

**THE ASSOCIATED BOARD OF THE
ROYAL SCHOOLS OF MUSIC
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2023**

CHARITY NUMBER (ENGLAND AND WALES):	292182
CHARITY NUMBER (SCOTLAND):	SC043343
COMPANY NUMBER:	01926395

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC

REFERENCE AND ADMINISTRATIVE INFORMATION

PATRON

Her Majesty Queen Elizabeth II

PRESIDENT

His Majesty King Charles III

GOVERNING BODY

Tony Hales, Chair, CBE, BSc

Frances Anderson, M.SOC.SC(URS), BSC (ECON), FRSA

Abdul Bhanji OBE, FCA

Baroness Fleet CBE

Professor Jonathan Freeman-Attwood CBE, BMus, MPhil, Hon RAM, FKC, FRNCM
(Principal, Royal Academy of Music)

Nicola Irvine

Leslie Kwan

Professor Colin Lawson CBE, MA (Oxon), MA, PhD, D Mus, FRCM, FRNCM, FLCM
(Director, Royal College of Music)

Professor Linda Merrick GRSM, MMus, PhD, FRAM, FRCM, FLCM, FRSA, Hon VCM, FHEA
(Principal, Royal Northern College of Music)

Professor Jeffrey Sharkey, MPhil (Cantab)
(Principal, Royal Conservatoire of Scotland)

Bronwyn Syiek, MA (Cantab)

Damian Wisniewski BSc (Eng), ACGI, BFP, FCA, LRAM

CHIEF EXECUTIVE

Chris Cobb BSc, FRSA

DEPUTY CHIEF EXECUTIVE

Penny Milsom, BA

CHIEF OPERATING OFFICER

Helen Coleman BA, MBA

CHIEF DIGITAL OFFICER

James Halliwell BSc, MSc

CHIEF PRODUCT OFFICER

Tom Lee BA

SECRETARY TO THE GOVERNING BODY

Rachael Casstles

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NUMBER (ENGLAND AND WALES):	292182
CHARITY NUMBER (SCOTLAND):	SC043343
COMPANY NUMBER:	01926395
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External Auditors:	Crowe UK LLP 55 Ludgate Hill, London EC4M 7JW
Internal Auditors:	BDO LLP 55 Baker Street, London W1U 7EU
Bankers:	Barclays Bank PLC Level 27 1 Churchill Place, London E14 5HP Santander UK PLC 3 rd Floor, Santander House 100 Ludgate Hill, London EC3M 7RE Lloyds Bank PLC 25 Gresham Street, London EC2V 7HN
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields, London WC2A 3LH
Pension Scheme Administrators:	Broadstone Pensions and Investments Limited 100 Wood Street, London EC2V 7AN
Pension Scheme Actuary and Investment Advisors:	Lane Clark & Peacock LLP 95 Wigmore Street, London, W1U 1DQ
Investment Managers (Prize Funds):	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue, London EC2N 2DL

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC

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THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
GOVERNING BODY'S REPORT (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 JANUARY 2023

The members of the Governing Body (the 'Governors'), who are also directors of the company, present their annual report (incorporating the Strategic Report) for the year ended 31 January 2023, together with the audited financial statements for the year in accordance with the Charities Act 1993 as amended by the Charities Act 2011. They confirm that these comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102).

STATUS AND ADMINISTRATION

The Associated Board of the Royal Schools of Music (ABRSM) is a registered charity, number 292182 (Charity registered in Scotland number: SC043343), and a company limited by guarantee, registered number 1926395, established by four Royal Schools of Music for the benefit of music education. The company has no share capital and the liability of the members in the event of winding up is limited to £1 per member. The members are the Royal College of Music, the Royal Academy of Music, the Trustees of the Royal Northern College of Music Endowment Fund and the Trustees of the Royal Conservatoire of Scotland Trust.

The charity has a wholly owned subsidiary company, The Associated Board of the Royal Schools of Music (Publishing) Limited (ABRSM Publishing), the results of which are consolidated in these financial statements.

GOVERNING BODY, CHIEF EXECUTIVE AND MANAGEMENT STRUCTURE

For the purposes of the Companies Act 2006 the Governors are the directors of ABRSM. They are also the charity trustees under the Charities Act 2011. The Governing Body is constituted under the Articles of Association of the company as drawn up in 1985 and amended on 26 July 2011. The amendment allows for three additional independent members to join the Governing Body.

Membership of the Governing Body consists of two persons appointed by each of the Royal Academy of Music, the Royal College of Music, the Royal Northern College of Music Endowment Fund and the Royal Conservatoire of Scotland Trust, together with three independent Governors¹ and a Chairman who is appointed by the members.

New Governors are invited to meet Governors, the Chief Executive and other senior staff for their induction. These meetings are tailored to the needs of each Governor depending on their background, experience and expertise. The Governors in office from 1 February 2022 to the date of this report are listed below and, where applicable, their alternate directors ('Alternates').

Governors

Tony Hales CBE, Chair
Frances Anderson¹
Abdul Bhanji OBE¹
Professor Jonathan Freeman-Attwood CBE
Nicola Irvine
Leslie Kwan
Professor Colin Lawson CBE
Professor Linda Merrick
Professor Jeffrey Sharkey
Bronwyn Syiek¹
Baroness Fleet CBE
Damian Wisniewski, Deputy Chair

Alternates

Karen Di Lorenzo

Kevin Porter
George Whalley

¹Frances Anderson, Abdul Bhanji and Bronwyn Syiek are independent Governors.

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(CONTINUED)
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GOVERNING BODY, CHIEF EXECUTIVE AND MANAGEMENT STRUCTURE (continued)

Finance & Business Development Committee Members

Damian Wisniewski, Chair
Tim Barton
Tony Hales CBE
Rachel Harris
Karen Di Lorenzo
Bronwyn Syiek

Audit & Risk Committee Members

Abdul Bhanji OBE, Chair
Frances Anderson
Alan Smith
George Whalley

Music Education Advisory Committee

Professor Jeffrey Sharkey, Chair
Tony Hales CBE
Natasha Baldwin
Carolyn Baxendale
Frances Cummings
Barry Farrimond
Mirander Francis
Laura Gardiner
Rylan Gleave
Paul Harris
Karen Humphreys
John Hutchins
Gabriel Lee
Tim Plyming
Orphy Robinson
Jimmy Rotherham
Simon Toyne
Matt Wingfield

Remuneration Committee Members

Bronwyn Syiek, Chair
Baroness Fleet CBE
Professor Jonathan Freeman-Attwood CBE
Tony Hales CBE

Nominations Committee

Tony Hales CBE, Chair
Abdul Bhanji OBE
Professor Colin Lawson CBE
Professor Linda Merrick

Ethics Committee

Frances Anderson
Nicola Irvine

Alternates are appointed by the Governor for whom they act. They are entitled to attend, vote and generally act on behalf of the appointing Governor at any Governing Body meeting where that Governor is not present. Alternates are officers of ABRSM, rather than agents of appointing Governors. They are therefore subject to all terms and conditions, other than remuneration, existing with reference to other Governors.

Key Personnel

The Governors delegate the day-to-day management of ABRSM to the Chief Executive, and through him to his team of senior executive staff, who comprise the key management personnel:

Chris Cobb, Chief Executive
Penny Milsom, Deputy Chief Executive
Prof. Lincoln Abbotts, Executive Director of Strategic Development (Transferred to another role 01/02/2023)
Helen Coleman, Chief Operating Officer
James Halliwell, Chief Digital Officer
Prof. John Holmes, Chief Examiner (Resigned 31/08/2022)
Tom Lee, Chief Product Officer (Appointed 01/03/2023)

Decision Making

Proposals for developing ABRSM's work are discussed and refined by this senior team. Where appropriate they may be reviewed by one of the specialist committees of the Governing Body, which include the Music Education Advisory Committee. The Chief Executive presents key policy and strategic proposals to the Finance & Business Development Committee, which reviews the financial implications of all proposals, and to the Governing Body for consideration. If agreed, these will be incorporated into the planned activities of ABRSM.

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GOVERNORS, CHIEF EXECUTIVE AND MANAGEMENT STRUCTURE (continued)

Decision Making (continued)

All aspects of ABRSM's work in support of its charitable objectives are brought together in a Corporate Plan which, together with financial projections, is monitored by the Senior Management Team and considered by the Finance & Business Development Committee and then the Governing Body. The Corporate Plan sets out the strategic direction for ABRSM in the medium term which is then communicated to all staff.

The Finance & Business Development Committee is also responsible for the review of the forecast, budget and management accounts. It meets four times a year and monitors the finances of ABRSM on behalf of the Governing Body. It exercises oversight of the funding strategy and related policies. The Committee will evaluate business cases for investment and monitor their benefits and RoI. The Finance & Business Development Committee comprises up to six members: The Chair who shall be an ABRSM Trustee; one independent Governor, up to two members co-opted by the members of the committee with relevant skills and experience to support the ABRSM strategy and two Royal Schools of Music Directors of Finance.

The Audit & Risk Committee oversees risk management on behalf of the Governing Body and meets three times a year. It provides assurance to the Governing Body on the effectiveness of risk management, control and governance arrangements. It also meets with both the external and internal auditors to discuss the findings and recommendations from the audit reports. The Audit & Risk Committee comprises four members: two independent Governors and two Directors of Finance from two of the Royal Schools of Music. The Audit & Risk Committee requires that at least one member should have recent audit and/or financial accounting experience.

ABRSM procures its Internal Audit service from BDO LLP. The work of the Internal Audit service is informed by an analysis of risks to which ABRSM is exposed and an annual internal audit plan is based on this analysis. The Audit & Risk Committee approves the internal audit plan. BDO LLP submit regular reports to the Audit & Risk Committee on audits conducted, risks identified and management's response to their findings, as well as their independent opinion on internal control.

The Nominations Committee is responsible for selecting and recommending new appointments to the Governing Body.

The Music Education Advisory Committee is an advisory body which supports the Senior Management Team and Governing Body to assure the musical integrity, quality and relevance of ABRSM's offer in the context of a contemporary global landscape.

The Remuneration Committee is responsible for determining and implementing the remuneration policy of the senior personnel. In doing so it considers remuneration trends across comparable institutions as well as performance. The remuneration of the senior executive staff is determined through the completion of performance related assessments in line with company policy. The level is determined by evaluating a combination of performance and market rate.

The Ethics Committee is an advisory body which supports the Senior Management Team and Governing Body to consider the application of ethical principles to ABRSM's decisions and actions.

ABRSM's governance is structured around the principles of the Charity Governance Code. The Governing Body is committed to reviewing its governance against the Code's principles on a regular basis to ensure the highest standards of governance.

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GOVERNORS, CHIEF EXECUTIVE AND MANAGEMENT STRUCTURE (continued)

Governors' and Officers' Liability

Governors' liability is included in the combined business insurance policy and is purchased by authority contained within the Memorandum and Articles of Association, as permitted by Section 232(2) of the Companies Act 2006 and with the agreement of the Charity Commission. The total cost of Governors' and Officers' liability insurance was £388 (2022: £2,100).

CHARITABLE OBJECTIVES

ABRSM has the following aims and objectives set out in its Memorandum and Articles of Association:

- to advance the arts, science and skills of music, speech and drama throughout the UK and overseas; and
- to promote the education and instruction in, and the study and appreciation of music, speech and drama.

During 2021, ABRSM developed and implemented a new 5-year corporate strategy centred around our ongoing mission to enrich lives by inspiring musical achievement around the world. A focus on the needs of our customers is at the core of our strategy, which is also guided by five key themes: educational excellence; collaboration; leadership and advocacy; equality, diversity and inclusion; and, sustainability.

Over the next three years, ABRSM aims to be seen by our stakeholders to:

- Value and support our learners and teachers
- Be an innovator in music teaching, learning and assessment
- Support and promote music education globally

By January 2026 we will have grown:

- The number of learners engaging with us
- Our charitable donations
- The breadth of our activities

The following report explains in more detail how our objectives are achieved. Our main measurements of success continue to be the level of candidate numbers and turnover, the delivery of key targets for the launch of new products and services, digitally and in person, and reducing our carbon footprint.

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STRATEGIC REPORT

PRINCIPAL ACTIVITIES

ABRSM supports the teaching and learning of music, in partnership with four Royal Schools of Music and aims to inspire achievement in music.

We continue to deliver our strategy guided by the three pillars of our business which underpin our mission to enrich lives by inspiring musical achievement around the world:

1. Music Making – Be inspired

We inspire and celebrate music making and performance in our core role as a music education charity, embracing musical diversity and creativity as we help nurture future generations of musicians.

2. Teaching and Learning – Be supported

We support music teachers and learners and value their ongoing learning and development. We are introducing new courses and resources to support excellence in music teaching.

3. Qualifications and Assessments – Be recognised

We continue to grow our portfolio of qualifications to recognise a wide range of musical achievement, embracing increasingly diverse genres, activities and learning settings.

Our 5-year corporate strategy remains focused on supporting teachers and learners, improving services for customers and expanding the diversity of the music we offer. Sustainability continues to be an important theme, with our ongoing objective to reduce our carbon emissions in line with the Paris Agreement.

The Governors believe that these activities continue to meet ABRSM's charitable objectives both in the year under review and into the future.

