

ROYAL ACADEMY OF MUSIC

England & Wales · Charity number 310007

Details

Other names R A M

Status Registered

Legal form Other

Company number [RC000438](#)

Registered 1973-01-04

Register [View on the Charity Commission register](#)

Contact

Address Royal Academy Of Music
Marylebone Road
London
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Activities

Objects: THE CULTIVATION OF THE SCIENCE OF MUSIC AND TO AFFORD FACILITIES FOR ATTAINING PERFECTION IN IT BY ASSISTING WITH GENERAL INSTRUCTION ALL PERSONS DESIROUS OF ACQUIRING A KNOWLEDGE THEREOF.

Activities: To provide pre-professional, undergraduate and postgraduate musical training of the highest national and international standards.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£33,157,000	£32,465,000	£244,128,000	273
2024-07-31	£37,506,000	£30,331,000	£236,673,000	248
2023-07-31	£32,525,000	£29,472,000	£221,300,000	260
2022-07-31	£32,584,000	£26,484,000	£215,882,000	242
2021-07-31	£30,073,000	£24,530,000	£207,020,955	267

Trustees

Name	Role	Appointed
Alexis Alexander Ffrench		2022-01-01
Andrew Hamish Forsyth		2023-09-01
DAMIAN WISNIEWSKI		2016-04-06
Dame Sarah Elizabeth Healey DCB CVO		2025-09-01
Dinah Rose		2024-08-01
Dr Christopher Philip Robert White		2024-10-22
Dr Cydonie Banting		2025-09-01
Duchess Antonia Wellington OBE		2019-09-01
Gabriel Alves Candido da Silva		2025-09-01
Ina De		2022-01-01
JOHN BURGESS		
Lord Blackwell		2017-03-27
Peter Hesketh		2024-08-01
Professor Jonathan Freeman-Attwood		2024-09-01
Professor Sir Wayne MCGREGOR		2025-03-31
Sir SIMON CHRISTOPHER TOWNSEND ROBEY		2024-08-01
WILLIAM MICHAEL JEFFERIES DE WINTON		2016-10-25

Linked charities

- JOSEPH MAAS MEMORIAL PRIZE (310007-1)
- ELSIE HORNE GIFT (310007-10)
- CECIL MARTIN PRIZE (310007-100)
- BACHE MEMORIAL ENDOWMENT FUND (310007-101)
- SISSELLE WRAY SCHOLARSHIP FUND (310007-102)
- HENRY R EYERS PRIZE (310007-103)
- EMMA LEVY SCHOLARSHIP (310007-104)
- MANNS MEMORIAL PRIZE (310007-105)
- BACH AND BEETHOVEN SCHOLARSHIPS (310007-106)
- MARY BURGESS MEMORIAL FUND (310007-107)
- SAMUEL AND MARY EYRES WILSON SCHOLARSHIP (310007-108)
- EDWARD CUTHBERT NUNN MEMORIAL PRIZE (310007-109)
- PHOEE A S POULETT SCHOLARSHIP (310007-11)
- D'OYLY CARTE MEMORIAL FUND (310007-110)
- EDWARD AND ANNE SEGUIN SCHOLARSHIP (310007-111)
- MATTHEW PHILLIMORE PRIZE (310007-112)
- GOWLAND HARRISON BEQUEST (310007-113)
- STOKE BEQUEST (310007-114)
- OLIVERIA LOUISA PRESCOTT GIFT (310007-115)
- BLACKISTON MEMORIAL PRIZE (310007-116)
- ISABEL JOY MEMORIAL PRIZE (310007-117)
- RUTSON PRIZE (310007-118)
- ADA LEWIS SCHOLARSHIPS (310007-119)
- HARRY FARJEON PRIZE FUND (310007-12)
- ROSS SCHOLARSHIPS (310007-120)
- BLUMENTHAL SCHOLARSHIP (310007-121)
- HARVEY LOHR FUND (310007-122)
- ALFRED J WALEY PRIZE (310007-123)
- HENRY SMART SCHOLARSHIP (310007-124)
- MINNIE HAWK BEQUEST (310007-125)
- GWYNNE KIMPTON MEMORIAL SCHOLARSHIP (310007-126)
- LADY WALLIS BUDGE PRIZE (310007-127)
- FREDERICK CORDER PRIZE (310007-128)
- JOHN B MCEWAN PRIZE FOR STRING QUARTET PLAYING (310007-129)

- GRABOWSKY-CONNELL SCHOLARSHIP (310007-13)
- ERIC BROUGH MEMORIAL FUND (310007-130)
- KATIE THOMAS MEMORIAL FUND (310007-131)
- DOVE SCHOLARSHIP AND DOVE ANNUAL PRIZE (310007-132)
- GORING THOMAS SCHOLARSHIP (310007-133)
- LADY JENKINSON'S THALBERG SCHOLARSHIP (310007-134)
- GEORGE MENCE-SMITH SCHOLARSHIP (310007-135)
- MACFARREN SCHOLARSHIP (310007-136)
- WINIFRED CHRISTIE SCHOLARSHIP (310007-137)
- SAINTON SCHOLARSHIP (310007-138)
- SWANSEA EISTEDFORD PRIZE (310007-139)
- PIANOFORTE PROFESSORS MEMORIAL PRIZE (310007-14)
- WILTON COLE PRIZE FOR ELOCUTION (310007-140)
- HAROLD SAMUEL BACH PRIZE (310007-141)
- ROWSBY WOOF PRIZE (310007-142)
- REVIEW WEEK PRIZE (310007-143)
- FREDERICK G SHINN PRIZE FOR THE HISTORY OF MUSIC (310007-144)
- HUGH B FITCH PRIZE (310007-145)
- ERNEST JOSEPH TEBBUTT EXHIBITION (310007-146)
- ROTH PRIZE (310007-147)
- THOMAS JENNINGS EXHIBITION (310007-148)
- LADY M BULL SCHOLARSHIP (310007-149)
- ARTHUR HERVEY SCHOLARSHIP (310007-15)
- LILIAN ADA FOOTE BEQUEST (310007-150)
- LILIAN DAVIES PRIZE (310007-151)
- HELEN EAMES SCHOLARSHIP (310007-152)
- CHARLES WILLIAM BLACK TRUST STUDENT FELLOWSHIP (310007-153)
- HERBERT WALENN PRIZE (310007-154)
- JULIET EMILY RECKITT FUND (310007-155)
- MICHAEL COSTA SCHOLARSHIP (310007-156)
- HINE PRIZE OR GIFT (310007-157)
- WESTMORLAND SCHOLARSHIP (310007-158)
- SIR JOHN GOSS EXHIBITION (310007-159)
- NORA NAISMITH SCHOLARSHIP (310007-16)
- PAREPA ROSE SCHOLARSHIP (310007-160)

- LISZT SCHOLARSHIP WITH WHICH IS INCORPORATED THE BACHE SCHOLARSHIP (310007-161)
- SAINTON DOLBY MEMORIAL FUND (310007-162)
- MOIR CARNEGIE PRIZE FOR VIOLIN AND VIOLIN CELLO (310007-163)
- ROSE DAFFORNE BEQUEST (310007-164)
- ROYAL ACADEMY OF MUSIC PRINCIPAL'S ENDOWMENT FUND FOR BURSARIES (310007-165)
- ROYAL ACADEMY OF MUSIC PRINCIPAL'S ENDOWMENT FUND FOR AWARDS (310007-166)
- ROYAL ACADEMY OF MUSIC PRINCIPAL'S ENDOWMENT FUND FOR SCHOLARSHIPS (310007-167)
- ROYAL ACADEMY OF MUSIC PRINCIPAL'S JUNIOR ENDOWMENT FUND (310007-168)
- MAUD HORNSBY MEMORIAL PRIZE (310007-17)
- ETHEL KENNEDY-JACOBS FUND (310007-18)
- THOMAS C FITTON WILL TRUST (HOVIS PRIZE) (310007-19)
- CHARLES LUCAS MEMORIAL FUND (310007-2)
- ERIC COATES PRIZE FOR COMPOSITION (310007-20)
- EDA KERSEY MEMORIAL EXHIBITION (310007-21)
- POTTER EXHIBITION (310007-22)
- STERNDALE BENNETT SCHOLARSHIP AND THE STERNDALE BENNETT PRIZE (310007-23)
- EDITH MARY LEE FUND (310007-24)
- THOMAS THRELFALL SCHOLARSHIP (310007-25)
- EDWARD W NICHOLLS PRIZE (310007-26)
- PHILLIP AGNEW FUND (310007-27)
- PAREPA ROSA PRIZE (310007-28)
- OPRATORIO PRIZE (310007-29)
- ROWSBY WOOF SCHOLARSHIP (310007-3)
- WILLIE B MANSON FUND (310007-30)
- STEWART MACPHERSON PRIZE (310007-31)
- ANDREW SYKES SCHOLARSHIP (310007-32)
- FREDERICK ANDREW KEENE PRIZE (310007-33)
- JOHN E WEST PRIZE (310007-34)
- THE LADY HOLLAND AND THODORE HOLLAND FUND (310007-35)
- CONSTANCE GOETZE BEQUEST (310007-36)
- WILLIAM ROBERT SHAW EXHIBITION (310007-37)
- ERNEST READ PRIZE (310007-38)
- ELSIE OWEN PRIZE (310007-39)
- MRS EDITH MAUD MILES BEQUELEST (310007-4)
- ALAN MURRAY SCHOLARSHIP (310007-40)

- PHILIP AGNEW TRUST AID FUND (310007-41)
- H E LEES PRIZE (310007-42)
- EMILY FOXCROFT SCHOLARSHIP FOR ENGLISH-BORD CONTRACTUS (310007-43)
- EDWARD HECHT PRIZE (310007-44)
- EMMELINE LYELL-TAYLOR SCHOLARSHIP (310007-45)
- NESTA JENNINGS CAMPBELL TRUST (310007-46)
- WILLIAM ELKING MEMORIAL FUND (310007-47)
- THE KING GEORGE VI CORONATION SCHOLARSHIP FOR ORCHESTRAL INSTRUMENTS (310007-48)
- RIDLEY PRENTICE MEMORIAL PRIZE (310007-49)
- CUTHBERT WHITEMORE MEMORIAL PRIZE (310007-5)
- LIONEL MONCKTON SCHOLARSHIP OR PRIZE (310007-50)
- PARKER BEQUEST (310007-51)
- J AND J BROUGH PRIZE (310007-52)
- E F JAMES MEMORIAL PRIZE (310007-53)
- AGNES ZIMMERMAN GIFT (310007-54)
- ALFRED GIBSON MEMORIAL PRIZE (310007-55)
- WILLIAM TOWNSEND SCHOLARSHIP (310007-56)
- DAVID CARL TAYLOR MEMORIAL FUND (310007-57)
- ISABELLA LUCAS PRIZE (310007-58)
- HARRIET CLAIBORNE DIXON TRUST (310007-59)
- HUBERT KIVER PRIZE (310007-6)
- FRANK WALTER AND WINIFRED BLANCHE FAULKNER SCHOLARSHIP (310007-60)
- ALEXANDER ROLLER MEMORIAL PRIZE (310007-61)
- LESLEY ALEXANDER GIFT (310007-62)
- NAT AND OLIVE EDWARDS SCHOLARSHIP FUND (310007-63)
- KATE STEELE MEMORIAL PRIZE (310007-64)
- FANNY ELIZA BECKETT SCHOLARSHIP (310007-65)
- ARTHUR HINTON MEMORIAL PRIZE (310007-66)
- NORTH LONDON ORCHESTRAL SOCIETY MEMORIAL PRIZE (310007-67)
- SIR EDWARD COOPER PRIZE (310007-68)
- HENDERSON SCHOLARSHIPS (310007-69)
- W A RICHARDS MEMORIAL PRIZE (310007-7)
- LOUISA BANERJEI PRIZE (310007-70)
- FRED WALKER SCHOLARSHIP AND PRIZE (310007-71)

- HARRIET KENDALL PRIZE (310007-72)
- BENNETT OF LINCOLN MEMORIAL FUND (310007-73)
- TITIENS FUND (ERSKINE BEQUEST) (310007-74)
- TUER SCHOLARSHIP (310007-75)
- LEONARD BORWICK PRIZE (310007-76)
- GUILIA GRISI PRIZE OR MARIO EXHIBITION OR PRIZE (310007-77)
- LENA SOPHIA BEATRICE PRITCHARD GREENE FUND (310007-78)
- CHARLOTTE WALTERS PRIZE (310007-79)
- ALESSANDRO PEZZE PRIZE (310007-8)
- BATTISON HAYNES PRIZE (310007-80)
- GOLDBERG PRIZE (310007-81)
- STUDENTS' AID FUND (310007-82)
- CAMPBELL CLARKE SCHOLARSHIP (310007-83)
- BROUGHTON PACKER BATH SCHOLARSHIPS (310007-84)
- MAUD MARY GOOCH SCHOLARSHIP (310007-85)
- FREDERICK WESTLAKE MEMORIAL PRIZE (310007-86)
- JULIA LENEY PRIZE (310007-87)
- GILBERT BETJEMANN MEMORIAL PRIZE (310007-88)
- WALTER MACFARREN MEDALS (310007-89)
- WILLIAM WALLACE SCHOLARSHIP (310007-9)
- OLDHAM SCHOLARSHIP (310007-90)
- ANNE E LLOYD EXHIBITION (310007-91)
- LILIAN ELDEE SCHOLARSHIP (310007-92)
- JOSEPHINE TROUP SCHOLARSHIP (310007-93)
- BAUME MANX SCHOLARSHIP (310007-94)
- JOHN THOMAS (WELSH) SCHOLARSHIP (310007-95)
- ALBANESI PRIZE (310007-96)
- JANET DUFF GREET PRIZE (310007-97)
- F G FITCH BEQUEST (310007-98)
- ANNIE M CHILD SCHOLARSHIP (310007-99)

Accounts

ANNUAL REVIEW AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

The Royal Academy of Music moves music forward by inspiring successive generations of musicians to connect, collaborate and create.

Charity number 310007

Company registration number RC000438

MARYLEBONE ROAD, LONDON NW1 5HT
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**UNIVERSITY
OF LONDON**

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FOREWORD FROM THE CHAIR OF THE GOVERNING BODY



I have had the privilege of Chairing the Governing Body for a year now. Every single time I walk into the Academy I am struck by the energy, the optimism, the excitement and the extraordinary talent of our student body. But with this privilege comes the responsibility, with my fellow Governors, to work as hard as I can to provide our current students, and the next generation of students to come, with the very best help and support possible.

We are on the verge of a great transformation: the first conservatoire to have an East London campus; already with one of the few world-class theatres on our main site; and the only specialist university in the UK about to embark on a transformational capital project. This represents the biggest shift in the life of Britain's oldest conservatoire since it moved to its current site on Marylebone Road in 1911.

What should a 21st century conservatoire look like? It would be housed in impressive buildings in the centre of one of the world's greatest musical cities, with access to public transport and green spaces. It needs flexible, inspiring, practical and attractive facilities for the widest range of practice, teaching and performance, excellent acoustics and effective soundproofing, and access to topline technology. Our Collections would be on display to reveal our magnificent treasures, instruments, manuscripts and rare books, with improved accessibility for visitors. It also needs quiet places to study, and spaces that encourage collaboration and discussion, alongside facilities that match the talent of our students and optimise their preparation for a life in music.

What happens inside these buildings is what matters, but the facilities draw the best students and teachers here. Our transformation will aim to consolidate the Academy's position as a global leader in advanced music education as a sustainable and realisable ambition.

On behalf of the Governing Body, I am pleased to present the Financial Statements for the year ended 31 July 2025.

Sir Simon Robey Hon FRAM
Chair

FOREWORD FROM THE PRINCIPAL



Music is a force for human good on every level, making sense of our humanity, allowing us to communicate and collaborate, as well as offering unending possibilities for health and wellbeing. It also transcends boundaries and politics, and nowhere more so than here in the Academy. That is why, for example, we launched the Elton John Global Exchange Scheme in 2022, heading a consortium of 12 leading conservatoires from all over the world actively to promote these principles. We encourage our students to think of themselves as being part of an international family from the outset. This is a central feature of our over-200 years of musical and cultural tradition, which began with our first professors who came from all over Europe.

One of the great assets of the Academy is the huge range of backgrounds and nationalities in a relatively small institution that creates a wonderfully diverse community with a vibrant atmosphere, and we have a proud track record of building connections with friends all over the world. We pride ourselves on being a musical environment which believes the world is a better, more creative and fulfilling place, with each of our students, staff and alumni doing what they love doing. Being a professional musician today can mean thousands of different things, and no professional journey is the same. Our students' eventual destinations as musicians will mirror their own individual identities and interests. We encourage our talented young musicians to be flexible and receptive to any path that can provide them with both a fulfilling and busy career.

The Academy, as an eminent performing arts institution, is different from a university music department. Our students enjoy significantly more contact hours of teaching here as a specialist vocational institution, whether one-to-one classes, rehearsals, workshops and seminars, personal practice and concerts. This high-level education is expensive and our facilities to enable this are extensive and bespoke. Our capacity to offer this highly specialised learning environment is enhanced greatly by our dedicated supporters and successful fundraising team, together with the additional funding that the government allocates to reflect the Academy's value to the creative industries, and the life and reputation of the UK.

Professor Jonathan Freeman-Attwood CBE
Principal

ADMINISTRATIVE INFORMATION

REGISTERED OFFICE	Marylebone Road, London NW1 5HT
EXTERNAL AUDITORS	MHA, 6th floor, 2 London Wall Place, London EC2Y 5AU
INTERNAL AUDITORS	Azets, Exchange Place 3, Semple Street, Edinburgh EH3 8BL
BANKERS	Lloyds Bank plc, 25 Gresham Street, London EC2V 7HB
INVESTMENT FUND MANAGERS	Cazenove Capital, 12 Moorgate, London EC2 R 6DA Pantheon Venture (UK) LLP, 10 Finsbury Square, 4th Floor, London EC2A 1AF HarbourVest Partners (UK) Ltd, 33 Jermyn Street, London SW1Y 6DN
LEGAL ADVISERS	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BW1 4QA Withers Bergmann LLP, 20 Old Bailey, London EC4M Trowers & Hamlins LLP, 3 Bunhill Row, London EC1Y 8YZ

TRUSTEE COMMITTEE MEMBERSHIP 2024/25

AUDIT COMMITTEE	Damian Wisniewski (Chair) Ina De Hamish Forsyth
FINANCE & GENERAL PURPOSES COMMITTEE	Lord Blackwell (Chair) John Burgess Peter Hesketh William de Winton
GIFT ACCEPTANCE COMMITTEE	Sir Simon Robey (Chair) Ina De Dinah Rose
NOMINATIONS COMMITTEE	Sir Simon Robey (Chair) Duchess of Wellington
REMUNERATION COMMITTEE	Lord Blackwell (Chair) Sir Simon Robey Rehmet Kassim-Lakha
SAFEGUARDING & SUPPORT COMMITTEE	The Duchess of Wellington

HONORARY TRUSTEES

The title of Honorary Trustee is awarded to retired Independent Members of the Governing Body to recognise their distinguished service to the Academy.

Sir Rodric Braithwaite GCMG Hon FRAM
 The Rt Hon Lord Carnwath CVO PC Hon FRAM
 Robin Butler Hon FRAM
 Sir Howard Davies Hon FRAM
 Matthew Ferrey Hon FRAM
 Lesley Garrett CBE FRAM
 Sam Gordon Clark CBE Hon FRAM
 Lady Heywood CBE
 Sir Barry Ife CBE FKC FBbk Hon FRAM FRCM FGS
 Steven Isserlis CBE Hon RAM
 Mehmet Kassim-Lakha de Morrixe
 Dame Felicity Lott DBE FRAM FRCM
 George Nissen CBE Hon FRAM
 Timothy Parker Hon FRAM
 William Robert C Ogden Hon FRAM
 Professor Roger Parker Hon FRAM
 Laurel Powers-Freeling Hon FRAM
 Christopher Purvis CBE
 Sir John Ritblat Hon FRAM
 Dame Susie Sainsbury Hon FRAM
 Lady Becket Smith OBE Hon FRAM
 Sir Martin Smith Hon FRAM
 John Suchet OBE Hon FRAM
 The Rt Hon Lord Sumption OBE, PC, FSA, FRHistS, Hon FRAM
 Sir Richard Trainor KBE BA MA DPhil FKC Hon FRAM
 Anthony Travis Hon FRAM
 John Willan FRAM FRSA FCA
 Julia Yorke Hon FRAM

TRUSTEES REPORT:

OPERATING PLAN AND FINANCIAL REVIEW FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

The Governors and Trustees of the Royal Academy of Music present their Annual Review and audited Financial Statements for the year ended 31 July 2025 and confirm that they comply with the requirements of the Charities Act 2011, the Academy's Royal Charter and the Statement of Recommended Practice 'Accounting for Further and Higher Education' (SORP 2019) and Office for Students Accounts Directions.

MISSION

The Academy's mission is to provide pre-professional, undergraduate and postgraduate musical training of the highest national and international standards, and to enrich musical culture by training and educating the most talented musicians.

VISION AND VALUES

Our vision is for the Academy to be the conservatoire of choice for top global talent aspiring to a successful creative professional career.

Quality and equality are at the core of our values, underpinning all of our activities. The Academy operates in a spirit of professionalism, collaboration and openness, and promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. We support students and staff in challenging and removing any form of prejudice or discrimination, and in promoting equality, diversity and inclusion, which in turn enriches the teaching, learning, artistic and social environment.

PUBLIC BENEFIT

The Academy operates under the terms of its Royal Charter and its Objects are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with general instruction of all persons desirous of acquiring a knowledge thereof'.

The Governing Body confirms that careful consideration has been given to the Charity Commission's public benefit guidance when reviewing our missions, aims and objectives, and in planning our activities. In these financially challenging times, charities must continue to show people how they deliver on their purpose, including how every penny makes a positive difference.

The Academy makes a significant contribution to the public benefit via our teaching, research, performances and other activities, in terms of the advancement of education; the advancement of the arts, culture and heritage; and our commitment to access and participation. We have expanded on how we have fulfilled our purposes during the course of these Financial Statements.

THE ADVANCEMENT OF EDUCATION

The Academy contributes to the advancement of education through our programmes of study; calendar of publicly accessible performances and research events; outreach events designed to encourage learners from traditionally low-participation sectors of the community to participate in music education and higher education; and the conservation, display, interpretation, and practical use of our collections to educational ends.

We are committed to providing a range of long-term outreach activities targeted at groups that are under-represented in higher education. This includes working collaboratively to raise aspiration to make music more accessible, through recruitment at all levels and the wide-ranging activities of our students, both in the UK and internationally. By taking music out into the community and providing high level musical tuition to children and young people, our Open Academy, Junior Academy and Your Academy departments reach ever further, raising aspirations, making connections and challenging preconceptions via a range of projects delivered with partner schools and organisations.

THE ADVANCEMENT OF ARTS, CULTURE AND HERITAGE

Our core activities advance arts, culture and heritage by finding the most promising British and international musical talent and nurturing it through the delivery of world-class education and vocational training, producing exceptional artists who will shape the future of music in this country and beyond. We support the UK's cultural infrastructure, generate development in the cultural industries, and provide international leadership in music:

- By collaborating with leading venues and ensembles, supporting musical research, commissioning new music and bringing before the public new and unfamiliar work, the Academy enriches the UK's musical culture.

- Through the preservation, display and use of our collection of musical artefacts, the Academy contributes to the advancement of the UK's musical heritage.

