Commonwealth in Parliament, performed by RCM trumpeters Elizabeth Foxley, Eoin O’Gorman, Edward Smith, Rebecca Strentz, Stone Tung.

Composition for Screen

Tom Harrison worked as the arranger for CBS television series *CSI: Vegas* under Emmy-nominated composer John M Keane, and has arranged and produced over 40 songs for YouTube channel *Cocomelon*.

Conducting

Michal Oren was selected to participate in the Gateshead Women Conductors Programme.

Historical Performance

Historical Performance Faculty musicians visited Salzburg to collaborate with Mozarteum University students, and Bolivia as part of the research, education and performance project, Bolivian Baroque.

Keyboard

Berniya Hamie was awarded one of three Yamaha Music Foundation of Europe Piano Scholarships 2024.

Amiri Harewood was selected as a Young Classical Artists Trust (YCAT) 2024 Artist, and won the Kerr Memorial Prize for an Outstanding Pianist of Promise in the Royal Over-Seas League keyboard finals.

Francesca Lauri won the 2024 Royal Over-Seas League Collaborative Piano Award.

Thomas Kelly received the Benjamin Britten Piano Fellowship 2023–24, and performed the piano solo in the RCM Symphony Orchestra performance of Messiaen’s *Turangalila* at the Royal Festival Hall.

Aidan Zhao (RCMJD) became a Lang Lang Young Scholar 2024–26 – one of five scholars in Europe.

Strings

Will Duerden was selected as a BBC Music Magazine Rising Star 2024 and, alongside violinist Deniz Sensoy, as a Classic FM Rising Star 2024. He was also chosen for the LSO String Experience Scheme alongside Vanessa Hristova, Harriet Quick, Ruohua Li, Polina Makhina.

Lucilla Rose Mariotti won first prize and public prize at the Violins & Soul Competition, Amadeus Festival.

The Seion Quartet (Joe MacDonald, Sally Aiko Dando, Joe Berry, Carys Underwood) performed for Their Majesties The Emperor and Empress of Japan, Their Majesties King Charles III and Queen Camilla and Members of the Royal Family at a State Banquet at Buckingham Palace in June 2024.

Percussion

Gosia Kepa performed on a brand-new instrument called the Ceramophone at the Sounds of the Earth Festival opening night in Paraguay.

Vocal & Opera

At the Kathleen Ferrier Awards, Madeline Boreham won second prize, Charlotte Kennedy won the Song Prize, and Firoze Madon won the Accompanists Prize.

Sam Hird won first place and audience prize at the Clonter Opera Prize, won the Somerset Song Competition 2024, was joint recipient of the Prix Thierry Mermod for voice at the Verbier Festival Academy, and won first prize, orchestra prize and audience prize at the Peter Hulsen Orchestral Song Award.

Dafydd Jones won the Gold Medal in the Royal Over-Seas League vocal final and sang the title role in Opera North's production of *Albert Herring*.

Henna Mun performed alongside Andrea Bocelli at British Summer Time Hyde Park and was a 2024 Jerwood Young Artist at Glyndebourne.

Woodwind

Emily Ambrose was awarded a place on the Royal Liverpool Philharmonic Emerging Musicians Fellowship scheme for the 2024–25 season.

Siping Guo was offered Principal Bassoon position in the Singapore Symphony Orchestra.

Rianna Henriques played saxophone with multiple BRIT award-winner RAYE at the BRIT Awards, *The Jonathan Ross Show*, BBC Radio 1 Big Weekend, Reading and Leeds festivals and on the RAYE world tour.

Research

Ugne Peištaraitė presented research at the International Symposium for Performance Science 2023 in the Medical University of Warsaw, with final results published in *Frontiers in Psychology* journal.

Sureshkumar P Sekar peer-reviewed a publication on South Indian Film Music shortlisted for Best Video Essay at the Adelio Ferrero Awards 2023.

RCM in the press

'The Royal College of Music is a global cauldron of creativity that has few, if any, equals in the world today.' – *Opera Today* on the RCM Opera/Tête-à-Tête production, *Revolutions*, July 2024

'... finely articulated playing, near-flawless ensemble, and a sense of occasion that was a delight to hear.' – Guy Rickards writing for *Critics' Circle* on the RCM Symphony Orchestra's performance of Messiaen's *Turangalila* in the Royal Festival Hall, May 2024

'Elegant Handel and a fizzing production of Gazzaniga's rarely seen take on Don Giovanni provided two fine showcases for the next generation of opera talent' – Fiona Maddocks in *The Observer* on the RCM Opera production of Gazzaniga's *Don Giovanni Tenorio*, November 2023

LEARNING FOR ALL

RCM Junior Department

The RCMJD offers advanced training at the highest level to young musicians aged 5-18 years, providing individually-tailored programmes of one-to-one instrumental/vocal/composition lessons, supported by chamber music, orchestra, choir and musicianship classes. The RCMJD is committed to ensuring that successful applicants are not prevented from attending the RCMJD through financial hardship and this academic year the RCMJD allocated over £200,000 of support to families where there is the most need. Attending the RCMJD is a truly transformative and empowering experience. A large proportion of our students (about 80% in 2024) will go on to study music at undergraduate level, and many have been offered scholarships to continue their musical studies here at the RCM.

Given the increasingly challenging landscape facing young musicians in Britain today, the RCMJD has a significant role to play in supporting and nurturing the musical potential of the next generation of music students from a diverse range of backgrounds. A number of established musical initiatives ensure that we reach out and recruit students from diverse backgrounds and that as many students as possible are enabled to progress through to senior RCM. The RCMJD has forged partnerships with several musical organisations who share the same commitment to addressing the lack of diversity in music education, such as Nucleo, Future Talent and Music Masters, and we make music together! Four Future Talent scholars/Music Masters Graduates enjoyed a transformational programme of lessons and ensemble activities at the RCMJD in 23/24 and twenty current RCMJD/Nucleo students performed in a gala concert at Opera Holland Park in June 2024.

Our artistic programming reflects and celebrates the diversity of the RCMJD community and works by under-represented composers featured in every major RCMJD concert in 23/24. Alongside our extensive programme of instrumental, musicianship and specialist faculty classes, JD students have been involved in over 120 concerts as members of more than 112 ensembles. In addition to our normal schedule of concerts, we have offered over 450 solo and chamber performance opportunities through our newly extended range of Performance Platforms and as part of our Soloists concert series. Our students have also enjoyed the opportunity to take part in several musical projects led by senior RCM Heads of Faculty performing alongside senior RCM students. JD musicians have performed all over the country in some of most prestigious musical venues, including the St James's Piccadilly, the Southbank Centre, Cadogan Hall and the Barbican Centre. JD students also played a significant role in the Proms this summer when members of our JD Chamber Choir performed alongside senior RCM singers and the RCM Symphony Orchestra in a performance of Holst's The Planets on 28 August.

Our flagship chamber music programme continues to flourish. We received an exceptionally high number of entries for our Michal Kaznowski Chamber music competition this year. Fifty-four ensembles performed in two three-hour heats, and the final eight performed in an astonishing gala final adjudicated by Philip Dukes. 28 JD students gained places in the National Youth Orchestra (NYO) for their 23/24 season, matching last year's record, and current or ex-RCMJD students currently make up a quarter of the NYO. This has been also an exceptional year for jazz at the JD. Our Big Band performed a stunning new commission by rising jazz star, and former JD student, Alistair Martin, with generous support from the Victor Ford Jazz Foundation. Our jazz musicians also performed two sold out gigs at the 606 club and the Elgar Rooms in June as we are regular contributors to the Royal Albert Hall late night jazz series.

RCM Sparks

RCM Sparks is RCM's Learning and Participation programme providing an accessible pathway of musical learning designed to engage children from early years to age 18. Sparks run public events and activities for schools and special programmes in the local area, partnering with other institutions to provide the benefits of music education where they are needed most. Sparks' work is based around learning pathways which cater for children's changing needs as they develop, so that we can continue to foster musicianship and learning skills throughout their educational journey. The programme is designed by RCM staff and led by outstanding leaders; last year Sparks worked with 145 RCM students and graduates giving them up to date and relevant training and placement experience developing a new generation of reflective music leaders. Sparks workshops offer inspirational learning experiences for all participants, with free or subsidised places available for children (and their families) who are eligible.

Sparks has worked closely with the Tri-Borough Music Hub (TBMH) as a strategic delivery partner to bring live music and creative enrichment activities to schools and families in the London Boroughs of Westminster, Hammersmith & Fulham

and Kensington & Chelsea. During 2023-24 academic year the RCM supported TBMH in their bid to become Lead Hub for the new London West Zone – which they were successfully awarded in spring. From September this new structure includes four other Music Hubs: Harrow, Brent, Ealing and Hillingdon. Sparks have been delighted to host various engagement activity based at the RCM including lunchtime concerts, gamelan workshops, creative workshops and for visits to the RCM Museum. The Annual TBMH Senior Ensemble Showcase also took place at the RCM in the spring, celebrating the vocal and instrumental groups to an audience of family, friends and invited guests. In July Sparks delivered the second event for children who are deaf/hard of hearing and/or blind/partially sighted. This innovative programme, Musical Senses, was created and run in partnership with TBMH, ABRSM and Tri-borough Music Trust and Young Sounds. This year the project was extended to a three-day programme taking place on three Sundays, bringing together creative musical responses and song writing. The final sharing in July took place in the Amaryllis Concert Hall, with solos from the young musicians, group sharings and guest performances from adults with lived experience of being either deaf/hard of hearing and/or blind/partially sighted.

The Springboard Music Creators course continued this year – working with a cohort of Year 9 and 10 students from underrepresented groups over the whole year. The young composers took part in practical composition workshops developing their skills, learning about new genres and working closely with RCM musicians and composers.

The Minis Sparks early years programme engaged with local families in the surrounding Boroughs on a weekly basis throughout the year, supporting musical engagement from birth to pre-school. The RCM's Knowledge Exchange scheme provided funding for a second year for the innovative Musical Futures scheme which offers a training programme for early years' practitioners from the LEFY social enterprise nurseries to support high level music provision in their settings. This year the work focussed on coaching skills and a new link with arts organisation *Creative Futures* who will be developing an apprentice scheme, as part of which the RCM Music Champions will act as mentors.

Sparks Juniors pupils have had a positive year, with 10 students enjoying their final year of the programme, plus welcoming five new starters. Out of the final year students, four were successfully accepted into the RCMJD associate programme to start in September 2024, with others moving on to our valued partners such as the Nucleo Project, Tri-Borough Music Hub Saturday Centre, or Centre for Young Musicians. All graduates have also been offered a place on the RCM Sparks Connect programme, which held its first course in the summer. Connect offers the young musicians the opportunity to come back together as a group to develop their musical skills in a fun, supported and creative way. Recruitment for the next cohort of Sparks Juniors took place in the Summer term as part of a pathway with Get, Set, Play. Workshops were held throughout the Summer term at the RCM and also in some of the most deprived areas in the Tri-Borough. These highly engaging sessions led to five young people being offered a place on the Sparks Juniors programme or accessing subsidised places with the Tri-Borough Music Hub.

A new role of Pipeline and Transitions Co-ordinator overseeing the school-age programme as part of the Sparks offer began in September 2023, its purpose to co-ordinate the wider development of activity focussed on growing a diverse pipeline of UK young musicians. This has included a range of external partners (local, national, specialist and non-specialist), RCMJD and faculty-based partnerships. To date this has involved a full audit of faculty-based pipeline projects, a sell-out launch of the RCM Young Bassoon Programme and successful two-day course run in partnership with the organisation Gender and the Large and Shiny Instruments to encourage engagement from female or non-binary brass and percussion players.

Training the next generation of inclusive music educators continues to be a priority for the RCM Sparks programme with all projects offering training and practical experience for RCM musicians. This year, alongside the main programme of activity, new training opportunities have been formed with Nightingale House, a residential home in Clapham, with the charity Lost Chord UK, a music charity dedicated to improving the quality of life and well-being of those living with dementia and other complex health needs, and with Music of Life, offering the opportunity for RCM students to develop skills to teach children and young people who are deaf or hard of hearing. We were also delighted to welcome back Turtle Key Arts in January 2024, as part of the flagship Turtle Song project, in partnership with the RCM and English Touring Opera.

EMPLOYABILITY

The Royal College of Music's Creative Careers Centre is recognised internationally for its innovative approach to supporting young musicians and paving their way to successful global careers.

RCM is a world-leader in career development for musicians. We emphasise the need for students to be well-rounded, confident, and versatile communicators - in their professional engagements, and beyond. RCM graduates are highly employable - the Higher Education Statistics Agency graduate employment survey showed that an impressive 90% of RCM graduates from our 2021-22 cohort were in employment or further study fifteen months after graduating. This percentage was captured at a testing time for arts sector employability.