ABRSM's subsidiary, The Associated Board of the Royal Schools of Music (Publishing) Limited, is engaged in the production and sale of music publications, recordings and digital resources in support of the charitable activities of ABRSM, both of exam related publications, and wider repertoire music and text-books supporting music education.

During 2022 ABRSM engaged with a consultant, to help put music, performance and the joy and enrichment they bring at the centre of our thinking as we develop our strategic activities to inspire musical achievement for the widest possible range of learners across our three strategic pillars. We were delighted to appoint pioneering musician Alexis Ffrench as our inaugural consultant supporting us with our artistic goals, bringing to ABRSM his formidable musical talent and belief in the power of music and helping give significant voice to the values and core purpose of enriching lives through musical achievement around the world. He assumed his role formally in January 2023.

ACHIEVEMENTS AND PERFORMANCE

Supporting and recognising excellence in music teaching

ABRSM supports teachers worldwide by developing printed and digital resources that complement our exam focussed books, recordings, apps and videos, and through a range of online and face-to-face events and qualifications.

During the year, 27 bespoke presentations and INSET sessions curated and delivered for partner organisations, schools and music services around the world, reached over 600 teachers.

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ACHIEVEMENTS AND PERFORMANCE (continued)

We launched our Teacher Hub in November 2022, a digital platform designed to be the “go to” resource for music teachers. It includes online courses and a community forum for music teachers to learn and share new ideas. This fantastic resource exceeded expectations, with now over 10,500 subscribers across the globe (nearly twice our expected target). There have already been over 125,000 logged sessions and over 420,000-page views, which means that approximately 300,000 pupils have benefitted from the platform. So far one free course has been launched; Reflecting on Your Practice, along with three paid for courses; Troubleshooting Your Teaching, Becoming a Music Teacher, and Approaching Musicianship with Confidence. There are additional free articles, films and resources available in the community resources area with new content uploaded regularly.

Further courses under development include; a Royal Northern College of Music course to be launched later this year, a Music Medals training course, and work in partnership with The Voices Foundation to deliver a course to find your voice. Other future plans include researching teachers' views on the Teacher Hub and the feasibility of a Teacher Conference, and publishing a timetable of face to face sessions, either live or online.

Expanding and enhancing the ways we support and assess musical progression

The core activity of ABRSM, delivering music exams of a consistently high quality both in the UK and internationally, continued during the year. We continued to develop our offer of alternative and new format online examinations approved by Ofqual to meet our learners' needs both in the UK and internationally. There were 440,000 (2022: 425,000) ABRSM assessments in 2022-23, an increase of 3.5% on the prior year.

A fully on-demand model for candidates taking their Performance Grades launched successfully on 1 August 2022, on schedule and within budget. As an agreed strategic priority for 2022, the Performance Grade on Demand (POD) project, was mobilised to deliver a scalable on-demand solution for UK and International candidates as well as to provide a core platform to deliver future on-demand products. By January 2023 more than 500,000 candidates had completed a Performance Grade exam, with more than 100,000 candidates using the on-demand model. The half a million mark would fill the Royal Albert Hall 94 times!

We have broadened out the leadership of the examiner panel with the establishment of the new Chief Examiner Group. This will enable greater capacity for involvement in exam design as well as training and quality assurance.

Most of ABRSM's qualifications are formally recognised by the UK qualifications regulators: in England by the Office of Qualifications and Examinations Regulation (Ofqual); in Wales by Qualifications Wales; and in Northern Ireland by Council for the Curriculum, Examinations and Assessment (CCEA Regulation). All our regulated qualifications are listed on Ofqual's Register of Qualifications. The Governing Body is responsible for overseeing ABRSM's compliance with the conditions of recognition as set by the three regulators.

UK and Ireland examinations

During 2022-23 a total of 213,000 (2022: 204,000) assessments were completed for ABRSM's Practical, Performance Grade, Diploma, Theory and Music Medals qualifications in the UK and Ireland, an increase of 4.4% on the prior year. Assessments completed in Scotland make up 2.3% of the total (2022: 2.6%).

In 2022 we were pleased to have been able to increase the offer of public exams from 200 venues in 2021 to 230 venues by the end of the year.

We aim to retain and attract candidates through a variety of corporate strategies including the release of new and refreshed qualifications and increasing customer engagement capacity along with new publications and digital learning apps.

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ACHIEVEMENTS AND PERFORMANCE (continued)

We are assisted in delivering our examinations by volunteer Honorary Local Representatives (HLRs) who give their valuable time to help arrange and ensure the smooth running of exams in the UK. At the end of the year we had 192 HLRs supporting our UK customers; recruitment is prioritised to focus on locations where there is the most need. 2023 will see a return to face to face seminars and celebration and long service events for our HLRs in the summer.

International examinations

During the year a total of 227,000 (2022: 221,000) international assessments were completed for ABRSM's Practical, Performance Grade, Diploma and Theory qualifications, an increase of 2.7% on prior year.

Internationally we returned to face to face examining in 2022 in 27 countries including 12 in Europe, Singapore, Malaysia and Hong Kong, Indonesia, Australasia, USA, India and the Middle East. We remain in the recovery phase of our strategy. However, a number of our previously identified growth markets, including the USA, New Zealand and South Korea, are recovering faster than others.

In March and April 2022, we opened booking for both Performance Grades and Online Theory exams in China, enabling us to resume a digital-only exam offer in this market.

At year end we had 112 (2022: 129) international representatives, covering 73 countries.

Support for learners of music

This year saw the release of a new Piano syllabus, published in June 2022 for use from January 2023. The syllabus covers all grades from initial grade to grade 8, with the audio product including a download code for all 39 audio tracks on the syllabus for that grade. The new syllabus includes the addition of three new pieces per list per grade from underrepresented composer groups as well as introducing different genres. To support the new syllabus, our Piano Practice Partner App was refreshed in June 2022 to include the new repertoire.

A new Brass syllabus covering all instruments was also published in June 2022 for use from January 2023. The new syllabus introduces co-teachable material across instruments up to grade 5 to support Whole Group Instrumental Teaching, and candidates who learn in the Brass Band world. It includes improved diversity of pieces, duets, and embedded transposition within sight-reading tests. Supporting publications including Brass Mix, Scale and Specimen test books were published in autumn 2022.

Our Singing for Musical Theatre repertoire was updated to refresh and expand the syllabus lists, increasing choice for candidates. This ensured the offer was entirely contemporary in nature, with new shows and soundtracks being represented, and allowed us to consistently work towards diversifying the composer representation. Over 25 new songs have been added across grades 1 to 8, in addition to the 1000+ selections already on the syllabus. This is a 'living list' with pieces being removed by exception.

Development of published and digital resources

Publishing turnover for the year (including intra-group charges) was £6,750,000 (2022: £6,833,000). The small decrease in turnover compared with the prior year, despite the release of a Piano syllabus in June 2022, is due to the increased uptake of Performance Grades which do not require technical tests and therefore fewer supporting publications are needed to sit an exam. The Publishing Company results (including intra-group charges) produced a gift aid payment of £606,000 (2022: £755,000) to ABRSM.

This year saw the continued development and improvement of our range of apps including new syllabus repertoire added to our Piano and Brass Practice Partner Apps. Total app sales for the year came to £149,000 (2022: £150,000) with total downloads of 85,000 (2022: 77,000).

Accessibility and Online Resources

In addition to our examination related on-line tools, we continue to develop our suite of resources for teachers via the website along with face-to-face interaction.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Our new Classroom 200 site was released on time and on budget in April 2022, in time to be referenced by the National Plan for schools. The site has been very successful so far and we surpassed our target of 10,000 sign-ups well before the end of the year.

ABRSM's website features localised content for every country in which we operate and responds automatically to each visitor's location in order to provide local exam entry, contact and event information. During the year to 31 January 2023 we had over 7,415,000 (2022: 8,687,000) visits from over 3,698,000 (2022: 4,269,000) unique visitors.

ABRSM, working closely with PwC, continues to develop and implement the organisation's ambitious digital transformation programme.

The next phase of development and continuous improvement work, including planned CRM development, together with improvements to website content and design, were implemented to improve the customer experience as well as reduce the volume of customer enquiries.

Partnering strategically to support, deliver and advocate for excellence and participation in music education

Due to its financial situation, ABRSM was not able to make substantial charitable contributions during the year to support the work of four Royal Schools of Music. After the year end but before the date of approval of these accounts, distributions of £1m in total were made to four Royal Schools of Music. ABRSM maintained scholarships for UK-based and international students of the Royal Academy of Music, the Royal College of Music, the Royal Northern College of Music, the Royal Conservatoire of Scotland, the Royal Welsh College of Music and Drama and the Hong Kong Academy of Performing Arts. A total of 88 (2022: 89) scholars benefited from ABRSM funding during the year. Sponsorship and donations for the benefit of music education arising in the year to 31 January 2023 were £260,000 (2022: £201,000). Scholarships awarded totalled £1,372,000 (2022: £1,086,000) and included:

Royal Academy of Music

Supported by an ABRSM Scholarship, Gerard Flotats studies cello at the Royal Academy of Music with Hannah Roberts and Andrew Skidmore. Gerard currently plays a Francesco Rugeri cello made in Cremona in 1689, on loan from the Academy. In 2022, Gerard performed in masterclasses with Mischa Maisky at the Stauffer Academy and with Gary Hoffman and Frans Helmerson at Verao Classico Lisboa. He has also worked in chamber groups with Brett Dean, Hilel Zori, Sheku Kanneh-Mason and Rodovan Vlatkovic, and played in renowned venues including the Southbank Centre. Gerard is currently the principal cellist of the European Union Youth Orchestra. He also recently led the Royal Academy of Music Orchestra. As a member of the Edenis Quartet, he recently played the solo quartet of Elgar's Introduction and Allegro and has been invited to play at the Hatfield Chamber Music Festival in 2023. Gerard is incredibly grateful to receive support from ABRSM and would like to pass on the following message of thanks: "I grew up in a small village outside Barcelona and coming to London to study what I love most at the Academy is a dream come true. I feel extremely lucky to have this opportunity, made possible by my ABRSM Scholarship, and I will make the most of it. To have the backing of such a renowned organisation is a real motivator for my studies and career. Thank you."

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ACHIEVEMENTS AND PERFORMANCE (continued)

Partnering strategically to support, deliver and advocate for excellence and participation in music education (continued)

Royal College of Music

Japanese-born British violinist Coco Inman is currently a Masters student in her final year at the RCM as an ABRSM scholar. Her studies this year have acted as a springboard to prepare Coco for life as a professional musician outside of education. In her orchestral module, she has gained invaluable experience in preparing for professional orchestral auditions, as well as how to play within the body of an orchestra and the nuances of playing as part of a team. She has successfully obtained two trials with the Manchester Camerata and the CBSO and is a regular extra player with the Philharmonia and Britten Sinfonia. At the beginning of this academic year, Coco joined the Salomé Quartet (formed in 2016 at RCM) as second violinist. Studying at the RCM has given the group the privilege of access to unlimited chamber coaching, essential to their growth. Since Coco joined, the Salomé Quartet have been appointed members of the Britten Pears Young Artist Programme and Musethica Sessions, and are the recipients of a Tunnel Trust Award with a Scotland tour taking place in 2024. Without her scholarship, Coco's Masters may not have been possible and she would not have had the opportunity to study the core and essential skills she has learnt from the professors, classes and community at the RCM. Coco would like to thank the ABRSM for its unequalled support, which has made a tremendous difference in enabling her studies, allowing her to develop as a musician and follow her dreams.

Royal Northern College of Music

Supported by an ABRSM Scholarship, Ben Norris studies viola at the Royal Northern College of Music (RNCM). Ben has enjoyed success after success and is now approaching his final year of undergraduate study at the RNCM. Outside of his studies, he is currently working with the Bournemouth Symphony Orchestra and BBC National Orchestra of Wales. He also became a core member of Sinfonia Cymru in September 2022 – undertaking Principal Viola for a recent tour with them and playing solo in Wagner's Siegfried Idyll, which was broadcast on Radio 3.

Royal Conservatoire of Scotland

Rachel McLean is a final year MPerf student studying Vocal Studies at the Royal Conservatoire of Scotland. Rachel has made tremendous progress, both technically and dramatically. She is an exemplary student and always prepares her repertoire well, is extremely organised and is a most empathetic young lady. Her voice is going from strength to strength and she has had several positive outcomes from the auditions she has done this year. She is a most dedicated student and is very appreciative of the support from the ABRSM which enables her to continue her studies. She recently won the Tanya and Tony Webster Russian song Prize at RCS and is looking forward to singing Donna Anna in the Weimar Opera Summer Studio in the summer of 2023.

Other Support for Music Education

We have continued to work closely with partner organisations, policy makers and leaders to champion music education and open up opportunities for more people to access and progress in music.

2022 saw the start of a rebalancing of our partnerships and sponsorship portfolio as part of a commitment to broaden both the reach and impact of our funding, as well as the diversity of organisations and programmes we support. In the UK we continued to collaborate with longstanding partners such as Music Mark, Open Up Music, National Youth Choirs of Great Britain, National Youth Jazz Orchestra, Royal Philharmonic Society, National Children's Orchestras of Great Britain, National Youth Orchestra and London Music Fund, and we established exciting new partnerships with Black Lives in Music, the Ivors Academy, Tri-Borough Music Hub and Music Education Partnership Group (MEPG).