The Academy aims to enrich musical culture by:

- Educating and training students with the most significant potential to attain the highest standards in performance, composition and other music-related disciplines. We offer full-time programmes of study at undergraduate and postgraduate level and ambitious student-centred artistic programmes. In addition, our Junior Academy is a fundamental and integral part of the Academy and continues to provide music education of the highest quality through our First Strings and First Guitar Experiences, and Primary Academy and Junior Academy programmes, to those aged 4 to 18.
- Enabling public engagement through a wide range of public performances, research events and outreach activities designed to enhance pre-tertiary music educational opportunities and encourage wider access to higher education.
- Promoting the creation of new music, original research and scholarship in music through publications, conference and study days, programmes of symposia, recordings and public performances.
- Conserving the significant and globally renowned heritage collections in the field of music that support our educational purposes.
- Enabling research via our Museum collections catalogue which is available for consultation by researchers from outside the Academy.

OUR COMMITMENT TO WIDENING PARTICIPATION

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. In common with other leading international conservatoires, we mainly recruit students who have already achieved a very high standard in their practical discipline or show clear promise of doing so. Most successful applicants will have benefited from high quality individual tuition from an early age; some will have attended specialist music schools or a conservatoire's junior department. Our Access and Participation Plan positions the Academy alongside other institutions and organisations working to the same end, to ensure that risks to equality of opportunity are recognised and mitigated at every stage of the educational journey, and we do this in partnership with other organisations. We intervene at key points along the whole chain leading from early recognition of musical ability through group workshop and individual lesson provision to develop that ability, on to conservatoire audition stage. We do not judge the success of our Plan solely in terms of student progression to the Academy: we accept, as valid outcomes, that many of the school-age students involved in our Widening Participation programme will enrol on other institutions' music degree courses or decide against a career in music while still identifying strongly as musicians and continuing to perform or compose in their spare time.

We support students to make autonomous, informed decisions. This student-centred perspective reflects our institutional values and is central to how we evaluate our impact.

We are proactive in identifying those who would benefit from participation in the Academy's activities, which include the work of Open Academy, Junior Academy and Your Academy. Many of our faculty also deliver high quality performance opportunities in the secondary education sector.

Our [Access and Participation Plan](#) and a summary are published on our website. Our five main objectives are to:

1. Increase the proportion of undergraduate applications from prospective students in all significantly underrepresented categories.
2. Increase the proportion of places offered to state school students applying for undergraduate places.
3. Maintain the proportion of places offered to prospective students who identify as from the Global Majority and increase the proportion of places offered to Black British applicants specifically.
4. Increase the proportion of places taken up by prospective students from low-income family backgrounds.
5. Ensure that Academy students with declared disabilities or learning differences achieve the best possible final degree results.

Our auditions processes are designed to give all applicants the opportunity to demonstrate their musical attainment and their approach to learning more broadly, so that we can assess their suitability in the round for their chosen programme of study. We are sensitive to the context of our applicants' prior learning experiences in our decisions to offer places.

DIVERSITY, EQUITY, INCLUSION AND BELONGING

We want our students, staff and visitors to value not only what we have in common, but also what makes us different. We want the Academy to be a place where everyone feels they belong and this is summed up by the term Diversity, Equity, Inclusion and Belonging (DEIB).

While we are proud to have a diverse student body comprising a community of over 50 countries, we recognise there is more we can do to increase open access to students from all economic, social and ethnic groups.

The Academy strives to promote an inclusive learning and working environment in which all students, staff and visitors are welcomed. In 2020 we began a partnership with Blueprint for All, an inclusive consultancy who evaluated our activity and staff and student perceptions of equality in action. We have made significant progress in implementing their recommendations, understanding the impact of these changes, and future areas of work to sustain momentum, as shown in their 2024 evaluation Review and reflections of the DEIB Journey.

Our Belonging strategy is now embedded throughout the Academy and includes partnerships with Black-led organisations such as Blueprint for all, as well as supporting Students' Union initiatives such as the Afro-Caribbean Society.

Students are active in researching, studying and programming repertoire from more diverse communities, through initiatives such as Students Create and Seen and Heard Festivals, and our curriculum has expanded to foster these skills in modules such as Diverse Voices and Diverse Programming. We prioritise the leadership of Global Majority role models and teachers through our choice of workshop leaders, teachers and mentors in our Widening Participation activity.

Our Belonging policy sets out the Academy's values and the framework under which we operate. It also highlights the individual roles we have to play in ensuring the Academy is an inclusive and harmonious place to study and work.

We adhere to the Equality Act 2010 which aims to eliminate discrimination, harassment and victimisation. We believe everyone at the Academy is responsible for:

- Understanding and committing to equity.
- Helping to remove barriers, enabling all to fulfil their potential.
- Challenging or reporting discrimination and harassment, should it occur.

The Academy's primary objectives are to:

- Continue to improve access to our buildings and services.
- Continue to develop our widening participation initiatives (we have regular Widening Participation Committee meetings to address Belonging issues and monitor our progress against our objectives).
- Promote equity and diversity in our procurement procedures and third-party relationships.

We are committed to creating the Academy as a place:

- Which seeks actively to recruit new members who are ethnically and culturally diverse.
- Where all students and staff are treated fairly and respectfully at all times.
- Where all students are taught by regular and visiting staff of high professional distinction from a range of different backgrounds.
- With which alumni are proud to remain associated throughout their lives, long after graduation.

STRATEGIC PLAN

Our Strategic Plan for the period 2023 to 2026 was developed in consultation with the Governing Body, staff and students, and approved by the Governing Body in March 2023. Progress against deliverables is assessed regularly through the annual monitoring reports submitted by each principal study department and Programme Board, during the annual planning round.

MEASURING AND REPORTING SUCCESS

We are presenting our annual review based on the three themes of our Strategic Plan, below, and our Educational Strategy:

1. Education

Offer each student the opportunity to grow and fulfil their potential.

Contribute to the musical world by providing outstanding education and training in music and promoting creativity and innovation.

2. Engagement

Play a leading part in Britain's musical landscape.

Provide appropriate access points from primary to higher education and in continuing professional development.

3. People and Resources

Attract and retain the finest teaching and professional services staff.

Provide facilities and technology which enables staff and students to work at the highest level and towards a sustainable future.

Achievement of the strategic priorities is guided by our Education Strategy, which is to contribute to the musical world by providing outstanding education and training in music and promoting creativity and innovation. We aim to:

1. Promote autonomous, independent learning
2. Promote inclusivity of our programmes
3. Enhance our learning environment
4. Enhance opportunities for external professional experience
5. Promote international mobility

Although many activities support more than one strand of our strategic themes and could be included within two or three of them, we have tried to capture them within the most relevant area to avoid repetition.

1. Education

The Academy was founded in 1822 and for over 200 years we have trained versatile and resourceful musicians with the skills they need to optimise their professional opportunities. We continue to refine our programmes to ensure that students acquire the craft, skills, knowledge and experience to enable them to become independent, creative musicians who can make a significant impact. Alongside this, we foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we will continue to recruit and retain the very best, supporting them with professional development opportunities.

We welcome students from over 50 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. By continuing to raise our international profile, improving our student recruitment marketing, and building on our relationships with like-minded institutions worldwide, we aim to be the conservatoire of choice for the most talented young musicians. We believe that the mixture of students from different countries is a vital contribution to the experience and training that the Academy offers.

Music making is at the heart of everything that we do at the Academy. A key part of the student experience is the range and quality of artistic projects in which they work intensively with leading professionals. We prepare our students for the future by providing experiences that support their transition into autonomous professional artists. Our roster of visiting professors and visiting artists continues to be expanded and refined to enrich our students' education and to ensure that our graduates leave with experience of the professional realities of a high-level career in music.

Our busy calendar of over 100 events each term offers young musicians diverse public performance opportunities, where mentorship is provided by our professional partners. During 2024/25 our students performed in a full calendar of concerts, productions and masterclasses, showcasing their talents not only at the Academy but also at prominent venues such as Wigmore Hall, Royal Festival Hall and Snape Maltings. Every year the Academy creates performance opportunities that are second to none, from our renowned Piano Festivals to new music programmes, operas and musicals, to late night jazz; a rich showcase of the next generation of musical talent.

Across all departments, masterclasses and workshops are delivered by artists at the top of their profession, providing our students with inspirational learning opportunities.

Three key components of professional skills that our students need are developing their collaborative networks, developing the reach and quality of their work in the public domain, and understanding how their development as musicians broadens their employability. To encourage students to foster collaborative projects, we mount an annual Students Create Festival, which showcases innovative work. In January 2025, there were over 60 events in the Festival including more than 50 world premieres.

We also train students to develop their skills in curating their digital presence on social media and provide professional level opportunities in studio recording. We believe that taking part in recording experiences allows our students to chronicle their work, think independently for themselves and appreciate how their unique role can refresh the art form and communicate it as widely as possible. Many graduates take the studio skills they have learnt into their careers and form alliances with major labels – we want students to see this as an endless journey of discovery. Since 2012 we have partnered with world-renowned independent label Linn Records in producing exceptional recordings of some of the world's most talented young performers, including notable work under Trevor Pinnock and Oliver Knussen. The Academy boasts over 50 recordings between its own catalogue and Linn Records, from 1996 to the present. On 4 October 2025 Linn Records released our Stravinsky Chamber Works recording, with Barbara Hannigan conducting a transatlantic ensemble of Academy and Juilliard School students.

Our Artist Development programme provides all our students with an intensive training in reflecting on how their developing musicianship affects their employability. In this way, we encourage our students to think strategically about their preparation for their future working lives.

PROGRAMMES OF STUDY

This academic cycle was particularly busy in the development of new offerings and the periodic review of our long-established programmes.

A periodic review of the Academy's BMus programme took place in the spring term of 2025. The programme was commended by the review panel as a rigorous, intense and very well-supported programme, clearly delivering its intended learning outcomes and providing strong wellbeing provision for students. The panel spent time with a group of students, to discuss themes such as workload, performance opportunities, assessment types, use of Artificial Intelligence tools and general resources. Some approved changes and enhancements to the programme include new strands for Analytical Skills 2; changes to assessments in Aural Skills, Contexts for Performance and Chamber Music; and a number of wider changes to Artist Development.

During the year some changes to the post-masters diplomas were approved by the Academic Board. The Professional Diploma remains as originally configured and apart from a change of name, the opera course also continues as the Advanced Opera Diploma. Instead of the existing one-year Advanced Diploma in Performance, we are now offering two distinct courses including

an option for composers: a one-year Advanced Artist Diploma (AAD) and a two-year Advanced Professional Diploma (APD). The APD will also be open, as a one-year course, to outstanding students who have completed the Professional Diploma. All three of the advanced diplomas are level 8 of the FHEQ, which is of particular value to students when qualifications at this level are accepted as the prerequisite (alongside PhD/DMA) for conservatoire teaching positions. The AAD is for a select group of instrumentalists at the highest level and the cohort will be limited to a maximum of four students each year. Successful applicants will be ready to take full advantage of a recording opportunity with world-class production and special release arrangements on major streaming platforms and/or record labels. The course will support development of a range of industry-related skills with mentoring provided, in addition to one-to-one lessons. There is a more specifically professional focus to the intended learning outcomes of the new APD, for students with a strong collaborative and/or orchestral focus, to meet the needs of late-stage high-level students more precisely.

Reports from External Examiners were positive and stated 'I remain extremely impressed by the range, depth and challenge this programme presents. The sector-leading practical tuition which comprises the heart of the programme is enriched by a broad portfolio of supporting modules, which are clearly designed to interweave with and reinforce the practical element, thanks to the wide range of elective modules, and these also provide an opportunity to specialise in areas that were introduced in broader terms earlier in the sequence.' 'The three pillars of the BMus programme (Artistry, Belonging and Challenge) are clearly supported and developed through the range of activities offered and required across the four years. The balance of principal study activity and electives is well-judged, offering students clear pathways through their programme, with the possibility to specialise in particular areas if they wish. The range of electives is keeping up with the changing landscape of the music profession.' 'Students continue to benefit from teaching of a notably high level, working with active professionals at the top of their field in their principal study activity as well as in their supporting activity and electives.'

Our Artist Development programme complements our principal study departments, preparing students to graduate as creative, adaptable musicians. Life for young artists has always been a challenge, and the pandemic has made it harder to have a career in music, especially when starting out. Our students need to have confidence and imagination to build and sustain their presence in a fast-evolving profession. Through our Artist Development programme we aim to empower students to develop distinct artistic identities and cultivate productive industry relationships before graduation. Practical business skills prepare students for managing diverse portfolio careers. Many donors support this programme to directly help students build their careers through hands-on experience with partners across the arts sector.

Students are active in researching, studying and programming repertoire from more diverse communities, through initiatives such as Students Create and Seen and Heard Festivals, and our curriculum has expanded to foster these skills in modules such as Diverse Voices and Diverse Programming. We prioritise the leadership of Global Majority role models and teachers through our choice of workshop leaders, teachers and mentors in our Widening Participation activity.

We are in the process of developing and approving a range of revisions to programme content and assessment criteria to take account of the new opportunities provided by AI. This is being done in conjunction with revisions to areas of the Regulations, and in cross-programme discussions with members of the undergraduate and postgraduate teams. The marked rise in student engagement with AI tools has prompted a more nuanced awareness of the importance of 'ownership' and individuality that will be woven into teaching and assessment. New and continuing students will be required to develop awareness of the potential benefits and critical dangers of using the currently available tools and directed to appropriate strategies for communicating this in assessments, and in material published.

As the importance of participatory and community music programmes continues to grow both in the UK and internationally, it is crucial that our students have the opportunity to obtain skills and experience in this exciting and expanding area of work. Open Academy electives are available at both undergraduate and postgraduate levels, offering seminars and workshops alongside hands-on experience in the field. We also offer fellowships to graduating students who will be the future leaders of this work.

Widening access and equity of opportunity are important values throughout the Academy, from the youngest ages (4 upwards) through to PhD and early career Fellowships. Student representation on communities such as Staff-Student Liaison Committee, Access and Participation Committee, Belonging, E-Learning, and Museum and Library keeps this area of work under constant review. Regular student feedback forms part of our annual monitoring of the BMus, BMus Jazz and Postgraduate pathways. These mechanisms have enabled us to review our teaching materials and methods, in response to strong motivation from students and staff to tailor study towards individual career pathways that have relevance in the contemporary world. Our teaching qualification, the Licentiate of the Royal Academy of Music, has broadened its scope to reflect more contemporary teaching situations in groups, schools, and via Music Education Hubs, rather than remaining within the private studio.

RESEARCH

A further year of non-recurrent grant funding from Research England has enabled us to continue to invest strategically in professionalising the support for our research community. Our Research Office continues to have an immediate and transformative effect on our ability to capture and trace research data and increase the number of external grant applications. In 2024/25 the work of the Research Office included:

- Internal funding: Academy teaching staff undertaking research may apply to the Research Committee for a small grant to support their research activity, where the research aligns with our Research Strategy and/or may not meet the criteria for external funding sources. 23 staff projects received internal funding for activities including recording, conference attendance, workshops, study visits and research time.

The Research Office also trialled a PhD Conference Support scheme to enable doctoral researchers to share their work externally at conferences, where attendance will strongly benefit the research. Through this process, nine conference presentations were given by Academy doctoral students across six different conferences (three UK-based and three international conferences).

- External funding: The Research Office provides support and assistance for staff to identify potential funding opportunities for projects and prepare and submit applications to external organisations. Two applications were made to the Arts and Humanities Research Council (AHRC) for their Curiosity and Catalyst Award schemes respectively.
- Research Strategies and Policies, particularly related to the next REF exercise, were in development throughout the year, with a focus on preparing the Academy's REF Code of Practice submission.
- Public research events: Research staff and students can propose public engagement events ranging from workshops, demonstrations and interviews to lecture recitals and more formally delivered presentations. Nine public research events were hosted on topics ranging from Messiaen and Boulez to Ethel Barns and 19th century women of the Academy. In June 2025 the Academy hosted a study day of the Royal Musical Association's Composer Performer Collaborations Study Group.
- Research database and repository: The Academy continues to maintain the Presto archive as an open access repository which stores the details and metadata of published research by staff. In July 2025 the Academy also joined Research Catalogue, a media platform specifically designed for the publication of Practice/Artistic Research. The Research Office is developing our institutional Research Catalogue portal, which will provide a research documentation and collaborative workspace for staff and doctoral students, allowing us to brand our artistic research activities and monitor the quality of publications on the portal. Going forwards, Research Catalogue will be the Academy's publication platform, while Presto will continue to be our repository housing information about staff publications.
- Award winning publications:
Emily Kilpatrick and Roy Howat, Presto Music Award for edition of 15 songs for voice and piano by Fauré.
Alyn Shipton, *The Gerry Mulligan 1950s Quartets* Certificate of Merit from the Association for Recorded Sound Collections.

[Academy researchers celebrated in ASRC Certificate of Merit and Presto Music Awards](#)

KNOWLEDGE EXCHANGE

Throughout its history the Academy has had deep and wide connections throughout the music industry and knowledge exchange has therefore been part of our DNA for 200 years. Following the establishment of a Knowledge Exchange (KE) Committee in 2022/23, we have continued to formalise data gathering activities and the training of academic staff in identifying KE potential in all areas of delivery.

A highlight of this year's KE activities has been Joanna MacGregor's project in collaboration with the British Film Institute to compose and perform soundtracks to silent Sherlock Holmes films from the early 20th Century. These were premiered at a gala event at Alexandra Palace in October 2024. Peter Sheppard-Skaerved's collaborative work with leading museums included the Metropolitan Museum New York and the Ashmolean Museum on the public interpretation of historical instruments.

As one of the four Royal Schools of Music – Royal Academy of Music, Royal College of Music, Royal Northern College of Music, and Royal Conservatoire of Scotland – we continue to work closely with the Associated Board of the Royal Schools of Music (ABRSM) in refining its educational offerings. The ABRSM supports learners and empowers teachers who help build musical skills, and advocates for music and its many forms, playing its part to ensure the future of music education and its place in society.

STUDENT WELLBEING

In a volatile and competitive industry, young musicians will have their mental resilience tested. This is a lifelong challenge for musicians: students go on to manage freelance careers and need intellectual, emotional and physical flexibility in order to do so. We want our students to make the most of their time at the Academy and to develop the ability to sustain and cherish their joy in music-making as well as having well-balanced careers.

Pastoral care is built into the fabric of a conservatoire and must respond to the evolving needs of students, and we are able to connect pastoral, financial and learning/mental health support very quickly when needed. Our series of student wellbeing sessions include mental and physical health, performance-related issues, drugs, alcohol, and sexual consent. The postgraduate provision is

organised around themes and issues, in collaboration with the Students' Union. Sessions include negotiating contracts and relationships with promoters and sponsors, sexual harassment, alcohol and other topics.

Thanks to the commitment of our donors, support for students' wellbeing and mental health has been transformed over the last five years. Formerly a team of just two Counsellors and a Disability Advisor, our support structure includes accredited counsellors, therapists, specialists in Alexander Technique and Feldenkrais (which develop musicians' understanding of their connected physical and psychological needs), a Disability Advisor and Additional Support Tutor. Our Psychological Support Services now have a more sophisticated clinical database which enables the team to manage larger numbers of registrants efficiently and confidentially. The system also enables analysis of data so that we can monitor and evaluate the services, ensuring we spend our resources where they are most needed.

The Counselling team has since the Covid-19 pandemic, moved back to an in-person model at the request of students and staff.

UK undergraduate tuition was set by the government at £9,250 per year, and with the cost of living in London, a UK student needs more than £24,000 annually to study at the Academy. International fees are even higher: £28,250 per year for undergraduates and up to £37,000 for postgraduates in 2024/25. The offer of financial support is often a deciding factor for a young musician being able to accept their place at the Academy; only a small proportion of our outstanding students could afford to attend if it weren't for the scholarships and bursaries that our supporters help to fund.

Many students rely on income from professional engagements and other work to support their studies. The Philanthropy team launched a fundraising campaign, the Response Fund, during 2019/20, which continues to distribute funds to students experiencing financial hardship.

In 2024/25, 642 students, 82% of our students were supported by a scholarships or bursary, just over half of which were funded by philanthropy. The offer of a scholarship or bursary enables our students to focus on their artistic development without added financial pressure.

Financial support in the form of bursaries and merit-based scholarships is provided to enable the very best students to study at the Academy, regardless of their background. Academy students received £5.8m in financial support during 2024/25 (£6.0m 2023/24).

Since 2007 the Academy has been working with the London South Bank University on a long-term project to address concerns about students' hearing which involves hearing tests and instrument-specific advice on hearing protection. The Academy provides earplugs free of charge to students and factors sound exposure and noise issues into room scheduling.

STUDENT UNION

The Royal Academy of Music Students' Union (RAMSU) is an unincorporated association, an independent group run by and for our students, funded by an annual grant from the Academy for its work in supporting students. RAMSU plays a key role in Academy life by supporting and advancing the wellbeing of all our students, offering advice and representation, and maintaining the inclusive community for which the Academy is known, through social events, activities and collaborative projects.

The President of the Students' Union is a member of the Governing Body and a range of committees, initiatives, and the Business Continuity Group, which is vital for understanding and addressing our students' needs, and in improving communication.

SENIOR ACADEMY

Recruitment to all the Academy's programmes remains strong, with a far larger number of high-quality applicants than there are places on offer. Entrance is via a combination of competitive auditions (performers and conductors) or interview/portfolio submission (composers) and the fulfilment of relevant academic entry requirements. Although our admissions procedures are highly competitive, at undergraduate level we audition every candidate who applies without exception. We offer live auditions in London and at some international centres and accept video auditions from candidates who are unable to travel to those centres to audition. The Admissions Board oversees the process to ensure that all applicants receive a fair hearing regardless of the means by which the audition takes place.

Offer-making decisions are undertaken by experienced and suitably trained professionals who understand and are invested in our institutional strategy regarding widening participation.

During the autumn term we have 'Discovery Events' where prospective students can gain an insight into the area of study that interests them, attend performances, lessons and masterclasses, and meet staff and students, and look around the facilities.