RCM's Creative Careers Centre (CCC) is recognised internationally for its innovative approach to supporting young musicians. It offers resources, guidance, funding opportunities, bespoke career advice/coaching, mentoring, online workshops and presentations by industry specialists, and a broad range of professional opportunities, including performances and teaching work. For many students, the CCC helps pave the way to a successful career in music. The CCC also leads on academic modules within our degree programmes, focusing on entrepreneurship, career coaching and development, professional project management, and business-skills training. CCC partners with leading consultants, reputable arts organisations, and local communities, delivering unique career-building opportunities, and a direct route to the music industry. We enable musicians to discover their professional identity, gain practical experience, develop new skills with an entrepreneurial mind-set, and build a fulfilling professional portfolio. In addition to those already mentioned, services include weekly one-to-one support in CV/biography and job application writing, funding, marketing, self-promotion, and career planning/coaching sessions; and student/graduate aimed jobs/opportunities bulletins. We also offer access to a wide variety of professional contacts and a curated range of online career events and career-focused videos, podcasts, factsheets, interviews, and directories. The services of the CCC are available to all students and alumni for up to five years after graduation.

We continued our successful collaboration with Grammy Award-winning composer and conductor Eric Whitacre, who became an Ambassador for RCM Creative Careers in February 2023. This year, Eric delivered mentoring for students and graduates focusing on the topics of entrepreneurship, innovation, self-promotion and building a creative career.

Through the RCM's Professional Engagements Service, musicians were hired by organisations and members of the public to perform at events, work as freelance orchestral and session players, accompanists, répétiteurs, chorus members, and composers. By the end of July 2024, the service had provided musicians for 413 opportunities (of which 179 were work-placements for international students). We saw a significant increase in bookings from last year, with 179 additional opportunities for our musicians.

Performances took place at venues including the V&A Museum, Speaker's House - Houses of Parliament, British Library, Bank of England, Kew Gardens, and Leeds International Chamber Music Festival.

Teaching is a creative and valuable component of many musicians' careers, and a rewarding way to share musical passion and expertise. As a result, this year, the in-person and online Teaching Services, which match members of the public to student and graduate educators, provided 107 different teaching opportunities. For our online service, we attracted clients from Hong Kong and Japan.

The CCC continued to develop two exciting schemes this academic year: RCM Accelerate and the RCM Musicians' Grant Fund. RCM Accelerate supported six graduating RCM students with grant funding (up to £5,000) and mentoring, which took two existing initiatives to the next level, and helped kick-start one new creative project, one social enterprise, and two business ideas. Nicola Benedetti and the Benedetti Foundation are the Ambassadors for the RCM Accelerate scheme. The RCM Musicians' Grant Fund, available to final year students, provided ten musicians with £16,000 in financial assistance towards the purchase of musical instruments and/or equipment.

Passionately driven by, and constantly adapting to, the parameters of an increasingly competitive and complex music industry, the Creative Careers Centre is globally considered a leading light in the challenging field of student to professional transition.

DIGITAL INNOVATION

The state-of-the-art digital technology at the Royal College of Music has been transformed over the last three years and the College and offers innovative opportunities to students.

During the year, the Royal College of Music continued to invest in state-of-the-art digital technology to offer opportunities to students, and with grant funding from the Arts and Humanities Research Council opened the Performance Simulator in February. This world first facility includes the very latest acoustic and visual simulation technology, and has transformed the Performance Studio bringing benefits to students and researchers across the College. The Centre for Performance Science is already carrying out cutting edge research and training in the two new facilities funded by the grant. The facility has sparked a great deal of interest, bringing performance science to the forefront of the College community as well as a wider audience, with special features in the Times, BBC Click and a visit from His Majesty, the Emperor of Japan. Outside of the use as a Performance Simulator, the technology installed in the Performance Studio has been embraced by staff and students from all disciplines. The variable acoustic enables performers to change the venue, selecting an appropriate acoustic to support performance in different genres.

The projection and acoustic technology of the Performance Simulator was widely used this year to support concerts and projects, including in the Great Exhibitionists Festival and Junior Fellow Showcase, demonstrating that students are keen to explore the use of technology to support music making in this digital age. This facility links with the College's state-of-the-art Digital Innovation Lab allows students to record, mix, master and broadcast material in the most up-to-date formats. Its Dolby Atmos 7.1.4 technology is a 'spatial audio' format that immerses the listener in a dome of sound which is fast becoming the commercial standard in the film, TV and gaming industries. The annual Programmes Staff Development Day included training for professors, teacher and graduate teaching assistants on digital accessibility, artificial intelligence in assessment and inclusive teaching.

A further investment supporting student use of technology was the creation this year of a new Media Suite kitted out with the latest iMac computers with a full complement of professional software, allowing students to create, edit, and curate their own digital media. In the Britten Theatre students now work with professional standard LED lighting helping them prepare for their future careers. The new lighting circuits and LED lights support productions with greater flexibility, whilst lowering the College's carbon footprint.

The RCM also completed a major project to replace the entire wireless networking infrastructure. WiFi is used by most students and staff as the primary way to access the network at College. The new Cisco Meraki infrastructure is cutting edge and provides much better coverage, with seamless crossover between access points, allowing users to roam the College without disruption and connection issues.

The College continued to engage with a global audience, with more recorded concerts and livestreams, including those conducted by Vasily Petrenko and the late Sir Andrew Davis. Together with operas and masterclasses these attracted 1.3 million views between August 2023 and July 2024 on the RCM YouTube channel, with the Lang Lang masterclass viewed over 370,000 times.

The RCM's innovative Global Conservatoire project continues to reinforce our reputation worldwide and to enable our undergraduate and postgraduate students to study online with students across the world through online transnational modules, connecting them with a new digital age of global learning. During 2023-24, we welcomed the Conservatorium van Amsterdam as a fifth partner in the project.

CULTURE AND HERITAGE

The Royal College of Music continued to make its extraordinary collections accessible to students, researchers and visitors both in-person and online.

Museum

Visitor numbers at the RCM Museum, whose permanent collection was described by BBC Music Magazine as ‘a feast for the eyes wherever you look’, were just under 20,000. The Museum also hosted some 40 concerts giving 280 students the opportunity to perform within the galleries.

The winter temporary exhibition, Hidden Treasures of the Royal College of Music, included loans from the Royal Collections and a display on women composers in the history of the RCM based on original research by our doctoral candidate Laura Casas Cambra. The summer exhibition, “Awaken: Sufi Music and Women of South Asia”, addresses a little-known dimension of music making across communities in Pakistan, Kashmir and Bangladesh. It was co-curated with Attia Shiraz who undertook field research among source communities and diasporic communities settled in London. The exhibition includes a series of community engagement events supported by the Cockayne Foundation.

The Wolfson Centre in Music and Material Culture led to the conclusion of the research project on 3D printing of historic musical instruments with an international conference and a concert. The project was supported by a grant from the Department for Culture, Media and Sport (DCMS) and the Wolfson Foundation.

The Museum was also successful in being included among the forty University Collections in England to receive core funding from Research England to support the costs related to offering access and research support to national and international institutions beyond the needs of the institution. The grant will support running costs of the Museum over the next five years and enables a restructuring of the team and improved and expanded research and public engagement programmes.

Library

The Library acquired the archive of former RCM professor Howard Davidson who was instrumental in setting up the College’s world-renowned composition for screen course. The archive includes music he wrote for radio, TV and Film. It joins the collection of his colleague Joseph Horovitz which was acquired last year. We welcomed 212 researchers who visited to consult our Special Collections.

The library continues to scan manuscripts and items from the College archive to reach new audiences via the Internet Archive. We have developed dedicated collections of manuscripts, early printed music, the College Magazine and the Society of Women Musicians on the Internet Archive.

The RCM Library again received a top ranking in the National Student Survey (NSS) and this year we ran the first Collections in Focus course with colleagues from Historical Studies and the Museum. The Library continues to increase the diversity of its lending collection: since 2020 we have added over 5,000 works by 155 composers from under-represented groups.

EQUALITY, DIVERSITY, AND INCLUSION

During 2023-24 the College has continued to deepen its commitment to Equality, Diversity, and Inclusion in five key areas that reach across all areas of our work: access and participation; staff training and recruitment; our artistic programme and curriculum; awareness raising; and governance.

Access & Participation

The College's [Access & Participation Plan](#) sets out the College's targets and activities to address inequality of access to higher education, as approved by the Office for Students (OfS). These cover a range of underrepresented groups.

At the end of 2023-24 the College is on track to exceed its target of increasing the percentage of UK-domiciled undergraduate new entrants who identify as coming from a Black, Asian or ethnically diverse background from 10% to 14% by 2024-25 (three-year rolling average). The spend on new scholarships for Black, Asian or ethnically diverse students has exceeded the target of £27,750 at £37,000 for 2023-24. The College also has a target to increase the percentage of UK-domiciled undergraduate new entrants from areas of low participation in Higher Education, defined as the "POLAR4 quintile 1", from 4.68% to 9% by 2024-25 (three-year rolling average). The RCM has made significant progress and is now close to target, but final figures will depend on enrolments in September 2024. New tuition fee bursaries for POLAR4 quintile 1 students increased to £64,750 in 2023-24, demonstrating the College's commitment to reducing financial barriers for students from under-represented groups.

The RCM's new Access and Participation Plan for 2025-29 is currently awaiting approval by the OfS.

Training

In response to staff suggestions, the HR team has curated an expanded programme of EDI training. In addition to existing courses such as unconscious bias and active bystander training, new offerings for 2023-24 included topics such as neurodiversity, staff mental health, suicide awareness, autism, and menopause awareness. In September 2023 Tonic Theatre delivered an introductory session for the SU Committee and student representatives on the core principles of EDI, which was particularly well received. As part of our commitment to strengthening community and belonging across the College, we have invested in 'Report + Support', a secure and accessible platform that allows any member of the College or the public to report a concern anonymously.

Artistic Programme and Curriculum

Thanks to the ongoing generosity of Victoria, Lady Robey HonRCM, the Robey Visiting Artist Fund continues to support outstanding artists from underrepresented backgrounds in our masterclass and public performance programmes. Highlights during 2023-24 have included masterclasses with Jonathan Lemalu (voice), Yahael Camara Onono (percussion), Sasha Romero (trombone), Fred Wesley (trombone), and Anthony McGill (clarinet), the RCM Jazz Orchestra directed by Winston Rollins, an Orchestral Masterworks concert conducted by Chloé van Soeterstede, and Opera Scenes conducted by Hannah Quinn. Underrepresented composers featured in the artistic programme have included Joanna Bailie, Anthony Barfield, Valerie Coleman, Coleridge-Taylor, Helen Grime, Sofia Gubaidulina, Betsy Jolas, Saariaho, Laura Snowden, Errollyn Wallen, in addition to those featured in our annual 'FestivALL' and the Keyboard Festival, which this year had a focus on neglected repertoire.

At undergraduate and postgraduate levels the College now offers a range of electives that explore issues of social justice and diversity in classical music. This includes a range of online courses delivered by Global Conservatoire partners, such as 'Music and Disability', 'Music and Racism', and 'The Harlem Renaissance'. During 2023-24 we have developed two further elective modules for 2024-25: 'Diversifying Classical Music' and 'Folk-Classical Crossover', both of which are available to BMus 2 students from September 2024.

Raising Awareness

In September 2023 the College became a higher education member of Black Lives in Music (BLiM), a pioneering organisation that promotes equality for Black, Asian, or ethnically diverse professionals in the UK Jazz and Classical music industries. This new partnership has already provided valuable opportunities for mentoring and feedback, enabling us to identify new EDI priorities and sustain progress with our EDI Action Plan.

Governance

The RCM Council continues to demonstrate its full commitment to the area of EDI through Council representation on the EDI Committee and termly review of progress with the College's EDI Action Plan at all Council meetings. Members of Council are now invited to participate in the College's EDI training courses.

PHILANTHROPIC SUPPORT

Securing the future of music

In 2023/24, the Royal College of Music received many significant donations to help secure the future of music. We wish to recognise the Estate of Iris Percy-Smith, the Amaryllis Fleming Foundation, the Estate of Joyce Slate, the Garfield Weston Foundation, The Oak Foundation, and the inspired support from our senior volunteers and all loyal donors who have enabled us to be the top performing global arts institution, once again.

In addition to philanthropic support, RCM's Development & Alumni Engagement team manages venue hire at the College which generated over £300,000 of income this year. The surplus from these activities contributed to our mission, promoting access, scholarships and innovation.