Our support for MEPG's We Make Music Scotland Instrument Libraries programme is helping to place musical instruments in libraries across Scotland, giving learners the opportunity to take out instruments for free just as they would a book. This initiative complements the Scottish Government's commitment to providing free instrumental and vocal tuition for learners across the country. Our partnership with Black Lives in Music supports our shared aims to contribute to an ever more diverse, inclusive and accessible industry, while our work with the Ivors Academy builds on the last two years of our composer mentoring programme, which supports emerging composers from diverse backgrounds looking to write music for educational settings.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Partnering strategically to support, deliver and advocate for excellence and participation in music education (continued)

In November 2022 we launched an exam discount scheme to contribute to tackling some of the financial barriers that many learners and families face in accessing music education, including our exams. The scheme is managed by our partners Music Mark, and is available to learners via their local music service, ensuring that the support is targeted at the local level to where it is needed most.

Outside the UK we continued our support for grassroots music programmes, teacher development and performance opportunities through our International Sponsorship Fund (ISF). The 2022 recipients were Ashram Gandhi School (India), Education Africa (South Africa) and La Escuela Paralela (Dominican Republic). Launched a decade earlier, the ISF has provided funding to more than 50 organisations from 31 countries around the world, helping an estimated 5,000 music learners engage with a range of programmes. We published a 10-Year Impact Report to highlight some of the stories from over the years, and announced a new, enhanced sponsorship programme, Play On, to succeed the ISF from 2023. Play On will be managed by our partners The Commonwealth Resounds, and we hope to reach more people than ever before.

We were also pleased to present the 7th Global High Scorers' Concert in May 2022, featuring young performers from 24 countries. Initially established in response to the pandemic, these online events continue to be popular with our audiences and we received more than 2,000 applications from performers.

Partnership is central to our work as a music education charity and so we have looked to increase the visibility of this work on our website and social channels. We launched a new blog series, Spotlight on Partnerships, to showcase our partners, share good news stories of music from around the world, and demonstrate the impact of our support and funding on their work.

Classroom 200 – our free online resource for school teachers working with students up to the age of 14 – continues to play a part in bringing music to life in more than 12,000 schools worldwide. With access to recordings and step-by-step lesson plans, this resource flows from our previous work on the Model Music Curriculum and complements the growing suite of offers available to instrumental and classroom teachers via our Teacher Hub.

Prize Funds

The endowment funds were established to provide prizes for musical achievement in ABRSM's examinations. All investments have been acquired in accordance with the powers available to the Governors.

Fundraising

The organisation does not engage in fundraising activities. Its income is derived from music examination fees and from sales of associated publications.

Protecting the planet for future generations

We recognise a climate emergency is happening. As a global organisation bringing musical achievement to a young audience, we will engage our staff and the wider ABRSM community to protect the planet for future generations. We will adapt how we operate to reduce our impact on the environment and our long term goal is to cut our carbon emissions in half by 2030 and reduce them to net zero by 2050.

In 2021 we carried out a carbon audit of our activities and began to plan a series of projects over the next three years that will help us to manage our GHG emissions against targets that track the aims of the Paris Agreement on global temperature rise.

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FINANCIAL REVIEW

The consolidated statement of financial activities is given on page 27 of the accounts.

Total turnover of ABRSM and its UK subsidiary from examinations, publications, teacher support and investment income for the year amounted to £45,529,000 (2022: £42,498,000). The increase in turnover mainly arises from increased candidate numbers for our assessments both in the UK and internationally. Uptake of our Practical examinations has increased as travel and social distancing regulations have eased around the world. This is partially offset by a slight fall in turnover for our Publications subsidiary.

The operating profit for the year was £7,346,000 (2022: £7,428,000). The performance of the publishing company is set out in note 6 to the accounts.

The profit is stated after charging £3,123,000 (2022: £2,722,000) of amortisation costs in line with ABRSM's policy regarding the capitalisation of software development costs (note 2h). This amortisation relates to development of our CRM system, which has allowed customers to manage their bookings directly and also brought many of our internal processes online.

We continued to improve our digital offering by investing £2,037,000 (2022: £1,709,000) in our CRM system. A significant proportion of this related to the introduction of an on demand model for our Performance grade assessments.

The increased cash receipts and improved financial stability have allowed us to increase the level of cash held on deposit to £13,050,000 (2022: £6,988,000). This is held in various accounts with different maturity dates to maximise returns whilst still allowing flexibility.

The level of creditors due within one year have reduced to £9,744,000 (2022: £10,227,000). We make commission payments to our International Representatives after the year end and the amount due has reduced to £1,639,000 (2022: £2,057,000).

The risks associated with our pension fund are now under control, with much reduced deficit and a revised repayment plan.

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FINANCIAL REVIEW (continued)

Going Concern

The strong performance of the Group during the year ended 31 January 2023 has provided a firm foundation for the forthcoming year.

A budget has been set for the following year which shows the Group generating a surplus for the year. Reforecasts to the end of June 2024 have also been prepared based on likely and worst case scenarios. In both of these situations it is expected that the Group will continue with net positive current assets and total assets, along with sufficient positive cash balances. In the likely case a surplus is to be generated by the Group. These forecasts have been prepared taking account of recent cost of living rises and increases in global prices for energy such as gas and raw materials such as paper.

The charity has the resources to allow it to invest in its digital programme to continue to meet customer needs.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

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FINANCIAL REVIEW (continued)

Investment Selection Policy and Performance

On the incorporation of the Associated Board in 1985, it was decided that the publishing business of ABRSM should be transferred to a wholly owned subsidiary, The Associated Board of the Royal Schools of Music (Publishing) Limited. This company granted an unsecured loan note to ABRSM as consideration for the transfer of the publishing business. ABRSM receives interest on this loan note at 2% above the bank base rate. Additionally, the subsidiary company pays royalties to ABRSM on copyrights owned by ABRSM. Finally, it donates its taxable profits to ABRSM under a deed of covenant, which amounted to £606,000 (2022: £755,000). This is a long-term investment held for the benefit of ABRSM and integrated within ABRSM's operations utilising the intellectual property contained in ABRSM's syllabus listings, which are periodically refreshed.

ABRSM occasionally receives sums of money to provide for prizes for candidates performing well in its examinations. In order to maintain the real value of these gifts it invests a significant proportion of the Prize Endowment Funds in Blackrock Charities UK Bond and Equity Common Investment Funds. At 31 January 2023 these had a cost of £779,000 and a market valuation of £1,574,000 (2022: £779,000 and £1,578,000 respectively), reflecting a decrease in market values of 0.2% from the prior year, (2022: net increase of 8.9%).

All other surplus liquid funds held by ABRSM are placed on deposit to safeguard the funds involved and to earn interest until such time as they are needed to meet the expenditure involved in ABRSM's operations. The interest earned on these deposits during the year was £164,000 (2022: £8,000).

Principal Risks and Uncertainties

The Governing Body is responsible for the assessment and control of the risks faced by ABRSM. Consideration of risks is delegated to the Audit and Risk Committee and managed on a day-to-day basis by senior staff. The Governors believe that awareness of the key risks is the single most important element in ensuring that they are controlled. Risks are identified, assessed and controls maintained throughout the year, with a formal review of ABRSM's risk management processes undertaken on an annual basis.

In addition to the risk management and mitigation actions identified in the table below, ABRSM uses the following controls to manage risk:

- formal agendas and minutes for all Governing Body and committee activity;
- clear terms of reference for all committees – Finance & Business Development Committee, Audit & Risk Committee, Remuneration Committee, Nominations Committee and the Music Education Advisory Committee;
- a rolling programme of internal audit
- comprehensive strategic planning, forecasting, budgeting, management accounting and variance analysis;
- an established governance and organisational structure with clear lines of reporting;
- formal written policies, including staff policies readily accessible to all staff;
- hierarchical authorisation and approval levels; and
- review of cashflow forecasts

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FINANCIAL REVIEW (continued)

In addition to the significant business and financial risks which, together with the mitigating actions are referred to in the Financial Review, key risks affecting the charity include:

Risks What are the key risks facing ABRSM?	Management and mitigation What is ABRSM doing to reduce the likelihood or minimise the impact of these risks occurring?
Cyber attack, major incident or technology failure leading to loss of data and business interruption	<p>Management regularly seeks and acts on external advice to ensure it remains up to date with the possible causes and best mitigating actions to address this risk. The mitigating actions include:</p> <p>Business Continuity and Disaster Recovery plans in place.</p> <p>Cyber Essentials Plus Accreditation renewed annually.</p> <p>Mandatory Security Awareness training for all staff</p> <p>Dual Authentication for remote access</p> <p>Automatic 3rd party security patch management</p> <p>Advanced Firewall security</p> <p>Support contract in place with PwC</p>
Adverse movements in financial markets leading to growth in pension liabilities, or an adverse assessment of ABRSM's covenant Economic decisions affecting Employer covenant 'covenant leakage'.	<p>Agreed deficit recovery plan signed in October 2022</p> <p>Annual Governing Body review with Chairman of the Pension Fund</p> <p>Rebalancing proportion of growth v matching assets</p> <p>Quarterly monitoring by Pension Scheme Trustees</p> <p>Quarterly reporting by Director of Finance to Finance and Business Development Committee</p> <p>Professional actuarial, investment management and legal advice</p> <p>Investment strategy is to hedge against inflation and interest rate risk using LDIs</p>
Inadequate procedures for maintaining critical business services and oversight of incident management plans.	<p>Business Continuity and Disaster Recovery policy and plans in place</p> <p>Checked business continuity plans of critical suppliers</p>

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THE ABRSM PENSION AND LIFE ASSURANCE SCHEME (THE SCHEME)

ABRSM operates a defined benefit pension scheme which closed to future accrual on 31 December 2018. The notional surplus or deficit on the funding of the Scheme, calculated annually under this standard, is shown in the financial statements as a designated fund entitled "Pension Reserve". This is deducted from Unrestricted Funds in the balance sheet. The approximate actuarial valuation carried out at 31 January 2023, as required by FRS 102, represents the market value of the assets of the Scheme as £42.5 million and the value of the liabilities at that date as £46.3 million (2022: £57.9 million and £67.0 million). The net deficit on the Scheme of £3.8 million (2022: £9.2 million) is a statement of the transient situation at 31 January 2023. Both the Governors and the Trustees of the scheme recognise that such valuations can move significantly in response to market factors and the actuarial assumptions made.

The Governors recognise that the deficit arising under FRS 102 does not have a significant immediate cash-flow impact on the charity. The positive effect of the contributions made by the employer on the FRS 102 liability has been accompanied by a decrease in technical provisions as at 31 January 2023. The disclosure of a pension liability, newly calculated year by year under FRS 102, does not mean that the equivalent amount is already committed and no longer available to the Governors to further the charity's objectives.

The last triennial actuarial valuation was prepared as at 31 December 2021 and showed a deficit of £12.3 million. The Scheme closed to future accrual from 31 December 2018 and had already closed to new entrants, with certain limited exceptions, on 1 February 2014.

A new deficit recovery plan was agreed by the Trustees in 2022. Under the plan, the Employer agreed to pay deficit reduction contributions of £2.75m per annum for a period of 3 years and 3 months from 1 January 2023 to 30 April 2026. The Employer also agreed to pay all costs associated with running the Scheme and to take over responsibility for Life Assurance arrangements with effect from 1 February 2019.

RESERVES

Our reserves comprise unrestricted funds and endowment funds. The endowed funds result from donations and legacies which can only be applied for a purpose specified by the donor and are not available for general purposes. These funds are used to award prizes to examination candidates in accordance with the criteria specified by the donor. Endowed funds total £1.7m at 31 January 2023 (notes 2t, 5 and 24).

The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the Governors. They comprise the fixed assets fund, designated funds and general funds.

Fixed Assets Fund

The fixed assets fund comprises the funds invested in fixed assets that the Governors consider essential in enabling us to implement effectively our operational strategy. The fund represents the net book value of tangible and intangible fixed assets. The intangible assets arise from investment in our digital transformation programme.

Designated Funds

Designated funds are funds that the Governors have earmarked for specific purposes. Since 2014 and prior to this year a total of £15.9m of general funds had been designated to be held for specific purposes, in particular the digital transformation programme. As at 31 January 2023 £13.1m of these funds have been expended. A total of £3.8m remains at 31 January 2023 in respect of ongoing digital transformation and international development, and £0.8m for examiner costs.

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RESERVES (continued)

General Funds

In accordance with Charity Commission guidance, the Governors set a target for the level of free reserves, or general funds, that we should maintain to ensure our financial security and funding of our business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. Since many of ABRSM's costs are directly related to the number of examinations held, it is ABRSM's aim to have sufficient liquid resources and cash balances so that, in the event of a downturn in the demand for its services, its operating costs, excluding costs directly relating to activity (e.g. examiner fees and venue hire), would be met for a period of six months, plus any outstanding liabilities. During this period, other actions to mitigate loss would be implemented. This implies the need for a level of free reserves of £12.1m (2022: £11.1m). As the Charity is wholly reliant on global trading conditions to generate income, the Governors consider that six months represents a realistic and prudent position.