STUDENT NUMBERS

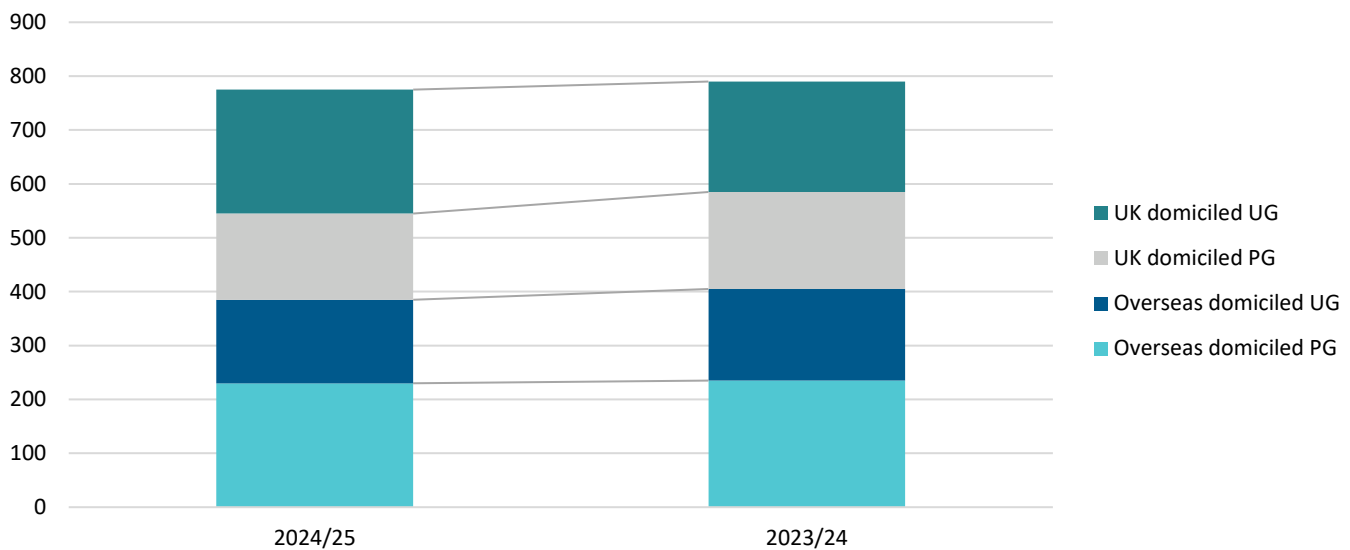
Entrance standards to our programmes are at a level of international excellence which enables us to train and educate our students intensively to reach professional levels of achievement by the end of their programme. The combination of world-leading talent, outstanding teachers, and globally significant resources is reflected in the standards achieved by our students at the end of the programme and the classification of the awards that we make. To assure ourselves that we are setting appropriate standards

on our programmes, we have a double system of external scrutiny: external examiners who oversee the standards and operations of the assessment processes as a whole, and specialist external assessors who sit on final assessment panels to scrutinise the quality and standards of students' playing, singing or composition. Additionally, all written work is blind double-marked.

The Academy attracts applicants from around 82 countries and over 50 countries are represented in our student population, with 50% from the UK, 14% from the EU and 36% from other countries (49%, 14% and 37% respectively 2023/24). Applications and recruitment have remained strong despite national and international uncertainties and challenges, and we have developed our recruitment strategy and tactics to accommodate this rapidly changing environment. We are proud of the cosmopolitan and healthy cultural breadth of our student body.

As the following chart shows, our full-time equivalent student numbers have overall remained below 800, and we intend to maintain similar student numbers going forward. Undergraduate students make up just under 50% of the total student body and we have seen a growth in UK undergraduates in 2024/25 and a corresponding decrease in international undergraduates. Postgraduate numbers for home and overseas students were evenly split.

Student Numbers (Full Time Equivalent)



STUDENT RESULTS FOR 2024/25

Our academic, tutorial, professorial, professional services and estates colleagues again worked tirelessly to draw the 2024/25 year to a successful close. All students were given the opportunity to have their Final Recitals livestreamed so that family and friends could hear them wherever they were in the world, and most took up this opportunity.

Results for the year are very good: interim results are shown below as some awards have yet to be agreed by Examination Boards. We remain committed to preserving the standards and quality of our programmes; our exceptional 'double' external assessor project involving Specialist External Examiners for each principal study discipline, as well as External Assessors for overall programmes, gives us confidence that our programmes remain world-leading in the standards that we set and the professional discipline we enable our students to develop.

	2024/25		2023/24*			2024/25		2023/24*	
	No	(%)	No	(%)		No	(%)	No	(%)
BMus Awards					Masters				
First Class	50	53	45	56	Distinction	125	69	130	69
Upper Second	35	38	25	33	Merit	40	21	45	24
Lower Second	10	10	10	10	Pass	20	10	15	7
Third/Pass			<5	1	Pending	30			
Pending	<5								

** Results for 2023/24 have been restated because some awards may be pending and final results for MA/MMus students are not available when the Financial Statements are prepared in November.*

Under the powers of the Academy's Royal Charter, the Examinations Board may award a Dip RAM to any postgraduate student who particularly excelled in their final recital and conventionally the award has been made to the elite cohort who achieve a mark of 80% or above in their recital. This year 60 such awards were made (55 2023/24). Post Masters awards were also made by the Examinations Board, including 20 Advanced Diplomas and 15 Professional Diplomas (25 and 15 2023/24).

During 2024/25 there were 16 research students (17 2023/24), and 5 PhDs were awarded (10 2023/24).

The Licentiate of the Royal Academy of Music (LRAM) is a practical course exploring music teaching in the context of a principal study discipline, informed and supported by pedagogical theory, which gives students an understanding of current national teaching practices, promotes reflective teaching and aligns with national standards. The course is open to our 3rd and 4th year BMus undergraduate and postgraduate students and emphasises employability through a range of skills relevant to state and independent education contexts. During 2024/25, 115 students were awarded the LRAM (100 2023/24).

2. Engagement

Our annual programme of public events plays two key functions: it gives our students experience of professional-level work and showcases their achievements, and it enables us to engage with a broad section of the public and give them access to high-quality music making.

As the Academy enters its third century, we continue to embrace the wealth of repertoire from the past, to inform the music of the future. The breadth of talent at the Academy was celebrated this year with performances of operatic works, musical theatre productions, jazz, historical performance and new music, and much more.

Performance highlights during the autumn term included an upbeat programme of H K Gruber, Schoenberg and Bernstein, conducted by Visiting Professor Jeroen Berwaerts in mid-September, which tied in with our Wind and Brass Discovery Day to allow potential applicants to experience some of the range of performance opportunities on offer. In October, the annual autumn Piano Festival took place, this time celebrating Schumann, with orchestral concerts of Mahler with alumnus Finnegan Downie Dear, and Brahms and Mendelssohn with Trevor Pinnock. External performances included our collaboration with the British Film Institute with a performance of three new scores for Sherlock Holmes silent movies by Academy professors Joanna MacGregor, Neil Brand and Joseph Havlat at Alexandra Palace, as part of the BFI film festival. The scores were then recorded for release in theatre, online and on DVD. At the end of October, Ryan Wigglesworth conducted chamber music by Beethoven and Brahms with Academy students at St John's Smith Square and Dorchester Abbey. As part of a week in residence at the Academy, Visiting Professor Dave Holland performed with the Academy Jazz Orchestra in the Susie Sainsbury Theatre to a packed audience. Later in the term, the Jazz Orchestra performed with Orphy Robinson and Winston Rollins at the London Jazz Festival.

In November, highlights included Strauss' *Til Eulenspiegel* and *Also Sprach Zarathustra* with Sir Mark Elder, and four performances of Humperdinck's *Hansel und Gretel* with Royal Academy Opera. As part of our Resounding Shores series which celebrates Purcell and the legacy of the golden age for music in England, three concerts took place with Eamonn Dougan, Jonathan Manson and Nicholas Mulroy and at the end of term, a side-by-side with John Butt and members of the Dunedin Consort, performing Purcell's *Ode to St Cecilia* on St Cecilia's Day in Greyfriar's Kirk in Edinburgh, followed by another performance in the Duke's Hall in the regular Sunday lunchtime slot. Other side-by-side performances included Septura Brass and London Sinfonietta at the Queen Elizabeth Hall, and string players performing with the Czech Philharmonic and Semyon Bychkov in the Czech Republic, New York and Toronto. The Academy Musical Theatre Company rounded off the term's events with *The Last Twenty-Five Years*, a celebration of the best musical theatre songs of the century.

Spring term events included the Jazz Festival and an orchestral side-by-side with Edward Gardner and the London Philharmonic Orchestra at the Royal Festival Hall. Colin Currie conducted a programme of Reich, Andriessen, Martland, Akiko and Tippett, and John Wilson and Ryan Wigglesworth worked with the Academy's Symphony Orchestra. Clips of these are available on media channels. Barbara Hannigan conducted an all-Haydn programme with the Academy Chamber Orchestra and also worked with percussionists, wind and brass players, singers and composers over two days of classes, as well as giving a careers talk.

Royal Academy Opera performed Mozart's *Die Zauberflöte* on 18-21 March, and the Musical Theatre Company presented their Agent Showcases on 31 March and 1 April. Susanna Malki returned to the Academy for a special day on 26 March celebrating the 100th anniversary of Boulez's birth – the concert offered a rare opportunity to hear his *Sue Incises*, performed only twice in the UK in the last 20 years, with Academy Fellows, students and guests from The Juilliard School.

After three weeks of final recitals and end of year exams during the summer term, public performances returned with collaborations with the Aldeburgh Festival and two side-by-side performances by the Knussen Chamber Orchestra with Ryan Wigglesworth and the Symphony Orchestra, performing both at Snape Maltings and the Duke's Hall with alumni Edward Gardner and Alan Clayton. Composer in Residence Anna Meredith's residence culminated in two performances of new band music, as well as solo and ensemble music performed by the Academy's Manson Ensemble. The term ended with performances by the Academy Wind Ensemble at Sinfonia Smith Square and the Deal Summer Music Festival. The Academy's Musical Theatre Company presented Maury Yeston's *NINE* on 12-15 June, and Stephen Sondheim's *Assassins* on 3-6 July, as well as cabaret performances after each of the main shows.

The annual Students Create Festival (15-17 January) saw our students fill performance venues from lunchtime into the evening over the course of three days of sensational demonstrations of talent and creative imagination, often representing the very best kind of artistic risk.

Our engagement has global reach through our live streaming, which provides an opportunity to disseminate our work to broader constituencies, especially highly popular events.

WIDENING PARTICIPATION

All of our Widening Participation activity is focused on pupils from the state school sector, who, compared to private school pupils, generally receive fewer opportunities to develop the advanced skills that are needed to thrive in conservatoire education and to seek out and develop career opportunities in a competitive and fast-changing music industry. We have worked to increase the percentage of state-school students in Junior Academy.

Reaching the level of musicianship required for conservatoire entry takes years of hard work and, in most cases, significant financial commitment. Although we already offer millions of pounds in financial support for students every year, we are aware that this does not redress inequalities in earlier education.

Our strategic measures to increase the pool of talented applicants from under-represented groups fall into three broad initiatives: Open Academy, Junior Academy, and Your Academy.

OPEN ACADEMY

Open Academy is the Academy's Learning, Participation and Community initiative, which reached over 5,000 people beyond our enrolled students and staff this year.

Open Academy works closely with artistic and community partners to produce creative projects in which our students and project participants can explore music making together in a wide range of contexts. Open Academy aims to raise aspirations, make connections, challenge preconceptions and create new possibilities for participants and our students alike. All of our projects are led and supported by skilled professionals, ensuring the quality of the experience for everyone involved. These include workshops with children and young people in mainstream schools, special education needs and disability (SEND) settings, people receiving treatment in hospital, residents and staff of care homes, and people with experience of homelessness.

During the 2024/25 academic year our annual individual project participant total was 5,690 beyond our enrolled students and staff:

Open Academy Projects	Participants
Adults with learning disabilities	24
Dementias	961
Early years	2,129
Hospitals	213
Other	69
People with experience of homelessness	117
Primary school	1,836
Secondary school	41
Young people outside mainstream school	281
Young people with additional needs	19

Particularly inspiring projects included Open Academy's partnership with the Academy of St Martin in the Fields on their continuing work with people experiencing homelessness. This year, the project included a public performance by the ensemble at the Stone Net in central London. Open Academy lecturer Jackie Walduck leads this project and received the ABO award for Health and Wellbeing in recognition for her outstanding work. In addition, our partnership with the City Lit's Percussion Orchestra for adults with Learning Disabilities continues to provide outstanding learning opportunities for both orchestra members and Academy students alike. Open Academy's artistic partners are Wigmore Hall, Spitalfields Music, City of London Sinfonia and the Academy of St Martin in the Fields and The Choir with No Name. Our community partners include Camden Music Hub, Tri-borough Music Hub, Resonate Arts, Royal London Hospital, Chelsea and Westminster Hospital, City Lit, Young Sounds UK (formerly Awards for Young Musicians) and The Connection at St Martin's.

JUNIOR ACADEMY

The Junior Academy offers exceptional opportunities for young musicians aged 12-18 years to develop every aspect of their musicianship within a vibrant and creative learning environment. Students travel from across the UK each Saturday to immerse themselves in intensive one-to-one lessons, specialist classes, and a wide range of performance opportunities that challenge and inspire.

Our programme portfolio includes:

- First Strings and Guitar Experiences
- Primary Academy
- Junior Academy
- Junior Jazz
- Junior Academy Musical Theatre – launched in September 2022 for students aged 13-18.

We have further enhanced the First Strings Experience (FSE) scheme with the introduction of FSE Level 5, strengthening the pathway for young string players aspiring to enter the conservatoire sector.

In 2024/25, 74% of Junior Academy leavers went on to study music at higher education institutions.

We are proud to champion access and inclusivity through a range of targeted initiatives designed to reach under-represented groups. In recent years, we have significantly expanded our widening participation and community-focused activity.

Our Junior Academy teachers are successful performing musicians and educators; they combine active careers with the reward of helping young performers and composers fulfil their potential. Many also teach on the Academy's undergraduate and postgraduate programmes.

Applications for places continues to be strong and the academic year began with 487 Junior Academy students including 56 Junior Academy Musical Theatre, 42 Junior Jazz and 41 Primary Academy students. There were also 29 First Guitar Experience students, 95 First Strings Experience, and 14 Kickstart/Mentees.

For 2024/25 we awarded 107 bursaries (88 2023/24), including 35 government funded places via the Music and Dance Scheme. Our work is made possible thanks to the generous support of the Wolfson Foundation, Leverhulme Trust, Sir Elton John and many individual benefactors. We are especially grateful for the legacy from the Estate of the late Clare Helen Redfarn which continues to benefit students, and for the support of an anonymous donor in establishing a hardship fund.

2024/25 has been one of our busiest and most memorable years, as we celebrated 110 years of Junior Academy. The year has been deeply rewarding, with a remarkable range of performances highlighting the talent and dedication of our students – our greatest strength. Junior Academy organists gave a recital in the Duke's Hall featuring repertoire from around 1915, and pianists prepared for the Academy Piano Festival, sharing the festival with senior colleagues, and featuring several Debussy etudes written in 1915 accompanying other composers from the same time. Alumna Isata Kanneh-Mason gave a masterclass for those students performing in the Piano Festival. Junior Musical Theatre performed a final showcase featuring 60 students and nine young mentees, 10- and 11-year-olds who have already worked in the West End.

Performance highlights during the year included:

- 62 solo performance classes
- 14 chamber performance classes
- 4 masterclasses
- 2 chamber music festivals
- 12 breakfast concerts
- 27 internal concerts
- 13 external concerts
- 2 orchestral side-by-sides
- 2 composition workshops
- 9 prizes awarded
- A Musical Theatre Showcase
- 606 Club Gig
- Spectacular Film Music Festival

A standout event was our concert at the Cadogan Hall, featuring a performance of Ravel's *Daphnis et Chloe*, a powerful demonstration of the exceptional ability of our young musicians.

Student wellbeing is a core value that informs every area of our Junior programmes. Our Confident Young Musician course helps our musicians to approach performance growth in an effective and healthy way. Our aim is to build calm, confident and coordinated young musicians who can make good choices about how to look after themselves, both physically and mentally, and apply these skills not only to being a musician but to all aspects of their lives, now and into the future. We also run a weekly one-to-one active listening service which allows students to share any worries they have, music-related or otherwise, and to signpost them to a range of resources to ensure that all students are supported both inside and outside the Academy. All performance classes relate to how students feel and react from a confident point of view where encouragement is key. Repertoire does not have to be complete or perfect, as long as the art of performance has been.

YOUR ACADEMY

Your Academy supports young people aged 14 to 17 from state schools, through tuition, performance opportunities and audition preparation. We are committed to reaching as many musically motivated students as possible through both direct delivery and strategic partnerships (for example music services, hub partners and primary schools). Our approach is targeted and based on need, musical potential and eligibility for Widening Participation status: scalable; deliverable through modular programmes with defined progressions routes; and sustainable, as it is built on cross-departmental collaboration and long-term relationships with families and schools.

During the 2024/25 academic year, the Widening Participation team worked with participants to provide access to a supportive musical environment where they can develop their skills and broaden awareness of the opportunities available through advanced musical study. Activities took place at the Academy, as well as outreach activities in schools, community spaces, and remote learning online.

In July 2025 we celebrated four years of Community First Strings Experience (CFSE), welcoming over 200 students from south London primary schools, Corpus Christi in Brixton and St John's in Rotherhithe for a celebration of their achievements. Based on our Junior Academy First Strings Experience (FSE) which provides early years string training from the age of four, this programme is managed by our Widening Participation Department in local primary schools. During 2024/25 270 children across three school year groups took part in this initiative and eight of the graduating students successfully auditioned to join the new FSE Year 4 course at the Academy for 7- to 8-year-olds. In addition, all students who took part in CFSE will be given advice on how to continue lessons at school or in their local area. The CFSE and the new FSE for Year 4 pupils are made possible thanks to philanthropic support.

In 2024/25 we began our new Variations programme for 16+ year olds who have been attending Your Academy for a number of years and will shortly be applying to study music via UCAS Conservatoire. This programme provides audition and application tips and information, social trips to off-site performances within classical music and jazz, and Q&A sessions with professional conservatoire graduates enabling Widening Participants to see a future pathway into the Academy and beyond.

As part of our Access and Participation Plan to inspire, encourage, and support talented young musicians to progress to higher education, we offer Academy Clubs and Collectives to provide opportunities for state-educated secondary school pupils to study with our teachers and students.

The number of participants engaging with Widening Participation was 807, with many participants returning to the Academy for multiple activities.

Widening Participation Projects	Participants
CFSE	275
Composers, Percussion, Jazz, Audition, Mentor, Music Theory Clubs	100
Audition Club	112
Musical Theatre Outreach Workshops and Mentor Programme	100
St Mark's Sundays: three-day programme for young musicians to work with professional musicians for Woodwind, Brass, Strings	44
Beyond the Dots: core musicianship skills that pave the way towards confident improvising	30
LRAM Workshops and Masterclass	13
Composing for Harp	5
Composers Showcase	24
Winter and Spring Showcases and Widening Participation Takeover Day	55
Summer schools: five-day programmes Inner Ear Summer Programme and Springboard to Grade 5 Theory & Beyond	22
Variations	27

The Academy is aware of the need to ensure that people from all backgrounds can benefit from our activities and that those in financial hardship are not excluded. The Academy is both strategically and financially committed to providing bursaries at both junior and senior levels, as well as co-contributing to regional schemes to identify and support young musicians who are underrepresented within conservatoire students.

As well as funding from the OfS, we receive generous philanthropic support which is targeted in order to help us achieve our goals in this area. We are grateful for the continuing support of the Alex and William de Winton Trust, Thompson Family Charitable Trust, Q Charitable Trust, The Mila Charitable Organisation, The Karlsson Játiva Charitable Foundation and The Mackintosh Foundation.

ALUMNI

Our alumni make an incalculable contribution to society, serving as artistic leaders in the UK and internationally. They permeate all areas of the music profession and are an integral part of the Academy family. We tell our alumni stories to inspire the next generation of musicians, alongside actively engaging our wider alumni community through focused communications and content.

We continue to develop a programme of engagement opportunities and access points to support our mission to provide lifelong value to our alumni, while in turn cultivating their ongoing support for the Academy and its strategic aims.

In 2024 we made a strategic decision to include alumni from our Junior Academy programmes into wider alumni recognition. This included interviewing Junior Academy alumni for our monthly newsletters and celebrating them in our annual Honours.

Each year, the Academy marks the contribution of today's leading musicians, including performers, composers, educators and artists. The list of honorands includes a range of distinguished people across the profession who have made a significant impact in their field. We held our annual Honours Ceremony in April 2025 to recognise the achievements of alumni who have made a significant contribution to the music industry, and celebrated 64, largely early-career, alumni, conferring Associate Membership (ARAM) on them, along with Honorary Associates (Hon ARAM) to 16 long-standing staff and other individuals who have played important roles in developing the Academy's work and outreach. Major honours were awarded at Graduation on 8 July 2025, with recipients including Academy alumnus Alexis Ffrench and William de Winton, both members of the Governing Body, and alumnus Iain Farrington, Anna Tillbrook, Louisa Tuck and Matthew Wadsworth.

INTERNATIONAL COLLABORATIONS

Strongly global in its identity, the Academy takes pride in its place within international arts ecosystems and its strong partnerships with organisations around the world.

2024/25 saw the Sir Elton John Global Exchange Programme, now in its third year of operations, continue to grow from strength to strength. The Academy's own initiative, the programme partners us with 12 of the world's leading conservatoires to facilitate international mobility, collaboration and exchange. Our programme partners are:

- Conservatoire National Superior de Musique et de Danse de Paris
- Glenn Gould School of the Royal Conservatory of Music, Toronto
- Hanns Eisler Academy, Berlin
- Hong Kong Academy for Performing Arts
- The Juilliard School, New York
- Reine Sofia School of Music, Madrid
- Shanghai Conservatory of Music
- Sibelius Academy of the University of the Arts, Helsinki
- Sydney Conservatorium of Music
- Tokyo University of the Arts
- mdw - University of Music and Performing Arts Vienna
- University of Music and Performing Arts, Munich

Highlights from the programme in 2024/25 included an Academy conducting student spending a week at the Sibelius Academy learning from Antony Hermus and Sakari Oramo, and a pianist from The Juilliard School performing as one of three pianists in *sur Incises* under the baton of Susanna Mälkki, part of the Boulez 100 celebrations in London. Also in March, students from the Paris Conservatoire joined the Academy Baroque Soloists to perform concerts in Paris and London as part of our *Resounding Shores* concert series, under the baton of Christophe Coin. The programme explored 17th century English and French repertoire, performing in the Duke's Hall following two performances in Pontoise and Les Invalides, Paris.

Outside of the programme, we have a number of more traditional student exchange agreements and industry partnerships, providing world-class experiences for students and promoting the Academy around the world. In autumn 2024, four students from the Academy's Strings Department went on tour with the Czech Philharmonic and Semyon Bychkov, including performing in three concerts at New York's Carnegie Hall. One students' account of the Prague leg of the tour was featured in [The Strad](#).

Two students travelled to China in May 2025 with our Director of Artistic Planning, to participate in the inaugural Tianjin Juilliard Orchestral Symposium and Leadership Forum. This event brought together young musicians and institutional leaders from 30 major conservatoires, music schools and organisations from around the world; the Academy was the only European conservatoire to take part. The summit lasted for a full week, celebrating the orchestral experience and examining the future of professional music education. The Director of Artistic Planning was invited to present a response to the keynote given by the Executive and Artistic Director of Carnegie Hall, alongside the Dean of The Shepherd School of Music, Rice University, and had the opportunity to visit the Beijing Center for the Performing Arts. The two students performed in a mass orchestra under the baton of David Robertson, performing concerts at the Tianjin Juilliard Concert Hall and at the National Centre for the Performing Arts, Beijing.

The Academy took part in its first project in Tunisia, thanks to its partnership with the Hasdrubal Foundation. A student string quartet and an Academy professor travelled to Tunisia along with faculty and students from the Paris Conservatoire and mdw Vienna to work with Tunisian young musicians and pedagogues, sharing the music of Tunisia and the European classical tradition.

The Academy has a strong relationship with networks including the Association of European Conservatoires and is represented on the International Relations Coordinators Working Group.

We also collaborate virtually with our partners. Our distance learning collaboration with the Manhattan School of Music is a continued success, enabling students on both sides of the Atlantic to benefit from reciprocal faculty masterclasses. An ongoing collaborative project led by our Recording team working with their counterparts at mdw Vienna is genuinely breaking new ground and pushing the boundaries of what is possible with low-latency video conferencing technology. The project connected a student from each institution to work on Ravel's *Duo for violin and cello* to facilitate real-time simultaneous music-making. The technology is sophisticated, allowing the two to work as if they were in the same physical space. Experiments continue for how best to enhance the experience and to think about the opportunities this technology can facilitate.