During 2023/24 more than 1,000 supporters donated to the Royal College of Music. The RCM's internal and dedicated Development and Alumni Engagement team carefully follow the UK Code of Fundraising Practice and we have not engaged external fundraisers this year. We are pleased to report that we received no formal complaints and have not identified, nor been notified of, any failures to comply with the Code of Fundraising Practice. Our approach is proportionate to an individual's links to the RCM, with several ways to tailor how they hear from us and with opt-in only e-communication. This is part of our ongoing commitment to protecting vulnerable people while ensuring that those who want to support can do so in a way that works for them.

Our outreach – providing access to music

Our supporters play a vital role in our outreach programmes for young people: Sparks and RCM Junior Department. We are especially grateful to the Wolfson Foundation and The Leverhulme Trust for their longstanding multiyear commitment to Junior Department bursaries, which allow students aged 8-18 from underprivileged backgrounds to study intensively and consider careers in music.

Our students – supporting the most talented

In 2023/24, we awarded over £4 million in financial support, benefitting over 50% of the student body, thanks to the generous support of many individuals, trusts, organisations and legators. Each donation has played an essential role in enabling us to fulfil our mission to provide exceptional music education to talented young musicians from all backgrounds.

We also received significant matching gifts from Victoria, Lady Robey HonRCM and the Victor Dahdaleh Foundation for the Equity, Diversity, and Inclusion Matching Fund for Scholarships and Bursaries to support this vital area of our work.

Our future – cultivating innovation

Philanthropy at the RCM is helping to ensure that classical music in Britain and beyond continues to thrive and that our talented students can fulfil their potential as future performers, educators, and researchers. This year we delivered a diverse and exciting programme of performances and masterclasses that benefited both our students and the public. These opportunities are invaluable and transformative, but cannot be covered by tuition income alone, and we rely on the community to ensure that they can continue to happen.

From becoming an RCM Friend to leaving a gift in your Will, every contribution truly makes a difference. We especially value this kind commitment in the face of increasing living costs, and we owe a humble debt of gratitude to all our supporters for their key role in helping to secure the future of music.

SUSTAINABILITY

The Royal College of Music aims to be the UK's most sustainable conservatoire, embedding leading environmental and green practice in everything we do.

Sustainability strategy

We aim to be the UK's most sustainable conservatoire, embedding leading environmental and social practices in everything we do.

The Royal College of Music is well placed as a sustainability leader. Values such as stewardship and 'preserving for the future' are a core part of what our conservatoire is about. Our success in living these values, ensuring a sustainable future for music and music education is why the College is the world's leading higher education provider for the performing arts. It is also why the College has world-leading community engagement programmes and enviable library and museum collections. At the heart of this strategy is the ambition to contribute to a better world for our students, staff and audiences; everyone who is involved in our activities as an organisation and beyond. The College will champion the power of music and the Arts to move, educate and inspire positive change.

Our Sustainability Strategy, published in 2022/23, sets out our strategy in five areas:

Sustainability in teaching and research

As a higher education provider, integrating sustainability into the mission of the RCM means to educate new generations of musicians and sustainability stewards to carry on the institution's core values.

Support music, culture and diversity

The long-term success of the RCM's mission is underpinned by the ability to continue to foster talent, ensure equitable access to opportunity and inspire sustained enthusiasm for classical music.

Sustainable operations

In adopting a sustainability strategy, the RCM must take responsibility for the College's environmental and social impacts and place sustainability at the centre of all operations.

Sustainable partners and suppliers

Tying sustainability into the terms and conditions for collaborating with others signals the RCM's commitment to environmental and social responsibility and helps promote good practices elsewhere.

Health and wellbeing

Caring for the safety and ongoing wellbeing of students, staff and alumni is fundamental to sustaining a resilient, passionate and supportive environment in which no-one is left behind.

The strategy is supported by the Education for Sustainable Development Strategy, which was published in 2021/22.

Recognition

The RCM's achievements in improving our sustainability performance were recognised in the 2023/24 People & Planet University League, receiving a no. 1 ranking for universities with fewer than 5,000 students for the second year running. This is an independent league table of UK universities ranked by environmental and ethical performance. We are also pleased that our Environmental Management System has again been certified to ISO14001:2015, the globally recognised gold standard for environmental management.

Students and staff

As well as working to minimise environmental impacts, the RCM continues to engage with students and staff on sustainability issues. Our annual Green Week took place in February 2024, a week-long festival of events and activities. The programme was designed to inform students and staff of the work the RCM is doing to become more sustainable, provide opportunities to learn about sustainability and offer ideas and support as to what they can do in their everyday lives and as musicians to ensure a better future for the planet.

Influencing beyond the College

The RCM is an active member of the South Ken ZEN+ group, established by the Exhibition Road Cultural Group (ERCG) in 2022 with support from the 1851 Commission. The objective is to harness the collective power of the ERCG institutions and transform South Kensington into a net zero emissions and nature-positive neighbourhood. During 2023/24, we have contributed toward the South Ken ZEN+ Sustainability Report and Sustainable Procurement Charter.

Our Carbon Management plan

In line with the Government's climate change targets, in our Carbon Management Plan we aim to achieve net zero carbon by 2035. From our 2004/05 baseline, we will reduce our emissions from gas and electricity use by 73% by 2027 and 100% by 2035. We are ahead of the interim target, having reduced carbon emissions by 77% in 2022/23 from the baseline.

In 2023/24 we have continued our work to decarbonise heating and hot water systems and improve energy efficiency. Recent and ongoing projects include:

- Concert Hall Lighting Upgrade – The tungsten stage lighting in the Amaryllis Fleming Concert Hall was by far the most energy-inefficient lighting system in the College. We have replaced most of the lighting with new LED fixtures and seen a significant reduction in energy consumption. The new lighting has delivered an 80% reduction in energy use in the concert hall, delivering carbon emissions savings of around 29 tonnes CO₂e per annum.
- Secondary glazing – We have completed phase 1 of fitting secondary glazing to office and practice room windows at 39 Jay Mews and installation of a second phase is imminent. This will aid with heat retention and comfort during colder months.
- Proximity (PIR) Sensors have been installed in all corridors in 39 Jay Mews to control lighting automatically.
- Energy Consumption Analysis – We continue to utilise a system which uses machine learning to analyse data from our gas and electricity meters. The tool identifies consumption patterns and spots signs of energy waste, which can then be used to adjust the behaviour of the building management system.
- South Building Hot Water – We are working with external contractors to develop a plan to completely decarbonise heating and hot water in the South Building. This will involve replacing the current hot water system, currently powered by gas boilers, with a new energy-efficient solution. Options being explored include electric calorifiers, air source heat pumps and solar.

Overall, more than 95% of our emissions occur in scope 3 (indirect emissions). The vast majority of emissions continue to occur in our supply chain and we will continue to uphold high environmental standards in our supplier selection and work with existing suppliers to encourage them to reduce their environmental impacts. Our target is to reduce scope 3 carbon emissions by 40% by 2026/27 from a 2019/20 baseline. Scope 3 emissions have so far been reduced by 10%.

Responsible investment

The College's investments mostly relate to restricted endowment funds supporting scholarships and awards in both the Senior and Junior College which originally came from generous donations and legacies from individuals and trusts who wish to support our students financially. These investments are managed in line with our Policy for Responsible Investment, which sets out our approach to environmental, social and governance (ESG) matters. Our fund managers are appointed not only on their investment track record but also on their approach to ESG. They actively engage with the companies held in our portfolio to improve their ESG characteristics.

Investment managers are required to report once a year on how ESG factors are incorporated into their investment process, engagement activity and results, voting activity, the investment manager's approach to mitigating climate change, the carbon footprint (scope 1 and 2) of the investment portfolio, and the portfolio's exposure to areas that could be of concern such as fossil fuels, as well as sustainable and impact investments.

The Policy for Responsible Investment minimises the number of explicit exclusions, recognising the limitations of exclusions as blunt instruments for change. Oversight of both investment and ESG activities of our fund managers is provided by the Investment Committee, a sub-committee of the Finance & General Purposes Committee which is constituted formally with terms of reference and is chaired by an independent member of Council.

ESTATES

Our historic campus with cutting edge teaching and performance spaces provides a truly inspirational environment in which to learn.

RCM was founded in 1883, and the main Blomfield Building opened for music teaching in 1894. Subsequent additions include the Concert Hall (1901), the South Building (1965), the Opera Theatre (1986), Prince Consort Village (2016), RCM Jay Mews (2019), the More Music building development (2020), and the Wolfson Centre in Music & Material Culture (2021).

We have adopted an Estates Strategy which outlines how we will continue to develop our Estate to support learning, teaching and research and to realise our artistic vision by providing:

- Concert, opera and other performance spaces that reflect contemporary sound insulation and lighting standards;
- Well-resourced, digitally enabled and comfortable teaching and practice rooms appropriate to the needs of students;
- Space for specialist areas such as musical instrument workshops, museum, student accommodation, library, recording studios, percussion space, and computer rooms for composition and general ICT;
- Events spaces that are maintained at a level that attracts clients from the music, educational, professional, and commercial world;
- Flexible office space for academic and administrative staff; and
- Good quality student, staff, and visitor social spaces designed to protect the well-being, health and safety of the RCM community, with a welcoming environment to all those using the RCM.

To support our vision, we embarked on an ambitious Estates development programme. A number of projects have been delivered over the last few years:

- The RCM Hall of Residence, Prince Consort Village, opened in 2016 providing high-quality accommodation for more than 400 students. Situated on Goldhawk Road, it comprises studio apartments, en-suite and standard rooms;
- More Music building development was completed in March 2020, just under three years and within budget. It includes two new performance venues, new social spaces, and new café bar facilities;
- Our new Museum, located at the heart of the More Music development, opened to the public in October 2021. This interactive space maintains one of the richest and most relevant collections of music-related objects in the UK and Europe and hosts regular performances by RCM musicians;
- The Wolfson Centre in Music & Material Culture was completed in May 2021 and widened access to the College's archive Collections for small group teaching and individual RCM professor research;
- A successful seating replacement project was completed in the summer of 2023 in our beloved Britten Theatre;
- New campus facilities, including a new meeting room, new first aid room and toilet refurbishments, were completed in 2023/24;
- The Performance Lab project, including the performance simulator technology installation in summer 2023; and
- Campus optimisation exercises continue annually to promote agile and flexible working and provide additional music teaching rooms and hotdesking areas across the estate.

As a world-leading institution, we are aware of our responsibility to manage the impact of our operations on the environment. We continually invest in our facilities to ensure RCM students have the very best opportunities. Our impressive performance spaces are matched by top-quality academic and technical provisions, such as our historic library and professional-grade studios. We are committed to providing the RCM community with a dynamic, vibrant estate with cutting-edge facilities for students, staff, and visitors alike.

VALUE FOR MONEY

Strong procurement practices, shared services and collaborations underpin the focus of the Royal College of Music on driving the best value for money

Value for money (VfM) is important to us and to our students. The College strives to deliver the best for our students by optimising the effectiveness of expenditure in support of the student experience. We endeavour to use all of our resources to fulfil our commitments to students, funders and partners – whilst ensuring the current and future success of the College. Financial decision making is scrutinised by the Council, with student representation from the Students' Union.

Shared services and collaborations are an important part of RCM's operation as we seek to obtain value for money, in all senses of the term. We have a long and successful history of working with others, including:

- UCAS Conservatoires: the admissions service created and owned by eight Music Conservatoires;
- Virtual Conservatoire: a collaboration with Royal Academy of Music (RAM), and Conservatoire for Dance & Drama to develop new teaching, learning and performance methodologies and spaces;
- Global Conservatoire: a digital learning environment in partnership with Manhattan School of Music, the Royal Danish Academy of Music, the University of Music and Performing Arts Vienna, and the Conservatorium van Amsterdam;
- National network of museums: in partnership with RAM, Horniman Museum and University of Edinburgh, delivering scientifically refined records on more than 40,000 musical instruments;
- Imperial College: provide services where both partners benefit from economies of scale from higher volumes, including catering, occupational health and student/staff health;
- KCG: universities' internal audit consortium with around fifteen members;
- The Energy Consortium: a leader of collaborative energy procurement, particularly to higher education institutions and colleges;
- Exhibition Road Cultural Group: champions the collective view of its members, encouraging cross-fertilisation of audiences between members; running joint events; and sharing staff expertise; and
- South Ken ZEN+ Sustainable Procurement: focuses on reducing carbon emissions for members of the Exhibition Road Cultural Group.