General funds stand at £9.7m at 31 January 2023. This is an increase of £5.0m or 106% on the prior year (2022: £4.7m) and is £2.4m below the minimum level of general reserves set out in the preceding paragraph.

Included in designated funds are development funds of £3.8m (2022: £3.9m). These funds have been set aside to fund future long term projects but if necessary could be used to fund more immediate needs. The combined general and development funds amount to £13.5m (2022: £8.6m). The group had a cash balance of £8.2m (2022: £9.9m) to cover short term requirements.

The pension liability represents the present value of the pension liabilities less the fair value of the pension scheme assets, calculated in accordance with FRS102 (note 32) and does not imply a significant constraint over the use of reserves for the foreseeable future other than to ensure monthly contributions are met, which are budgeted for accordingly.

PLANS FOR FUTURE PERIODS

General objectives

ABRSM will continue to conduct its operations to the highest standards, including all forms of online assessment, recognising that integrity and impartiality are fundamental to ABRSM's continuing success. All developments are evaluated for financial viability to ensure sound cost and budgetary controls and to enable ABRSM to maximise its contribution to music education. ABRSM will continue to use its influence in promoting music education generally, in accordance with its charitable mission and will continue to take steps to protect our environment by operating in ways that reduce our carbon footprint.

Short term objectives:

Our short term objectives are to use digital first solutions to strengthen our core assessment activity and to develop qualifications and supporting resources that appeal to a more diverse range of learners.

Key projects in 2023/24 will include:

- Diversifying our partnerships with the aim of rebalancing the portfolio of partners we work with to cover more of the UK and our international markets.
- Deliver the first year of our new funding programme Play On.
- Continue to focus on the diversity of our syllabuses and publications.
- Publish the specifications for the first of our new diploma qualifications.
- Moving Music Medals onto our booking portal and make them available to customers worldwide.
- Identify ways of improving our services for customers and we will be investing in our data and technology infrastructure.

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PLANS FOR FUTURE PERIODS (continued)

We are also planning to implement the results of a brand review this year. Customers will start to see both aesthetic and stylistic changes in the way we present ourselves. Our communications and branding will reflect our three pillars, and the values and excellence we continue to hold at the heart of our organisation.

Long Term Plans:

During 2021, ABRSM developed and implemented a new 5-year corporate strategy centred around our ongoing mission to enrich lives by inspiring musical achievement around the world. A focus on the needs of our customers is at the core of our strategy, which is also guided by five key themes; educational excellence; collaboration; leadership and advocacy; equality, diversity and inclusion; and, sustainability:

- Create resources and ongoing training opportunities for music teachers in a variety of contexts, supporting their development.
- Build support for excellence in music teaching within schools by recognising high-quality and imaginative music-making.
- Collaborate with partners around the world to promote the benefits of music education for all wherever we operate.
- Develop new assessments and resources that quickly broaden our appeal to a wider and more diverse range of musicians and accelerate our ability to offer products that help learners develop their skills and make progress in music.
- Maintain and innovate our current qualifications and assessments, as well as the publications and digital resources that support them.
- Maintain and develop new partnerships to advocate for the importance of music education and strengthen our ambassadorial network to promote music-making everywhere.
- Make donations to sponsor music education programmes and scholarships in the UK and internationally.
- Set science-based targets that reduce our GHG emissions in line with Paris Agreement goals to keep global warming to within 1.5°C of pre-industrial temperature levels.
- Adapt how we operate in order to reduce our impact on the environment.
- Train and engage staff, contractors, partners and customers in our sustainability agenda.

Our objectives highlight a renewed focus on supporting music teachers with professional development, and the importance of transforming our ways of working to ensure our business is environmentally sustainable. Working in partnership with others in the UK and beyond, we will continue to promote the value of music education, celebrating the achievements of learners and highlighting the importance of progression in music. Our aim is to increase our ability to invest back into music education, both in the UK and internationally.

PUBLIC BENEFIT

The Governors have considered the guidance on Public Benefit published by the Charity Commission. The Governors believe that increasing the skills, knowledge and understanding of music provides benefit since the subject itself is of educational merit. Additionally, they also believe that the processes involved in reaching the particular level of competence tested in one of ABRSM's assessments deliver educational value of themselves. The benefits of increased musical skill are directly related to the charity's aims and no detriment or harm is considered likely to arise from these activities.

The Governors consider the beneficiaries to be a very wide range of people, insofar as the assessments offered by ABRSM are taken up in over 90 different countries throughout the world with many thousands of candidates both in the UK and worldwide. There is no age limit for those entering exams although the vast majority of the candidates are of school age. Comprehensive access arrangements are in place to meet a wide range of needs.

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PUBLIC BENEFIT (continued)

A number of exam fees charged internationally are based on local economic conditions. ABRSM's online services, such as Play On, Aural Trainer Lite and Melody Writer, are available at no charge internationally. ABRSM will continue to support these innovative educational tools and develop additional online tools to support music education. ABRSM also provides public benefit by funding scholarships and bursaries for students at four Royal Schools of Music. Additionally, ABRSM provides sponsorship for other musical organisations in the UK and internationally subject to the availability of funds. ABRSM's Classical 100 resource for schools and the Journeys subscription app were made freely available to all through Play On in 2020. Building on the success of Classroom 100, Classroom 200 was launched in April 2022, and was nominated for the "Outstanding Education Resource" at the Music & Drama Education Awards in 2023.

ABRSM supports the Royal Academy of Music, the Royal College of Music, the Royal Northern College of Music and the Royal Conservatoire of Scotland, which are charities in their own right. It does this through the provision of scholarships and, where possible, through distributions in the form of donations. It also supports the Royal Welsh College of Music and Drama and the Hong Kong Academy of Performing Arts. The public benefit delivered by ABRSM's support for these and other music education organisations is set out on pages 8 to 10.

The Governing Body's Report (incorporating the Strategic Report) demonstrates the way in which ABRSM's strategies support its objectives and provide public benefit.

ENVIRONMENTAL IMPACT

ABRSM is committed to protecting our environment by increasingly operating in ways that reduce our carbon footprint, harnessing technological developments to reach learners around the world.

In compliance with the Streamlined Energy and Carbon Reporting (SECR) requirements ABRSM is reporting on our energy use. ABRSM's total UK energy use and greenhouse gas emissions due to UK energy use is shown below:

	Year ended 31 January 2023	Year ended 31 January 2022
UK energy use (kWh)	885,303	698,673
Associated greenhouse gas emissions (kg CO ₂ equivalent)	196,864	156,140
Intensity ratio: Emissions (kg CO ₂ equivalent) per examination	0.45	0.37

The energy and emissions reported above arise from our office at 4 London Wall Place and car fuel. Information regarding our office is derived from information provided by our energy supplier who provided electricity and heating/cooling from a local combined heat and power facility. The amount of car fuel used is based on claims from staff and examiners.

Due to the increase in face to face examinations in the UK in the year, the consumption of car fuel increased.

The fit out of 4 London Wall Place achieved the Bronze standard SKA rating; lighting is controlled by infrared sensors and the heating and cooling system is timetabled.

Staff are engaged through the departmental representation of a Sustainability Working Group, which completed a carbon audit in 2021, and instigated a two year workplan to drive change and a culture of environmental awareness and responsibility. The Carbon Reduction programme has been established and a second carbon audit has been completed, tracking 2021 to compare against the 2019 data. Additionally, a supply chain audit is currently underway in collaboration with our partner Green Element.

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ENVIRONMENTAL IMPACT (continued)

The delivery of Practical and Theory exams in the UK and around the world contributes most significantly to the group's environmental impact. Examiner international tours for practical exams are organised efficiently to reduce air travel to the minimum possible and emissions are monitored.

Our digital examinations offering of Performance Grades and Online Theory remain popular since their launch in 2020. As examiners do not need to travel for these examinations, our energy use and associated emissions are reduced compared with traditional face to face examinations.

We aspire to reduce our energy use and associated emission further by using more locally trained examiners.

The introduction of automated booking, processing and marking of examinations in 2021 supplanted previous paper-based processes and significantly reduced paper consumption. However, in common with other businesses who have moved their operations online, we are aware that the increased use of technology brings with it increased energy use by our staff, examiners, teachers and learners in the operation of their electronic devices.

Our published books and resources are made from sustainable sources.

DIVERSITY AND INCLUSION

Published in October 2020 and with quarterly Progress Updates available on our website, our Diversity & Inclusion Plan is firmly established and continues to play a central role in decision making across ABRSM. The Plan sets out key goals, supported by measurable targets, to broaden the music we promote, commission and publish, as we recognise and celebrate the richness of diversity that music offers.

The Plan sets out five key strands of ABRSM's work that help us to become an ever more diverse, inclusive and accessible organisation:

Active commissioning

Our active commissioning programme seeks to identify composers, arrangers and works that are new to us, our audiences and the world of music education so that we can increase the diversity and breadth of our repertoire by drawing on new sources of quality music from composers. We have commissioned new material by composers from underrepresented backgrounds to feature in our publications and syllabuses, many of whom have been published by ABRSM for the first time.

Transforming syllabuses

Through our active commissioning programme, and by working with a range of collaborators and partner organisations to identify previously unpublished or lost works by underrepresented composers, we continue to transform the repertoire that features in our syllabuses. Over the last year we have made significant improvements in the diversity of composers and music featured in our latest Woodwind, Piano, Brass and Singing for Musical Theatre syllabuses, as well as supporting publications, including the Brass Mix series. Further details – including more in-depth statistics related to syllabus content – can be found in our Progress Updates on our website.

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DIVERSITY AND INCLUSION (continued)

Mentorship and development programme for composers

We ran our second composer mentoring programme in 2022, collaborating with six composers from diverse backgrounds looking to explore the world of writing for music education. The programme featured collaborations with a wide range of our partner organisations, including Black Lives in Music, the Ivors Academy, Musicians' Union, National Youth Jazz Orchestra, National Open Youth Orchestra, National Children's Orchestras of Great Britain, London Music Fund and National Youth Choirs of Great Britain. Composers undertook a variety of compositional tasks around writing for different educational contexts and our intention is that some of the music written during the programme will feature in future ABRSM syllabuses. The Piano 2023/24 syllabus featured two composers from the previous year's cohort, Kristina Arakelyan and Shruthi Rajasekar.

We also delivered an online workshop for the University of York Music Press composers and their networks about writing to a brief, and this format will be developed further in 2023 to open up opportunities for more composers to engage with ABRSM.

Developing partnerships and advocacy

Our partnerships portfolio continues to evolve and a core tenet of all new partnership agreements is around a shared commitment to diversity and inclusion. This ensures that any partnership we establish is working towards the same aim of making music education and the music industry increasingly open, accessible, diverse and inclusive. We are also broadening the range of organisations we work with, and are actively developing a youth voice programme to launch in 2023.

Transforming the organisation

Our Music Education Advisory Committee (MEAC) meets on a termly basis and brings a diverse set of voices to both current and future-facing products, themes and opportunities. Chaired by Jeff Sharkey, Principal of Royal Conservatoire Scotland, MEAC represents a breadth of demographic, cultural and global experience in teaching, learning and performance.

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SECTION 172(1) STATEMENT

This section, together with those pages incorporated by reference, acts as the ABRSM's Section 172(1) statement.

The Governors have a responsibility to act to promote the success of the group with regard to the following matters (amongst others):

- The likely consequences of any decision in the long term – Page 4 details how plans are prepared and updated.
- The impact of the company's operations on the community and the environment are set out on Pages 17 to 19.
- The desirability of the company maintaining a reputation for high standards of business conduct: ABRSM is regulated by Ofqual, the Charity Commission and OSCR and faces competition in the markets in which it operates and therefore must ensure that it maintains the highest standards consistent with its reputation and history.
- The need to act fairly as between members of the company: Representatives of each of the four members sit as Governors on the Governing Body, thus each member has the opportunity to be fully engaged in the decisions of the Governing Body.

The Governors recognise that in addition to ABRSM's members, they have a responsibility to engage with other stakeholders. The Governors consider other main stakeholders to be candidates and their parents, music teachers, examiners, representatives, volunteers and employees. The Governors engage with these stakeholders via the senior leadership in a variety of ways as follows:

- Candidates and their parents – We engage customers through emails and social media and maintain information on upcoming exam sessions and new products and services on the website. We run regular surveys to seek customer feedback.
- Music teachers – In addition to our communication channels for candidates and their parents, ABRSM provides separate resources on its website to support teachers. Specialist courses and events are regularly held for teachers.
- Examiners – A dedicated team engage examiners in policy and other continuous professional development events, as well as town hall style discussions. Examiner online conferences are also held annually, allowing examiners to engage with their peers and ABRSM.
- Representatives and volunteers – Contact is maintained through a dedicated ABRSM team and newsletters, training events and, webinars.
- Employees – The staff forum meets each week to discuss matters directly affecting staff. This group meets with the Chief Executive and HR director on a quarterly basis to provide feedback. An all staff meeting is held quarterly, to allow the senior leadership and others to provide an update on ongoing projects and current issues that affect them and ABRSM.