We look forward to continuing our collaborations with world-leading industry figures in 2025/26 and beyond.

MUSEUM AND COLLECTIONS

The Academy's collections – Museum, Library and Archive – comprises instruments, art, photography, manuscripts and scores. Items on permanent display include stringed instruments by Stradivari and the Amati family, historic keyboards by Broadwood, Pleyel and Erard, and scores and memorabilia that belonged to significant figures from the world of music. The collections expand beyond the Museum spaces and can be found throughout the Academy: teaching rooms, corridors, offices, performance venues, curated spaces, the Library, and online. The extensive archives offer students, staff and members of the public unique insights into the creative processes of great musicians, as well as informing our knowledge of performance practice.

The Museum and Collections Department, through the Museum and Library, oversees the Academy's collections, preserves them for the future, promotes individual and collective meaning-making, and makes them accessible to our internal and external users. During 2024/25 we improved the way expertise on care, access, digitisation, asset management and interpretation is streamlined between the Library and the Museum.

During 2024/25 we received 38 objects (all donations) for the collections: 31 allocated to the Museum, four to the Special Collections/Library, and three to the Archives. New collection assets received from January 2025, independently of being catalogued via the Library or the Museum database, were recorded in our new Collections Accession Register and received the prefix LDRAM, for example LDRAM.2025.1. The prefix is an MDA code, which are maintained by the Collections Trust on behalf of UK museums and form part of unique number systems which link museum objects to their organisations. This way the collections are better aligned with our policies regarding development, documentation, care and management. It also allows a better alignment with the Finance asset register.

We also received 144 scores, with handwritten entries by Oliver Knussen. The scores date from 1945 to 2001 and are on loan from the Paul Sacher Foundation in Basel.

The Library made 383 new purchases: student-driven purchases of sheet music, books and digital resources, which are not registered under collections.

In addition to the collections owned by the Academy, we are grateful for the extraordinary Calleva Collection, on loan to the Academy and managed by the Curator of Instruments. This Collection continues to grow by commissioning instruments from today's finest luthiers and makers, and in 2024/25 11 new instruments were added. Students may be offered the use of many of these instruments, providing an important boost to their musical development.

We aim to audit the Museum collection over a period of two years and this year, 23% of the non-instruments collection on display were audited: of the 491 objects on display, 113 had their condition and location checked. The collections of instruments (instruments, musical accessories and bows) were audited in December 2024, which covered 98% of the collection of 762 items. Of these, 415 were on loan and 347 on site. In July most instruments from the Spencer Collection were assessed and their value updated.

Digitisation is a priority for the Collections as a way of increasing access and engagement, and this service also generates some income. During 2024/25 we created 14,261 digital images from the Museum and Library and Archive collections.

The Instruments Loan Coordinator issued 214 loan contracts:

- 197 standard loan contracts relating to objects from the working collection, which corresponded to 207 instruments and 132 bows
- 15 heritage instrument loans
- 2 special loans (non-working collection and non-heritage)

The Collections Emergency and Salvage Response Plan was improved, and our salvage procedures were tested through a training exercise at the Academy with the London Fire Brigade on 22 July [London Fire Brigade practises emergency rescue and salvage response at Royal Academy of Music | Royal Academy of Music](#). This was a successful experience which helped identify what we do well and what we can improve.

The Museum and Collections team continues to respond to internal and external enquiries: the Library dealt with 405 external enquiries, while the Museum dealt with 108 general external enquiries and 62 tour enquiries.

The Museum is open to the public on Fridays from 11am to 6pm and by appointment or through collaboration with Widening Participation and Open Academy. Overall, we received a total of 2,167 museum visitors and users:

Museum Event	Visitors
Fridays (45 during the year)	1,143
General tours	432
Gallery events	155
Widening Participation events	252
Academy classes	185

We offered 28 Museum tours to a total of 754 visitors, of which 363 were children and teenagers. Most tours include a performance aspect through instrument demonstrations by Academy students, offering an insight into the collection and Academy life. Several education providers find our collection a good resource for the history and development of musical instruments, and they also refer to the importance of our students in inspiring younger audiences. Additionally, the Museum hosted Academy classes (approximately 185 users), including a day with Junior Academy students.

The Museum and Collections team, in collaboration with students and staff, curated eight monthly displays in the Lionel Tertis Memorial display case, and 12 objects were featured via the Object of the Month see [Museum and Collections | Royal Academy of Music](#).

We continue to acknowledge and celebrate diversity and minorities through our displays and events. In October 2024, Black History Month was celebrated with a display in the Tertis Memorial display case and wall contiguous to the cafeteria, curated by the Academy's Africa Caribbean Society. A temporary display 'The Oud and the Lute' was installed in the ground floor of York Gate and opened to the public with an event in March. The display and event looked at these two instruments in the present, through the individual perspectives of two musicians from Mexico and Syria, and two makers from England and Syria who continue to develop and shape the history of these instruments.

Museum Collections are accessible via the Academy website and any of the objects on display can be viewed on our website ram.ac.uk/museum. Library Special Collections are accessible via lib.ram.ac.uk.

3. People and Resources

Attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources secures the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.

Staff numbers include part-time teachers paid on an hourly basis. The overall full-time equivalent numbers were 274 on average across the year (248 2023/24), of which 56% are teaching and teaching support staff (57% 2023/24).

ESTATES

The Academy is situated on the Marylebone Road, retains practice rooms at Cross Keys, and uses St Mark's Church mainly for recording and rehearsals. During 2024/25 we continued to invest in capital refurbishment to the main building in line with our five-year estates plan; significant projects included refurbishment of our ladies' toilets and the completion of a new fire alarm system across the entire main building, as well as upgrades to our building management systems. We also created a new purpose-built recording suite for composition and other students to use state of the art recording facilities at our Cross Keys site, funded by legacy donations.

On 2 July we announced plans to create new teaching and rehearsal spaces on London City Island in Docklands in a major project to expand facilities, improve the student experience and widen access to world-class musical opportunities. The Academy joins cultural organisations including the BBC, V&A and Sadler's Wells in creating additional space in East London.



Image: AOC Architecture

Dominating the new site will be four large, acoustically separated studios (up to 160 square metres each) which will transform possibilities for students in every department and especially the training prospects of opera and musical theatre. These will be augmented with 10 teaching and practice rooms, each including a grand piano and in-built recording facilities. The studios will be inside an existing building which has been offered to the Academy on a 100-year peppercorn rent from London City Island developers EcoWorld Ballymore as part of their master plan to create a cultural hub in East London. We will cover the redevelopment costs through philanthropic support, with a generous donation of £5m already committed towards the costs. The building is on the same island peninsular as English National Ballet's headquarters and will be designed by award-winning AOC Architecture, whose recent work includes Young V&A in Bethnal Green (winner of

Museum of the Year 2024), The National Archives in Kew and Somerset House Studios (winner of the New London Awards Best Workplace 2022). The designs will be carbon-efficient and achieve the environmental BREEAM standard of 'Excellent'.

The new building will create 2,000 square metres of space, provide additional opportunities for students, relieve pressure on the main building and create supplementary space for our growing Widening Participation initiatives. We also plan to develop projects with community partners in the area that work in special education needs and disability (SEND) settings, hospital patients, care home residents and staff, and people attending day centres.

Our main home on the Marylebone Road will continue as the primary location for the majority of teaching, practice and rehearsal, and all public performances will happen there.

INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY

Technology continues to underpin the Academy's strategic priorities, supporting smarter working practices, enhancing creative output, and ensuring resilient infrastructure across all departments.

During 2024/25, the rollout of laptops to all staff was completed, supporting the Academy's smart working policies and enabling more flexible use of physical spaces. This initiative has improved mobility, collaboration, and access to digital resources, aligning with our goals for a more agile and efficient working environment.

A major milestone was the launch of a new Composition technology recording facility at Cross Keys. This state-of-the-art space provides the next generation of composers with access to industry-standard digital tools, software libraries, and recording capabilities, fostering innovation and excellence in music creation.

In parallel, significant progress was made in upgrading and replacing legacy infrastructure and servers. These improvements have strengthened the Academy's core systems, enhanced cybersecurity, and ensured greater reliability and scalability for future growth. Work will continue into 2025/26 to build on these foundations and further modernise our digital estate.

ENVIRONMENTAL, SUSTAINABILITY AND GOVERNANCE (ESG)

Our aim is to limit our overall environmental impact and reduce our carbon footprint and carbon emissions, within the constraints of our listed buildings.

The Governing Body has delegated oversight of ESG matters to the Audit Committee; strategic responsibility rests with the ESG lead on behalf of the Senior Management Team, and operational responsibilities with the ESG Committee and other teams such as Estates.

The Academy's ESG Committee was formally established in March 2024. It is chaired by the Registrar & Director of Student Operations and comprises members from a range of Academy departments including Estates, Philanthropy, Academic Studies and Research. It is also attended by student representatives from the student-led Environmental Committee.

The main focus of the ESG Committee in 2024/25 was the development and approval of the Academy's first ESG Strategy, comprising the following target areas, each with a set of objectives for completion over its three-year timespan:

- Waste management
- Energy and carbon management
- Water
- Sustainable construction and refurbishment
- Engagement
- Travel
- Research

Each target area has a designated lead from the Committee and is supported by a small working group of other members. The Committee receives updates and tracks the completion of objectives at each meeting. The Strategy was approved by the Audit Committee in March 2025.

An ESG Co-ordinator was appointed in January 2025, on a fractional contract, with responsibility for exploring new initiatives for energy efficiency, liaising with partner organisations such as The Energy Consortium and keeping up to date with new developments in sustainability solutions. They also service the ESG Committee and keep track of completion of targets as set out in the Strategy.

The Academy achieved compliance with the Government's mandatory Energy Savings Opportunity Scheme (ESOS) in June 2025. The resulting action plan is being delivered by the Estates Team with oversight by the ESG Committee.

The following are now embedded in the Academy's annual cycle of activities:

- An online climate change training module available to all students and staff.
- ESG presentations included in new staff induction and student enrolment week.

- Green Week takes place in the second week of June, comprising a range of awareness activities, talks and visits from partners such as Grundon Waste Management and Bee Kind.

The ESG Committee will continue to interrogate current practice, progress, and relevant metrics, to assess the gap between our current position and examples of good practice across the sector, and benchmark against similar institutions.

FINANCIAL OVERVIEW

The Academy generated an operating surplus of £0.7m before unrealised gains and losses in the financial year 2024/25 (£7.2m 2023/24). We also recognised the value of our holding in the Associated Board of the Royal Schools of Music as an asset on our Balance Sheet for the first time; this, together with unrealised gains on investments of £4.4m (2023/24 £7.9m) supported an overall growth in Balance Sheet reserves to £244.1m (£236.7m 2023/24).

This overall surplus is due to increased earned income as well as another successful year of fundraising with £2.8m donations (£4.0m 2023/24) received for long-term endowments and £4.5m (£8.3m 2023/24) for shorter term use. These generous donations have allowed us to grow our financial awards to students to support their studies at the Academy, to invest in teaching and performance activities and to make essential improvements to our estates infrastructure, with commensurate increases in expenditure.

We are reporting an overall deficit in unrestricted comprehensive income which was anticipated for the year and was in line with budget expectations.

	2024/25 £000	2023/24 £000
Summary of Income and Expenditure		
Income before donations and endowments	24,164	22,606
Donations and endowments	8,993	14,900
Expenditure	(32,465)	(30,331)
Operating surplus before other gains or losses	692	7,175
Gain on disposal of fixed assets	137	66
Gain on investments	4,351	7,898
Actuarial gain in respect of RAM1967 pension scheme	-	234
Total comprehensive income	5,180	15,373
Represented by:		
Endowment comprehensive income for the year	6,293	10,307
Restricted comprehensive income for the year	63	5,484
Unrestricted comprehensive (deficit) for the year	(1,176)	(1,683)
Revaluation reserve comprehensive income*	-	1,265
	5,180	15,373

* Revaluation of the fixed asset investment and instruments

Total comprehensive income includes a number of unrealised movements in the value of our investment, heritage and pension assets as well as income from endowment and restricted donations received in the year, which cannot be used for general purposes. It is also stated after charges for depreciation of assets which were funded by external donations held in reserve.

To understand the underlying operational financial outturn, the table below excludes these specific purpose income streams, as well as the unrealised gains in the pension scheme and element of depreciation costs which are funded from previous donations. This shows that the underlying operational position was a deficit of £0.4m in-year (deficit £0.2m 2023/24).

	2024/25 £000	2023/24 £000
Breakdown of unrestricted comprehensive income for the year		
Operating (deficit)	(420)	(170)
Actuarial gain on RAM1967 pension scheme	-	234
Depreciation funded by external donations	(747)	(747)
Unrestricted comprehensive (deficit) for the year	(1,167)	(683)

INCOME

At £33.2m overall income reduced from £37.5m in 2023/24, with growth in earned and grant income to £24.2m (£22.6m 2023/24) and a reduction in donated income to £9.0m (£14.9m 2023/24). Donations, tuition fees and funding council grants remained the major revenue streams.

Tuition fees are stated in the accounts net of donations funding fee awards to students to avoid double counting, and in line with accounting requirements; in 2024/25 this net fee income stood at £12.7m (38% of total income, a decrease from £13.1m, which formed 35% in 2023/24. However, the underlying gross fee income was constant at £15.3m (£15.4m 2023/24). Fee levels for home status undergraduate students remain regulated and were fixed at £9,250, although we applied inflationary increases to fees for other students.

At £5.6m, funding grants remain a key revenue stream (£5.8m 2023/24). The OfS provided £5.0m (£5.0m 2023/24), including £4.9m to support the additional costs of providing teaching to a world-class level in a small specialist institution, and we received £579k (£596k 2023/24) from UKRI in support of our research and innovation work, as well as £82k (£164k 2020/24) to support our Museum and collections.

As the costs for students of studying at the Academy and the costs to the Academy of providing world-class teaching grow while other income sources have remained static, donations and endowments have become a core part of our income, and we are extremely grateful to all individuals and funding bodies who have provided us with funds.

The Philanthropy team is responsible for raising philanthropic funds, primarily from individuals (including alumni), companies, trusts and foundations. Donations were received to fund our students through scholarships and bursaries as well as general funds to offset the high cost of educating students. Philanthropic funds were also raised to support widening access programmes, to support students experiencing financial hardship, and to support student wellbeing and mental health.

Total donations and endowments received during 2024/25 amounted to £9.0m (£14.9m 2023/24). This decrease was in line with expectations after significant one-off donations in 2023/24. Over the last six years we have seen a significant growth in total donations, and a particular growth in endowment gifts as a result of our campaign, The Royal Academy of Music's Future, and we received £2.8m in 2024/25 (£4.0m 2023/24) which we have invested in line with the intentions of donors.

In 2024/25 we benefited from £3.0m in non-endowment donations and legacies for specific purposes (£8.3m 2023/24), which we have classified as restricted funds. These are predominantly donated for student financial support (see below) and educational and artistic projects. In addition we received £0.9m other donations (£1.4m 2023/24) which we have classified as unrestricted.

This financial year also saw stable or increased levels of commercial income; we earned £0.5m (£0.5m 2023/24) from sales in our bar and canteen, and £0.4m (£0.6m 2023/24) from ticket sales and space rentals. We received £303k (£274k 2023/24) as Orchestra and Theatre tax relief against the costs of our productions and concerts.

Income distributed to the Academy as a Member of the ABRSM increased to £1.75m (£0.5m 2023/24) as a result of that organisation's increased financial strength. This income is now reported within Investment Income totals, after reconsideration of the appropriate reporting line.

We have applied £2.0m (£1.1m 2023/24) as investment income from our long-term and current asset portfolio income.

EXPENDITURE

The 2024/25 financial year saw a planned growth in expenditure excluding depreciation to £30.3m (£29.99m 2023/24), with particular investment in teaching and student financial support.

Staff costs continued to be our largest expenditure area with gross expenditure of £17.1m in 2024/25 (£15.4m 2023/24). Employer pension contributions rose to £2.0m (£1.8m 2023/24), with contributions to the Teachers' Pension Scheme growing to £1.3m (£1.2m 2023/24) as a result of a full year of the 28.68% rate which took effect from April 2024.

Operating costs reduced to £13.2m (£13.4m 2023/24). This includes £3.5m in student financial support (£3.6m 2023/24). This includes the Academy funded share of awards for both fees and maintenance together with donation funded maintenance awards. Donation funded fees £2.6m 2024/25 (£2.3m 2023/24) are shown as a reduction in fee income rather than an expense, in line with accounting regulations. Total scholarships and maintenance awards totalled £5.8m in 2024/25 (£5.9m 2023/24).

Premises costs increased by 13% to £3.9m (£3.4m 2023/24) excluding depreciation, as a result of as rent increases following revaluations, utilities costs and additional spend on building maintenance.

BALANCE SHEET POSITION

Our Balance Sheet position has improved to a net asset position of £244.1m (£236.7m 31 July 2024).

One factor behind this increase is the inclusion within non-current assets of our holding in the ABRSM, at a cost value of £2.25m. This brings our accounting treatment into line with that of the three other Royal Schools of Music. It also reflects an appreciation in value of investments of £4.3m.

Our invested assets were managed through Cazenove and Meridiam in a mixed portfolio of bonds, equities and private equity investments. They performed well over the year in line with the global markets. We ended the year with long-term asset investment portfolio values of £84.6m (£75.7m 2023/24).

To maximise our income during the year, we chose to reduce our cash and bank holdings to £1.6m (£10.1m 31 July 2024) and invested working capital in a liquidity fund via Cazenove, which is instant access; current investments, including this fund, grew to £13.3m (£7.7m 31 July 2024).

At the start of the year we reviewed our reserve funds and identified £5.4m within the permanent endowment pool and £5.0m within the expendable endowment pool which had been incorrectly classified as endowment funds. As there are no legal restrictions attached to these reserves, we have transferred them to the General Reserves. This means that although the majority of our in-year surplus was for restricted purposes, our restricted and endowment reserves decreased to £77.7m (£78.4m 31 July 2024).

Unrestricted reserves increased to £142.9m (£131.9m 31 July 2024), with the net gain from the reclassification of funds and the recognition of the ABRSM investment asset reduced by the underlying deficit in unrestricted comprehensive income.

FUNDRAISING

Philanthropy is integral to the Academy's ongoing success and support from our donors impacts all aspects of our students' experience during their studies. The overarching focus is to ensure that no student with the talent and potential to succeed in the music profession is denied the chance of studying at the Academy.

Philanthropic gifts regularly provide over a third of the Academy's annual overall income. Our priority is to raise budget-relieving funds, which form just over 60% of the annual fundraising target. These include funding for the Awards programme (scholarships and bursaries), support for flagship public performances, recruiting and retaining the best teachers and guest artists, and gifts towards general funds.

The 'Royal Academy of Music's Future' is a comprehensive fundraising campaign to secure funding for core priorities including endowed teaching posts, widening participation programmes and student support. Launched in 2022 to coincide with our Bicentenary, it passed another significant milestone in 2024/25; the initial goal of £60m – the most ambitious campaign by a conservatoire outside the USA – reached £69m by the end of July 2024. In September 2025, we announced a new target of £100m, reaching £79m by the end of July 2025. The Campaign continues at pace, making a significant impact on all aspects of Academy life.

Philanthropic income continues to come primarily from individuals and trusts, with some donations received from companies. In 2024/25 the Academy provided £5.8m in scholarships and bursaries, of which £3.1m (54%) came from donors in the form of cash donations, gifts in Wills and income from endowments. Other notable commitments this year included combined gifts of over £500,000 towards our pioneering Widening Participation programme, which aims to break down barriers for children from underrepresented backgrounds. The 2025 annual appeal also reflected broad community engagement, raising more than the previous year and doubling income raised in 2023. Our community of friends and supporters in the USA also grew again this year with fundraising staff continuing to make regular visits, host events and make new connections stateside.

In July 2025, the Academy announced the acquisition of our new building at London City Island. This facility will add brand new, cutting-edge facility for teaching and rehearsals in East London to complement our historic home on the Marylebone Road. With the building donated 'shell and core' by the developer on a 100-year lease with a peppercorn rent, the Academy is seeking philanthropic support to equip it with first-rate facilities, with £5.67m already raised to date. When complete, the 2,000 square metre site will contain multiple large studio spaces, practice rooms, and work and social spaces, which can be used by all Academy students to collaborate and connect. Our aim is to begin construction in early 2026, with the new site ready for use in 2027.

As a transformative investment in our estate, the new London City Island site buildings on the acquisition of the lease for 1-5 York Gate in 1999 with funding from the Heritage Lottery Fund and private supporter, the opening in 2018 of the Susie Sainsbury Theatre and Angela Burgess Recital Hall, and in 2025 the creation of a new state of the art recording studio in Marylebone, all thanks to exceptional philanthropic support from many close friends.

Much of the Academy's fundraising success can be attributed to the vital work of our Philanthropy Board, whose members continue to help expand our network of supporters and provide valuable guidance in all aspects of our fundraising. We were particularly pleased this year to recognise a special group of supporters by creating the 'Wellington Benefactors'. This group comprises 17 individuals and organisations who have generously pledged £250,000 or more to our 'Royal Academy of Music's Future' Campaign, and an inaugural event was held this year at Apsley House in celebration of their generosity.

Gifts in Wills have remained a vital proportion of philanthropic income. Funds received in 2024/25 totalled £4.5m through 27 estate gifts. Some of these bequests will form expendable endowments to support long-term student scholarships, with other gifts supporting the upgrading of facilities. Key innovations in our legacy marketing this year included the launch of a new free Will service, which encourages friends of the Academy to create Wills and, if they wish, to remember the Academy in their estate planning.

In 2024/25 the team delivered a return of 7:1, well above the sector average. The Academy routinely performs strongly against peers in annual benchmarking surveys by the Council for the Advancement and Support of Education (CASE). In particular, the Academy typically raises the most fundraising income in the conservatoire sector of the UK.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement and Statement on Internal Control and Risks relate to the financial year 1 August 2024 to 31 July 2025, and up to 17 November 2025 when the Annual Report and end-of-year Financial Statements were approved by the Governing Body.

The powers, duties and responsibilities of the Governing Body are laid down by the Royal Charter and its Bye-Laws. The Governing Body is also required, where appropriate, to conduct its business in line with the Statutes and Ordinances of the University of London of which the Academy is a member and, in their capacity as trustees, with the Academy's charitable objects.

The Academy is a higher education institution, part funded by the OfS and subject to its Terms and conditions of funding for higher education institutions. The Governing Body confirms that due regard has been given to the OfS public interest governance principles in respect of:

- I. Academic freedom
- II. Accountability
- III. Student engagement
- IV. Academic governance
- V. Risk management
- VI. Value for money
- VII. Freedom of speech
- VIII. The size, composition, diversity, skills mix and terms of office of the Governing Body
- IX. The appointment of fit and proper persons as members of the Governing Body and Senior Management Team

The Academy endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and complies with the guidance provided by the Committee of University of Chairs (CUC) in The Higher Education Code of Governance and the HE Audit Committee Code of Practice. The Governing Body has had regard to the Charity Governance Code and adopted the CUC Higher Education Senior Staff Remuneration Code.

Under the terms of the Supplemental Charter dated 1998 and its Bye-Laws, the direction of the Academy is the responsibility of the Governing Body, which makes rules, orders and regulations deemed useful and necessary for the regulation and management of the institution.