Strong procurement practices are important for achieving and delivering VfM solutions and our procurement program continued to support this goal by providing:

- procurement advice: contract management, tenders and supplier engagement delivery strategies;
- procurement training and guidance: guidance to help embed best practice throughout RCM and training to RCM staff to refresh basic procurement knowledge;
- strategy: an overall procurement strategy to reflect RCM's updated strategic plan; and
- contracts database: to store and maintain up-to-date contract documentation to help manage risks throughout the life of a contract.

RCM buys procurement services from Ensemble Purchasing, a cost sharing company owned by HEIs, to provide shared procurement services. RCM is also an active member of the London Universities Purchasing Consortium (LUPC), a London-wide procurement consortium owned by higher education institutions and third sector organisations.

CORPORATE GOVERNANCE & RESPONSIBILITIES OF COUNCIL

Good governance

This statement of corporate governance and responsibilities of Council covers the period from 1 August 2023 up to the date of these Financial Statements.

Committee of University Chairs (CUC) Higher Education Code of Governance

RCM is compliant with the CUC Higher Education Code of Governance, as revised in September 2020. In 2022/23, the Council undertook a periodic effectiveness review, an expectation of the Code. A number of minor actions were implemented together with a change to the Terms of Reference of the Audit and Risk Assurance Committee (previously the Audit Committee) to allocate to it the primary governance responsibility for risk, with the Financial and General Purposes Committee having an ongoing role to scrutinise the Directorate's risk management activity and plans. An internal audit of compliance with the CUC Code provided 'substantial assurance', with one priority 3 recommendation to review the College's antibribery and corruption policy.

Statement of primary responsibilities

The Council is responsible for:

- approving the mission and strategic vision of the College, long-term business plans, key performance indicators (KPIs) and annual budgets, and ensuring that these meet the interests of stakeholders;
- appointing the Director and putting in place suitable arrangements for monitoring his/her performance;
- ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest; and
- monitoring institutional performance against plans and approved KPIs, which are, where possible and appropriate, benchmarked against other institutions.

Structure of corporate governance

The RCM Council, which meets at least four times a year, is responsible for the strategic direction of RCM and for all major developments. In fulfilling its responsibilities for administration and management of RCM's affairs, the Council approves the annual revenue and capital budgets and audited financial statements for each financial year prepared in accordance with relevant accounting standards. The Council's membership and powers are laid down in RCM's Royal Charter and Statutes. The maximum number of Council members is 25, three of whom are elected from among RCM staff and at least 10 of whom are independent members. The President, Director, Deputy Director and Students' Union President are *ex officio* members. The Chairman and Deputy Chair are drawn from the independent members. For the purposes of the Charities Act 2011, members of Council are RCM trustees.

The Council is responsible for interactions between RCM and the OfS, and its designated bodies, and for ensuring RCM's compliance with all OfS' conditions of registration and accounts direction. The Council has nominated the RCM Director as the accountable officer who has the responsibilities set out by the OfS for an accountable officer.

The Council has a Finance and General Purposes Committee (F&GPC) which meets five times a year. The F&GPC's responsibilities include monitoring performance in relation to approved budgets and scrutinises the Directorate's risk management process. The F&GPC scrutinises the annual financial statements ahead of consideration by Audit and Risk Assurance Committee and Council and reviews financial forecasts and management accounts and makes recommendations to Council. In reviewing and approving the Financial Regulations, the F&GPC ensures regularity and propriety in the use of public funding. The F&GPC also reviews minutes of the Health and Safety Committee in order to monitor compliance and practice on behalf of Council. The Investment Committee (meets at least twice a year) and the Estates Committee (meets three times a year) are sub-committees of the F&GPC, are constituted formally with terms of reference and are each chaired by an independent member of Council.

The Audit and Risk Assurance Committee (A&RAC) reports directly to Council. It normally meets three times a year and has a key role in the RCM accountability framework. It advises the Council on the effectiveness of arrangements for risk management, control and governance, efficiency and effectiveness (value for money), for management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, OfS and other

bodies. Meetings are held with external auditors (MHA) to discuss audit findings, and with internal auditors (KCG) to consider internal audit reports and recommendations for improvement of the internal control system, together with management's responses and implementation plans. The A&RAC considers RCM's annual financial statements, taking into account the views of external and internal auditors, the F&GPC and Directorate, and makes recommendations to the Council. The A&RAC also receives reports on value for money, which provide assurance that RCM has appropriate arrangements to achieve value for money. The A&RAC meets privately with each of the external and internal auditors at least once a year.

The Remuneration Committee sets salaries and terms and conditions of the RCM Director and other senior staff. Its constitution and terms of reference are in-line with the CUC Higher Education Senior Staff Remuneration Code and the Committee produces an annual report for the RCM Council on remuneration of the Director and other senior staff (this can be found on RCM's website). The Director is not a member of the Remuneration Committee.

The Nominations Committee makes recommendations to the Council for the appointment of new Council members, committee membership and for honorary awards and annually reviews the register of interests and fit and proper declarations.

The Senate reports to the Council and advises it on all academic matters. It meets at least three times a year dealing with academic policies and quality assurance; sub-committees support its work.

The Directorate meets regularly and is responsible for managing RCM in the context of the Strategic Plan and Mission Statement. The Directorate reviews and updates RCM's Strategic Plan and produces annual planning statements and reviews, for consideration by Senate and F&GPC and for approval by Council. The Directorate is also responsible for implementing risk management policies and identifying and evaluating significant risks facing RCM for the A&RAC's consideration.

Transparency is achieved by ensuring details of the structure of corporate governance are readily accessible on the RCM website, including Committee structures, their terms of reference and membership, and schedules.

Basis of financial statements

The Council is satisfied that RCM has adequate resources to continue in operation for the foreseeable future, and is satisfied that there is no material uncertainty in relation to that. For this reason the 'going concern' basis continues to be adopted in preparation of the financial statements.

In July a five year Financial Forecast to 2028/29 was approved by Council which showed a sustainable plan throughout the period. A full stress test was included with the five year forecast including amongst other downside scenarios a reduction in Overseas student numbers and lower income from donations. The combined stress test demonstrated that the College would not run out of funds, even in the worst-case scenario where all adverse scenarios took place concurrently and no mitigating actions were taken.

In November 2024 the £11m RCF was replaced by a new £11m five year RCF expiring in November 2029, providing reassurance over the availability of funding over that period.

In October, F&GPC reviewed an update of the scenarios and stress test which reflected the latest student numbers and other known changes and was satisfied that the conclusions above remained valid. F&GPC noted that management achieved a surplus for 2023/24 that was better than budget and that the amount drawn on the RCF at 31 July 2024 was £1.5million, in line with the balance at 31 July 2023.

F&GPC reported to Council that RCM has adequate resources to continue in operation for the foreseeable future, and that it is satisfied that there is no material uncertainty in relation to that. For this reason it recommended that the 'going concern' basis continue to be adopted in preparation of the financial statements. As well as taking into account the work done by F&GPC and its recommendation, the Council noted that the College's projected unrestricted cash plus investments remained higher than its borrowings throughout the five year plan period, and that the new Revolving Credit Facility would remain in place until November 2031. On this basis, whilst the Council recognise that there are uncertainties in the forecast, the Council do not consider that there is material uncertainty.

The Council reviews the annual sustainability report, incorporating key performance indicators. The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time RCM's financial position and enable it to ensure that financial statements are prepared in accordance with the Royal Charter, the Accounts Direction issued by the Office for Students, the Terms and conditions of funding for higher education institutions issued by the

Office for Students and the Terms and conditions of Research England Grant, the Statement of Recommended Practice: Accounting for Further and Higher Education and applicable accounting standards. In addition, under the Terms and conditions of funding for higher education institutions issued by the Office for Students, the Council, through its designated office-holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of its surplus or deficit and cash flows for that year. The Council has also given careful consideration to the requirements contained in the Charities Acts 2011 and 2022 and in particular to the Charity Commission's guidance on public benefit.

In preparing the financial statements, the Council has ensured that: suitable accounting policies are selected and applied consistently; reasonable and prudent judgements and estimates are made and applicable accounting standards are followed; and the financial statements have been prepared on the going concern basis unless it is not appropriate to presume that RCM will continue in operation.

Financial statements are published on the RCM website in accordance with UK legislation governing preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. Maintenance and integrity of the website is the responsibility of the members of the Council and this responsibility extends to the integrity of the financial statements contained therein. Through work undertaken on its behalf, by the F&GPC and the A&RAC, the Council believes that it has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- ensure that OfS and Research England funds are used only for the purposes for which they have been given;
- safeguard RCM's assets and prevent fraud; and
- secure the economical, efficient and effective management of RCM's resources and expenditure.

Accounting records

All accounting records have been made available to the auditors for the purpose of their audit and all transactions have been properly reflected and recorded in the accounting records. All other records and related information which might affect the truth and fairness of the financial statements, including minutes of Council and other meetings, have been made available to the auditors. As far as the Council is aware, there is no relevant audit information of which the auditors are unaware.

Internal control and risk management

The Council has responsibility for maintaining a sound system of internal control that supports achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Council in the Charter and Statutes and the OfS terms and conditions of funding for higher education institutions. The system of internal control is designed to manage rather than eliminate risk of failure to achieve policies, aims and objectives; therefore, it provides only reasonable and not absolute assurance of effectiveness. The internal control system is based on an ongoing process designed to identify risks that might hinder realisation of our policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place during the year ended 31 July 2024 and up to the date of approval of the financial statements, and accords with OfS guidance. The Council has responsibility for reviewing the effectiveness of the internal control systems and the following processes have been established:

- the Council meets at least four times per annum and considers RCM's plans and strategic direction;
- the Council receives minutes of each A&RAC meeting, together with an annual report which provides an opinion as to RCM's arrangements for risk management, internal control, governance, data quality and value for money;
- the Council receives regular reports from the Directorate on steps it is taking to manage risks, including progress reports on key projects;
- the A&RAC keep under review the effectiveness of risk management, control and governance arrangements and the F&GPC is responsible for scrutiny of risk management.;
- a system of key performance indicators has been developed and agreed; these are used to consider performance and make an overall assessment of institutional sustainability;
- a risk prioritisation methodology based on risk ranking has been established;
- an RCM-wide risk register is maintained and this is reviewed regularly by the Directorate, in order to identify and update the record of risks facing RCM;

- training for managers with responsibility for areas involving high-level risk includes attendance at relevant workshops;
- an annual review conducted by the Directorate is presented in writing to the F&GPC for discussion, and reported to the Council.

The review of effectiveness of the internal control system is informed by reports from internal auditors, who have maintained adoption of the 2018 OfS Audit Code of Practice, even though it is no longer required under the OfS Terms and conditions of funding, while also complying with the more limited requirements contained in "Regulatory advice 2: Registration of current providers for 2019/20". The internal auditors submit regular reports, which include their opinion on the adequacy and effectiveness of the system of internal control, with recommendations for improvement. The Council's review of effectiveness of the internal control system is also informed by the work of the Directorate, who are responsible for developing and maintaining the internal control framework, and by comments from the external auditors in their various reports.

During the period of this report, no significant internal control weaknesses or failures were identified.

Equality, Diversity and Inclusion

RCM is committed to its equal opportunities policy and aims to ensure that no student, member of staff or visitor is subjected to unfair discrimination. The Equality Act 2010 covers the following 'protected characteristics': age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity; RCM policies, procedures and training programmes reflect the Act.

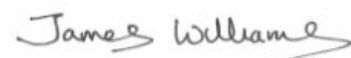
The Equality, Diversity and Inclusion policy and action plan was approved by Council in November 2020 and the EDI Committee of Council and Senate monitors and ensures action in accordance with the action plan.

The RCM Access & Participation Plan embodies RCM's strategic plan for providing access to an inspirational learning experience for the widest possible range of students and serves as a mechanism to measure our compliance with the Equality Act. Key objectives focus on disability, social deprivation and the black and minority ethnic population seeking to: encourage applications, enable participation and enable student success; and raise aspiration to engage with music and to study at higher education level.

Further information on new Equality, Diversity and Inclusion at the RCM may be found on our website <https://www.rcm.ac.uk/about/strategies-values/people-equality-diversity/>



Lord Black of Brentwood
Chairman
28 November 2024



James Williams LVO FRCM
Director
28 November 2024

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE ROYAL COLLEGE OF MUSIC

Opinion

We have audited the financial statements of Royal College of Music (the 'College') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the related notes, including a statement of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Statement of Recommended Practice Accounting for Further and Higher Education 2019 in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations, The Charities (Accounts and Reports) Regulations 2008, but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015. In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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's 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 College'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 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 are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Council

As explained more fully in the Corporate Governance and Responsibilities of the Council Statement, the Council are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Council 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 are responsible for assessing the College'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 either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Report on other legal and regulatory

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- Where applicable, funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Where applicable, funds provided by OfS, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the relevant terms and conditions;
- Expenditure on access and participation disclosed in the financial statements is not materially misstated; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

We are also required by the Accounts Direction to report where the results of our audit work indicate that the College's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated. We have nothing to report in these respects.