The Governing Body's Report (incorporating the Strategic Report) has been approved by the Governors on 22 June 2023 and signed on their behalf by:



Tony Hales CBE
Chairman of the Governors

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC

STATEMENT OF THE GOVERNING BODY'S RESPONSIBILITIES

Governing Body's Responsibilities Statement

The Governors (who are also directors of The Associated Board of the Royal Schools of Music for the purposes of company law) are responsible for preparing the Governing Body's Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The Governors are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that:

- so far as each Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC

REGISTERED CHARITY NUMBER: 292182

CHARITY REGISTERED IN SCOTLAND NUMBER: SC043343

COMPANY NUMBER: 01926395

Opinion

We have audited the financial statements of the Associated Board of the Royal Schools of Music ('the charitable company') and its subsidiary ('the group') for the year ended 31 January 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 January 2023 and of the group's and the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustee'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 charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC (CONTINUED)

REGISTERED CHARITY NUMBER: 292182

CHARITY REGISTERED IN SCOTLAND NUMBER: SC043343

COMPANY NUMBER: 01926395

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC (CONTINUED)

REGISTERED CHARITY NUMBER: 292182

CHARITY REGISTERED IN SCOTLAND NUMBER: SC043343

COMPANY NUMBER: 01926395

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), OFQUAL compliance and Health and safety legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of exam fee income, the estimation of tax provisions and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC (CONTINUED)

REGISTERED CHARITY NUMBER: 292182

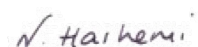
CHARITY REGISTERED IN SCOTLAND NUMBER: SC043343

COMPANY NUMBER: 01926395

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 23 June 2023

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JANUARY 2023

		Unrestricted Funds	Pension Reserve	Endowment Funds	Total Funds	Total Funds
		£'000	(note 32) £'000	£'000	2023 £'000	2022 £'000
	Notes					
INCOME & ENDOWMENTS FROM:						
Charitable activities						
Examinations	3	38,546	-	-	38,546	35,564
Teacher Support	4	3	-	-	3	11
Other trading activities:						
Publishing sales	6	6,746	-	-	6,746	6,829
Investments	5	164	-	54	218	53
Other	7	16	-	-	16	41
Total income		45,475	-	54	45,529	42,498
EXPENDITURE ON:						
Charitable Activities						
Examinations	8	33,879	(3,644)	3	30,238	27,685
Teacher Support	8	390	-	-	390	212
Scholarships	8,10	1,372	-	-	1,372	1,086
Music education	8,11	260	-	-	260	201
Other trading activities:						
Publishing	8	5,750	-	-	5,750	5,679
		41,651	(3,644)	3	38,010	34,863
Pension finance charge	8	-	169	-	169	325
Total expenditure	8	41,651	(3,475)	3	38,179	35,188
Net (loss)/gain on investment	17	-	-	(4)	(4)	118
Net income/(expenditure)		3,824	3,475	47	7,346	7,428
Other recognised gains/(losses):						
Actuarial gain on pension scheme	32	-	1,893	-	1,893	8,092
Net movement in funds		3,824	5,368	47	9,239	15,520
RECONCILIATION OF FUNDS:						
Balance brought forward		15,451	(9,166)	1,644	7,929	(7,591)
Net movement in funds		3,824	5,368	47	9,239	15,520
Fund balances carried forward, including pension reserve		19,275	(3,798)	1,691	17,168	7,929

For Companies Act purposes, consolidated gross income for the financial year was £45,475,000 (2022: £42,453,000), consolidated gross expenditure was £38,176,000 (2022: £35,176,000) and net profit was £7,299,000 (2022: £7,277,000).

All income is derived from continuing operations

The notes on pages 30 to 62 form part of these accounts

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
BALANCE SHEETS
AS AT 31 JANUARY 2023

		Group		Charity	
	Notes	2023 £'000	2022 £'000	2023 £'000	2022 £'000
FIXED ASSETS					
Tangible assets	15	1,677	1,791	1,677	1,791
Intangible assets	16	3,366	4,452	3,366	4,452
Investments	17	1,574	1,578	2,356	2,360
		6,617	7,821	7,399	8,603
CURRENT ASSETS					
Stocks	18	831	840	-	-
Debtors	19	4,164	3,720	5,549	5,248
Investments	20	13,050	6,988	12,050	5,550
Cash at bank and in hand		8,235	9,937	7,276	9,345
		26,280	21,485	24,875	20,143
CREDITORS: amounts falling due within one year	21	(9,744)	(10,227)	(9,131)	(9,678)
NET CURRENT ASSETS		16,536	11,258	15,744	10,465
TOTAL ASSETS LESS CURRENT LIABILITIES		23,153	19,079	23,143	19,068
CREDITORS: amounts falling due after more than one year	22	(544)	(562)	(544)	(562)
PROVISIONS	23	(1,643)	(1,422)	(1,643)	(1,422)
NET ASSETS EXCLUDING PENSION LIABILITIES		20,966	17,095	20,956	17,084
PENSION FUND DEFICIT	32	(3,798)	(9,166)	(3,798)	(9,166)
TOTAL NET ASSETS		17,168	7,929	17,158	7,918
THE FUNDS OF THE GROUP/CHARITY:					
Endowment funds	24	1,691	1,644	1,691	1,644
Unrestricted funds	25	19,275	15,451	19,265	15,440
Pension reserve	32	(3,798)	(9,166)	(3,798)	(9,166)
TOTAL FUNDS	26	17,168	7,929	17,158	7,918

The net income of the charity for the year was £7,347,000 (2022: £7,428,000)

Approved by the Governing Body on 22 June 2023.



Tony Hales CBE
Chairman of the Governors

Registered Charity Number 292182
Charity Registered in Scotland Number SC043343
Company Number 01926395

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities	27	6,547	4,891
Cash flows from investing activities			
Interest income	5	218	53
Purchases of fixed assets	15,16	(2,339)	(1,738)
Purchase of fixed asset investments		-	(124)
Purchase of current asset investments (with maturity greater than 3 months)		(2,562)	(4,438)
Net cash used in investing activities		(4,683)	(6,247)
Cash flows from financing activities			
New finance lease obligations		-	-
Repayment of finance lease obligations		(66)	(66)
Net cash used in financing activities		(66)	(66)
Net increase/(decrease) in cash and cash equivalents		1,798	(1,422)
Cash and cash equivalents at 1 February 2022		12,487	13,909
Cash and cash equivalents at 31 January 2023	28	14,285	12,487
Analysis of cash and cash equivalents:			
Cash in bank and in hand		8,235	9,937
Deposits and notice accounts (less than 3 months)		6,050	2,550
Total cash and cash equivalents	28	14,285	12,487

The notes on pages 30 to 62 form part of these accounts

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2023

1. COMPANY INFORMATION

ABRSM is a charitable company incorporated in England and Wales with registration number 01926395. Its registered office is 4 London Wall Place, London, EC2Y 5AU.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the current Statement of Recommended Practice "Accounting and Reporting by Charities" (the Charities SORP (FRS102) issued in October 2019, the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The presentational and functional currency is Sterling (£).

ABRSM meets the definition of a public benefit entity under FRS102. The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made are listed below:

Significant judgements or estimates	Policy reference	Note reference
The following are considered to be significant estimates in the preparation of the financial statements:		
Depreciation	k	15
Amortisation	l	16
Dilapidations	s	22
Tax Provision	u	23
Scholarships commitments	i	29
Defined Benefit Pension Scheme	j	32

Explanations of the estimates relating to the above items are given in the relevant policy.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

2. ACCOUNTING POLICIES (CONTINUED)

b) Going Concern

The strong performance of the Group during the year ended 31 January 2023 has provided a firm foundation for the forthcoming year.

A budget has been set for the following year which shows the Group generating a surplus for the year. Reforecasts to the end of June 2024 have also been prepared based on likely and worst case scenarios. In both of these situations it is expected that the Group will continue with net positive current assets and total assets, along with sufficient positive cash balances. In the likely case a surplus is to be generated by the Group. These forecasts have been prepared taking account of recent cost of living rises and increases in global prices for energy such as gas and raw materials such as paper.

The charity has the resources to allow it to invest in its digital programme to continue to meet customer needs.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

c) Group financial statements

The consolidated accounts incorporate the accounts of the charitable company and its subsidiary (together, "the group") made up to 31 January each year.

The results of the trading subsidiary company are presented in the consolidated SOFA by disclosing the income and expenditure derived from its trading activities carried out separately from those of the charity. A summary profit and loss account for the subsidiary is shown in note 6. The subsidiary company's assets and liabilities are consolidated in the balance sheet on a line by line basis.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

2. ACCOUNTING POLICIES (CONTINUED)

d) UK examination fees and expenses

Examination fees and expenses arising in the UK are credited or charged in the statement of financial activities during the accounting period in which such examinations take place.

e) International examinations

Where examinations take place online examination fees and expenses incurred in the UK are credited or charged in the statement of financial activities during the accounting period in which such examinations take place. Commissions due to local representatives in respect of online examinations are included in their representative returns as detailed below.

Where examinations are held locally these results are prepared from returns and annual accounts submitted by ABRSM's local representatives, which are not necessarily made up to 31 January each year but the effect of differing accounting dates is not considered by the Governors to be significant. In the rare case that the amounts owed cannot be recovered a bad debt provision is made.

f) Teacher support

Training course fees and expenses are credited or charged in the statement of financial activities during the accounting period in which such courses take place.

g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Overheads are apportioned either on headcount, turnover, staff occupancy of accommodation area or usage basis as considered most appropriate. Expenditure includes input VAT to the extent that it is irrecoverable.

Direct charitable expenditure comprises services identifiable as wholly or mainly in support of ABRSM's charitable and operational work. These costs are regarded as an integral part of carrying out the direct charitable objectives of ABRSM and include an appropriate proportion of overhead costs.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. These costs have been apportioned across expenditure on charitable activities based on turnover except where the cost can be attributed to a specific activity.

h) Computer software development

Expenditure on computer software development is capitalised and amortised over a 3 year period.

i) Scholarship awards

All scholarships offered by the balance sheet date for the current academic year are provided in full. Awards for future years are subject to review and authorisation by ABRSM each year and are disclosed as commitments in note 29. The future commitments are estimated based on continued funding of the current students in receipt of a scholarship to the end of their academic studies plus new students starting their studies based on current funding patterns.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

2. ACCOUNTING POLICIES (CONTINUED)

j) Employee benefits

Short-term employee benefits, including holiday pay and contributions to the defined contribution pension scheme are recognised as an expense in the period in which they are incurred.

The defined benefit scheme closed to future accrual on 31 December 2018 and employees transferred to the defined contribution pension scheme on 1 January 2019. Contributions to 31 December 2018 in respect of the defined benefit scheme are charged to salary costs for respective activities in the statement of financial activities.

The amounts recognised in the statement of financial activities including any actuarial gain or loss are estimated based on the requirements of FRS102, and are fully explained in note 32.

k) Tangible fixed assets

Depreciation is provided on cost at the following annual rates in order to write off each asset over its estimated useful life:-

Short leasehold land and buildings	over the remaining life of the lease to the lease break point
Computer equipment	33%
Plant, fixtures and equipment	2.9% - 33%

Expenditure on furniture and equipment not exceeding £1,000 in total and all expenditure on repairs and maintenance is written off in the year in which it is incurred.

l) Intangible fixed assets

In accordance with FRS 102 software development costs have been recognised as intangible assets as they can be identified with a project anticipated to produce future benefits. On initial recognition, assets are measured at cost and include all costs directly attributable to bringing them into working condition.

Amortisation is provided on cost at the following annual rates in order to write off each asset over its estimated useful life:-

Software development	33%
----------------------	-----

m) Investments

The investment in the subsidiary company is valued at cost.

Fixed asset investments are included in the balance sheet at their market value at the end of the financial period. Realised and unrealised gains and losses are credited or debited to the statement of financial activities in the year in which they arise and are based on brought forward values.

Current asset investments consist of treasury deposits and notice accounts with maturity and notice to withdraw of less than a year.

n) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

2. ACCOUNTING POLICIES (CONTINUED)

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term. The aggregate benefit of any lease incentives are recognised as a reduction to the expense charged over the lease term on a straight line basis.

o) Stocks

Publications stocks are valued at the lower of cost and net realisable value. For printed music, cost is based on the unit cost of production for each publication. Work in progress at printers is valued at the cost of the paper used and is included in paper stocks. In estimating net realisable value, due allowance is made for slow-moving, obsolete, defective and unsaleable items. Origination costs are charged to revenue in the year in which they are incurred.

p) Rates of exchange

Assets and liabilities in foreign currencies are converted into sterling at the rate of exchange ruling at the balance sheet date. All income and expenditure is converted at daily exchange rates. All differences on exchange are dealt with through the net movement in funds for the year.

q) Financial instruments

Basic financial assets and liabilities such as short term debtors, creditors and bank balances are initially recognised at fair value less any impairment and transaction costs and subsequently measured at their settlement value.

Prize Endowment Funds invested in Charinco and Charishare Common Investment Funds are carried at fair value.

r) Deferred income

Examination and course fees received for future sessions after the reporting date are included in creditors as deferred income.

s) Provisions and contingencies

Provisions are recognised when the charitable company has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account any risks and uncertainties surrounding the obligation.

Where the consideration required to settle a present obligation is confirmed, the amount payable is transferred to creditors and any balance released to the statement of financial activities.

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by future events not within the charitable company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is immaterial.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

2. ACCOUNTING POLICIES (CONTINUED)

t) Fund accounting

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the Governors.