The Academy registered with the Fundraising Regulator in October 2017, displaying the badge to demonstrate adherence to the Code of Fundraising Practice. The Academy is a member of CASE and benchmarks its fundraising activities against UK universities and specialist institutions. The Academy works sensitively to protect vulnerable people and members of the public to ensure that no undue pressure is placed on a person to give money or other property. The Academy maintains a complaints log, and in the last year there were zero complaints in response to the organisation's fundraising activities. The Academy has not worked with commercial participators or professional fundraisers in the last year.

The Governing Body is responsible for overseeing and managing the general business, finances and investments of the Academy, safeguarding its assets, setting its general strategic direction and determining its educational character and mission. It is also responsible for ensuring that academic governance is operating effectively, encouraging student engagement in academic governance; that Academy students receive a high-quality education, value for money, and that adequate provision has been made for their welfare and wellbeing.

The Governing Body comprises the President, the Principal, and the trustees: 10 to 15 independent members from whom its Chair and Deputy Chairs are drawn, and three representative members elected by the staff and students.

None of the independent members receive any payment for work they do for the Academy. A Register of Interests is maintained for members of the Governing Body, and senior officers of the Academy.

The Governing Body meets four times each academic year and much of its detailed work is delegated to senior committees, in particular the Academic Board, Audit Committee, Finance & General Purposes Committee, Nominations Committee, Remuneration Committee and Gift Acceptance Committee, which are formally constituted as Committees of the Governing Body with written terms of reference and reporting structures. In addition, working groups are constituted as required. With the exception of the Academic Board, membership of these Committees includes a significant proportion of independent members of the Governing Body, from whom the chair is selected.

Members of the Governing Body meet with the Principal and Senior Management Team at least annually to review the Academy's strategic direction and measure progress against strategic aims.

Corporate Governance arrangements are reviewed annually and amended as the Governing Body sees fit.

GOVERNANCE

The **Academic Board** is the main academic committee of the Governing Body and draws its members from the academic staff and the students of the institution. It is the body responsible for the academic and academic governance work of the Academy in teaching, examining and in research, and recommending and implementing strategic academic, artistic and policy initiatives. It is responsible for the Academy's Quality Assurance procedures which outline the principles, procedures and processes involved in our quality assurance and enhancement activities, which have been developed in accordance with the expectations set out in the UK Quality Code for Higher Education. These procedures are monitored annually to ensure they remain appropriate and robust for a small specialist institution.

The **Audit Committee** is responsible for overseeing internal controls, risk management, compliance, and the integrity of the annual Financial Statements. The Committee meets with the external auditors to discuss audit findings, and with the internal auditors to consider internal audit reports and recommendations for the improvement of the Academy's systems of internal control, together with management's response and implementation plans. The Committee receives reports from the OfS and monitors adherence with regulatory requirements. It provides the Governing Body and the Principal with an Annual Report on its key activities and an opinion on arrangements for risk management, safeguarding, GDPR, value for money and data integrity, environmental, social and governance (ESG) matters, among others.

Until the end of March 2025, the Audit Committee benefited from the appointment of an independent external member, Linda Peka (who retired from her role as Deputy Registrar and Executive Divisional Director of Education and Academic Services at Exeter University in December 2024) and provided additional expertise and scrutiny of the Academy's operations.

The **Finance & General Purposes Committee** oversees the management and control of the financial and general affairs of the Academy to ensure its short- and long-term viability. It recommends to the Governing Body the annual budget and elements of the end-of-year Financial Statements, advises on financial strategy, monitors financial performance and ensures that systems are in place for the effective and efficient management of resources and financial operations. The Investment Committee reports to and advises the Committee and the Governing Body on performance of the Academy's investment portfolio and strategic direction.

The **Gift Acceptance Committee** is responsible for advising the Governing Body about whether the sources and purposes of prospective donations, fundraising, and other funded activities are ethically acceptable.

The **Investment Committee** is responsible for overseeing the management of the Academy's investments in accordance with the agreed investment strategy, the appointment of investment managers, and the level of income to be drawn down from the portfolio.

The **Nominations Committee** is responsible for identifying fit and proper persons for nomination as independent members to ensure that the Governing Body has appropriate expertise to meet its short- and long-term needs. The priorities for recruitment are to widen the diversity of members and enhance the financial, business, professional, and fundraising expertise of the Governing Body.

The **Remuneration Committee** is responsible for the terms of employment and remuneration of the Principal, members of the Senior Management Team and other senior staff. The Academy adopted the CUC's Higher Education Senior Staff Remuneration Code and presents an annual report to the Governing Body (page 37).

The Principal is the Chief Executive Officer of the Academy, who reports to the Governing Body and is responsible for implementing its decisions and for maintaining and promoting the efficiency and good order of the Academy. Under the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2025, the Principal is the designated Accountable Officer of the Academy.

The Senior Management Team is the Principal's advisory group and comprises the Deputy Principal, Director of Finance, Deputy Principal (Advancement), Dean of Students, and Registrar & Director of Student Operations.

STATEMENT OF INTERNAL CONTROL AND RISK

The Governing Body has, in accordance with its Royal Charter and Bye-Laws and the OfS Terms and conditions of funding for higher education institutions for the period to 31 July 2025, responsibility for maintaining a sound system of internal control that supports the achievement of strategic aims and objectives while safeguarding public and other funds and assets for which the Academy is responsible. The system of internal control is designed to manage rather than eliminate risk and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them efficiently and effectively. This process has been in place for the financial year ended 31 July 2025 and up to the date of approval of the Financial Statements and accords with OfS guidance.

The following internal control processes have been established:

- The Governing Body considers the plans and strategic direction of the Academy on an annual basis.
- The Governing Body has delegated to the Audit Committee responsibility for reviewing the effectiveness of internal control systems and the risk management process and for ensuring suitable processes are in place for monitoring and managing the risks.
- The Governing Body receives an annual report from the Audit Committee concerning issues of risk, internal controls and their effectiveness, which are informed by reports from the Senior Management Team and internal auditors on the steps being taken to manage risks.
- The Audit Committee receives reports from the internal auditors, which include its independent opinion on the adequacy and the effectiveness of internal controls based on work undertaken in accordance with its approved audit plan.
- The Academy maintains an Academy-wide risk register, which is monitored by the Senior Management Team and reviewed by the Audit Committee. Changes in risk assessments are reported to the Audit Committee. This is reviewed by the Governing Body on an annual basis.
- Our approach to risk management is risk based and the Governing Body reviews risk appetite in key areas annually.
- Heads of departments are required to identify and keep up to date the record of risks facing the Academy. These are discussed on at least an annual basis.

The highest rated risks currently on the register include:

- Government policy changes, including international student fee levy and grant reductions
- Difficulty in keeping within cost envelope due to inflation and staff costs increases
- Difficulty in keeping costs of bursaries and scholarships within budget
- Cyber security
- Non-compliance with regulatory requirements
- London City Island project over run and over spend

All risks listed are discussed by the Senior Management Team on a regular basis with mitigating actions in place and are reviewed termly by the Audit Committee.

The Academy continues to review data management with external consultation and legal and marketing experts, to minimise the GDPR-related risks in all our activities.

The Academy is subject to review by internal audit which, for 2024/25, was carried out by Azets. The internal auditors operate to standards defined in the Audit Code of Practice set out in the OfS Terms and conditions of funding for higher education institutions for the period to 31 July 2025 and report on the adequacy and effectiveness of the Academy's system of internal control, make recommendations for improvement and monitor implementation. No significant weaknesses in internal control were identified during the year.

The Corporate Governance Statement and Statement on Internal Control and Risks was approved by the Governing Body and the Principal on 17 November 2025, and signed on its behalf by



Sir Simon Robey
Chair of Governing Body



Professor Jonathan Freeman-Attwood
Principal

RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body oversees the Academy's activities, determines its future direction, and fosters an environment in which the Academy's mission can be achieved.

In accordance with its Royal Charter, the Governing Body is responsible for the administration and management of the Academy's affairs and is required to present an Annual Report and audited Financial Statements each financial year.

The Governing Body is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable it to ensure that the Financial Statements are prepared in accordance with the Statement of Recommended Practice: 'Accounting for Further and Higher Education' and other relevant accounting standards. In addition, within the OfS Terms and conditions of funding for higher education institutions, for the period to 31 July 2025, the Governing Body, through its designated Accountable Officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the surplus or deficit and cash flows for that year.

In causing the Financial Statements to be prepared, the Governing Body ensures that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made which are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governing Body is satisfied that the Academy has adequate resources to continue in operation for the foreseeable future despite reporting a loss on Total Comprehensive Income for the year. For this reason, the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Governing Body is also responsible for:

- Ensuring there is a robust and comprehensive system of management, control and corporate governance, including prevention and detection of corruption, fraud, bribery and irregularities, and GDPR compliance.
- Obtaining regular, reliable, timely and adequate information to monitor performance and track the use of public and other funds it receives.
- Planning and managing activities to remain sustainable and financially viable.
- Informing the OfS of any significant changes in its circumstances and incidents that could impact on the mutual interests of the Academy and the OfS.
- Using public funds for their proper purpose and seeking to achieve value for money from public funds.
- Complying with mandatory requirements relating to audit and financial reporting.
- Delivering its charitable purpose for the public benefit including:
 - Sending required returns and information to the OfS.
 - Ensuring there are effective arrangements in place for managing and quality assurance of data submitted to funding and regulatory bodies.
 - Ensuring an effective framework to manage the quality of learning and teaching and to maintain academic standards.

The key elements of the Academy's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and professional services departments.
- A comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body.
- A treasury management policy.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance & General Purposes Committee.
- A professional internal audit provider, whose annual programme is approved by the Audit Committee.
- An ongoing process designed to identify the principal risks (whether business, operational, compliance, financial or educational) to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

- The existence of committees reporting to the Governing Body, particularly the Academic Board, Finance & General Purposes Committee and Audit Committee.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Governing Body is responsible for the oversight and integrity of the Academy's website.

SENIOR STAFF REMUNERATION ANNUAL REPORT 2024/25

THE HIGHER EDUCATION SENIOR STAFF REMUNERATION CODE

The Governing Body adopted the HE Senior Staff Remuneration Code in June 2018 and is committed to fair and appropriate remuneration for all staff.

The Senior Staff Remuneration Code advises that there are three key elements to adopt when setting senior staff remuneration:

- i. A fair, appropriate and justifiable level of remuneration
- ii. Procedural fairness
- iii. Transparency and accountability

The Remuneration Committee

The Remuneration Committee's terms of reference state that the Committee is responsible for matters relating to the remuneration of the Principal as Head of Institution (HoI), the Senior Management Team, senior staff with remuneration over £100,000, and other pertinent matters relating to senior staff. It also scrutinises the annual Gender Pay Gap Report.

Members of the Remuneration Committee, including its Chair, are appointed by the Governing Body. The Committee comprises three Independent Members and the Director of Human Resources: Lord Blackwell as Chair; Dame Jenny Abramsky and Sir Simon Robey; Rehmet Kassim-Lakha; and Cengiz Ali, Director of Human Resources. The Principal is not a member of the Committee but may be invited to attend to discuss matters relating to the remuneration of senior members of staff, but not his own.

The Committee reports its business to the Governing Body and presents an annual report which forms the basis of the Senior Staff Remuneration Report in the Financial Statements.

The Committee met twice during the reporting period, on 7 November 2024 and 24 September 2025.

Approach to Senior Staff Remuneration

The Academy is recognised as a world-class institution, welcoming students from over 50 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. We are dedicated to offering the very best education to students from all over the world; we train versatile and resourceful musicians with the skills they need in the continually changing profession and to enable them to become independent and creative musicians. We foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we aim to recruit and retain the very best, supporting them with professional development opportunities. The Academy also relies on an infrastructure of talented and committed professional services staff.

A number of factors will be considered when determining reward for senior staff:

- The finite number of specialist musical educators and leaders in the UK and globally.
- A key facet of the Academy's mission is to widen access to music education.
- We are committed to equality and diversity in employment and all our activities.
- Benchmarking against comparative UK conservatoires.
- Complexity, scale and scope of the Senior Management Team positions and impact of the role on students, staff, visitors, donors, research, resources and finances, the Academy, and the conservatoire sector.
- Discretion, level of accountability, degree of autonomy and decision-making authority.
- Reputation and academic or professional credibility.
- Performance in support of the Academy's strategic objectives.
- Management and leadership of staff.
- Strategic partnerships and external relations internationally and nationally.
- The HE Senior Staff Remuneration Code.
- The Academy's annual Gender Pay Gap Report.
- Value for money, affordability, and the Academy's financial sustainability.

Sources of data for the Remuneration Committee

Sources of comparative data include:

- a. Higher Education Statistics Agency (HESA) data.
- b. The Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey.
- c. The CUC Vice-Chancellor Salary Survey.
- d. Reports and reviews from external experts commissioned by the Committee.
- e. Internal analysis of salary distributions and the Higher Education Role Analysis (HERA) system.

Pay awards

The Academy subscribes to the Universities & Colleges Employers Association (UCEA), which negotiates the nationally agreed annual cost-of-living pay award with unions, on behalf of its members. Once agreed, the cost-of-living pay award is applied to all staff.

The pay award for 2024/25 was 2.5 to 5.7%, weighted to the lower end of the pay spine, with all staff receiving 2.5% from 1 August 2024, with the remainder payable from 1 March 2025. The Academy decided to implement the increase in full from 1 August 2024, ensuring that all employees benefited from the uplift in their salaries with immediate effect.

The pay award for 2025/26 was 1.4% for all staff, implemented on 1 August 2025.

Non-Senior Management Team remuneration

For non-Senior Management Team roles, the Academy subscribes to the HERA system, through which all roles are evaluated and assessed to determine the pay grade and salary range against the national pay scales, based on transparent criteria and to ensure pay equity and the elimination of discrimination.

Market forces supplements may be applied, where necessary, to attract and retain staff, upon provision of evidence of external market rates.

Additional staff pay awards, including incremental awards and one-off payments for exceptional work are evaluated on a termly basis by the Salary Review Group and its recommendations are scrutinised by the Senior Management Team.

Pay Multiples

The pay multiple of the Hol basic salary against the median of all staff is 6.46 for 2024/25 (5.39 2023/24). During the last five years the pay multiple has varied between 5.07 and 6.46.

External appointments

The Academy has some of the world's finest teachers who provide inspiring tuition to our students and we encourage and support staff to continue their professional performance careers and to develop links with other institutions through flexible working arrangements. Staff who have visiting professorships or fellowships and other positions raise the profile of the Academy, and this is a useful means of identifying and sharing good practice in the sector. In addition, a significant number of our staff work as Special External Assessors and External Examiners at other institutions which benefits the Academy by adding an extra layer of externality in our ongoing monitoring and review of the quality and standards of our principal study disciplines, programmes and awards. This externality is also valuable in providing reassurance in respect of standards across the conservatoire sector. We do not therefore have a policy on the retention of income generated from external bodies but ask staff to inform us of any potential conflict of interest.

Expenses

All staff are expected to adhere to principles of seeking value for money, in hospitality, business travel, accommodation or otherwise. Expenses are expected to be reasonable and not excessive.

The expenses of the Principal are authorised by the Chair of the Governing Body. The expenses of the Director of Finance are authorised by the Principal. All other staff expenses are authorised by the Director of Finance.

The Principal's contract was renewed during the period and extended to 2028. Information about the Principal's remuneration is published on page 53.

INDEPENDENT AUDITORS' REPORT TO THE ACADEMY'S GOVERNING BODY

Opinion

We have audited the Financial Statements of Royal Academy of Music (the 'Academy') and its subsidiaries ('the Group') for the year ended 31 July 2025 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, Consolidated and Academy Statement of Financial Position, Consolidated Cash Flow Statement, Consolidated and Academy Statement of Changes in Reserves and the related notes, including a summary statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

- give a true and fair view of the state of the Group's and Academy's affairs as at 31 July 2025 and of its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Group and Academy in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Governing Body'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 Group's and Academy's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our Auditor's Report thereon. The Governing Body are responsible for the other information contained within the Annual Report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Governing Body

As explained more fully in the Responsibilities Statement of the Governing Body, the Governing Body are responsible for the preparation of the Financial Statements which give a true and fair view, and for such internal control as the Governing Body

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 Governing Body are responsible for assessing the Group and Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

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

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

Report on other legal and regulatory

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

In our opinion, in all material respects:

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

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

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Governing Body those matters we are

required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Academy and its Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA
Statutory Auditor
London, United Kingdom

Date 10 December 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

MHA Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

		Consolidated 2025 £000	Academy 2025 £000	Consolidated Restated 2024 £000	Academy Restated 2024 £000
	Note				
Income					
Tuition Fees	1	12,715	12,715	13,104	13,104
OfS and Funding Council Grants	2	5,622	5,622	5,806	5,806
Research Grants and Contracts	3	30	30	1	1
Other Income	4	2,003	2,003	2,037	2,037
Investment Income	5	3,794	3,794	1,658	1,658
Total Income before Donations and Endowments		24,164	24,164	22,606	22,606
Donations and Endowments	6	8,993	8,993	14,900	14,900
Total Income		33,157	33,157	37,506	37,506
Expenditure					
Staff Costs	7	17,105	17,105	15,114	15,114
Other Operating Expenses	8	13,193	13,193	13,357	13,357
Depreciation	9	2,167	2,137	1,860	1,830
Total Expenditure		32,465	32,435	30,331	30,301
Operating Surplus before Other Gains or Losses		692	722	7,175	7,205
Gain on disposal of Fixed Assets		137	137	66	66
Gain on Investments		4,351	4,351	7,898	7,898
Surplus for the year		5,180	5,210	15,139	15,169
Actuarial Gain/(Loss) in respect of RAM1967 Pension Scheme		-	-	234	234
Total Comprehensive Income for the year		5,180	5,210	15,373	15,403
Represented by:					
Endowment comprehensive income for the year		6,293	6,293	10,307	10,307
Restricted comprehensive income for the year		63	63	5,484	5,484
Unrestricted comprehensive income for the year		(1,176)	(1,146)	(1,683)	(1,653)
Revaluation reserve comprehensive income for the year		-	-	1,265	1,265
		5,180	5,210	15,373	15,403

CONSOLIDATED AND ACADEMY STATEMENT OF FINANCIAL POSITION

		Consolidated 2025 £000	Academy 2025 £000	Consolidated Restated 2024 £000	Academy Restated 2024 £000
	Note				
Non-Current Assets					
Fixed Assets:					
Heritage	9	91,103	90,563	91,148	90,578
Operational	9	55,168	55,168	53,325	53,325
		146,271	145,731	144,473	143,903
Non-Current Investments	10	86,858	86,858	77,968	77,968
		233,129	232,589	222,441	221,871
Current Assets					
Trade and Other Receivables	11	1,221	1,221	2,863	2,863
Current Investments	12	13,311	13,311	7,681	7,681
Cash and Cash Equivalents		1,590	1,590	10,115	10,115
		16,122	16,122	20,659	20,659
Creditors: Amounts falling due within one year	13	(5,123)	(5,123)	(4,152)	(4,152)
Net Current Assets		10,999	10,999	16,507	16,507
Total Assets less Current Liabilities		244,128	243,588	238,948	238,378
Restricted Reserves					
Endowment Funds:					
Income and Expenditure Reserve - Endowment	14	64,281	64,281	68,508	68,508
Income and Expenditure Reserve - Restricted	15	8,424	8,424	9,940	9,940
		72,705	72,705	78,448	78,448
Unrestricted Reserves					
Income and Expenditure Reserve - Unrestricted		142,902	142,362	131,975	131,405
Revaluation reserve		28,521	28,521	28,525	28,525
		171,423	170,883	160,500	159,930
Total Funds		244,128	243,588	238,948	238,378

The Notes on pages 52 to 67 form part of these Financial Statements.

The Financial Statements were approved by the Governing Body and authorised for issue on 17 November 2025.



Sir Simon Robey
Chair of Governing Body



Professor Jonathan Freeman-Attwood
Principal

CONSOLIDATED CASH FLOW STATEMENT

		2025	2024
	Note	£000	Restated £000
Cash flow from operating activities			
Surplus for the year		5,180	15,139
Adjustments for non-cash items			
Depreciation/Impairment of Fixed Assets	9	2,167	1,859
Gain on investments	10	(4,351)	(7,898)
Decrease/(increase) in debtors	11	1,642	(1,144)
Increase in creditors	13	971	351
Decrease in pension provisions		-	(867)
Decrease in other provisions		-	(343)
Receipt of donated equipment	6	(47)	(102)
Adjustment for investing or financing activities			
Investment income	5	(3,794)	(1,658)
New endowments	14	(2,847)	(4,003)
(Profit) on sale of fixed assets		-	(31)
Capital grant income		(370)	(5,117)
Net cash outflow from operating activities		(1,449)	(3,814)
Cash flows from investing activities			
Proceeds from sale of operational tangible assets		137	66
Capital grant receipts		370	5,117
Disposal of non-current asset investments		41,545	35,662
(Addition)/withdrawal of current asset investments deposits		(143)	519
Investment income		3,794	1,658
Purchase of operational tangible fixed assets		(3,922)	(1,902)
New non-current asset investments		(46,074)	(35,705)
New current asset investment deposits		(5,630)	(5,651)
Net cash outflow from investing activities		(9,923)	(236)
Cash flows from financing activities			
New endowments received	14	2,847	4,003
Decrease in cash and cash equivalents in the year		(8,525)	(47)
Cash and cash equivalents at 1 August 2024		10,115	10,162
Cash and cash equivalents at 31 July 2025		1,590	10,115

The Group has not included an analysis of movement of net debt table as it did not have any net debt during the year.

CONSOLIDATED AND ACADEMY STATEMENT OF CHANGES IN RESERVES

CONSOLIDATED	Note	Income and expenditure Account (Restated)				Total £000
		Endowment £000	Restricted £000	Unrestricted £000	Revaluation Reserve £000	
Balance at 1 August 2023 (as previously stated)		58,260	4,602	130,908	27,530	221,300
Recognition of investment in ABRSM (restated)		-	-	2,275	-	2,275
Balance at 1 August 2023 (as restated)		58,260	4,602	133,183	27,530	223,575
Surplus/(deficit) from the Income and Expenditure statement		10,307	5,484	(1,683)	1,265	15,373
Transfers between revaluation and Income and Expenditure reserve		-	-	274	(274)	-
Total comprehensive income for the year		10,307	5,484	(1,409)	991	15,373
Transfer between Endowment and Restricted reserves		(59)	55	-	4	-
Release of restricted capital funds spent in year		-	(201)	201	-	-
Restated balance at 1 August 2024		68,508	9,940	131,975	28,525	238,948
Surplus/(deficit) from the Income and Expenditure statement		6,293	63	(1,176)	-	5,180
Transfers between revaluation and Income and Expenditure reserve		-	-	4	(4)	-
Total comprehensive income for the year		6,293	63	(1,172)	(4)	5,180
Transfer between Endowment and Unrestricted reserves		(10,520)	-	10,520	-	-
Release of restricted capital funds spent in year		-	(1,579)	1,579	-	-
Balance at 31 July 2025		64,281	8,424	142,902	28,521	244,128

ACADEMY	Note	Income and Expenditure Account (Restated)				Total £000
		Endowment £000	Restricted £000	Unrestricted £000	Revaluation Reserve £000	
Balance at 1 August 2023 (as previously stated)		58,260	4,602	130,308	27,530	220,700
Recognition of investment in ABRSM (restated)		-	-	2,275	-	2,275
Balance at 1 August 2023 (as restated)		58,260	4,602	132,583	27,530	222,975
Surplus/(deficit) from the Income and Expenditure statement		10,307	5,484	(1,653)	1,265	15,403
Transfers between revaluation and Income and Expenditure reserve		-	-	274	(274)	-
Total comprehensive income for the year		10,307	5,484	(1,379)	991	15,403
Transfer between Endowment and Restricted reserves		(59)	55	-	4	-
Release of restricted capital funds spent in year		-	(201)	201	-	-
Restated balance at 1 August 2024		68,508	9,940	131,405	28,525	238,378
Surplus/(deficit) from the Income and Expenditure statement		6,293	63	(1,146)	-	5,210
Transfers between revaluation and Income and Expenditure reserve		-	-	4	(4)	-
Total comprehensive income for the year		6,293	63	(1,142)	(4)	5,210
Transfer between Endowment and Unrestricted reserves		(10,520)	-	10,520	-	-
Release of restricted capital funds spent in year		-	(1,579)	1,579	-	-
Balance at 31 July 2025		64,281	8,424	142,362	28,521	243,588

STATEMENT OF ACCOUNTING POLICIES

FRS 102 is the single comprehensive Financial Reporting Standard and SORP 2019 is the education sector's interpretation of FRS 102.