Use of our report

This report is made solely to the Council, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and College and its Council, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA
Statutory Auditor
London, United Kingdom

Date: 11 December 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

MHA MacIntyre Hudson is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and in accordance with Financial Reporting Standard 102 (FRS 102). They have also been prepared in accordance with Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of funding for higher education institutions issued by the OfS, and the Terms and Conditions of Research England Grant. RCM is a public benefit entity and has therefore applied the relevant public benefit provisions of FRS 102.

We have not produced consolidated financial statements as the inclusion of the subsidiary company, RCM Business Enterprises Limited, in the consolidated accounts is not material for the purposes of giving a true and fair view.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

Leases

in determining whether leases entered into by RCM as a lessor or a lessee are operating or finance leases, management has assessed whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. With regard to the lease granted by RCM to CLV for student accommodation at Prince Consort Village, management determined that this transaction is a service concession for accounting purposes. However, each year RCM nominates bedrooms for students in the range of zero to 417 and the only liability which could fall on RCM is any rental shortfall on its nominated rooms in each year. In this arrangement there are no payments which meet the definition of 'minimum lease payments'.

Tangible assets and investments

in determining whether there are indicators of impairment of RCM's tangible and investment assets, management have taken into consideration factors including economic viability and expected future financial performance of assets.

Pensions

in determining the estimate of the RCM Pension & Assurance (RCMP&AS) defined benefit scheme surplus management has reviewed the critical underlying assumptions. The pension asset has not been recognised as such in the Statement of Financial Position as we are unable to recover the surplus through reduced ongoing contributions and the likelihood of a refund from the scheme is remote.

USS is a multi-employer scheme consisting of members not under common control, whereby the liabilities of the scheme cannot be separately attributable to individual employers. At the previous year end, 31 July 2023, the College held a provision for its obligation to fund the past deficit on the scheme. At 31 July 2024 there was no past deficit on the scheme and accordingly the outstanding provision was released to the income and expenditure account.

The Associated Board of the Royal Schools of Music (ABRSM)

RCM has a 25% interest in ABRSM which is carried at cost less any accumulated impairment losses. ABRSM is not considered to be an associate; although RCM holds an effective 25% interest in ABRSM, it controls less than 20% of the votes on the Board, and as a result RCM does not significantly influence the level of distributions it receives from ABRSM. Distributions from ABRSM are shown within Investment Income.

3. Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Income is only recognised in the financial statement when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the College;
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the College; and
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Fee income is stated gross of expenditure which is not a discount and credited to the statement of comprehensive income over the period in which students are studying. Where a tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Investment income is credited to the statement of comprehensive income and expenditure on a receivable basis. Funds which RCM receives and disburses as a paying agent on behalf of a funding body are excluded from the statement of comprehensive income and expenditure where RCM is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which RCM recognises the related costs for which the grant is intended. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate. Grants (including research grants) from non-government sources are recognised in income when RCM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Donations and endowments with donor-imposed restrictions are recognised in income when RCM is entitled to the funds. Income is retained within "restricted reserves" until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when RCM is entitled to the funds. Investment income and appreciation of endowments is recorded in income in the year in which it arises as either restricted or unrestricted income according to the terms and restrictions for each individual endowment fund. There are four main types of donations and endowments identified within reserves:

1. restricted donations - the donor has specified that the donation must be used for a particular objective;
2. unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of RCM;
3. restricted expendable endowments - the donor has specified a particular objective, and RCM has the power to use both the capital and the income; and
4. restricted permanent endowments - the donor has specified that the fund is to be held permanently and only income arising can be applied to a particular objective.

Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when RCM is entitled to the funds subject to any performance related conditions being met.

Trade debtors

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

4. Accounting for retirement benefits

The principal pension schemes for RCM staff are the Universities Superannuation Scheme, Teachers Pension Scheme, and National Employment Savings Trust. A fourth scheme, the RCM Pension and Assurance Scheme was closed to future accrual in 2007. Accounting policies for each scheme are shown in note 27 to the financial statements.

5. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to RCM. Any unused benefits are accrued and measured as the additional amount RCM expects to pay as a result of the unused entitlement.

6. Termination benefits / loss of office

The College recognises a liability and expense for termination benefits at the date when it can no longer withdraw the offer of those benefits or, if earlier, when it recognises costs for a restructuring that involves the payment of termination benefits.

7. Finance Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

8. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the life of the lease.

9. Service concession arrangements

A service concession arrangement is an arrangement whereby the College contracts with a private operator to develop, operate and maintain an infrastructure asset. The College regulates services the operator can provide managing the asset, to whom, and at what price, and controls any significant residual interest in the asset at the end of the term of the arrangement.

Fixed assets held under service concession arrangements are recognised on the Statement of Financial Position at the present value of the minimum lease payments when the assets are brought into use, with a corresponding financial liability.

Under the service concession arrangement with Campus Living Villages for student accommodation at Prince Consort Village, there are no payments which meet the definition of 'minimum lease payments', therefore no such amounts have been included on the balance sheet. The College received a lease premium from Campus Living Villages, which is being recognised as income over the period of the lease, and was granted preferential nomination rights. The value of these rights cannot be measured reliably, and they are held at nil value in the balance sheet.

10. Foreign currency

Sterling is the functional currency used by the College. Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

11. Fixed assets

Fixed assets are stated at cost, or valuation for certain musical instruments, less accumulated depreciation and accumulated losses. Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Land & buildings

Leasehold land and buildings were valued on the basis of depreciated replacement cost at 31 July 1991 by Wilks, Head and Eve, Chartered Surveyors. Subsequent additions have been included at cost. Freehold buildings are included at cost. There is no indication of any impairment in the value of these assets. Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to RCM. Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated as follows:

- Freehold buildings 50 years
- Leasehold land and buildings 50 years or, if shorter, the period of the lease
- Building improvements 20 years

No depreciation is charged on assets in the course of construction.

Freehold land and buildings are the land for student accommodation and a residential property in London. Leasehold land and buildings are the Prince Consort Road campus; a 999-year lease, expiring in 2890, which is non-assignable. In the event that RCM ceases to operate in accordance with its Royal Charter, the property reverts to the landlord.

Musical instruments

Musical instruments were valued at estimated current cost for assets in their condition at 31 July 1998 or at cost for later additions or at valuation for donated instruments. Differences on valuation were credited to a revaluation reserve and are being released over each instrument's estimated remaining life, with assets depreciated over 10 to 20 years. Musical instruments costing less than £5,000 per individual item are written off to the income and expenditure account in the year of acquisition at cost.

Furniture and equipment

Furniture and equipment, including computers and software, costing less than £5,000 is recognised as expenditure in the year of acquisition at cost. All other equipment of £5,000 or more is capitalised at cost. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet. Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- General equipment, furniture and fittings 5 years
- Computer and recording equipment 4 years

Investments

Non-current asset investments are held on the balance sheet at fair value. Investments in jointly controlled entities and subsidiaries are carried at cost less impairment in RCM's financial statements. RCM recognises distributions received from these investments as income.

Current asset investments are held at fair value with movements recognised in the surplus or deficit for the year.

Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

12. Finance costs and financial liabilities

Finance costs are charged to comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

13. Heritage assets

Heritage assets consist of reference material in the library and the museum collection of portraits, performance archives and other works of art of significant historical interest to musicians. Heritage assets are not depreciated on the basis of their indefinite useful economic lives. Heritage assets valued at £5,000 and more are included where practicable in the financial statements.

The RCM library holds collections of printed and manuscript music, books, letters and other archival collections. No valuation has been obtained for the collection as a whole, or individual items, for reasons of cost and practicality. Assets acquired before August 2009 have not been valued due to their scale and uniqueness: valuation costs would exceed the benefit derived to the users of the financial statements. Assets donated or purchased with a value of more than £2,000 between 1 August 2009 and 31 July 2014 are included in the financial statements where values have been reasonably obtainable. From 1 August 2014, assets donated or purchased with a value of £5,000 or more are capitalised. Preservation and management are explained in the Library Collection Development Policy, with policies for selection, donations, retention and disposal of heritage assets. The policy precludes disposal of any item unless it is a duplicate. Costs of preservation are funded from various sources including grants, donations and RCM funds.

The RCM museum collection comprises around 1,000 items, most of which are instruments or parts of instruments. The collection also includes archival material. A financial valuation took place in 2010/11 and most of the collection was viewed by experts from Sotheby's and Bonham's and instruments valued at £4.4million were added to the balance sheet in the 2010/11 financial statements.

The Portraits and Performance History Collection (PPHC) is a collection of photographs, art, printed items and manuscripts dating from c1620 to present day and is available for viewing to members of RCM, visiting researchers and members of the public. Portraits and other works of art are stated at valuation in the financial statements and are not depreciated. There is no reason to believe that there has been any impairment in the value of these assets. A majority of these works were donated to RCM, though occasional purchases have been made over the years. No overall valuation has been made of the collection, though many works of art were valued in 2005 and are included in the financial statements. The cost of undertaking valuations for the remaining collections acquired prior to August 2009 outweigh the benefits to the readers of the financial statements. The PPHC continues to accept donations and make purchases if materials complement and enhance existing holdings and can be accommodated in appropriate conditions. RCM has adopted the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items of the PPHC.

Heritage assets are not depreciated as their long economic life and high residual value means depreciation will not be material. There is a Museum Acquisitions and Disposals Policy, including instructions for selection, donations, retention and disposal of assets and RCM has adopted the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum collection. The museum is accredited with the Museums, Libraries and Archives Council and adheres to national standards of care and access, including a specific budget for conservation which is applied to the upkeep of playable instruments and cleaning and care of the whole collection.

14. Cash and cash equivalents

Cash includes cash in hand, deposits and overdrafts. Cash equivalents are short term, highly liquid investments (deposits of three months or less) that are readily convertible to known amounts of cash with insignificant risk of change in value.

15. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when: RCM has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives RCM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of RCM. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. A contingent asset arises where an event has taken place that gives RCM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of RCM. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

16. Taxation

RCM is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478- 488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. RCM receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

17. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which are held as a permanently restricted fund which RCM must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and RCM is restricted in the use of these funds.

18. Total Return

The total return basis of managing the permanent endowments of the Scholarships and Awards Fund (excluding the portion of them that is invested in CLV (RCM) LLP through the RCM subsidiary RCM Business Enterprises Limited), was implemented on 1 August 2021, and the total return basis of managing the Junior Department Appeal Fund was implemented on 1 August 2022. This approach permits RCM to invest the funds to maximise the Total Return on investments (taking both capital values and income into consideration) and, therefore, to make available an appropriate portion of the Total Return for expenditure each year, after accounting, among other things, for preservation of the real term value of the permanent endowment. Until this power is exercised in full, the Total Return is shown as an 'Unapplied Total Return' and remains as part of the permanent endowment.

Total Return Accounting

The initial value of the trust for investment and the initial value of the unapplied total return were established as at 31 July 2020 for the Scholarships and Awards Fund, and at 31 July 2021 for the Junior Department Appeal Fund. The date of the valuation for each individual endowment within the funds is the date that endowment was received, or a reasonable estimate thereof, and the calculation of the initial value of the trust for investment includes all funds in place at those dates. At those same dates, the initial value of unapplied total return was determined as equal to the accumulated unapplied income from the trust for investment and the increase in value of the trust for investment since the date of valuation of each individual endowment within the fund. The Council took advice from Cazenove to inform its decisions, and to inform its policy on a suitable level of unapplied total return going forward.

Statement of comprehensive income

Year ended 31 July 2024

	Note	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Income			
Tuition fees	1	19,543	17,212
Funding body grants	2	7,091	7,061
Research grants and contracts	3	459	422
Other income	4	2,916	2,455
Investment income	5	2,736	2,326
Total income before donations and endowments		32,745	29,476
Donations and endowments	6	4,321	4,599
Total income		37,066	34,075
Expenditure			
Staff costs before pension adjustment	7	18,518	17,212
USS pension adjustment	7	(5,069)	(521)
Total staff costs	7	13,449	16,691
Other operating expenses	8	13,982	12,516
Depreciation	10	3,482	2,973
Interest and other finance costs	9	252	235
Total expenditure		31,165	32,415
Surplus before gains and losses		5,901	1,660
Loss on disposal of tangible fixed assets		(12)	(13)
Gain on disposal of investments		329	606
Change in fair value of investments	12	2,611	(2,018)
Surplus for the year		8,829	235
Actuarial (loss)/gain in respect of pension schemes	27	(606)	(3,591)
Total comprehensive income for the year		8,223	(3,356)
Represented by:			
Restricted endowment comprehensive income for the year		3,627	(302)
Restricted comprehensive income for the year	21	(256)	164
Unrestricted comprehensive income for the year		10,642	(2,774)
Revaluation reserve comprehensive income for the year	23	(5,790)	(444)
		8,223	(3,356)

The statement of comprehensive income is in respect of continuing activities.