Designated funds are unrestricted funds earmarked by the Governors to be used for particular purposes in the future. Transfers are made to designated funds on the basis of approval by the Governors of future plans. Restricted funds are grants or monies raised for a specific purpose or donations subject to donor imposed conditions.

The prize endowment funds represent either permanent capital funds where there is no power to convert the capital into income and which must generally be held indefinitely or expendable funds where capital may be used for the purposes of the fund.

u) Taxation

The Associated Board of the Royal Schools of Music is a registered charity and therefore is not liable to UK income tax or corporation tax on income derived from its charitable activities as they fall within the various exemptions available to registered charities.

ABRSM is registered for VAT but is not able to recover the whole of its input tax owing to the partial exemption provisions. Expenditure includes input VAT to the extent it is irrecoverable.

A provision for tax payable in relation to international operations has been included in note 23 having regard to professional advice.

The wholly owned subsidiary, The Associated Board of the Royal Schools of Music (Publishing) Limited, is a commercial entity and donates its pre-tax profit to ABRSM under Gift Aid rules.

v) Contributions to four of the Royal Schools of Music

Contributions to four of the Royal Schools of Music (or their associated charitable trusts) are treated as distributions, the Royal Schools being members of the Charity. They are therefore charged to the statement of financial activities in the year in which they are paid and shown as a movement in funds.

v) Government grants

Government grants are accounted for according to the accrual model.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

3. EXAMINATION REVENUE

	2023 £'000	2022 £'000
Analysis by geographical market:		
United Kingdom and Ireland	13,413	12,063
Overseas	25,034	23,754
	38,447	35,817
Foreign exchange gain/(loss) on overseas revenue	99	(253)
	38,546	35,564
Total income	41,348	38,633
Less: examination fees received in advance (note 21)	(2,802)	(3,069)
	38,546	35,564

Deferred fee income:

The movement with respect to examination fees received in advance in the year is as follows:

	2023 £'000	2022 £'000
Fees in advance as at 1 February 2022	3,069	1,847
Less fees due for examinations taken in the year	(3,069)	(1,847)
Fees received with respect to future examination periods (note 21)	2,802	3,069
	2,802	3,069

4. TEACHER SUPPORT REVENUE

	2023 £'000	2022 £'000
Analysis by geographical market:		
United Kingdom and Ireland	-	-
Overseas	3	11
Total income	3	11

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

5. INVESTMENT INCOME

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Interest receivable from:				
Unrestricted funds	164	8	172	24
Prize endowment funds	54	45	54	45
	218	53	226	69

6. NET INCOME OF TRADING SUBSIDIARY

The Associated Board of the Royal Schools of Music owns the entire issued share capital of The Associated Board of the Royal Schools of Music (Publishing) Limited, a trading company incorporated in the United Kingdom with company number 01910047. This subsidiary undertaking donates its taxable profits to ABRSM under Gift Aid rules.

The activities of the subsidiary undertaking support the examination activities of the parent company by provision of specialist graded repertoire and other materials targeted at specific examination levels.

A summary of the results of the publishing activities for the year (excluding intra-group charges eliminated on consolidation) is given below. Audited accounts of the subsidiary undertaking will be filed with the Registrar of Companies.

	2023	2022
	£'000	£'000
Turnover	6,746	6,829
Cost of sales	(1,499)	(1,456)
Gross profit	5,247	5,373
Distribution costs	(850)	(854)
Administration and other operating charges	(1,361)	(1,347)
Interest receivable	21	1
Net income	3,057	3,173

The aggregate amount of the subsidiary's assets, liabilities and funds as at 31 January 2023, excluding intercompany balances, were as follows:

	2023	2022
	£'000	£'000
Total net assets	3,259	3,396

Including intra-group charges and intercompany balances, the subsidiary's results for the year were as follows; turnover £6,750,000 (2022: £6,833,000), net income £605,000 (2022: £755,000) and total net assets £20,000 (2022: £21,000).

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

7. OTHER INCOME

Other income includes a government grant totalling £nil (2022: £17,000) in respect of the Coronavirus Job Retention Scheme.

8. ANALYSIS OF EXPENDITURE

	Direct Charitable £'000	Support Costs (Note 9) £'000	Staff Costs (Note 14) £'000	Depreciation & Amortisation £'000	Total 2023 £'000	Total 2022 £'000
Charitable activities:						
Examinations	12,921	6,908	6,956	3,453	30,238	27,685
Teacher Support	-	141	222	27	390	212
Scholarship payments	1,372	-	-	-	1,372	1,086
Music education	260	-	-	-	260	201
Publishing	2,482	890	2,323	55	5,750	5,679
	<u>17,035</u>	<u>7,939</u>	<u>9,501</u>	<u>3,535</u>	<u>38,010</u>	<u>34,863</u>
Pension finance charge	-	-	169	-	169	325
	<u>-</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>169</u>	<u>325</u>
Total	<u><u>17,035</u></u>	<u><u>7,939</u></u>	<u><u>9,670</u></u>	<u><u>3,535</u></u>	<u><u>38,179</u></u>	<u><u>35,188</u></u>

Unrestricted expenditure on Examinations and Teacher Support for the group before the defined benefit pension scheme adjustment was £33,879,000 and £390,000 respectively (2022: £31,158,000 and £213,000). The equivalent figures for the charity were £33,815,000 and £390,000 (2022: £31,101,000 and £213,000).

Included within total expenditure and allocated to Examinations expenditure is an adjustment to the defined benefit pension scheme of £3,644,000 (2022: £3,486,000) which has been credited to the pension reserve (see note 32). The prior year apportionment was a credit of £3,485,000 to Examinations and £1,000 to Teacher Support. Also included in expenditure are prizes paid from the endowment funds totalling £3,000 (2022: £12,000).

9. SUPPORT COSTS

Support costs including governance (see notes 8 and 12) are analysed as follows:

	Examinations £'000	Teacher Support £'000	Publishing £'000	Total 2023 £'000	Total 2022 £'000
Exam Support	424	-	-	424	291
IT	2,539	116	429	3,084	3,146
Sales and Marketing	779	5	137	921	647
Finance	72	-	11	83	286
Facilities	1,832	20	161	2,013	1,867
Governance	176	-	4	180	97
HR & other management	1,086	-	148	1,234	1,287
	<u>6,908</u>	<u>141</u>	<u>890</u>	<u>7,939</u>	<u>7,621</u>

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

10. SCHOLARSHIPS

	2023	2022
	£'000	£'000
United Kingdom students	259	207
Overseas students	1,113	879
	<u>1,372</u>	<u>1,086</u>

The total number of scholars supported during the year amounted to 119 (2022: 89).

11. MUSIC EDUCATION – Unrestricted funds

	2023	2022
	£'000	£'000
SPONSORSHIP		
Band Directors' Association (Singapore)	-	5
The Benedetti Foundation	10	-
Black Lives in Music	15	-
Commonwealth Resources	13	-
The Ivors Academy	8	-
London Music Fund	15	20
Music Education Partnership Group	15	-
National Children's Orchestra	18	18
National Youth Choir	15	20
National Youth Jazz Orchestra	30	30
National Youth Orchestra	26	26
Openup Music	15	25
Royal Philharmonic Society	7	11
Tri-Borough Music Hub	10	-
The UK Association for Music Education – Music Mark	24	12
Venture Music Asia	5	-
Others	34	34
	<u>260</u>	<u>201</u>

12. GOVERNANCE COSTS – Unrestricted funds

13. NET INCOME FOR THE YEAR

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THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

14. STAFF COSTS

	2023	2022
	£'000	£'000
Staff costs during the year included:		
Wages and salaries	7,762	7,197
Social security costs	825	719
Employer pension costs	4,084	3,949
Defined Benefit Pension adjustment (see note 32)	(3,644)	(3,486)
Pension finance charge	169	325
Other staff costs	474	387
	9,670	9,091

The number of employees who earned £60,000 or more (including benefits) during the year were as follows:

	2023	2022
	No.	No.
£ 60,001 - £ 70,000	6	5
£ 70,001 - £ 80,000	5	1
£ 80,001 - £ 90,000	1	3
£ 90,001 - £100,000	4	3
£100,001 - £110,000	1	-
£110,001 - £120,000	1	2
£120,001 - £130,000	1	1
£140,001 - £150,000	1	-
£170,001 - £180,000	-	1
£190,001 - £200,000	1	1

During the year £3,200 (2022: £130,368) was paid in redundancy and pay in lieu of notice. These payments are included in the tables above and have been recognised in full in the statement of financial activities.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

14. STAFF COSTS (continued)

The number of employees who earned £60,000 or more during the year to whom retirement benefits are accruing under pension schemes funded by the company are:-

	2023	2022
	No	No.
Defined contribution scheme	20	15

The company made pension contributions of £133,416 (2022: £105,500) in respect of employees noted above.

The defined benefit scheme closed to future accrual on 31 December 2018 and active members elected to transfer to the defined contribution pension scheme from 1 January 2019.

The average number of employees, excluding temporary staff, during the year was as follows:

	2023	2022
	No.	No.
Charity	168	164
UK trading subsidiary	14	14
	<u>182</u>	<u>178</u>

The key management personnel of the charity and its wholly owned subsidiary received total employee benefits of £883,333 (2022: £1,054,058). The key management personnel are considered to be the individuals noted on page 2.

No Governor received payment for their services in the year (2022: £nil). Travelling and subsistence expenses reimbursed by ABRSM to no Governors or Alternates (2022: £nil) for expenditure necessarily incurred on ABRSM's business amounted to £nil (2022: £nil). No other Governor, nor any person connected with any Governor, received any remuneration in the year ended 31 January 2023 (2022: £nil).

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

15. TANGIBLE FIXED ASSETS

	Assets under construction £'000	Short leasehold land and buildings £'000	Computer equipment £'000	Furniture, fixtures and equipment £'000	Total £'000
Group and Charity					
Cost					
At 1 February 2022	13	2,324	710	918	3,965
Additions	-	28	228	46	302
Disposals	-	-	(101)	(124)	(225)
Transfers	(13)	-	-	13	-
At 31 January 2023	-	2,352	837	853	4,042
Depreciation					
At 1 February 2022	-	1,027	568	579	2,174
Charge for the year	-	204	127	85	416
On disposals	-	-	(101)	(124)	(225)
At 31 January 2023	-	1,231	594	540	2,365
Net book values					
At 31 January 2023	-	1,121	243	313	1,677
At 31 January 2022	13	1,297	142	339	1,791

All assets are used for charitable purposes. The net book value of assets held under finance leases is £37,000 (2022: £112,000)

16. INTANGIBLE FIXED ASSETS

	Assets under construction £'000	Software development £'000	Total £'000
Group and Charity			
Cost			
At 1 February 2022	175	8,852	9,027
Additions	1,367	670	2,037
Transfers	(1,395)	1,395	-
At 31 January 2023	147	10,917	11,064
Amortisation			
At 1 February 2022	-	4,575	4,575
Charge for the year	-	3,123	3,123
At 31 January 2023	-	7,698	7,698
Net book values			
At 31 January 2023	147	3,219	3,366
At 31 January 2022	175	4,277	4,452

All assets are used for charitable purposes. The transfer from assets under construction to software development mainly relates to expenditure on our Performance Grade On Demand project, which went live in August 2022.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

17. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000	Prize endowment funds £'000	2023 Total £'000	2022 Total £'000
Group				
Prize endowment funds – listed investments at market value				
At 1 February 2022	-	1,578	1,578	1,336
Additions		-	-	124
Unrealised (loss)/gain in the year	-	(4)	(4)	118
At 31 January 2023	<u>-</u>	<u>1,574</u>	<u>1,574</u>	<u>1,578</u>
Charity				
Prize endowment funds - listed investments at market value (as above)	-	1,574	1,574	1,578
Investment in subsidiary				
Ordinary shares of £1 each at cost	10	-	10	10
Unsecured loan note	772	-	772	772
	<u>782</u>	<u>1,574</u>	<u>2,356</u>	<u>2,360</u>

The prize endowment funds are invested in Blackrock Charities UK Bond and Equity Common Investment Funds with a cost of £779,000 (2022: £779,000).

The charity's subsidiary undertaking is The Associated Board of the Royal Schools of Music (Publishing) Limited. The charity owns 100% of the company's issued ordinary £1 shares. The principal activity of the company is the production and sale of music publications and recordings.