1. Accounting Convention

The Financial Statements have been prepared under the historical cost convention, modified for the revaluation of the Academy's listed investments, in accordance with Statement of Recommended Practice: 'Accounting for Further and Higher Education' (SORP), published in January 2019, and in accordance with Financial Reporting Standards (FRS 102). The Academy is a public benefit entity and has therefore applied the relevant public benefit requirement of FRS 102.

The Governing Body has reviewed the financial position of the Academy and its plans for the future as set out in the Operating Plan and Financial review, outturn in 2024/25 as set out in the planned operation and activities of the Academy and is satisfied that it has adequate resources to continue in operation for the foreseeable future.

The Governing Body reviews the annual budgets and plans which the Academy prepares as part of its annual planning cycle; these reflect the aims and objectives of the Strategic Plan 2023 to 2026, and feed into the five-year forecast. The budgets, plans and forecasts show that the Academy is expected to be able to continue to meet its working capital requirements from cash and liquid investments. The budgets and forecasts consider the impact of key external factors including the impact of Brexit on student recruitment as well as possible changes in government funding. The Senior Management Team and Governing Body consider the impact of changes in assumptions in these key areas before approving budgets and forecasts.

For this reason, the Governing Body considers that the Academy has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the Academy from continuing as a going concern. These Financial Statements have therefore been prepared on a going concern basis.

2. Basis of Consolidation

The consolidated Financial Statements comprise the Academy's activities and those of its charitable subsidiary undertaking, the RAM Collections Trust. RAM Collections Trust is a registered charity established in 2004. It makes available the Foyle Menuhin collection for the Royal Academy of Music, which nominates its two Directors. RAM Development Company Limited was dormant during the year. The consolidated Financial Statements do not include those of the Students' Union because the Academy does not control those activities as it is a separate entity. Intra-group transactions are eliminated on consolidation.

3. Recognition of Income

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

Fee income is credited to income over the period in which students are studying. Bursaries funded from external donations or endowment income are omitted from expenditure and fee income and recognised as donations or interest receivable accordingly. Bursaries funded from general funds are included within bursary expenditure and fee income.

Funds the Academy receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure where the Academy is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

GRANTS AND DONATIONS

A Performance Related Condition (PRC) is a condition that requires the performance of a particular level of service or units of output to be delivered with payment of, or entitlement to, the resources conditional on that performance.

Grants and donations without PRC or any other type of restriction are recognised in full within the Consolidated Statement of Comprehensive Income and Expenditure on entitlement to the income. This includes donations of assets.

Government and non-government grants with PRCs include annual grants such as OfS or UKRI teaching and research grants and bursary grants where the academic year and/or students to whom the grants relate are stipulated. They may also include grants for specific research projects to fund academic posts over a number of years. These grants are deferred on the Balance Sheet until the PRC has been met, at which point the grant is released to income.

Where no PRC attaches to a government or non-government grant but there are nevertheless restrictions imposed on the use of funds, the grant income is recognised in full when the Academy is entitled to the income. It is retained within a restricted reserve until being used in line with the restriction, at which point a reserve transfer is made to release the reserve to general funds.

Capital grants are treated in the same way as revenue grants.

ENDOWMENTS

An endowment fund is a form of charitable trust retained for the benefit of the Academy for the long-term and is subdivided into a capital and accumulated income element. A donation to establish an endowment fund which prohibits conversion of capital to income creates a 'permanent' endowment fund and such funds must generally be held indefinitely. If the Academy has power to use the capital then the endowment fund is 'expendable' although the Academy would be unlikely to use this power in the short-term.

The investment income from permanent endowment funds may be restricted or unrestricted in use depending on the requirements of the donor whereas investment income from expendable endowment funds will always be restricted in use.

New endowment funds are credited to the Consolidated Statement of Comprehensive Income and Expenditure on entitlement and then transferred to an endowment fund within the Balance Sheet. Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure and, if restricted, reserved within the endowment fund for future spend in accordance with restrictions. Expenditure against the restricted endowment fund is debited to the Consolidated Statement of Comprehensive Income and Expenditure and charged to the endowment fund.

Appreciation/depreciation of endowment investments is recorded within the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the capital element of the endowment funds.

OTHER INVESTMENT INCOME

Other investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis. Appreciation/depreciation of investments is credited/debited to the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the General Fund or Endowment funds, as appropriate.

4. Accounting for Retirement Benefits

The Academy contributes to four different pension schemes for current employees: the TPS; a Group Personal Pension Scheme (GPPS); the National Employment Savings Trust (NEST); and the Universities Superannuation Scheme (USS). The TPS and USS are defined benefit schemes and each fund is valued every three years by professionally qualified independent actuaries. The GPPS and NEST are defined contribution schemes.

The assets of the TPS are held in separate trustee-administered funds. Because of the nature of the Scheme, its assets are not hypothecated to individual institutions and Scheme-wide contributions are set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. Therefore, it accounts for the Scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the Scheme in respect of the accounting period.

The USS is a multi-employer hybrid scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Academy therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the Scheme. Since the Academy has entered into an agreement (the recovery plan) that determines how each employer within the Scheme will fund the overall deficit, a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. The Academy had nine members in the USS at the end of 2024/25.

The Academy also operates a defined benefit pension scheme, The Royal Academy of Music Pension Scheme 1967 (RAM1967), which is closed to new members, and which provides retirement benefits based on the length of service and final pensionable salary for certain employees. The operating and financing costs of the Scheme are recognised separately in the Income and Expenditure account. Service costs are spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions are recognised in the Statement of Comprehensive Income and Expenditure. The Academy's net obligation in respect of the RAM1967 Scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods: that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. Any resulting surplus is subject to an impairment charge.

5. Employment Benefits

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

6. Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the term of the lease. Any lease premiums or incentives are spread over the lease term.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where components of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Musical Instrument Collection assets which were revalued to fair value prior to 1 August 2014, the date of transition to the revised SORP, are measured on the basis of deemed cost, being the revalued amount at the transition date.

Impairment reviews are carried out if changes in conditions or events indicate the carrying amount of a fixed asset may not be recoverable.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Donations received towards the cost of buildings or other assets are released to income on entitlement or when PRCs, if they exist, have been met (refer to income recognition policy for further details). The income is then transferred to a restricted reserve to fund remaining asset purchase costs.

LAND AND BUILDINGS

Expenditure that adds value to the main Academy property is capitalised and depreciated over 40 years on a straight line basis.

Academy buildings are being depreciated over 90 years, in line with the length of the lease.

A componentisation approach has been applied to the completed Susie Sainsbury Theatre and Angela Burgess Recital Hall. The structures are being depreciated over 50 years but other components are being depreciated over between 10 and 25 years.

The York Gate building was acquired with the aid of a specific grant from The National Lottery Heritage Fund and was subsequently refurbished. The refurbishment costs of the York Gate building and the cost of the David Josefowitz Recital Hall have also been capitalised and are being depreciated over 71 and 28 years respectively.

Fit-out costs for York Gate are being depreciated over 13 years. The depreciation for the York Gate buildings was recalculated on transfer of the assets to the Academy in 2013.

The fit-out costs of the Cross Keys practice rooms are being depreciated over 10 years, this being the length of the lease.

Buildings under construction within the Academy are accounted for at cost based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

EQUIPMENT AND COLLECTION OF MUSICAL INSTRUMENTS

Expenditure on the purchase of equipment and other items is depreciated on a straight line basis as follows:

- Equipment/working instruments/artefacts: Between 5 and 40 years or not depreciated.
- Collection of Prestigious Musical Instruments: Not depreciated as their long economic life and high residual value mean depreciation is not material.
- Assets in excess of £10k and refurbishments in excess of £25k are capitalised. All other equipment is written off in the year of acquisition.

DONATED ASSETS

Donated fixed assets are capitalised on donation and included in the Balance Sheet at fair value, this being insurance value of the cost to the donor.

8. Heritage Assets

Since its foundation in 1822, the Academy has acquired important collections of instruments, manuscripts, paintings, photographs, busts, drawings, teaching aids and artefacts, batons, furnishings, memorabilia and other objects which have been bought or donated over the years. The majority of the instruments have been valued and are recorded in the Balance Sheet, most as working assets but a few, primarily stringed instruments made by Stradivari and Amati, are considered to be of such cultural international importance that they are not generally used for educational or musical purposes but are on display in the Academy's Museum, which is open to the public. Consequently they fall to be treated as heritage assets as they are held primarily for their contribution to knowledge and culture. The Spencer Collection and the Menuhin Collection were both purchased by the Academy and are also included in the Balance Sheet as heritage assets. The other items of the type described above are numerous and many have relatively low intrinsic values, however many of them have unique associations with their original owner or with the Academy. These assets are not considered to be of a heritage nature but are nevertheless an important part of the Academy's history and assist in preserving its reputation and attraction to current and potential students and teachers. Full details of the collections, which are fully catalogued and include both heritage and non-heritage assets, together with opening times for the Museum and Access policy, are given on the Academy's website at www.ram.ac.uk/Museum.

The key stringed instruments that are held as heritage assets are included in the Balance Sheet at fair value as at 1 August 2014, the date of transition to the SORP, and are no longer generally revalued. The ten most valuable instruments were revalued in 2020/21, as they account for 95% of the heritage assets. The carrying amounts are reviewed annually for impairment. Donated heritage assets are not depreciated as, given their long economic life and high residual value, depreciation would not be material. Heritage assets purchased by the Academy are included in the Financial Statements at cost and are depreciated over 40 years. Costs in connection with the preservation and conservation of heritage assets are charged to the Income and Expenditure Account as they are incurred.

9. Investments

Listed investments held within Non-Current investments are stated at fair value at the Balance Sheet date. Gains or losses are attributed to the appropriate fund.

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. They include bank and broker account deposits with a deposit term greater than 90 days.

The Academy has a 25% interest in the ABRSM which is carried at cost less any accumulated impairment losses. Under FRS 102, an associate is an entity, other than a subsidiary or joint venture, over which an investor has significant influence that is, the power to participate in the financial and operating policy decisions of the entity, but not to control or jointly control those policies. Significant influence is generally presumed to exist when an investor holds 20% or more of the voting power of another entity, unless it can be clearly demonstrated that such influence does not exist. The ABRSM is not considered to be an associate; although the Academy holds an effective 25% interest in the ABRSM, it controls less than 20% of the votes on the Board, and as a result does not have significant influence over ABRSM's financial and reporting policies, including the level of distributions it receives. This holding is treated as a non-current asset.

10. Financial Instruments

The Academy has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The Academy only has financial assets and liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the Academy are as follows:

- Debtors – trade and other receivables (including accrued income) are financial instruments and are debt instruments measured at amortised cost as detailed in Note 12. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

11. Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and cash deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include building society deposits with a deposit term less than 90 days and no material penalty for early withdrawal.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when:

- The Academy has a present legal or constructive obligation as a result of a past event.
- It is probable that an outflow of economic benefits will be required to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Academy a possible obligation whose existence will only be confirmed by the occurrence of otherwise uncertain future events not wholly within the control of the Academy. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Academy a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

MAINTENANCE OF PREMISES

The Academy has a provision for the maintenance of its buildings which it is required to carry out in accordance with the terms of its lease. This is based on a 15-year maintenance plan which is reviewed on an annual basis. The provision represents the estimated cost, at the Balance Sheet date, of maintenance work falling due within the cyclical programme under the lease.

The cost of routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

13. Taxation Status

The Academy is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income is applied exclusively for charitable purposes. The Academy is partially exempt in respect of Value Added Tax (VAT) so it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the cost of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

14. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include endowments (see Note 16) and non-endowment funds which the donor has designated for a specific purpose.

15. Significant Estimates and Accounting Judgements

In the preparation of the 2025 consolidated Financial Statements, it is the responsibility of management to make informed judgements and estimates that affect the reported values for assets, liabilities, income and expenditure.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date of 31 July 2025, are listed as follows:

DEFERRED BENEFIT SCHEME PENSION PROVISION

The Academy is the sole member of the RAM1967 Pension Scheme which is a defined benefit scheme, and for which a provision is recorded within the Balance Sheet. The recognised liability is based on the valuation provided by professionally qualified independent actuaries which is based on a number of assumptions. These include the future cash flows of the Scheme, the discount rate used (which is based on average AA rated UK corporate bond rates that reflect the duration of our liability), the pensionable salary growth going forward and proposed price inflation (which is based on the RPI). Further details can be found in Note 18.

Management review the assumptions made to derive the provisions recorded within the Balance Sheet to ensure that they are reasonable.

16. Post Balance Sheet Events

Since 31 July, there has been one significant post-Balance Sheet event, which is that on 5 November 2025, the Academy entered a lease to occupy a vacant property on London City Island. The building is currently a shell, and the Academy will fund its fit-out through philanthropic fundraising. £5.4m has been secured to date. The building is planned to open in 2027 and will provide much needed additional capacity for teaching and learning. We plan to subsidize its running costs by renting out spaces outside term times; the net cost is projected to be no greater than the savings from reduced hire of external spaces.

Restatement of Comparative Information

During the current financial year, we identified that the Academy's prior year Financial Statements did not fully recognise the Academy's investment in the ABRSM. In accordance with the requirements of FRS 102 Section 10: Accounting Policies, Estimates and Errors, the comparative figures have been restated to reflect the recognition of this investment.

As a result of the restatement:

- Non-current assets have increased by £2.275m, representing the historic carrying value of the investment; and
- Reserves have been adjusted by £2.275m to reflect the corresponding increase in net assets.

This adjustment affects only non-current assets and reserves and has no impact on the reported surplus or deficit for the prior financial year.

Distributions received from the ABRSM are recognised in the Statement of Financial Activities as Investment Income. During the year the Academy received £1.75m of investment income (£0.5m 2023/24, previously included in other operating income).

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
1. Tuition fees				
Full-time UK and EU	4,519	4,519	4,560	4,560
Full-time international	7,096	7,096	7,414	7,414
Junior, Intermediate and Other	1,100	1,100	1,130	1,130
	12,715	12,715	13,104	13,104

2. OfS and funding council grants				
Recurrent teaching grant	4,958	4,958	4,995	4,995
Recurrent research grant	582	582	597	597
Other special funding	82	82	164	164
Capital grant	-	-	50	50
	5,622	5,622	5,806	5,806

We are satisfied that we meet the performance conditions set out in the grants above.

3. Research grants and contracts				
Other grants and contracts	30	30	1	1
	30	30	1	1

The source of grant and fee income, included in Notes 1 to 2 is as follows:

Grant and fee income				
Grant income from the OfS	4,958	4,958	5,045	5,045
Grant income from other bodies	664	664	761	761
Fee income for research awards (exclusive of VAT)	209	209	219	219
Fee income from non-qualifying courses (exclusive of VAT)	1,100	1,100	1,130	1,130
Fee income for taught awards (exclusive of VAT)	11,406	11,406	11,755	11,755
	18,337	18,337	18,910	18,910

	Consolidated 2025 £000	Academy 2025 £000	Consolidated Restated 2024 £000	Academy Restated 2024 £000
4. Other income				
Residences and catering	549	549	528	528
Other operating income	1,454	1,454	1,509	1,509
	2,003	2,003	2,037	2,037

5. Investment income				
Investment income	1,897	1,897	818	818
ABRSM investment income	1,750	1,750	500	500
Other interest receivable	147	147	340	340
	3,794	3,794	1,658	1,658

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
6. Donations and endowments				
New endowments	2,847	2,847	4,003	4,003
Performance Related Condition income utilised	1,635	1,635	1,557	1,557
Restricted donations	2,964	2,964	8,275	8,275
Unrestricted donations	1,500	1,500	963	963
Donation of assets (non-cash)	47	47	102	102
	8,993	8,993	14,900	14,900

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
7. Staff				
Staff costs				
Wages and salaries	13,640	13,640	12,408	12,408
Social Security costs	1,428	1,428	1,165	1,165
Pension costs net of pension provision adjustment	2,037	2,037	1,541	1,541
	17,105	17,105	15,114	15,114

Members of Governing Body do not receive remuneration for their work as Trustees.

	2025 £	2024 £
Principal's emoluments		
Salary	230,482	209,842
Benefits	7,441	5,102
Pension contributions and pay in lieu of pension contributions	37,833	36,911
Compensation for change in tax treatment of accommodation *	14,722	14,778
Accommodation – taxable	24,118	24,592
	314,596	291,225

* Compensation to reflect changes in tax treatment of accommodation, provided to enable him to perform his role, recognising the contractual obligations arising from changes in HMRC regulations.

The Principal is not a member of a pension scheme therefore his salary contains a pension equivalent, now rolled into a single sum. This is shown separately above.

The Principal is required as part of his contract to live on the Academy premises. The premises are an integral part of the main Academy building and the apportioned costs associated with the Principal's use of the residence are £24,118 (£24,592 2023/24). The space is also used by chamber groups for rehearsal and coaching, for visiting performers, for cataloguing by the Library staff, and for quiet working.

The Principal's remuneration is set by the Remuneration Committee (of which he is not a member) after consideration of his performance as Principal approaching 20 years, his success in meeting strategic objectives, and of salaries at other comparable higher education institutions, which includes particular reference to other conservatoires and specialist institutions. He has continued to strengthen the quality of student and staff recruitment, achieving high rankings in relevant league tables, as well as attracting considerable philanthropic income. He has also generated an international profile, as reflected in the Sir Elton John Global Exchange Programme and other major artistic and industry collaborations. The salary is set according to comparable UK conservatoires and does not match a corporate-world equivalent but rather takes into account the skills required to run a high-level and complex institution, with long working hours. The Principal's contract and remuneration were reviewed in 2024.

The Principal's basic salary is 6.1 times (5.39 times 2023/24) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Academy to its staff.

The Principal's total remuneration is 7.0 times (6.50 times 2023/24) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Academy to its staff.

Severance payments of £6.8k were made to two members of staff in 2024/25, of which £3.6k was non-contractual (two members of staff £26k of which £10k was non-contractual 2023/24).

The Academy adheres to the CUC Higher Education Senior Staff Remuneration Code.

There were 32 members of staff, including the Principal, who received emoluments (including taxable benefits and allowances but excluding employer's pension contributions) in excess of £60,000, in the following ranges:

Range	2025	2024
£60,000-£70,000	10	7
£70,001-£80,000	8	8
£80,001-£90,000	4	3
£90,001-£100,000	5	5
£100,001-£110,000	2	2
£120,001-£130,000	1	1
£150,001-£160,000	1	1
£260,001-£270,000	1	1

The average number of persons employed by the Academy and the Group during the year, expressed as full-time equivalents (FTE), are shown in the table below:

	2025 FTE	2024 FTE
Staff numbers		
Teaching and academic provision *	154	142
Student projects, performances and wellbeing	49	44
Central administration and services	55	47
Premises	15	15
	273	248

* The figures above include the following Junior Academy teaching staff

Compensation for loss of office payable to a senior post holder	-	-
Compensation payable recorded within staff costs	-	-

KEY MANAGEMENT PERSONNEL

Key Management Personnel comprises the Senior Management Team, including the Principal, being those persons having authority and responsibility for planning, directing and controlling the activities of the Academy.

	2025 £000	2024 £000
Key management personnel compensation	1,017	964
Headcount	6	6

WIDENING PARTICIPATION STAFFING COSTS

	2025 £000	2024 £000
Access investment	266	164
Financial support	53	-
Disability support (excluding expenditure included in the two categories above)	108	148
Research and evaluation	29	13
	456	325

PUBLIC SECTOR TRADE UNION FACILITY TIME

The Academy is required to report on the paid time off during working hours for trade union representatives to carry out trade union duties. This data covers the period 1 August 2024 to 31 July 2025.

	2025	2024
Total number and FTE of union officials employed	0 no and 0 FTE	0 no and 0 FTE
Percentage of time spent on facility time	0%	0%
Total cost of facility time	£0	£0
Total pay bill	£13,640k	£12,408k
Percentage of pay bill spent on facility time	0%	0%
Time spent on paid trade union activities as a percentage of total paid facility hours	0%	0%

8. Other operating expenditure

	Consolidated 2025 £000	Academy 2025 £000	Restated Consolidated 2024 £000	Restated Academy 2024 £000
Teaching	2,185	2,185	2,169	2,169
Support	370	370	54	54
Other academic services	158	158	183	183
Central administration and services	1,591	1,591	1,895	1,895
General education Awards	3,517	3,517	3,636	3,636
General education excluding Awards	585	585	910	910
Student/staff facilities	73	73	154	154
Premises	3,860	3,860	3,409	3,409
Catering and Residence	854	854	937	937
Other expenses	-	-	10	10
	13,193	13,193	13,357	13,357

Other operating expenses include:

External auditors' remuneration in respect of audit services relating	80	70
External auditors' remuneration in respect of audit services relating to 2023/24	1	
Internal auditors' remuneration	37	24
Operating lease rentals: Land and buildings	811	723
Other	11	20

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
Access and Participation				
Access investment	359	359	234	234
Financial support	425	425	338	338
Disability support (excluding expenditure included in the two categories above)	108	108	152	152
Research and evaluation	31	31	14	14
	923	923	738	738

£456,000 (£325,000 2023/24) of these costs are included in the overall staff costs figures in the Financial Statements, see Note 7.

9. Tangible fixed assets

a) CONSOLIDATED

Cost or valuation	OPERATIONAL				HERITAGE			TOTAL	
	Long Leasehold Land and Buildings	Assets in the Course of Construction	Operational		Subtotal			Subtotal	Grand Total
			Equipment	Instrument Collection		Heritage Instrument Collection	Spencer Collections		
	£000	£000	£000	£000	£000	£000	£000	£000	
At 1 August 2024	56,713	1,579	9,902	7,593	75,787	90,145	2,103	92,248	168,035
Additions	-	3,513	409	43	3,965	-	-	-	3,965
Disposals	-	-	(216)	-	(216)	-	-	-	(216)
Transfer	3,625	(3,625)	-	-	-	-	-	-	-
At 31 July 2025	60,338	1,467	10,095	7,636	79,536	90,145	2,103	92,248	171,784
Depreciation									
As at 1 August 2024	17,418	-	5,044	-	22,462	-	1,100	1,100	23,562
Disposals	-	-	(216)	-	(216)	-	-	-	(216)
Charge for the year	1,808	-	314	-	2,122	-	45	45	2,167
At 31 July 2025	19,226	-	5,142	-	24,368	-	1,145	1,145	25,513
Net book value									
At 31 July 2025	41,112	1,467	4,953	7,636	55,168	90,145	958	91,103	146,271
At 31 July 2024	39,295	1,579	4,858	7,593	53,325	90,145	1,003	91,148	144,473

99% of the value of instruments held as heritage assets is represented by 22 stringed instruments, including 7 made by Antonio Stradivari.