The accounting policies and notes form part of these financial statements.

Statement of changes in reserves

Year ended 31 July 2024

	Income and expenditure account			Revaluation reserve	Total reserves
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	44,575	3,495	46,758	14,081	108,909
Surplus/(loss) after taxation from the income and expenditure statement	1,038	(1,176)	373	-	235
Other comprehensive income	-	-	(3,591)	-	(3,591)
Transfer of unapplied total return allocated to income	(1,340)	1,340	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	444	(444)	-
Total comprehensive income for the year	(302)	164	(2,774)	(444)	(3,356)
Balance at 1 August 2023	44,273	3,659	43,984	13,637	105,553
Surplus/(loss) after taxation from the income and expenditure statement	5,231	(1,860)	5,458	-	8,829
Other comprehensive income	-	-	(606)	-	(606)
Transfer of unapplied total return allocated to income	(1,604)	1,604	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	5,790	(5,790)	-
Total comprehensive income for the year	3,627	(256)	10,642	(5,790)	8,223
Balance at 31 July 2024	47,900	3,403	54,626	7,847	113,776

The accounting policies and notes form part of these financial statements.

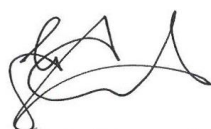
Balance sheet

Year ended 31 July 2024

	Note	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Non-current assets			
Fixed assets	10	67,652	69,171
Heritage assets	10,11	5,613	5,593
Investments	12	48,160	47,909
Investment in subsidiary company	13	1,711	1,711
		<u>123,136</u>	<u>124,384</u>
Current assets			
Trade and other receivables	14	2,139	1,520
Investments	15	3,830	1,800
Cash and cash equivalents		6,655	4,943
		<u>12,624</u>	<u>8,263</u>
Less: Creditors: amounts falling due within one year	17	<u>(3,811)</u>	<u>(3,756)</u>
Net current assets		8,813	4,507
Total assets less current liabilities		<u>131,950</u>	<u>128,891</u>
Creditors: amounts falling due after more than one year	18	(17,764)	(18,383)
Provisions			
Pension provisions	19	(410)	(4,955)
Total net assets		<u>113,776</u>	<u>105,553</u>
Restricted reserves			
Income and expenditure reserve - endowment reserve	20	47,900	44,273
Income and expenditure reserve - restricted reserve	21	3,403	3,659
Unrestricted reserves			
Income and expenditure reserve - unrestricted		54,626	43,984
Revaluation reserve	23	7,847	13,637
Total reserves		<u>113,776</u>	<u>105,553</u>

The financial statements were approved and authorised for issue by the Council on 28 November 2024 and were signed on its behalf on that date by:

James Williams



James Williams, Director
Lord Black of Brentwood, Chair of Council

The accounting policies and notes form part of these financial statements.

Statement of Cash flows

Year ended 31 July 2024

	Note	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flow from operating activities			
Surplus for the year		8,828	236
Adjustment for non-cash items			
Depreciation	10	3,482	2,973
Gain on disposal of fixed asset investments		(328)	(606)
(Gain)/loss on fair value of investments		(2,611)	2,018
(Increase)/decrease in debtors	14	(619)	532
(Decrease) in creditors		(136)	(218)
(Decrease) in pension provision before actuarial gains/losses	19	(5,151)	(4,861)
Receipt of donated assets		(162)	(121)
Amortised lease income		(305)	(305)
Adjustment for investing or financing activities			
Investment income	5	(2,736)	(2,326)
Interest payable	9	98	70
Endowment income	6	(446)	(817)
Loss on the disposal of fixed assets		22	27
Capital grant income		(716)	(424)
Net cash (outflow)/inflow from operating activities		(780)	(3,822)
Cash flows from investing activities			
Proceeds from sale of fixed assets		10	14
Capital grants receipts		755	1,410
Disposal of non-current asset investments		2,846	4,894
Investment income	5	2,736	2,326
Payments made to acquire fixed assets		(1,851)	(2,699)
Purchase of non-current asset investments		(159)	(2,166)
Purchase of current asset investments		(2,030)	-
Fixed term deposits expired		-	700
Net cash inflow from investing activities		2,307	4,478
Cash flows from financing activities			
Interest paid	9	(98)	(70)
Endowment cash received		446	817
Repayments of amounts borrowed		(163)	(2,663)
Net cash inflow/(outflow) from financing activities		185	(1,916)
Increase/(decrease) in cash and cash equivalents in the year		1,712	(1,260)
Cash and cash equivalents at beginning of the year		4,943	6,203
Cash and cash equivalents at end of the year		6,655	4,943

The accounting policies and notes form part of these financial statements.

Notes to the financial statements for the year ended 31 July 2024

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
1 Tuition fees		
Full-time Undergraduate home and EU students	2,531	2,768
Full-time Postgraduate home and EU students	2,372	2,244
Part-time home and EU students	244	241
Non-EU students	11,982	9,781
Other	2,414	2,177
	<u>19,543</u>	<u>17,212</u>
2 Funding body grants		
Recurrent grants		
Teaching	5,006	5,099
Research	1,260	1,221
Higher Education Innovation Fund	362	381
Specific grants		
Other grants	204	124
Capital grants released in the year	259	236
	<u>7,091</u>	<u>7,061</u>
The table below shows the sources of grant and fee income.		
Grant and fee income		
Grant income from OfS	5,264	5,336
Grant income from other bodies	1,825	1,726
Fee income for taught awards (exclusive of VAT)	16,659	14,590
Fee income for research awards (exclusive of VAT)	472	444
Fee income from non-qualifying courses (exclusive of VAT)	2,414	2,177
	<u>26,634</u>	<u>24,273</u>
3 Research grants and contracts		
Research councils	441	369
UK-based charities	-	20
Other	18	33
	<u>459</u>	<u>422</u>
4 Other income		
Residences, catering and conferences	810	676
Other capital grants	190	185
Other services rendered	414	330
Lease premium - Prince Consort Village	305	305
Other income	1,197	959
	<u>2,916</u>	<u>2,455</u>
5 Investment income		
Investment income on endowment assets - unrestricted	49	213
Investment income on endowment assets - restricted	1,978	1,512
Other interest receivable	209	101
ABRSM investment income	500	500
	<u>2,736</u>	<u>2,326</u>

Notes to the financial statements for the year ended 31 July 2024

	Note	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
6 Donations and endowments			
New endowments with restrictions		446	817
Restricted donations		3,270	3,154
Unrestricted donations		605	628
		<u>4,321</u>	<u>4,599</u>

There were 10 legacy gifts not yet received at the year end, totalling £2,252,663. Of this, £300,000 is an endowment for scholarships and has been recognised in Scholarships & Awards endowment fund in note 20. All other gifts were not included in the balance sheet as they could be reliably estimated. Part of one gift was received in October 2024 and disclosed in note 28.

7 Staff costs			
Salaries		14,416	13,576
Social security costs		1,250	1,189
Movement on USS provision		(5,069)	(521)
Provision for unfunded pension liabilities	19	410	-
Other pension costs	27	2,442	2,448
		<u>13,449</u>	<u>16,692</u>

The total amount of any compensation paid by the College for loss of office in 2023/24 was £33,312 (2022/23: £67,570). These figures include statutory redundancy and voluntary severance payments.

The following disclosures relate to Colin Lawson who was Director of the College during the year ended 31 July 2024, but who retired in August 2024.

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Emoluments of the Director		
Basic salary	251	244
Payment in lieu of pension	38	37
Benefits in kind	21	15
Emoluments excluding pension contributions	<u>310</u>	<u>296</u>
Pension contributions*	7	15
Emoluments including pension contributions	<u>317</u>	<u>311</u>

*The Director is a member of USS, with an enhanced opt-out which commenced in April 2016. The employer contribution is only for life assurance and incapacity cover. Benefits in kind relate to private healthcare.

For the period 03 March 2023 to 30 September 2023 Mr Kevin Porter was appointed Acting Director due to an unplanned leave of absence for Professor Colin Lawson (Director). The table below sets out his emoluments during that period as Acting Director:

	Year ended 31 July 2024 (Aug-Sept 23) £'000	Year ended 31 July 2023 Mar-Jul 23) £'000
Emoluments of the Acting Director		
Basic salary plus allowance	42	103
Payment in lieu of pension	4	9
Benefits in kind	1	3
Emoluments excluding pension contributions	<u>47</u>	<u>115</u>
Pension contributions*	2	5
Emoluments including pension contributions	<u>49</u>	<u>120</u>

Notes to the financial statements for the year ended 31 July 2024

7 Staff costs (continued)

In determining the Director's pay for 2023/24, the Remuneration Committee took into account the context in which the RCM was operating:

- The national pay negotiations on the annual cost of living award for 2023/24 and increases recommended for Directorate
- The current financial situation of RCM, pay in the wider economy and the ongoing cost of living crisis.
- Benchmarking information on vice-chancellor pay, specifically at direct competitor institutions and institutions of a similar size and standing
- The Gender pay gap and equal pay gap at RCM

At the Remuneration Committee meeting held on 15 June 2023, the Director provided a report of the RCM's progress and performance over the year. The Committee gave full and thorough consideration to the Director's performance and the performance of the institution particularly in relation to world rankings. The Committee noted the Director's wish to receive an increase in keeping with the 3% pay award for 2023/24 and reluctantly accepted the Director's wish that his pay increase should be in line with that given to the rest of the College's staff.

The Director is not a member of the Remuneration Committee.

The Annual Report of the Remuneration Committee is available on <https://www.rcm.ac.uk/about/strategies-values/financialinformation/>

The head of the provider's basic salary is 6.2 times the median pay of staff (2023: 6.0 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 6.8 times the median total remuneration of staff (2023: 6.3 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

	2024	2023
	Headcount	Headcount
Basic pay of senior staff including the Director		
£100,000 - £104,999	2	1
£105,000 - £109,999	-	2
£110,000 - £114,999	2	1
£115,000 - £119,999	1	-
£120,000 - £124,999	-	1
£125,000 - £129,999	1	-
£180,000 - £184,999	1	-
£190,000 - £194,999	-	1
£240,000 - £244,999	-	1
£250,000 - £254,999	1	-
	8	7

	2024	2023
	FTE	FTE
Average staff numbers by major category:		
Academic departments	199	190
Academic services	43	44
Premises	26	24
Administration and central services	70	68
	338	326

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the RCM. This comprises members of Council and the executive directors. There was no compensation for loss of office paid to Key Management Personnel during the year. The total remuneration, including employer pension contributions, paid to Key Management Personnel during the year was £1,510,693 (2022/23: £1,429,505). No remuneration relates to members of Council.

Council Members

RCM Council members are trustees for charitable law purposes. All transactions involving organisations in which a member of Council may have an interest are conducted in accordance with the RCM's financial regulations and procedures. Ex-officio and elected members of Council are RCM staff and as such are remunerated in the normal course of their duties. No other Council members received any remuneration or waived payments during the year or the previous year.

Notes to the financial statements for the year ended 31 July 2024

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
8 Other operating expenses		
Academic and related expenditure	577	612
Research related expenditure	48	20
Catering	570	595
Learning resources	476	381
Scholarships and awards	5,741	4,993
Grant to RCM Students' Union	15	13
Professional fees	706	485
Premises	2,877	2,562
Other expenses	2,973	2,855
	13,983	12,516
Other operating expenses include:		
External auditors' remuneration in respect of audit services	62	59
External auditors' remuneration in respect of non-audit services	9	9
Internal auditors' remuneration - internal audits	40	38
Operating lease rentals		
Land and buildings	153	150
Other	76	72

The table below shows the expenditure on access and participation in the year.