The charity has given an undertaking to its subsidiary not to demand repayment of the unsecured loan note before 1 July 2024. Interest is chargeable on the unsecured loan note at a rate of 2% over the Bank of England base rate from time to time. No provision is considered necessary against the £10,000 cost of the investment in this subsidiary.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

18. STOCKS

	Group	Group
	2023	2022
	£'000	£'000
Printed music and recordings	696	666
Paper	135	174
	<u>831</u>	<u>840</u>

19. DEBTORS

	Group		Charity
	2023	2022	2023
	£'000	£'000	£'000
Trade debtors	1,487	999	875
Overseas representatives	1,030	1,136	1,030
Amounts due from subsidiary	-	-	2,467
Other debtors	614	622	184
Prepayments and accrued income	1,033	963	993
	<u>4,164</u>	<u>3,720</u>	<u>5,549</u>
	<u>4,164</u>	<u>3,720</u>	<u>5,549</u>

20. CURRENT ASSET INVESTMENTS

	Group		Charity
	2023	2022	2023
	£'000	£'000	£'000
Cash held on deposit			
greater than 3 months	7,000	4,438	6,000
less than 3 months	6,050	2,550	6,050
	<u>6,050</u>	<u>2,550</u>	<u>6,050</u>

Included within the above figure are treasury deposits with an original maturity of 12 months or less. At the balance sheet date the average maturity of these deposits was 7 months for the group (2022: 5 months) and 7 months for the charity (2022: 4 months). The average interest rate was 3.69% (2022: 0.36%) for the group and 3.60% (2022: 0.28%) for the charity.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

21. CREDITORS: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	1,729	1,350	1,490	1,197
Overseas representatives	1,639	2,057	1,639	2,057
Refunds due to customers	167	516	167	516
Deferred Income: exam fees (note 3)	2,802	3,069	2,802	3,069
Other taxes and social security costs	340	231	310	211
Finance lease arrangements	33	66	33	66
Other creditors	618	507	280	143
Accruals and other deferred income	2,416	2,431	2,410	2,419
	9,744	10,227	9,131	9,678

22. CREDITORS: amounts falling due after more than one year

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Finance lease arrangements	-	33	-	33
Other creditors	544	529	544	529
	544	562	544	562

The finance lease is secured against the computer equipment to which it relates. No interest is payable.

FRS102 requires the full amount of a dilapidation provision to be recognised when the obligation arises. Other creditors represent the estimated inflation indexed dilapidations fund potentially payable on exit from the lease of our current premises, Salters' Hall.

23. PROVISIONS

	Group	Charity
	£'000	£'000
At 1 February 2022	1,422	1,422
Movement in tax provisions	221	221
At 31 January 2023	1,643	1,643

ABRSM continued to seek advice on its taxation position in relation to its international operations and expects that most resulting liabilities will be settled over the course of the next five years with the timescale being partly dependent on the speed of response of the relevant tax authorities.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

24. ENDOWMENT FUNDS

	At 1 February 2022 £'000	Movement in Funds Income and gains £'000	Expenditure and losses £'000	At 31 January 2023 £'000
Group and charity				
Permanent prize endowment funds				
Sheila Mossman Prize account	151	5	-	156
Ralph Bassett Prize account	118	4	(1)	121
Constance Haddon Prize account	133	4	-	137
Winifred Liversidge Prize account	136	5	(1)	140
Irene Lassen Bequest	497	16	(1)	512
Weinman/Duraisamy Prize	5	-	-	5
Sundry named prizes and general prizes account	310	11	(1)	320
	<u>1,350</u>	<u>45</u>	<u>(4)</u>	<u>1,391</u>
Expendable prize endowment funds				
Gordon Bryan Fund	108	3	-	111
Alan Pickard Prize	27	1	-	28
Taylor White Gibbs Prize	159	5	(3)	161
	<u>294</u>	<u>9</u>	<u>(3)</u>	<u>300</u>
Total endowment funds	<u>1,644</u>	<u>54</u>	<u>(7)</u>	<u>1,691</u>
Interest receivable		54	-	
Expenditure on prizes		-	(3)	
Unrealised loss on investments		-	(4)	
		<u>54</u>	<u>(7)</u>	
		Income and gains 2022 £'000	Expenditure and losses 2022 £'000	
Interest receivable and sundry income		45	-	
Expenditure on prizes		-	(12)	
Unrealised gain on investments		118	-	
		<u>163</u>	<u>(12)</u>	

The endowment funds were established to provide prizes for musical achievements in ABRSM's examinations. For permanent prize endowment funds, unexpended income is accumulated as capital and added to the fund each year. Expendable prize endowment funds comprise unexpended balances of donations held on trust to be applied for specific purposes.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

25. UNRESTRICTED FUNDS

Group	At 1 February 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 January 2023 £'000
Fixed asset fund	6,243	-	-	(1,200)	5,043
Designated funds					
Development funds	3,946	-	(1,696)	1,500	3,750
Examiner fund	530	-	-	250	780
General charitable funds	4,732	45,475	(39,955)	(550)	9,702
Total	15,451	45,475	(41,651)	-	19,275
Charity					
Fixed asset fund	6,243	-	-	(1,200)	5,043
Designated funds					
Development funds	3,946	-	(1,696)	1,500	3,750
Examiner fund	530	-	-	250	780
General charitable funds	4,721	39,662	(34,141)	(550)	9,692
Total	15,440	39,662	(35,837)	-	19,265

Designated funds represent development funds set aside for the development of ABRSM's digital infrastructure and development of overseas markets, and funds relating to examiner costs.

After the year end but before the date of approval of these accounts, distributions of £1m were made to members in total.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
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26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances as at 31 January 2023 are represented by:

Group	Unrestricted Funds (including Pension Reserve) £'000	Prize Endowment Funds £'000	Total 2023 £'000
Tangible fixed assets	1,677	-	1,677
Intangible fixed assets	3,366	-	3,366
Investments	-	1,574	1,574
Current assets	26,145	135	26,280
Current liabilities	(9,726)	(18)	(9,744)
Non-current liabilities	(544)	-	(544)
Provisions	(1,643)	-	(1,643)
Net assets before pension deficit	19,275	1,691	20,966
Pension deficit	(3,798)	-	(3,798)
Total net assets after pension deficit & provisions	15,477	1,691	17,168
Charity			
Tangible fixed assets	1,677	-	1,677
Intangible fixed assets	3,366	-	3,366
Investments	782	1,574	2,356
Current assets	24,740	135	24,875
Current liabilities	(9,113)	(18)	(9,131)
Non-current liabilities	(544)	-	(544)
Provisions	(1,643)	-	(1,643)
Net assets before pension deficit & provisions	19,265	1,691	20,956
Pension deficit	(3,798)	-	(3,798)
Total net assets after pension deficit & provisions	15,467	1,691	17,158
Group and Charity			
Unrealised gains included above on investment assets (see note below)	-	795	795
Unrealised gains as at 1 February 2022	-	799	799
Net (loss) arising from revaluations in the year	-	(4)	(4)
Unrealised gains as at 31 January 2023	-	795	795

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
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27. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£'000	£'000
Net income for the reporting period:	7,346	7,428
Depreciation charge	416	393
Amortisation charge	3,123	2,722
Loss on disposal of fixed assets	-	132
Interest received	(218)	(53)
Loss/(gain) on investments	4	(118)
Decrease in stocks	9	33
(Increase)/decrease in debtors	(444)	542
(Decrease)/increase in creditors	(435)	2,248
Increase in provisions	221	725
Net cash movement in pension deficit	(3,475)	(9,161)
Net cash inflow provided by operating activities	6,547	4,891

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 February	Cash flows	At 31 January
	2022		2023
	£'000	£'000	£'000
Cash and cash equivalents			
Cash	9,937	(1,702)	8,235
Cash equivalents	2,550	3,500	6,050
	<u>12,487</u>	<u>1,798</u>	<u>14,285</u>
Borrowings			
Finance lease	(99)	66	(33)
	<u>(99)</u>	<u>66</u>	<u>(33)</u>
TOTAL	<u>12,388</u>	<u>1,864</u>	<u>14,252</u>

29. FINANCIAL COMMITMENTS

Scholarships

Scholarships awarded for which no provision has been made in these accounts are expected to become payable as follows:-

	2023	2022
	£'000	£'000
Year ending 31 January 2023	-	1,224
Year ending 31 January 2024	1,230	796
Year ending 31 January 2025	832	357
Year ending 31 January 2026	369	180
Year ending 31 January 2027	193	-
	<u>2,624</u>	<u>2,557</u>

All scholarships offered by the balance sheet date for the current academic year are provided in full. Awards for future years are subject to review and authorisation by ABRSM each year and are therefore not included in provisions as at the balance sheet date.

THE ASSOCIATED BOARD OF THE ROYAL SCHOOLS OF MUSIC
NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

29. FINANCIAL COMMITMENTS (continued)

Other Financial Commitments

At 31 January 2023 the group and charity had future total minimum operating lease payments as follows:

	Land and buildings		Other	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
One year	1,207	1,207	11	150
Two to five years	4,827	4,827	34	-
Over five years	549	1,756	-	-
	6,583	7,790	45	150

The total future minimum finance lease payments as the end of the reporting period are as follows:

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Not later than one year	33	66	33	66
Later than one year and not later than five years	-	33	-	33
	33	99	33	99

30. TRANSACTIONS WITH RELATED PARTIES

ABRSM was party to a number of financial transactions with its trading subsidiary, ABRSM Publishing during the year as follows:

	2023	2022
	£'000	£'000
Charged by ABRSM to ABRSM Publishing:		
Administrative expenses recharged	18	21
Pension costs recharged	565	488
Loan interest	29	17
Management charge	2,108	2,081
Copyright charge	319	324
Charged by ABRSM Publishing to ABRSM:		
Paper stock recharged	-	-
Printed music and recordings	3	2
Gift aid donation from ABRSM Publishing to ABRSM:	606	755
Balance at the year end:		
Due to ABRSM from ABRSM Publishing	2,467	2,603
Due from ABRSM to ABRSM Publishing	-	-

During the year Profession Colin Lawson was due £3 (2022: £5) in royalties by ABRSM (Publishing) Limited on normal commercial terms. The balance outstanding at the year end was £8 (2022: £5).

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30. TRANSACTIONS WITH RELATED PARTIES (continued)

ABRSM provided examination services to related parties on normal commercial terms as follows:

	2023	2022
	£'000	£'000
Charged by ABRSM		
Royal College of Music	2	1
Royal Academy of Music	5	5
Royal Northern College of Music	7	2
Royal Conservatoire of Scotland	13	13
Balance at the year end:		
Royal College of Music	-	-
Royal Academy of Music	-	-
Royal Northern College of Music	-	-
Royal Conservatoire of Scotland	-	3

ABRSM was charged £900 by the Royal Northern College of Music for sponsorship of their Festival of Brass. The amount outstanding at the year end was £900.

There have been no other related party transactions during the year.

31. FINANCIAL INSTRUMENTS

ABRSM has the following financial assets which are included at fair value through the statement of financial activities:

	2023	2022
	£'000	£'000
Financial assets at fair value through the statement of financial activities:		
Investments	<u>1,574</u>	<u>1,578</u>

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32. PENSION SCHEMES

The charity operates two pension schemes; a group stakeholder pension plan and a defined benefit scheme.

From 1 February 2014, qualifying staff joining ABRSM are auto enrolled into the group stakeholder pension plan provided by Scottish Equitable plc under the brand name Aegon (Financial Services Register number 165548). Contributions are recognised in the Statement of Financial Activities in the year in which they are earned. The minimum employee contribution is 3% of basic salary. ABRSM contributes 5% of basic salary. Each percentage increase in the employee contribution is matched by ABRSM up to a maximum employer contribution of 10%.

The defined benefit scheme was established to provide retirement benefits for the charity's employees based upon final pensionable salaries for those joining before 6 April 2006 or career average salaries for those joining from 6 April 2006. On 1 April 2013 all members of the final salary section of the scheme transferred to the career average section of the scheme. The assets of the scheme are held separately from those of the charity. The scheme closed on 31 December 2018 to future accrual. Active members had the option to join the organisation's group stakeholder pension scheme at 1 January 2019.

Contributions payable are determined on the basis of triennial valuations carried out by a qualified actuary. The charity's contributions are charged as resources and expended in the year in which contributions are made. The charity ceased contributions for the accrual of future benefits from 1 January 2019.

The pension service costs for the year were £nil (2022: £nil). The present value of the scheme liabilities includes £761,000 (2022: £744,000), carried forward from the prior years as an estimate of the past service cost of GMP equalisation.

These accounts reflect the requirements of FRS102.

The economic assumptions listed below have been calculated by a qualified independent actuary. They are based on market conditions as at 31 January 2023 but have been derived using the methodology set out in FRS102.

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32. PENSION SCHEMES (continued)

- The discount rate has been derived using a corporate bond yield curve approach as required by FRS102. The iBoxx over 15 year corporate AA rated bond index had a yield of 4.44% per annum as at 31 January 2023. This index has a duration of around 15.7 years, which is less than the duration of the Scheme's liabilities. The discount rate has been increased by 0.1%, which is similar to the increase in gilt spot yields at 15.5 and 20 years' duration, resulting in a discount rate of 4.5% per annum (to 1 decimal place).
- Retail price inflation (RPI) has been derived from the spot inflation rates published by the Bank of England. At duration of 20 years, the spot rate for inflation is 3.46% per annum as at 31 January 2023. An RPI increase assumption of 3.5% has been used (to 1 decimal place).
- In the prior year it was assumed that Consumer price inflation (CPI) would be 0.7% a year lower than RPI. However, it is expected that the RPI will be calculated in the same way as CPI-H from 2030, so the difference between the two indices should reduce considerably. Nonetheless, until 2030 the two indices will be calculated differently and it should be noted that a significant proportion of the deferred pensioner liabilities will retire before the indices are aligned. It is proposed that the assumption of the difference between RPI and CPI reduces to 0.6%. This results in a CPI increase assumption of 2.9%.
- No estimated salary increases due to the scheme closure at 31 December 2018.
- Increases to pensions in payment which are related to price inflation have been taken to increase in line with the RPI assumption or the annual increase cap, whichever is lower.
- Increases to deferred pensions which are related to price inflation have been taken to increase in line with the CPI assumption, or the cap, whichever is the lower.
- Commutation of pension by members estimated at 25%, allowing for an increase in commutation rates since the actuarial valuation.