There were no disposals of heritage assets during the year (nil 2023/24).

During the year there were 34 donated items (22 2024/25). Due to their unique nature and minimal market value, these heritage items have not been included in the Financial Statements. While they are of significant cultural value, their fair market value is considered minimal and therefore do not affect the Financial Statements.

b) ACADEMY

Cost or valuation	OPERATIONAL					HERITAGE			TOTAL
	Long Leasehold Land and Buildings	Assets in the Course of Construction	Operational		Subtotal	Heritage Instrument Collection	Spencer Collections	Subtotal	Grand Total
			Equipment	Instrument Collection	Operational Assets			Heritage Assets	
			Cost	Valuation					
			£000	£000	£000			£000	
At 1 August 2024	53,941	1,579	9,902	7,593	73,015	90,145	905	91,050	164,065
Additions	-	3,513	409	43	3,965	-	-	-	3,965
Disposals	-	-	(216)	-	(216)	-	-	-	(216)
Transfer	3,625	(3,625)	-	-	-	-	-	-	-
At 31 July 2025	57,566	1,467	10,905	7,636	76,764	90,145	905	91,050	167,814
Depreciation									
At 1 August 2024	14,646	-	5,044	-	19,690	-	472	472	20,162
Disposals	-	-	(216)	-	(216)	-	-	-	(216)
Charge for the year	1,808	-	314	-	2,122	-	15	15	2,137
At 31 July 2025	16,454	-	5,142	-	21,596	-	487	487	22,083
Net book value									
At 31 July 2025	41,112	1,467	4,953	7,636	55,168	90,145	418	90,563	145,731
At 31 July 2024	39,295	1,579	4,858	7,593	53,325	90,145	433	90,578	143,903

10. Non-current investments

At Market Value	Consolidated and Academy				
	Fixed Assets	Restricted Investments	Unrestricted Investments	Endowment Assets	Total Investments
	£000	£000	£000	£000	£000
At 1 August 2024 (as previously stated)	10,961	848	-	63,884	75,693
ABRSM investment restated 1 August 2023	-	-	2,275		2,275
At August 2024 (restated)	10,961	848	2,275	63,884	77,968
Reclassification on 1 August 2024	-	-	11,229	(11,229)	-
Purchases of investments	8,028	617	6,360	31,069	46,074
Proceeds from sales of investments	(7,382)	(567)	(6,150)	(27,446)	(41,545)
Appreciation/(depreciation) on disposal/revaluation	277	21	681	3,382	4,361
At 31 July 2025	11,884	919	14,395	59,660	86,858
Represented by:					
Equities	7,043	545	7,877	38,915	54,380
Fixed Interest Stocks	-	-	1,720	8,816	10,536
Property and alternatives	3,657	282	1,549	7,179	12,667
Other	1,184	92	974	4,750	7,000
ABRSM investment	-	-	2,275	-	2,275
	11,884	919	14,395	59,660	86,858

11. Trade and other receivables

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
Amounts falling due within one year:				
Trade debtors	254	254	559	559
Prepayments and accrued income	967	967	2,304	2,304
	1,221	1,221	2,863	2,863

12. Current investments

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
Short-term deposits				
91 days to less than 1 year	13,311	13,311	7,681	7,681
Short term deposits	13,311	13,311	7,681	7,681

During the 2023/24 financial year the Investment Committee decided to consolidate all our investments under Cazenove Capital. As a result, a £7m Working Capital Liquidity Fund was set up with Cazenove Capital.

During the 2024/25 financial year, investments continued to be managed by Cazenove Capital. As at year end, a balance of £11,012k was held within the Working Capital Liquidity Fund, with an additional £2,299k held as a cash deposit within the investment portfolio.

13. Creditors

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
Amounts falling due within one year:				
Trade creditors	482	482	593	593
Fees in advance	1,022	1,022	779	779
Deferred revenue (Performance Related Conditions)	2,078	2,078	1,803	1,803
Taxation and social security	406	406	389	389
Other creditors and accruals	1,135	1,135	588	588
	5,123	5,123	4,152	4,152

Deferred revenue includes the following items of income which are deferred until specific performance related conditions are met:

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
Teaching grants	2,058	2,058	1,768	1,768
Other grants	20	20	35	35
	2,078	2,078	1,803	1,803

14. Endowment Reserve

	Unrestricted Permanent £000	Restricted Permanent £000	Subtotal Permanent £000	Restricted Expendable £000	Grand total £000
Capital					
At 1 August 2024	6,900	34,813	41,713	25,574	67,287
Reclassification on 1 August 2024	(59)	(94)	(153)	153	-
At 1 August 2024 post reclassification	6,841	34,719	41,560	25,727	67,287
*Transfer to General Funds (Note 16)	(5,431)	-	(5,431)	(5,001)	(10,432)
Increase/(decrease) in market value of investment	122	3,049	3,171	701	3,872
New endowments received	-	337	337	2,510	2,847
Capital applied for distribution	-	-	-	(445)	(445)
At 31 July 2025	1,532	38,105	39,637	23,492	63,129
Accumulated Income					
At 1 August 2024	-	605	605	616	1,221
Reclassification on 1 August 2024	59	94	153	(153)	-
At 1 August 2024 post reclassification	59	699	758	463	1,221
*Transfer to General Reserves (Note 16)	(47)	-	(47)	-	(47)
Capital applied for distribution	-	-	-	445	445
Investment income	29	708	737	201	938
Expenditure	(41)	(616)	(657)	(748)	(1,405)
Net income accumulated/(utilised) in current year	(12)	92	80	(547)	(467)
At 31 July 2025	-	791	791	361	1,152
Total Funds					
At 1 August 2024	6,900	35,418	42,318	26,190	68,508
At 31 July 2025	1,532	38,896	40,428	23,853	64,281
Analysis by fund-type					
Bursary and prize funds	1,532	30,504	32,036	11,588	43,624
Teaching and masterclass funds	-	8,392	8,392	12,238	20,630
Other funds	-	-	-	27	27
	1,532	38,896	40,428	23,853	64,281
Analysis by asset					
Investments					61,122
Cash					2,922
Other current assets/liabilities					237
					64,281

There are no deficit balances on any endowment fund.

*During the year, following approval by the Governing Body, a transfer of investments was made from the endowment to general funds. This reallocation was undertaken in line with the Academy's financial policies and governance framework, to support the operational priorities and ensure the effective use of resources. The transfer was duly authorised by the Finance & General Purposes Committee and has been appropriately recorded and disclosed in the Financial Statements for the year.

	Unrestricted Permanent £000	Restricted Permanent £000	Subtotal Permanent £000	Restricted Expendable £000	Grand total £000
Capital					
At 1 August 2023	6,218	30,816	37,034	20,083	57,117
Increase/(decrease) in market value of investments	682	3,161	3,843	2,701	6,544
New endowments received	-	836	836	3,167	4,003
Capital applied for distribution	-	-	-	(377)	(377)
At 31 July 2024	6,900	34,813	41,713	25,574	67,287
Accumulated income					
At 1 August 2023	-	612	612	531	1,143
Capital applied for distribution	-	-	-	377	377
Investment income	137	632	769	139	908
Expenditure	(137)	(639)	(776)	(431)	(1,207)
Net income accumulated/(utilised) in current year	-	(7)	(7)	(292)	(299)
At 31 July 2024	-	605	605	616	1,221
Total funds					
At 1 August 2023	6,218	31,428	37,646	20,614	58,260
At 31 July 2024	6,900	35,418	42,318	26,190	68,508
Analysis by fund-type					
Bursary and prize funds	1,423	27,807	29,230	8,043	37,273
Teaching and masterclass funds	-	7,611	7,611	13,119	20,730
Development funds	5,466	-	5,466	-	5,466
Other funds	11	-	11	5,028	5,039
	6,900	35,418	42,318	26,190	68,508
Analysis by asset					
Investments					65,895
Cash					2,186
Other current assets/liabilities					427
					68,508

There are no deficit balances on any endowment fund.

ENDOWMENT FUNDS – CONSOLIDATED AND ACADEMY

Details of major funds (with income or balances exceeding £500,000) and the total value of other invested funds are presented below:

Fund Name	Fund type	Fund purpose	At 1 August	Market	Investment	Expenditure	At 31 July
			2024	Revaluation and	Income		2025
			£000	Donations	£000	£000	£000
Christopher Hogwood Scholarship	Unrestricted Permanent	Income designated for postgraduate student awards	1,422	122	29	(41)	1,532
Development Fund	Unrestricted Permanent	In support of general operations	5,477	470	123	(169)	5,901
Derek Butler Scholarship	Restricted Permanent	To supply scholarships for students	693	59	14	(12)	754
Elton John Scholarship (senior academy fund)	Restricted Permanent	A scholarship fund for UK students	1,928	164	40	(32)	2,100
Sir Lawrence Robson Award	Restricted Permanent	To supply awards for students of exceptional merit or in financial need	843	72	17	(14)	918
Alec Rowley Memorial Fund	Restricted Permanent	To supply awards for students intending to pursue a career in classical music	621	54	13	(10)	678
Academy Permanent Endowment Awards	Restricted Permanent	To support deserving Academy Students	7,473	636	153	(109)	8,153
Academy Permanent Endowment Bursary	Restricted Permanent	To support Academy students in financial need	6,030	661	124	(101)	6,714
Academy Permanent Endowment Scholarship	Restricted Permanent	To make awards to Academy students for exceptional merit	4,214	359	86	(68)	4,591
San Martino Trust	Restricted Permanent	To provide scholarships for musical education	978	83	20	(16)	1,065
The Gatsby Chair of Musical Theatre	Restricted Permanent	To support the Gatsby chair of Musical Theatre	7,386	640	154	(154)	8,026
Albert Butler Memorial Scholarship	Restricted Permanent	To supply award to UK home piano students	760	66	1	-	827
Violet Irene Strutton Award	Restricted Permanent	To supply scholarships for students	465	40	10	(8)	507
Academy Expendable Endowment Awards	Restricted Expendable	To supply awards for deserving Academy students	2,106	75	21	(73)	2,129
Academy Expendable Endowment Scholarship	Restricted Expendable	To supply awards to Academy students for exceptional merit	349	450	4	(16)	787
Expendable Endowment Junior Academy awards	Restricted Expendable	To supply awards for Junior Academy students	965	17	10	(6)	986
Alexander Technique Fund	Restricted Expendable	To support operational costs of the Alexander Technique department	589	15	6	(18)	592

Junior Academy Fund	Restricted Expendable	To support operational costs of the Junior Academy department	1,468	22	12	(1)	1,501
York Gate Fund	Restricted Expendable	To support the running costs of the York Gate estate	5,001	128	(60)	59	5,128
Aud Jebsen Endowed Professorship of Piano	Restricted Expendable	To support a professorship of piano	1,408	40	10	(42)	1,416
William Lawes Endowed Chair of Chamber Music	Restricted Expendable	To support the Chair of Chamber Music and Head of Strings	3,000	96	30	(109)	3,017
Dame Myra Hess Chair of Piano	Restricted Expendable	To support the Chair of Piano	3,008	125	30	(139)	3,024
John Baker Opera Scholarship	Restricted Expendable	To supply awards to PG opera students	726	85	4	(22)	793
Suresh & Richard McMillan Scholarship for Opera and Music	Restricted Expendable	To supply awards to opera and clarinet students	1,110	37	1	(32)	1,116
Sulamita Aronovsky Piano Department/Piano students	Restricted Expendable	To support Piano Department and Piano students	875	167	8	-	1,050
Nina Drucker, Strings, fellows, masterclasses and competition prize	Restricted Expendable	To support the Strings department	3,703	137	36	(111)	3,765
Elisabeth and George Wells scholarship for Organ	Restricted Expendable	To supply awards to Organ students	-	1,077	8	-	1,085
Total value of funds below £500,000	Restricted Expendable	To supply awards to students, and in support of educational and general purposes	1,879	859	22	(171)	2,589
Total value of funds below £500,000	Restricted Permanent	To supply awards to students, and in support of educational and general purposes	4,030	552	76	(92)	4,566
Total value of restricted funds invested	Restricted Fund Invested	To supply general awards and prizes to students	925	19	9	(17)	936
Total value of designated funds invested	Designated Funds Invested	Funds invested to supply awards to students and for general purpose	11,983	128	121	(130)	12,102
			81,415	7,455	1,132	(1,654)	88,348

The reserve invested funds detailed above are primarily backed by non-current investment assets, with additional balances held as current assets. The funds are of sufficient value and liquidity to enable them to be applied in accordance with their associated restrictions. The invested funds comprise endowment funds £64.3m; general funds invested £11.0m; restricted funds invested £0.94m; and designated funds invested £12.1m.

15. Restricted Reserves

	Consolidated and Academy			
	Unspent Capital Grants £000	Other Restricted Funds £000	2025 Total £000	2024 Total £000
At 1 August 2024	5,092	4,850	9,942	4,602
Reclassification	302	(302)	-	-
At 1 August 2024	5,394	4,548	9,942	4,602
Transfer from endowments (Note 14)	-	-	-	59
Donations	370	2,979	3,349	8,288
Investment income	-	8	8	5
Appreciation of restricted investments	-	19	19	43
Capital grants utilised	(1,791)	-	(1,791)	(201)
Transfer to other funds to restricted funds	-	(162)	(162)	-
Expenditure	-	(2,941)	(2,941)	(2,854)
At 31 July 2025	3,973	4,451	8,424	9,942
Analysis of other restricted funds by type of purpose:				
Bursary and prize funds		2,476		2,198
Teaching funds		518		711
Other funds		1,457		1,941
		4,451		4,850

16. General Funds

	Consolidated and Academy		
	Unspent Capital Grants £000	Other Restricted Funds £000	2025 Total £000
At 1 August 2024	-	-	-
* Transfer from endowments (Note 14)	5,431	5,001	10,432
* Transfer from Endowments Funds to General Funds (Note 14)	47	-	47
Capital applied for distribution	-	60	60
Investment income	123	57	180
Appreciation of investments	470	127	597
Income utilised	(170)	(117)	(287)
At 31 July 2025	5,901	5,128	11,029
Analysis of other restricted funds by type of purpose:			
Other funds	-	-	11,029
	-	-	11,029

* During the year, following approval by the Governing Body, a transfer of investments was made from the endowment to general funds. This reallocation was undertaken in line with the Academy's financial policies and governance framework, to support the operational priorities and ensure the effective use of resources. The transfer was duly authorised by the Finance & General Purposes Committee and has been appropriately recorded and disclosed in the Financial Statements for the year.

17. Pension Scheme costs

Superannuation contributions are paid to the Teachers' Pension Scheme (TPS) for teaching staff, to the USS for a small number of teaching and administrative staff, to a GPPS for administrative staff or to the NEST for those not eligible for other schemes. The assets of these schemes are held separately from the assets of the Academy in independently administered funds.

The Royal Academy of Music Pension Scheme 1967 (RAM1967) for administrative staff was closed to future accruals of pension benefit on 31 March 2005, however the Scheme continues to be operated by the Prudential Assurance Company and the Academy is undertaking deficit funding.

	2025	2024
	£000	£000
Total pension cost for the year was:		
TPS: employer's contributions paid	1,269	1,117
GPPS: employer's contributions paid*	624	557
USS: employer's contributions paid	107	124
NEST: employer's contributions paid	20	23
Total pension cost	2,020	1,821

* Excludes salary sacrifice element.

TEACHERS PENSION SCHEME

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These Regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The 2020 valuation of the TPS has now been published. TPS employers paid a contribution rate of 23.68%, including the administration levy of 0.8% during the first 8 months of 2023/24. This rose to 28.68% from 1 April 2024, on the basis of the 2020 valuation.

<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>.

UNIVERSITIES SUPERANNUATION SCHEME

The USS is a contributory, defined benefit scheme. At the end of the year the Academy had nine members.

The Scheme is a multi-employer scheme and given the mutual nature of the scheme, is unable to identify individual employers' shares of assets and liabilities. Consequently, individual employers are unable to apply defined benefit accounting. Section 28 of FRS 102 states that if sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit arrangement, an entity shall account for the plan as if it was a defined contribution arrangement.

The total cost charged to the profit and loss account is £106,703 (£124,000 2024) as shown above.

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

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

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the 7th valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's technical provisions was £65.7bn indicating a surplus of £7.4bn and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (<https://www.uss.co.uk/fundprinciples-sfs>).

Price inflation – Consumer Prices Index (CPI)	3% pa (based on a long term average expected level of CPI, broadly consistent with long term market expectations)
RPI/CPI gap	1.0% pa to 2030, reducing to 0.1% pa from 2033
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% pa Post retirement: 0.9% pa
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

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

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	As at 31 July 2025	As at 31 July 2024
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	23.80	23.70
Females currently aged 65 (years)	25.50	25.60
Males currently aged 45 (years)	25.70	25.40
Females currently aged 45 (years)	27.20	27.20

GROUP PERSONAL PENSION SCHEME

A GPPS was started on 1 April 2005 for all administrative staff. This Scheme is a defined contribution scheme with employee and employer contributions based on length of service. £55,220 of contributions were outstanding at the Balance Sheet date and the amount of employer contributions paid during the year was £624k (£557k 2023/24).

ROYAL ACADEMY OF MUSIC PENSION SCHEME 1967

The Academy operates a defined benefit scheme which is managed by the Prudential Assurance Company Ltd and was closed to future accruals of pension benefit on 31 March 2005. A formal actuarial valuation was carried out as at 31 December 2021. Following the actuarial valuation, the Employer agreed to make contributions to the Scheme at the rate of £418,504 pa from 2 February 2023 to 28 February 2023, followed by £273,035 pa from 1 March 2023 to 21 October 2026, with an inflationary increment.

	As at 31 July 2025	As at 31 July 2024
Main assumptions used to value RAM1967 Scheme liabilities under FRS 102:		
Discount rate	5.80%	5.05%
Inflation assumption – RPI pre 2030	3.20%	3.35%
Inflation assumption – CPI post 2030	3.00%	3.15%
Rate of increase in salaries	0.00%	5.00%
Increases to deferred pensions in excess of GMP before retirement	5.00%	5.00%
Increases to pensions in payment for all members in respect of service up to 31 December 2003	In line with RPI assumptions	

	As at 31 July 2025	As at 31 July 2024
Demographic assumptions:		
Mortality base table	S4PA	S3PA

Adjustment to mortality base tables	100% (M/F)	100% (M/F)
Projection to mortality rates	CMI 2024 1.25% M/F	CMI 2023 1.25% M/F
Commutation	No allowance	No allowance
Retirement age	Normal retirement age	Normal retirement age
Proportion married	80%	80%
Spouse age difference	Females are 3 years younger than males	Females are 3 years younger than males
GMP equalisation	1.5% liabilities	1.5% liabilities

	As at 31 July 2025	As at 31 July 2024
Aged 65 at year end: Males	86.60	86.30
Females	88.80	88.70
Aged 45 at year end: Males	87.80	87.50
Females	90.30	90.10

	2025 £000	2024 £000
Analysis of amount charged to operating profit		
Analysis of amount (charged)/credited to other finance income		
Expected return on pension scheme assets	492	474
Interest on pension scheme liabilities	(450)	(448)
Net charge to other finance income	42	26

Analysis of other comprehensive income/(loss)		
Actual return less expected return on pension scheme assets	(322)	255
Experience gains and losses arising on scheme liabilities	791	(231)
Impairment charge	(811)	(319)
Total other comprehensive income/(loss)	(342)	(295)

Amounts recognised in the statement of financial position		
Present value of scheme liabilities	8,372	9,101
Fair value of scheme assets	9,873	9,791
Accumulated impairment charge	1,501	690
Deficit in scheme – net pension liability	-	-

	2025				2024			
Reconciliation of scheme assets and liabilities	Assets £000	Liabilities £000	Impairment £000	Net £000	Assets £000	Liabilities £000	Impairment £000	Net £000
Deficit in scheme at beginning of the year	9,791	(9,101)	(690)	-	9,163	(8,792)	(371)	-
Movement in the year:								
Contributions	300	-		300	269	-		269
Other finance income/(charge)	492	(450)		42	474	(448)		26
Benefits paid	(388)	388		-	(370)	370		-
Actuarial gain/(loss)	(322)	791	(811)	(342)	255	(231)	(319)	(295)
Deficit in scheme at end of the year	9,873	(8,372)	(1,501)	-	9,791	(9,101)	(690)	-

	2025 £000	2024 £000
Actuarial return on scheme assets		
Expected return on pension scheme assets	492	474
Actuarial gain/(loss)	(322)	255
Actual return on scheme assets	170	729

	Long Term ROR Expected (incl annuities)	Long Term ROR Expected (incl annuities)
Analysis of scheme assets		
Equities	1,197	1,148

Bonds	5,353	5,118
Property	297	279
Cash	34	37
Total market value of invested assets	6,881	6,582
Secured pensions in payment	2,992	3,209
	9,873	9,791
Long term ROR expected (excluding annuities)	5.80%	5.05%

History of experience gains and losses	2025	2024	2023	2022	2021
Actuarial gain/(loss) recognised in other comprehensive income					
Amount (£000)	(322)	255	(1,759)	(1,752)	-
Percentage of scheme assets	-3.3%	2.6%	-19.2%	-16.6%	0.0%
Experience adjustments on scheme liabilities					
Amount (£000)	(791)	231	(3,247)	(3,923)	(799)
Percentage of scheme liabilities	9.4%	-2.5%	36.9%	33.2%	5.0%
Actuarial gain/(loss) recognised in other comprehensive income					
Amount (£000)	(342)	(295)	1,488	2,171	799
Percentage of scheme liabilities	4.1%	3.2%	-16.9%	-18.4%	-5.0%
Cumulative actuarial gain/(loss) recognised in other comprehensive income	(5,900)	(4,868)	(4,202)	(5,690)	(7,861)
History of defined benefit scheme					
Present value of defined benefit obligation	(8,372)	(9,101)	(8,792)	(11,831)	(15,933)
Fair value of scheme assets	9,873	9,791	9,163	10,555	12,152
Impairment	(1,501)	(690)	(371)	-	-
Surplus/(deficit) arising in the scheme	-	-	-	(1,276)	(3,781)

18. Capital Commitments

Provision has been made for the following capital commitments at 31 July:

	Consolidated 2025 £000	Academy 2025 £000	Consolidated 2024 £000	Academy 2024 £000
Capital commitments contracted for	1,123	1,123	1,048	1,048

19. Lease Obligations

Total rentals payable under operating leases:

	Land and Buildings £000	Plant and Machinery £000	2025 Total £000	2024 Total £000
Payable during the year	811	11	822	743
Future minimum lease payments due:				
Not later than 1 year	908	11	919	917
Later than 1 year and not later than 5 years	3,193	37	3,230	3,285
Later than 5 years	27,602	-	27,602	28,145
Total lease payments due	32,514	59	32,573	33,090

20. Contingent asset

The Academy has been notified of eight legacies to the Academy with a potential total value of £3,235,758 which have not been recognised as income during the year, on the basis that amounts to be received may vary from the estimated values. The Academy has also been notified of one legacy to which it cannot attribute a potential value due to a lack of reliable documentation.