Access and Participation

Access Investment (i)	311	279
Financial Support	329	259
Disability Support (ii)	14	13
Research and Evaluation (iii)	24	26
	678	577

(i) £188,651 of these costs are included in the overall staff costs figures included in the financial statements, see note 7 (2022/23: £162,039)

(ii) £13,849 of these costs are included in the overall staff costs figures included in the financial statements, see note 7 (2022/23: £13,497)

(iii) £24,161 of these costs are included in the overall staff costs figures included in the financial statements, see note 7 (2022/23: £26,479)

Relevant information can be found on our website:

<https://www.rcm.ac.uk/about/strategies-values/people-equality-diversity/>

9 Interest and other finance costs

Loan interest	98	70
Loan commitment fee	40	46
Exchange differences	1	(10)
Net finance charge on pension schemes		
USS	114	175
RCM Pension and Assurance Scheme	-	(48)
	253	233

Notes to the financial statements for the year ended 31 July 2024

	Freehold land and buildings	Leasehold land and buildings	Musical instruments	Furniture, equipment and software	Assets in the course of construction	Total excluding heritage assets	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
10 Fixed Assets								
Cost or valuation								
At 1 August 2023	1,708	76,518	10,779	6,516	1,394	96,915	5,593	102,508
Additions	-	52	223	1,217	492	1,984	21	2,005
Transfers	-	101	-	1,293	(1,394)	-	-	-
Disposals	-	-	(67)	(428)	-	(495)	-	(495)
At 31 July 2024	1,708	76,671	10,935	8,598	492	98,404	5,613	104,017
Depreciation								
At 1 August 2023	93	16,708	6,914	4,029	-	27,744	-	27,744
Charge for the year	5	1,915	367	1,194	-	3,481	-	3,481
Disposals	-	-	(45)	(428)	-	(473)	-	(473)
At 31 July 2024	98	18,623	7,236	4,795	-	30,752	-	30,752
Net book value								
At 31 July 2024	1,610	58,048	3,699	3,803	492	67,652	5,613	73,265
At 1 August 2023	1,615	59,810	3,865	2,487	1,394	69,171	5,593	74,959

The additions to leasehold land and buildings relate to various estates projects within the existing buildings.

Assets in the course of construction at 31 July 2024 relate to the improvements to the Britten Theatre, musical instruments, ICT projects and other estates projects.

	2024 £'000	2023 £'000
11 Heritage assets		
Donations		
Instruments	-	30
Busts and portraits	21	12
Total acquisitions capitalised	21	42

Notes to the financial statements for the year ended 31 July 2024

	Loan to subsidiary company £'000	Other fixed asset investments £'000	Total £'000
12 Non-current investments			
At 1 August 2023	1,711	47,909	49,620
Acquisition of shares - less movement in cash held by fund managers	-	159	159
Cost of disposals	-	(2,518)	(2,518)
Change in market value	-	2,611	2,611
At 31 July 2024	1,711	48,160	49,871
Non-current investments			
Funds managed by external fund managers:			
Scholarships and awards fund		44,708	44,708
Junior department appeal fund		876	876
Junior department expendable fund		301	301
		<u>45,885</u>	<u>45,885</u>
ABRSM	-	2,275	2,275
Investment in loan to subsidiary company	1,711	-	1,711
	<u>1,711</u>	<u>48,160</u>	<u>49,871</u>
Split of stock held by external fund managers:			
Fixed interest stocks (listed)		5,230	5,230
Equities (listed) and unit trusts		33,907	33,907
Alternatives		5,277	5,277
Cash held by investment managers		1,471	1,471
		<u>45,885</u>	<u>45,885</u>

Connected charitable institution

The RCM has a 25% participation in the Associated Board of the Royal Schools of Music (ABRSM) which is carried at cost. The ABRSM is a registered charity (number 292182) and a company limited by guarantee (registered number 1926395) established by four royal schools of music for the benefit of music education. The ABRSM has no share capital and the liability of the members in the event of winding up is limited to £1 per member. In the event of winding up, the ABRSM's constitution requires its governing body to consider, in the first instance, transfer of surplus assets to another body that is equipped to carry on the work of ABRSM.

13 Investment in subsidiary company

RCM has a 100% holding in RCM Business Enterprises Limited (RCM BEL) which holds a 20% share in the jointly controlled entity CLV (RCM) LLP. CLV (RCM) LLP operates student accommodation in Ravenscourt Park (Prince Consort Village). Funds to purchase the share in CLV (RCM) LLP came from the RCM's restricted permanent endowments and all funds generated from the 20% holding will be used to provide scholarships and awards to RCM students. The 20% stake represents a £1.7 million interest bearing loan. The share of net assets in the jointly controlled entity, when distributed, will be used to fund scholarships and awards to RCM students.

Notes to the financial statements for the year ended 31 July 2024

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
14 Trade and other receivables		
Amounts falling due within one year		
Other trade receivables	268	37
Other receivables	227	164
Prepayments and accrued income	1,494	1,106
Amounts due from subsidiary company	150	212
	<u>2,139</u>	<u>1,519</u>
15 Current asset investments		
Investment in money market fund	2,030	-
Term deposits	1,800	1,800
	<u>3,830</u>	<u>1,800</u>
16 Reconciliation of net debt		
Net cash/(debt) 1 August	2,914	1,648
Movement in cash and cash equivalents	1,712	(1,397)
Repayment of unsecured loans	163	2,663
Net cash/(debt) 31 July	<u>4,789</u>	<u>2,914</u>
Reduction in net debt	<u>(1,875)</u>	<u>(1,266)</u>
Analysis of net debt:		
Cash and cash equivalents	6,655	4,943
Borrowings: amounts falling due within one year		
Unsecured loans	(163)	(163)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(1,703)	(1,866)
Net cash/(debt)	<u>4,789</u>	<u>2,914</u>
17 Creditors: amounts falling due within one year		
Unsecured loans	163	163
Trade payables	660	857
Social security and other taxation payable	594	430
Accruals and deferred income	2,394	2,306
	<u>3,811</u>	<u>3,756</u>

Notes to the financial statements for the year ended 31 July 2024

	Year ended 31 July 2024	Year ended 31 July 2023		
Note	£'000	£'000		
18 Creditors: amounts falling due after more than one year				
Deferred income - PCV lease premium	12,163	12,467		
Deferred income - other	3,898	4,050		
Unsecured loans	1,703	1,866		
	<u>17,764</u>	<u>18,383</u>		
Analysis of unsecured loans:				
Due within one year or on demand	17	163		
Due between one and two years	163	163		
Due between two and five years	1,541	1,703		
Due after more than one year	<u>1,703</u>	<u>1,866</u>		
Total unsecured loans	<u>1,866</u>	<u>2,029</u>		
	Amount	Term	Interest rate	Borrower
Included in unsecured loans	£'000		%	
The Royal Bank of Scotland	366	2026	5.30	RCM
The Royal Bank of Scotland	1,500	2026	SONIA + 0.80	RCM
Total	<u>1,866</u>			

The College has a term loan with RBS expiring in October 2026. The loan is amortising in equal annual instalments to the expiry date.

At 31 July 2024, the College had a £11m revolving credit facility ("RCF") with RBS expiring in October 2026. During the year, the College drew down £1.5m of this facility, and this value remained outstanding as at the year end. In November 2024, the College signed a replacement five year £11m RCF expiring in November 2029.

	Obligation to fund USS deficit (note 27) £'000	Provision for unfunded pension liabilities £'000	Total £'000
19 Provisions for pension liabilities			
At 31 July 2023	4,955	-	4,955
Movements in the year	(4,955)	410	(4,545)
At 31 July 2024	<u>-</u>	<u>410</u>	<u>410</u>

RCM Pension & Assurance Scheme

The RCM Pension & Assurance Scheme does not appear in the table above as there was an actuarial surplus on the scheme at both 31 July 2023 and 31 July 2024. In accordance with FRS 102 Section 28, the pension asset has not been recognised in the Statement of Financial Position as the likelihood of a refund from the scheme is remote.

Provision for unfunded pension liabilities

The College obtained an actuarial valuation of £410,000 for the College's historic unfunded pension commitments, which has been included as a provision at 31 July 2024. The valuation at 31 July 2024 was carried out using the same assumptions used to calculate the liabilities of the RCM Pension & Assurance Scheme under FRS102 as set out in note 27.

USS deficit

The obligation to fund the past deficit on the Universities' Superannuation Scheme (USS) at 31 July 2023 arose from a contractual obligation with the scheme for total payments relating to benefits arising from past performance. In calculating the value of the USS provision at 31 July 2023 the RCM management used salary costs (adjusted for salary and headcount changes), the current funding rate and applied a discount rate to estimate the present value. At 31 July 2024 there was no past deficit on the USS and accordingly the outstanding provision was released to the income and expenditure account as set out in note 27.

Notes to the financial statements for the year ended 31 July 2024

	Restricted expendable endowments £'000	Restricted permanent endowments £'000	Total £'000
20 Endowment reserves			
<u>Capital</u>			
At 1 August 2022	286	24,423	24,709
New endowments	-	817	817
Decrease in market value of investments and realised gains	(6)	(1,110)	(1,116)
At 1 August 2023	280	24,130	24,410
Reclassification	-	19,863	19,863
New endowments	-	446	446
Increase in market value of investments and realised gains	25	2,986	3,011
At 31 July 2024	305	47,425	47,730
<u>Accumulated Income</u>			
At 1 August 2022	-	19,866	19,866
Investment Income	9	1,353	1,362
Less investment manager fees	-	(16)	(16)
Expenditure	(9)	-	(9)
Transfer of unapplied total return allocated to income	-	(1,340)	(1,340)
At 1 August 2023	-	19,863	19,863
Reclassification	-	(19,863)	(19,863)
Investment Income	9	2,029	2,038
Less investment manager fees	-	(13)	(13)
Expenditure	(9)	(243)	(252)
Transfer of unapplied total return allocated to income	-	(1,604)	(1,604)
At 31 July 2024	-	169	169
<u>Total Funds</u>			
At 1 August 2023	280	43,993	44,273
At 31 July 2024	305	47,595	47,900

Split by Asset type

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Investments	44,708	41,509
Investment in loan to subsidiary company	1,711	1,711
Cash	1,481	1,053
	47,900	44,273

In the notes to the financial statements for the year ended 31 July 2023, there was a misallocation in the above table between capital and income for Restricted permanent endowments due to an error: the capital at 31 July 2023 was understated by £19,863,000, and the accumulated income was overstated by £19,863,000. This was not considered material as it did not impact on any financial statement line items, and as a result a correction has been made through the reclassification shown above.

Statement of Total Return for the portion of the fund managed under Total Return: Scholarships & Awards Fund

	Trust for Investment £'000	Unapplied Total Return £'000	Restricted Permanent Endowment £'000
At 1 August 2022			
Gift component of the permanent endowment	23,735	-	23,735
Unapplied total return	-	18,027	18,027
Total at 1 August 2022	23,735	18,027	41,762
Movements in the reporting period:			
Gift of endowment funds	817	-	817
Investment return: investment income	-	1,326	1,326
Investment return: realised and unrealised gains and (losses)	-	(1,093)	(1,093)
Less investment management costs	-	(15)	(15)
Total movements in the reporting period	-	218	218
Unapplied total return allocated to income in the year	-	(1,314)	(1,314)
Net movements in the reporting period	-	(1,096)	(1,096)
At 1 August 2023			
Gift component of the permanent endowment	24,552	-	24,552
Unapplied total return	-	16,931	16,931
Total at 1 August 2023	24,552	16,931	41,483
Movements in the reporting period:			
Gift of endowment funds	446	-	446
Investment return: investment income	-	1,758	1,758
Investment return: realised and unrealised gains and (losses)	-	2,914	2,914
Less investment management costs	-	(13)	(13)
Total movements in the reporting period	-	4,659	4,659
Unapplied total return allocated to income in the year	-	(1,575)	(1,575)
Net movements in the reporting period	-	3,084	3,084
Gift component of the permanent endowment	24,998	-	24,998
Unapplied total return	-	20,015	20,015
Total at 31 July 2024	24,998	20,015	45,013

Notes to the financial statements for the year ended 31 July 2024

20 Endowment reserves (continued)

Statement of Total Return for the portion of the fund managed under Total Return: Junior Department Appeal Fund

	Trust for Investment £'000	Unapplied Total Return £'000	Restricted Permanent Endowment £'000
At 1 August 2022			
Gift component of the permanent endowment	150	-	150
Unapplied total return	-	666	666
Total at 1 August 2022	150	666	816
Movements in the reporting period:			
Investment return: investment income	-	27	27
Investment return: realised and unrealised gains and (losses)	-	(17)	(17)
Total movements in the reporting period	-	10	10
Unapplied total return allocated to the trust for investment in the year	220	(220)	-
Unapplied total return allocated to income in the year	-	(27)	(27)
Net movements in the reporting period	220	(237)	(17)
At 1 August 2023			
Gift component of the permanent endowment	370	-	370
Unapplied total return	-	429	429
Total at 1 August 2023	370	429	799
Movements in the reporting period:			
Investment return: investment income	-	29	29
Investment return: realised and unrealised gains and (losses)	-	71	71
Total movements in the reporting period	-	100	100
Unapplied total return allocated to the trust for investment in the year	220	(220)	-
Unapplied total return allocated to income in the year	-	(29)	(29)
Net movements in the reporting period	220	(149)	71
Gift component of the permanent endowment*	590	-	590
Unapplied total return	-	280	280
Total at 31 July 2024	590	280	870