The principal actuarial assumptions used per annum are:

	2023	2022
Discount Rate	4.5%	2.3%
Retail price inflation	3.5%	3.8%
Consumer price inflation	2.9%	3.1%
Increases to pensionable earnings	n/a	n/a
Increases to pensions in payment		
Earned up to 31 December 2001	5.0%	5.0%
Earned from 1 January 2002 to 5 April 2005	3.5%	3.8%
Earned from 6 April 2005	2.5%	2.5%
Pre-retirement increases for deferred pensions		
Earned before 6 June 2009	2.9%	3.1%
Earned from 6 June 2009	2.5%	2.5%

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32. PENSION SCHEMES (continued)

Reconciliation of funded status to balance sheet

	2023 £'000	2022 £'000
Present value of liabilities	(46,343)	(67,033)
Fair value of plan assets	42,545	57,867
Deficit	<u>(3,798)</u>	<u>(9,166)</u>

Assets

	2023 £'000	Weight %	2022 £'000	Weight %
Equities	20,820	48.9	35,462	61.3
Bonds	20,842	49.0	20,948	36.2
Cash (including dividends receivable)	883	2.1	1,457	2.5
Total market value of assets	<u>42,545</u>	<u>100.0</u>	<u>57,867</u>	<u>100.0</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £'000	2022 £'000
Interest expense	1,527	1,127
Interest income	(1,358)	(802)
Pension Finance charge	<u>169</u>	<u>325</u>
Employer's deficit contributions	<u>(3,644)</u>	<u>(9,486)</u>
Defined Benefit Pension Adjustment	<u>(3,644)</u>	<u>(9,486)</u>

Changes in the present value of the Defined Benefit Obligation (DBO) during the year are as follows:

	2023 £'000	2022 £'000
Year ending 31 January:		
Present value of the liabilities as at the start of year	67,033	75,661
Current service cost	-	-
Contributions by the members	-	-
Interest expense	1,527	1,127
Past service cost	-	-
Re-measurement – effect of experience adjustments loss/(gain)	2,070	(739)
Re-measurement – effect of changes in assumptions (gain)/loss	(23,004)	(7,947)
Benefits paid	<u>(1,283)</u>	<u>(1,069)</u>
Present value of the liabilities as at the end of year	<u>46,343</u>	<u>67,033</u>

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32. PENSION SCHEMES (continued)

Changes in the fair value of assets during the year are as follows:

Year ending 31 January:	2023 £'000	2022 £'000
Fair value of plan assets as at start of year	57,867	49,242
Interest income	1,358	802
Re-measurement – return on plan assets excluding interest income	(19,041)	(594)
Employer's normal contributions	-	-
Employer's deficit contributions	3,644	9,486
Contributions by the members	-	-
Benefits paid	(1,283)	(1,069)
	<hr/> 42,545	<hr/> 57,867
Fair value of plan assets as at end of year		
	<hr/> 42,545	<hr/> 57,867
Actual return on plan assets (loss)/gain	(17,683)	208

Based on current pensionable earnings and the deficit recovery plan agreed in 2022, the employer's deficit recovery contributions expected to be paid to the Scheme for the year ending 31 January 2024 amounts to £2,750,000 (2023: £3,644,000).

Amounts for the current and previous four periods are as follows:

As at 31 January:	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Present value of the liabilities	(46,343)	(67,033)	(75,661)	(69,209)	(58,348)
Fair value of plan assets	42,545	57,867	49,242	43,090	35,886
Deficit	<hr/> (3,798)	<hr/> (9,166)	<hr/> (26,419)	<hr/> (26,119)	<hr/> (22,462)
Re-measurement – Effect of experience adjustment on scheme liabilities (loss)/gain	(2,070)	739	42	(1,192)	(18)
Re-measurement – Effect of change in assumption on scheme liabilities gain/(loss)	23,004	7,947	(6,181)	(9,073)	330
Re-measurement – Return on plan assets excluding interest income (loss)/gain	(19,041)	(594)	2,835	3,821	(1,548)
FRS102 adjustment	<hr/> 1,893	<hr/> 8,092	<hr/> (3,304)	<hr/> (6,444)	<hr/> (1,236)

Volatility of FRS102

The results disclosed above are inherently volatile. This is because the liabilities have been calculated by discounting the benefits using the yield on a suitable AA-rated corporate bond, whereas the scheme does not invest solely in high quality corporate bonds. To that extent there is, for FRS102 purposes, a 'mismatch' between the assets and liabilities, which means that the assets and liabilities (and hence the surplus or deficit) can be volatile between different accounting periods, depending on general movements in the market.

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33. CHARITY STATEMENT OF FINANCIAL ACTIVITY

		Unrestricted Funds £'000	Pension Reserve (note 32) £'000	Restricted & Endowment Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
	Notes					
INCOME & ENDOWMENTS FROM:						
Charitable activities:						
Examinations	3	38,546	-	-	38,546	35,564
Teacher Support	4	3	-	-	3	11
Other trading activities:						
Covenant from subsidiary		606	-	-	606	755
Copyright fees		319	-	-	319	322
Investments	5	172	-	54	226	69
Other		16	-	-	16	41
Total income		39,662	-	54	39,716	36,762
EXPENDITURE ON:						
Charitable Activities						
Examinations		33,815	(3,644)	3	30,174	27,628
Teacher Support		390	-	-	390	212
Scholarships	10	1,372	-	-	1,372	1,086
Music education	11	260	-	-	260	201
		35,837	(3,644)	3	32,196	29,127
Pension finance charge	8	-	169	-	169	325
Total expenditure		35,837	(3,475)	3	32,365	29,452
Net (loss)/gain on investment	17	-	-	(4)	(4)	118
Net income/(expense)		3,825	3,475	47	7,347	7,428
Other recognised gains:						
Actuarial gain on pension scheme	32	-	1,893	-	1,893	8,092
Total comprehensive income		3,825	5,368	47	9,240	15,520
RECONCILIATION OF FUNDS:						
Balance brought forward		15,440	(9,166)	1,644	7,918	(7,602)
Total comprehensive income		3,825	5,368	47	9,240	15,520
Balance carried forward		19,265	(3,798)	1,691	17,158	7,918

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34. COMPARATIVE GROUP STATEMENT OF FINANCIAL ACTIVITY FOR YEAR ENDED 31 JANUARY 2022

	Unrestricted Funds £'000	Pension Reserve £'000	Restricted & Endowment Funds £'000	Total Funds 2022 £'000
INCOME & ENDOWMENTS FROM:				
Charitable activities				
Examinations	35,564	-	-	35,564
Teacher Support	11	-	-	11
Other trading activities:				
Publishing sales	6,829	-	-	6,829
Investments	8	-	45	53
Other	41	-	-	41
Total income	42,453	-	45	42,498
EXPENDITURE ON:				
Charitable Activities				
Examinations	31,158	(3,485)	12	27,685
Teacher Support	213	(1)	-	212
Scholarships	1,086	-	-	1,086
Music education	201	-	-	201
Other trading activities:				
Publishing	5,679	-	-	5,679
	38,337	(3,486)	12	34,863
Pension finance charge	-	325	-	325
Total expenditure	38,337	(3,161)	12	35,188
Net gain/(loss) on investment	-	-	118	118
Net income/(expenditure)	4,116	3,161	151	7,428
Transfer between reserves	(6,000)	6,000	-	-
Other recognised gains/(losses):				
Actuarial gain on pension scheme	-	8,092	-	8,092
Total comprehensive income	(1,884)	17,253	151	15,520
RECONCILIATION OF FUNDS:				
Balance brought forward	17,335	(26,419)	1,493	(7,591)
Net movement in funds	(1,884)	17,253	151	15,520
Balance carried forward	15,451	(9,166)	1,644	7,929

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35. COMPARATIVE GROUP ANALYSIS OF EXPENDITURE FOR YEAR ENDED 31 JANUARY 2022

	Direct Charitable £'000	Support Costs £'000	Staff Costs £'000	Depreciation & amortisation £'000	Total 2022 £'000
Charitable activities:					
Examinations	11,541	6,707	6,408	3,029	27,685
Teacher Support	-	76	112	24	212
Scholarship payments	1,086	-	-	-	1,086
Music education	201	-	-	-	201
Publishing	2,540	838	2,246	55	5,679
	<u>15,368</u>	<u>7,621</u>	<u>8,766</u>	<u>3,108</u>	<u>34,863</u>
Pension finance charge	-	-	325	-	325
	<u>-</u>	<u>-</u>	<u>325</u>	<u>-</u>	<u>325</u>
Total	<u>15,368</u>	<u>7,621</u>	<u>9,091</u>	<u>3,108</u>	<u>35,188</u>

36. COMPARATIVE GROUP ANALYSIS OF SUPPORT COSTS FOR YEAR ENDED 31 JANUARY 2022

	Examinations Restated £'000	Teacher Support £'000	Publishing £'000	Total 2022 £'000
Exam Support	291	-	-	291
IT including software development	2,674	29	443	3,146
Sales and Marketing	518	30	99	647
Finance	262	-	24	286
Facilities	1,682	17	168	1,867
Governance	93	-	4	97
HR & other management	1,187	-	100	1,287
	<u>6,707</u>	<u>76</u>	<u>838</u>	<u>7,621</u>

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37. COMPARATIVE MOVEMENT OF ENDOWMENT FUNDS FOR YEAR ENDED 31 JANUARY 2022

	At 1 February 2021 £'000	Income and gains £'000	Expenditure and losses £'000	At 31 January 2022 £'000
Group and charity				
Permanent prize endowment funds				
Sheila Mossman Prize account	137	16	(2)	151
Ralph Bassett Prize account	107	11	-	118
Constance Haddon Prize account	121	14	(2)	133
Winifred Liversidge Prize account	123	14	(1)	136
Irene Lassen Bequest	449	49	(1)	497
Weinman/Duraisamy Prize	5	-	-	5
Sundry named prizes and general prizes account	282	31	(3)	310
	<u>1,224</u>	<u>135</u>	<u>(9)</u>	<u>1,350</u>
Expendable prize endowment funds				
Jardine Matheson Music scholarships	-	-	-	-
Gordon Bryan Fund	98	10	-	108
Alan Pickard Prize	24	3	-	27
Taylor White Gibbs Prize	147	15	(3)	159
	<u>269</u>	<u>28</u>	<u>(3)</u>	<u>294</u>
Total endowment funds	<u>1,493</u>	<u>163</u>	<u>(12)</u>	<u>1,644</u>
Interest receivable		45	-	
Expenditure on prizes		-	(12)	
Unrealised loss on investments		118	-	
		<u>163</u>	<u>(12)</u>	

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38. COMPARATIVE MOVEMENT OF UNRESTRICTED FUNDS FOR YEAR ENDED 31 JANUARY 2022

Group	At 1 February 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 January 2022 £'000
Fixed asset fund	7,752	-	-	(1,509)	6,243
Designated funds					
Development funds	3,818	-	(1,272)	1,400	3,946
Examiner fund	-	-	-	530	530
General charitable funds	5,765	42,453	(37,065)	(6,421)	4,732
Total	17,335	42,453	(38,337)	(6,000)	15,451
Charity					
Fixed asset fund	7,752	-	-	(1,509)	6,243
Designated funds					
Development funds	3,818	-	(1,272)	1,400	3,946
Examiner fund	-	-	-	530	530
General charitable funds	5,754	36,717	(31,329)	(6,421)	4,721
Total	17,324	36,717	(32,601)	(6,000)	15,440

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39. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR YEAR ENDED 31 JANUARY 2022

Group	Unrestricted Funds (including Pension Reserve) £'000	Prize Endowment Funds £'000	Total 2022 £'000
Tangible fixed assets	1,791	-	1,791
Intangible fixed assets	4,452	-	4,452
Investments	-	1,578	1,578
Current assets	21,399	86	21,485
Current liabilities	(10,207)	(20)	(10,227)
Non-current liabilities	(562)	-	(562)
Provisions	(1,422)	-	(1,422)
Net assets before pension deficit	15,451	1,644	17,095
Pension deficit	(9,166)	-	(9,166)
Total net assets after pension deficit & provisions	6,285	1,644	7,929
Charity			
Tangible fixed assets	1,791	-	1,791
Intangible fixed assets	4,452	-	4,452
Investments	782	1,578	2,360
Current assets	20,057	86	20,143
Current liabilities	(9,658)	(20)	(9,678)
Non-current liabilities	(562)	-	(562)
Provisions	(1,422)	-	(1,422)
Net assets before pension deficit & provisions	15,440	1,644	17,084
Pension deficit	(9,166)	-	(9,166)
Total net assets after pension deficit & provisions	6,274	1,644	7,918
Group and Charity			
Unrealised gains included above on investment assets (see note below)	-	799	799
Unrealised gains as at 1 February 2021	-	681	681
Net gain/(loss) arising from revaluations in the year	-	118	118
Unrealised gains as at 31 January 2022	-	799	799