* the gift component of the permanent endowment at 31 July 2024 includes £220,000 allocated from Unapplied Total Return in the year ended 31 July 2024

Notes to the financial statements for the year ended 31 July 2024

20 Endowment reserves (continued)

Major funds (balances over £900,000) are as follows:

Scholarships & Awards Fund:	Restrictions: type of student	At 31 July 2023 £'000	Gain/(loss) on investment £'000	Income net of fees £'000	Expenditure £'000	At 31 July 2024 £'000
Combined Scholarship Fund 2023	n/a	7,756	503	340	(575)	8,024
Financial Awards Fund	n/a	3,452	232	163	(165)	3,682
Douglas & Hilda Simmonds Award	n/a	3,169	212	148	(187)	3,342
The Ian Evans Lombe Scholarship	from UK	2,575	171	119	(169)	2,696
Neville Wathen Scholarships	n/a	1,985	134	94	(94)	2,119
Christopher Hogwood Scholarships	postgraduate	1,431	95	66	(37)	1,555
Noel Croucher Scholarships	from Hong Kong	1,248	76	46	(26)	1,344
Queen Elizabeth the Queen Mother	n/a	1,215	82	57	(57)	1,297
Violet Goodhew Scott Award	piano or organ	1,045	69	48	(61)	1,101
Michael Quinn Award	brass	1,069	69	49	(89)	1,098
Joan Weller Award & The Jessie Sumner Award	violin or singer	881	59	42	(42)	940
Lucy Ann Jones Scholarship	n/a	904	58	41	(85)	918
Other funds with balances up to £900,000		17,856	1,155	1,220	(699)	19,532
Total of Scholarships & Awards Fund		44,586	2,915	2,433	(2,286)	47,648
Junior Department Appeal Fund		799	71	29	(29)	870
Junior Department Expendable Fund		280	26	9	(9)	305
Total value of funds at 31 July 2024		45,665	3,012	2,471	(2,324)	48,823
Balance included in:						
Endowment reserves						47,900
Restricted reserves (being the unspent balance on the income fund under Total Return)						923
Total value of funds at 31 July 2024						48,823

Each of the individually material endowment funds detailed above represents non-current investment assets only, and are each of sufficient value and liquidity to enable them to be applied in accordance with their associated restrictions.

21 Restricted reserves	Scholarships & awards	2023/24 Total	Scholarships & awards	2022/23 Total
	£	£	£	£
Balance at start of the year	3,659	3,659	3,495	3,495
Income	2,276	2,276	2,761	2,761
Expenditure	(4,136)	(4,136)	(3,934)	(3,934)
Decrease in market value of investments and realised losses	-	-	(3)	(3)
Transfer of unapplied total return allocated to income	1,604	1,604	1,340	1,340
Movements in the year	(256)	(256)	164	164
Balance at the end of the year	3,403	3,403	3,659	3,659

Notes to the financial statements for the year ended 31 July 2024

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
22 Capital and other commitments		
Commitments contracted for	80	90
Commitments not yet contracted for but approved by RCM Council	261	781
	341	871

Provision has not been made for the capital commitments shown above at 31 July 2024.

23 Revaluation reserve

	Tangible assets £'000	Heritage assets £'000	Investments £'000	Total £'000
Balance at 1 August 2023	3,071	4,926	5,640	13,637
Transferred to income and expenditure reserve	(150)	-	(5,640)	(5,790)
Balance at 31 July 2024	2,921	4,926	-	7,847

The unrestricted non-current investments held as the General fund were disposed of during the year ended 31 July 2024, and the the revaluation reserve in relation to the accumulated gains and losses on these investments have been transferred to unrestricted reserves.

24 Lease obligations

			As at 31 July 2024	As at 31 July 2023
	Land and Buildings £'000	Other leases £'000	Total £	Total £
Total rentals payable under operating leases:				
Paid during the year	153	76	229	223
Future minimum lease payments due				
Not later than 1 year	142	57	199	221
Later than 1 year and not later than 5 years	153	23	176	49
Later than 5 years	1,065	-	1,065	1,069
Total lease payments due	1,360	80	1,440	1,339

25 Related party transactions

The total amount of donations received without conditions from Trustees and other related parties was £662,401 (2022/23: £70,843).

During the year, there were no other related party transactions, other than £40,190 in relation to the lease and associated costs paid to Queen Alexandra House (QAH), the lessor for RCM Jay Mews. Aida Berhamovich, the Director of Estates, sits on the Board of QAH. No payments were paid to Council members for serving as Council members and there were no expenses paid to Council members other than routine expenditure on services, such as catering, provided for the Council members collectively.

26 Subsidiary undertakings

RCM Business Enterprises Limited is a subsidiary company (which is registered in England & Wales), wholly-owned or effectively controlled by the RCM. RCM Business Enterprises Limited is exempt from the requirements to audit individual accounts by virtue of the Companies Act 2006 s.479A.

Notes to the financial statements for the year ended 31 July 2024

27 Pension schemes

Different categories of staff were eligible to join one of four different schemes:

- Universities' Superannuation Scheme (USS)
- Teachers' Pension Scheme (TPS)
- RCM Pension and Assurance Scheme (RCMP&AS)
- National Employment Savings Trust (NEST).

Under the provisions of FRS 102 section 28 "employee benefits", both USS and TPS are multi-employer defined benefit pension schemes. The USS has provided employers with a standard methodology for calculating their share of the agreed funding deficit plan and we have used this methodology to account for these liabilities in line with FRS 102. The RCM is unable to identify its share of the underlying assets and liabilities of TPS and we have accounted for contributions to this scheme as though it is a defined contribution scheme. The RCMP&AS is a closed defined benefit scheme, and NEST is a defined contribution scheme for those staff who are not eligible to join TPS or USS.

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Costs for the schemes, included in the Statement of Comprehensive Income, were:		
Pension Contributions		
USS	1,062	1,250
TPS	1,198	1,035
NEST	35	33
RCMP&AS - Past service cost	147	131
Total in Staff Costs	<u>2,442</u>	<u>2,449</u>

Statement of Financial Position - Pension provisions

USS (note 19)	-	4,955
RCMP&AS	-	-
	<u>-</u>	<u>4,955</u>

The Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most support staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The total gain to the Statement of Comprehensive Income is £4,955,000 (2023: £345,755).

The 31 March 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2023 ("the valuation date"), which was carried out using the projected unit method.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5% and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

Notes to the financial statements for the year ended 31 July 2024

27 Pension schemes (continued)

The Universities Superannuation Scheme (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S2PFA for females.
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account.

Teachers' Pension Scheme

The TPS is a statutory, contributory, unfunded, defined benefit scheme, operating under the Teachers' Pensions Regulations 1997, as amended. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972, with a notional asset value ascribed to the scheme in order to determine contribution rates.

The Government Actuary carries out formal actuarial reviews of TPS to ascertain the level of future contributions. The last review was carried out as at 31 March 2020 and at the date of this review the scheme had a funding shortfall of £39.8 billion and a recovery plan to pay off this shortfall was adopted.

Employee contributions are based on tiered contribution rates dependent on salary bandings based on actual earnings in the pay period. The contribution rates as at 31 July 2024 ranged from 7.4% to 11.7%.

National Employment Savings Trust (NEST)

The pension scheme for staff not eligible for TPS or USS is NEST. This is a defined contribution scheme with a total contribution rate of 8% of qualifying earnings. As an employer the RCM pays 3%. The 5% employee contribution consists of 4% deducted at source and 1% tax relief claimed by NEST from the government.

Notes to the financial statements for the year ended 31 July 2024

27 Pension schemes (continued)

RCM Pension & Assurance Scheme

The RCMP&AS is a closed scheme with 69 pensioners and 89 deferred members. The Scheme is valued every three years by a professionally qualified independent actuary using the projected unit method and, in the intervening years, the actuary reviews progress of the Scheme. The most recent actuarial valuation was at 1 August 2022. At 1 August 2022 the scheme had a funding shortfall of £4.3million.

Following an agreement with the Trustee, the College made deficit contributions of £720,000 in the year ended 31 July 2024 which were used by the Trustee to continue to realign the investment portfolio of the scheme to lock in the benefit of the higher long term interest rates we have seen recently. With the Trustee, we are now working to achieve a "buy-in" of the pension liabilities whereby an insurer will assume a portion of the scheme's liabilities, with the aim of securing a full buy-out of the liabilities by an insurer at a future date. The RCM accounts for the RCMP&AS in accordance with FRS 102 section 28.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	As at 31 July 2024	As at 31 July 2023
	%pa	%pa
Price Inflation (RPI)		
- pre-retirement	3.50	3.50
- post-retirement	3.30	3.30
Price Inflation (CPI)	2.90	2.80
Rate of increase in salaries*	N/A	7.5% for year to 1 August 2023, 4% for year to 1 August 2024 and 2.8% thereafter
Rate of increase of pensions in payment for members in relation to post April 1997 service	3.10	3.10
Discount rate	5.00	5.10

*The salary link broken on 31 January 2024 (additional service credits were provided as compensation)

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Current age 65	Current age 65	Current age 45	Current age 45
	Male	Female	Male	Female
At 31 July 2023	87.0	89.0	88.3	90.5
At 31 July 2024	87.0	89.1	88.4	90.5

The 2024 balance sheet includes a provision of 2% (2023: 2%) of the value of the liabilities in respect of the requirement to equalise for the effect of unequal Guaranteed Minimum Pensions.

Scheme assets

The Scheme's assets are invested across several different asset classes, as follows.

	As at 31 July 2024	As at 31 July 2023
	£'000	£'000
Scheme assets		
Government bonds	2,650	2,864
Corporate bonds	3,246	2,973
Liability-driven investment	6,815	2,647
Multi-asset funds	-	1,079
Cash	451	2,907
Insured pensions	629	660
Total	<u>13,791</u>	<u>13,130</u>

Analysis of the amount shown in the Statement of Financial Position

Scheme assets	13,791	13,130
Scheme liabilities	<u>(11,351)</u>	<u>(10,987)</u>
Scheme net asset / (liability)	<u>2,440</u>	<u>2,143</u>

In accordance with FRS 102 Section 28, the pension asset has not been recognised in the Statement of Financial Position as the likelihood of a refund from the scheme is remote.

Notes to the financial statements for the year ended 31 July 2024

27 Pension schemes (continued)

RCM Pension & Assurance Scheme (continued)

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Analysis of the amount charged to the Statement of Consolidated Income		
Past service costs	(147)	(129)
Net interest on net defined benefit liability	-	48
Total charge to the Statement of Consolidated Income	<u>(147)</u>	<u>(81)</u>
Analysis of the Actuarial (loss)/gain in respect of pension schemes in the Statement of Consolidated Income		
Experience gain on liabilities	(149)	2,589
(Loss) on assets	(160)	(4,037)
Adjustment for non-recognition of surplus	(297)	(2,143)
Total Actuarial (loss) in respect of pension schemes	<u>(606)</u>	<u>(3,591)</u>
Movement in the scheme surplus		
Opening deficit	2,143	(924)
Contributions paid	753	4,596
Past service cost	(147)	(129)
Interest income on assets	677	511
Interest cost on defined benefit obligations	(548)	(463)
Actuarial gain	(438)	(1,448)
Surplus on scheme at end of the year	<u>2,440</u>	<u>2,143</u>
Analysis of movement in the present value of defined benefit obligations		
Present value of defined benefit obligations at the start of the year	10,987	13,466
Past service cost	147	129
Interest cost	548	463
Actuarial (gain)	149	(2,589)
Actual benefit payments	(480)	(482)
Present value of defined benefit obligations at the end of the year	<u>11,351</u>	<u>10,987</u>
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	13,130	12,542
Interest income	677	511
Actuarial gain on assets	(289)	(4,037)
Actual contributions paid	753	4,596
Actual benefit payments	(480)	(482)
Fair value of scheme assets at the end of the year	<u>13,791</u>	<u>13,130</u>
Actual return on Scheme assets		
(Loss) on assets	(289)	(4,037)
Interest income	677	511
	<u>388</u>	<u>(3,526)</u>

28 Post balance sheet events

The sale of 41, Prince Gate Mews completed in September 2024 and sold for £2,743,333. This was a fixed asset in the category Freehold Land and Buildings. The net book value of the asset at 31 July 2024 was £35,176.

A legacy gift of £648,000 was received in October 2024. This is not recognised in the financial statements for the year ended 31 July 2024.