21. Related party transactions

The Independent Members of the Academy's Governing Body and the staff and student members are the Trustees for charitable purposes. Due to the nature of the Academy's operations and the members of the Governing Body being drawn from large public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the

Governing Body may have an interest. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries. The Register of Interests has been reviewed by the Director of Finance and is published on the Academy's website. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the Academy's Financial Regulations and usual procurement procedures.

No Trustee (member of the Governing Body) received any remuneration for their work during the year. The Academy paid a total of £nil (£nil 2023/24) to Governors in reimbursement of travel expenses. On occasions Trustees may make donations for specific purposes but they receive nothing in exchange. The value of such donations from Trustees and related parties was £1,078k (£6,268k 2023/24).

Three trustees retired on 31 July 2025 and were presented with small gifts amounting to £23 (£705 2023/24).

The RAM Student Union is an unincorporated association which is classed as a related party for the purposes of these Financial Statements. The Student Union is a separate entity, an independent group run by and for our students, funded by an annual grant from the Academy for its work in supporting students. In accordance with the Charter, the Governing Body reviews the RAM SU Constitution at least five-yearly and receives regular reports on activities as part of its overall responsibility for the welfare of students. A grant of £47k (£44.7k 2023/24) was paid to the RAM SU for their work in supporting students during the year.

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

In the financial year 2024/25, the Academy received a distribution of £1.75m (£500k 2023/24). In addition, discretionary scholarships totalling £283k were awarded (£234k 2023/24)

There were no other related party transactions.

22. Events after the reporting period

Since 31 July, there has been one significant post-Balance Sheet event, which is that on 5 November 2025, the Academy completed on a 100 year lease for a vacant property on London City Island. The building is currently a shell, and the Academy will fund its fit-out through philanthropic fundraising. Tenders have been issued for the building works, and we plan to open the building with new studios and teaching rooms in 2027. They will provide much needed additional capacity for teaching and learning. We plan to subsidise its running costs by renting out spaces outside term time; the net cost is projected to be no greater than the savings from reduced hire of external spaces.

Accounts

ANNUAL REVIEW AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

The Royal Academy of Music moves music forward by inspiring successive generations of musicians to connect, collaborate and create.

Charity number 310007

Company registration number RC000438

MARYLEBONE ROAD, LONDON NW1 5HT
RAM.AC.UK



**UNIVERSITY
OF LONDON**

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FOREWORD FROM THE CHAIR OF THE GOVERNING BODY



I am thrilled to have become the Academy's first Chair of its third century. I have a long-standing affection for the Academy and a deep admiration for the work it does and the young people it serves.

My role is to work with the Principal and his senior team as we navigate the challenges facing higher education and the arts – making decisions which directly affect the experience of students and staff – and ensuring the sustainability of the world class education we provide. Now, more than ever, we must work hard to ensure that the finest music education and performance can flourish, and that talented young people are equipped with every opportunity to make music important in people's lives.

Without philanthropy this would be impossible, and the Academy has worked hard to build a community of generous and committed supporters who are enabling us to support so many talented young musicians, to take control of our future as an organisation, and to invest in all sorts of areas that were previously unimaginable. Our Bicentenary year in 2022 provided an opportunity not only to take inspiration from our past but also to focus on the next 200 years, and the Academy's role in shaping the musical world of the future. We were delighted to launch our Campaign in April of that year with a goal of £60m. The Campaign has exceeded our expectations with a level of engagement with our ambitions that has been truly overwhelming, and having exceeded that target, we recently announced our new goal of £100m.

On behalf of the Governing Body, I am pleased to present the financial statements for the year ended 31 July 2024.

Sir Simon Robey Hon FRAM
Chair

FOREWORD FROM THE PRINCIPAL



The Academy is an extraordinary place with extraordinary people. Now in our third century, we are more confident than ever in our ability to shape the future of music by discovering and supporting talent wherever it exists, and by attracting the exceptional teachers and mentors who spark this talent. Our undergraduate and postgraduate programmes have been meticulously designed and developed to support and equip our students with the tools they will need to succeed in a fast-changing world. Musicians need imagination, versatility and resilience as never before, and at the Academy, students' individual talents are matched to the opportunities of the present day and beyond.

We are proud of our long history of collaborations with other institutions, and in particular our founding and leading role in the Sir Elton John Global Exchange Programme, which promotes and facilitates global mobility and international collaboration, and enables our students to take part in education exchanges with top conservatoires across the world.

We know that the music profession has endured difficult times of late, and that general uncertainty will continue to have a disproportionate impact on the industry that students will enter. At the same time, the world is a better, more creative and fulfilling place, with each of our students doing what they love doing, and we must proudly continue to shout from the rooftops about the timeless values of our art form and the glorious musical literature at its heart. The young musicians training here today, especially in this post-pandemic world, need to bring new purpose and focus to the profession and outlooks that are likely to be durable because they are infused with ever broader and more flexible skills. This requires us to constantly revise our thoughts about how musicians lead, take the initiative, exercise imagination through collaboration, and generally become more flexible and employable.

The Governing Body meeting in June was the last to be chaired by Dame Jenny Abramsky after 11 years in post. Jenny's impact on the Academy has had a remarkably wide reach, as ambassador, supporter of initiatives and in her capacity always to place music at the heart of a broad cultural and educational argument. Jenny's successor, Sir Simon Robey, is one of the UK's leading investment bankers and has a deep love of music. He has a long connection to the Academy as a supporter and previous trustee, and we are very pleased to welcome him as our new Chair. The end of the 2023/24 year also marked the retirement of three longstanding trustees, Dame Susie Sainsbury, Lord Sumption and Tim Parker, and we welcomed two new trustees, Dinah Rose KC and Peter Hesketh.

Professor Jonathan Freeman-Attwood CBE
Principal

ABOUT US

The Royal Academy of Music (the Academy) was established in 1822 and granted a Royal Charter in 1830 (Supplemental Charter granted in 1998). The Academy is a registered charity, number 310007, and a company registered with Companies House, number RC000438. The Academy is registered with the Office for Students as a higher education provider, OfS: 0135532.

PATRON	HM The King
PRESIDENT	HRH The Duchess of Gloucester KG GCVO Hon FRAM
VICE PRESIDENTS	Dame Jenny Abramsky GBE Lord Burns CBE Hon FRAM Sir Elton John CH CBE Hon RAM DMus Sir Curtis Price KBE Hon RAM
HONORARY VICE PRESIDENT	Alfred Brendel

GOVERNING BODY (TRUSTEES)

CHAIR	Dame Jenny Abramsky GBE	(retired 31 July 2024)
	Sir Simon Robey Hon FRAM	(appointed 1 August 2024)
DEPUTY CHAIR	Dame Susie Sainsbury Hon FRAM	(retired 31 July 2024)
DEPUTY CHAIR	The Rt Hon Lord Sumption OBE Hon FRAM	(retired 31 July 2024)
DEPUTY CHAIR	The Duchess of Wellington OBE Hon FRAM	
	Lord Blackwell	
	John Burgess Hon FRAM	
	Ina De	
	Alexis Ffrench FRAM	
	Hamish Forsyth	(appointed 1 September 2023)
	Professor Jo Fox	(appointed 1 February 2024)
	Peter Hesketh	(appointed 1 August 2024)
	Rehmet Kassim-Lakha	
	Luke Lloyd Davies	(retired 31 March 2024)
	Timothy Parker Hon FRAM	(retired 31 July 2024)
	Dinah Rose KC	(appointed 1 August 2024)
	Professor Irem Tuna	(retired 31 December 2023)
	William de Winton	
	Damian Wisniewski Hon FRAM	
STAFF MEMBERS	Professor Margaret Faultless Hon RAM	(retired 31 July 2024)
	Barbara Law	(retired 31 July 2024)
	Gemma Waring Hon ARAM	
	Dr Christopher White ARAM	(appointed 22 October 2024)
STUDENT UNION PRESIDENT AND STUDENT MEMBER	Tiffany Qiu	
SECRETARY TO GOVERNING BODY	Sandra Green Hon ARAM	

SENIOR MANAGEMENT TEAM

PRINCIPAL	Professor Jonathan Freeman-Attwood CBE BMus MPhil Hon RAM FKC FRNCM FRCM
DEPUTY PRINCIPAL	Professor Timothy Jones MA DPhil LTCL Hon RAM
DIRECTOR OF FINANCE	Karen Di Lorenzo MBA MA Cantab ACMA
REGISTRAR & DIRECTOR OF STUDENT OPERATIONS	Catherine Jury Hon FRAM
DEAN OF STUDENTS	Professor Elizabeth Kenny MA FRAM
DEPUTY PRINCIPAL (ADVANCEMENT)	Kirsty MacDonald BA MA Oxon Hon FRAM

ADMINISTRATIVE INFORMATION

REGISTERED OFFICE	Marylebone Road, London NW1 5HT
EXTERNAL AUDITORS	MHA, 6th floor, 2 London Wall Place, London EC2Y 5AU
INTERNAL AUDITORS	Azets, Exchange Place 3, Semple Street, Edinburgh EH3 8BL
BANKERS	Lloyds Bank plc, 25 Gresham Street, London EC2V 7HB
INVESTMENT FUND MANAGERS	Cazenove Capital, 12 Moorgate, London EC2 R 6DA Meridiem (formerly Veritas) Investment Management Ltd, Riverside House, 2a Southwark Bridge Road, London SE1 9HA Pantheon Venture (UK) LLP, 10 Finsbury Square, 4th Floor, London EC2A 1AF
LEGAL ADVISERS	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BW1 4QA

COMMITTEE MEMBERSHIP DURING 2023/24

AUDIT COMMITTEE	Damian Wisniewski (Chair) Dame Jenny Abramsky Ina De Hamish Forsyth
FINANCE & GENERAL PURPOSES COMMITTEE	Lord Blackwell (Chair) John Burgess Timothy Parker Professor Irem Tuna William de Winton
GIFT ACCEPTANCE COMMITTEE	Dame Jenny Abramsky (Chair) Lord Sumption Ina De
NOMINATIONS COMMITTEE	Dame Jenny Abramsky (Chair) Dame Susie Sainsbury Lord Sumption Duchess of Wellington
REMUNERATION COMMITTEE	Lord Blackwell (Chair) Dame Jenny Abramsky Rehmet Kassim-Lakha

HONORARY TRUSTEES

The title of Honorary Trustee is awarded to retired Independent Members of the Governing Body to recognise their distinguished service to the Academy.

Sir Rodrick Braithwaite GCMG Hon FRAM
 The Rt Hon Lord Carnwath Kt CVO PC Hon FRAM
 Robin Butler Hon FRAM
 Sir Howard Davies Hon FRAM
 Matthew Ferrey Hon FRAM
 Lesley Garrett CBE FRAM
 Sam Gordon Clark CBE Hon FRAM
 Lady Heywood CBE
 Professor Sir Barry Ife CBE FKC FBbk Hon FRAM FRCM FGS
 Steven Isserlis CBE Hon RAM
 The Rt Hon Lord Lloyd of Berwick PC DL Hon FRAM
 Dame Felicity Lott DBE FRAM FRCM
 George Nissen CBE Hon FRAM
 Timothy Parker Hon FRAM
 William Robert C Ogden Hon FRAM
 Professor Roger Parker Hon FRAM
 Laurel Powers-Freeling Hon FRAM
 Christopher Purvis CBE
 Sir John Ritblat Hon FRAM
 Dame Susie Sainsbury Hon FRAM
 Lady Becket Smith OBE Hon FRAM
 Sir Martin Smith Hon FRAM
 John Suchet OBE Hon FRAM
 The Rt Hon Lord Sumption OBE, Hon FRAM
 Professor Sir Richard Trainor KBE BA MA DPhil FKC Hon FRAM
 Anthony Travis Hon FRAM
 John Willan FRAM FRSA FCA
 Julia Yorke Hon FRAM

TRUSTEES REPORT:

OPERATING PLAN AND FINANCIAL REVIEW FOR THE FINANCIAL YEAR ENDED 31 JULY 2024

The Governors and Trustees of the Royal Academy of Music present their Annual Review and audited Financial Statements for the year ended 31 July 2024 and confirm that they comply with the requirements of the Charities Act 2011, the Academy's Royal Charter and the Statement of Recommended Practice 'Accounting for Further and Higher Education' (SORP 2019) and Office for Students Accounts Directions.

MISSION

The Academy's mission is to provide pre-professional, undergraduate and postgraduate musical training of the highest national and international standards, and to enrich musical culture by training and educating the most talented musicians.

VISION AND VALUES

Our vision is for the Academy to be the conservatoire of choice for top global talent aspiring to a successful creative professional career.

Quality and equality are at the core of our values, underpinning all of our activities. The Academy operates in a spirit of professionalism, collaboration and openness, and promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. We support students and staff in challenging and removing any form of prejudice or discrimination, and in promoting equality, diversity and inclusion, which in turn enriches the teaching, learning, artistic and social environment.

PUBLIC BENEFIT

The Academy operates under the terms of its Royal Charter and its Objects are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with general instruction of all persons desirous of acquiring a knowledge thereof'.

The Governing Body confirms that careful consideration has been given to the Charity Commission's public benefit guidance when reviewing our missions, aims and objectives, and in planning our activities. In these financially challenging times, charities must continue to show people how they deliver on their purpose, including how every penny makes a positive difference.

The Academy makes a significant contribution to the public benefit via our teaching, research, performances and other activities, in terms of the advancement of education; the advancement of the arts, culture and heritage; and our commitment to access and participation. We have expanded on how we have fulfilled our purposes during the course of these financial statements.

THE ADVANCEMENT OF EDUCATION

The Academy contributes to the advancement of education through our programmes of study; calendar of publicly accessible performances and research events; outreach events designed to encourage learners from traditionally low-participation sectors of the community to participate in music education and higher education; and the conservation, display, interpretation, and practical use of our collections to educational ends.

We are committed to providing a range of long-term outreach activities targeted at groups that are under-represented in higher education. This includes working collaboratively to raise aspiration to make music more accessible, through recruitment at all levels and the wide-ranging activities of our students, both in the UK and internationally. By taking music out into the community and providing high level musical tuition to children and young people, our Open Academy, Junior Academy and Your Academy departments reach ever further, raising aspirations, making connections and challenging preconceptions via a range of projects delivered with partner schools and organisations.

THE ADVANCEMENT OF ARTS, CULTURE AND HERITAGE

Our core activities advance arts, culture and heritage by finding the most promising British and international musical talent and nurturing it through the delivery of world-class education and vocational training, producing exceptional artists who will shape the future of music in this country and beyond. We support the UK's cultural infrastructure, generate development in the cultural industries, and provide international leadership in music:

- By collaborating with leading venues and ensembles, supporting musical research, commissioning new music and bringing before the public new and unfamiliar work, the Academy enriches the UK's musical culture.
- Through the preservation, display and use of our collection of musical artefacts, the Academy contributes to the advancement of the UK's musical heritage.

The Academy aims to enrich musical culture by:

- Educating and training students with the most significant potential to attain the highest standards in performance, composition and other music-related disciplines. We offer full-time programmes of study at undergraduate and postgraduate level and ambitious student-centred artistic programmes. In addition, our Junior Academy is a fundamental and integral part of the Academy and continues to provide music education of the highest quality through our First Strings and First Guitar Experiences, and Primary Academy and Junior Academy programmes, to those aged 4 to 18.
- Enabling public engagement through a wide range of public performances, research events and outreach activities designed to enhance pre-tertiary music educational opportunities and encourage wider access to higher education.
- Promoting the creation of new music, original research and scholarship in music through publications, conference and study days, programmes of symposia, recordings and public performances.
- Conserving the significant and globally renowned heritage collections in the field of music that support our educational purposes.
- Enabling research via our Museum collections catalogue which is available for consultation by researchers from outside the Academy.

OUR COMMITMENT TO WIDENING PARTICIPATION

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. Like all conservatoires in the UK, our undergraduate and postgraduate programmes are only accessible to applicants who have already achieved a very high standard in their instrumental discipline or show clear promise of doing so.

We have a proactive programme to identify those who would benefit from participation in the Academy's activities, which includes the work of Open Academy, Junior Academy and Your Academy, and also the work of our faculty in the secondary education sector.

Our auditions processes are designed to give all applicants the opportunity to demonstrate their musical attainment and their approach to learning more broadly, so that we can assess their suitability in the round for their chosen programme of study. We are sensitive to the context of our applicants' prior learning experiences in our decisions to offer places.

DIVERSITY, EQUITY, INCLUSION AND BELONGING

We want our students, staff and visitors to value not only what we have in common, but also what makes us different. We want the Academy to be a place where everyone feels they belong and this is summed up by the term Diversity, Equity, Inclusion and Belonging (DEIB).

The Academy strives to promote an inclusive learning and working environment in which all students, staff and visitors are welcomed. In 2020 we invited [Blueprint for All](#) to assist us in undertaking a thorough review of our processes, policies and procedures to identify where action could be taken to enhance DEIB. Three years on, we have made significant progress in implementing their recommendations, understanding the impact of these changes, and future areas of work to sustain momentum, as shown in their 2024 evaluation [Review and reflections of the DEIB Journey](#).

Our Equality, Diversity and Inclusion Policy sets out the Academy's values and the framework under which we operate. It also highlights the individual roles we have to play in ensuring the Academy is an inclusive and harmonious place to study and work.

We adhere to the Equality Act 2010 which aims to eliminate discrimination, harassment and victimisation. We believe everyone at the Academy is responsible for:

- Understanding and committing to equality.
- Helping to remove barriers, enabling all to fulfil their potential.
- Challenging or reporting discrimination and harassment, should it occur.

The Academy's primary objectives are to:

- Continue to improve access to our buildings and services.
- Continue to develop our widening participation initiatives (we have regular Widening Participation Committee meetings to address Belonging issues and monitor our progress against our objectives).
- Promote equity and diversity in our procurement procedures and third-party relationships.

We are committed to creating the Academy as a place:

- Which seeks actively to recruit new members who are ethnically and culturally diverse.
- Where students and staff of colour are treated fairly and respectfully at all times.
- Where all students are taught by regular and visiting staff of high professional distinction from a range of backgrounds, including musicians of colour.
- With which alumni of colour are proud to remain associated throughout their lives, long after graduation.

STRATEGIC PLAN

Our Strategic Plan for the period 2023 to 2026 was developed in consultation with the Governing Body, staff and students, and approved by the Governing Body in March 2023. Progress against deliverables is assessed regularly through the annual monitoring reports submitted by each principal study department and Programme Board, during the annual planning round.

MEASURING AND REPORTING SUCCESS

We are presenting our annual review based on the three themes of our Strategic Plan, below, and our Educational Strategy:

1. Education

Offer each student the opportunity to grow and fulfil their potential.

Contribute to the musical world by providing outstanding education and training in music and promoting creativity and innovation.

2. Engagement

Play a leading part in Britain's musical landscape.

Provide appropriate access points from primary to higher education and in continuing professional development.

3. People and Resources

Attract and retain the finest teaching and professional services staff.

Provide facilities and technology which enables staff and students to work at the highest level and towards a sustainable future.

Achievement of the strategic priorities is guided by our Education Strategy, which is to contribute to the musical world by providing outstanding education and training in music and promoting creativity and innovation. We aim to:

1. Promote autonomous, independent learning
2. Promote inclusivity of our programmes
3. Enhance our learning environment
4. Enhance opportunities for external professional experience
5. Promote international mobility

Although many activities support more than one strand of our strategic themes and could be included within two or three of them, we have tried to capture them within the most relevant area to avoid repetition.

1. Education

The Academy was founded in 1822, and for 200 years we have trained versatile and resourceful musicians with the skills they need to optimise their professional opportunities. We continue to refine our programmes to ensure that students acquire the craft, skills, knowledge and experience to enable them to become independent, creative musicians who can make a significant impact. Alongside this, we foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we will continue to recruit and retain the very best, supporting them with professional development opportunities.

We welcome students from over 50 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. By continuing to raise our international profile, improving our student recruitment marketing, and building on our relationships with like-minded institutions worldwide, we aim to be the conservatoire of choice for the most talented young musicians. We believe that the mixture of students from different countries is a vital contribution to the experience and training that the Academy offers.

Academy graduates have a very wide range of music-related professional opportunities open to them and our programmes are designed to encourage students to explore their musical horizons to the limit. Successful musicians are those who are also able to make their own opportunities and this is what enables our graduates to make their mark in leading concerts halls, opera houses, theatres and recording studios all over the world. Our students benefit from a stimulating curriculum which includes an ambitious range of concerts and events, they work regularly with renowned visiting professors and guests in performances, side-by-side projects and masterclasses. For over 20 years our professional collaboration projects have played a pioneering and indispensable role in high-level musical training; our side-by-side projects, effectively artistic work placements, give students the experience of world-class collaborative music-making, and mentorship provided by professional partners. Side-by-side partners include the London Philharmonic Orchestra, Czech Philharmonic Orchestra, London Sinfonietta, Academy of Ancient Music, Knussen Chamber Orchestra, Riot Ensemble, CHROMA, Nash Ensemble, Septura, and Onyx Brass. Students are given regular opportunities to programme their own events, through the Tuesday and Thursday Lunchtime Series and the Students Create Festival.

In February 2024 we announced the launch of a bold new contemporary music programme, 'SIDE-BY-SIDE: Developing the Next Generation of Composers and Performers in London' in collaboration with Riot Ensemble, with support from the Art Mentor Foundation Lucerne, which will allow our students to perform with Riot Ensemble in concerts across the UK. The programme will culminate in January 2027 with a conference led by the Academy's Research Department, reflecting on the project and investigating the future of mentorship and sustainability in new music.

Music making is at the heart of everything that we do at the Academy. A key part of the student experience is the range and quality of artistic projects in which they work intensively with leading professionals. Our roster of visiting professors and visiting artists continues to be expanded and refined to enrich our students' education and to ensure that our graduates leave with experience of the professional realities of a high-level career in music. Every year the Academy creates performance opportunities that are second to none, from our renowned Piano Festivals to new music programmes, operas and musicals, to late night jazz; a rich showcase of the next generation of musical talent. Our busy diary of events of over 100 public events each term provides plenty of opportunities for students to gain ensemble experience and perform publicly, not only at the Academy but also in world-famous venues such as the Royal Albert Hall, Royal Festival Hall, Wigmore Hall and Southbank Centre.

Across all departments, masterclasses and workshops are delivered by artists at the top of their profession, providing our students with inspirational learning opportunities. Regular guest conductors include Semyon Bychkov, Sir Mark Elder, Barbara Hannigan, Edward Gardner, Trevor Pinnock and Alice Farnham. During 2023/24 we welcomed visits from Imelda Staunton, Sheku Kanneh-Mason, Ingrid Jensen, the BBC Singers and Susan Bullock, among others.

A key component of the professional skills our students need is in developing the reach and quality of their work in the public domain. We therefore develop their skills in curating their digital presence on social media and we provide them with training and professional level opportunities in studio recording. We believe taking part in recording experiences allows our students to chronicle their work, think independently for themselves and appreciate how their unique role can refresh the art form and communicate it as wide as possible. Many graduates take the studio skills they have learnt into their careers and form alliances with major labels - we want students to see this as an endless journey of discovery.

Since 2012 we have partnered with world-renowned independent label Linn Records in producing exceptional recordings of some of the world's most talented young performers, including notable work under Trevor Pinnock and Oliver Knussen. Releases this year were Bach Partitas in September 2023, and Barbara Hannigan and students from both the Academy and The Juilliard School who collaborated on an all-Stravinsky recording. Our Bicentenary

Scholarships, launched in 2017, afford students the opportunity to become part of a special group of highly talented and trained musicians; they are accompanied by an ambitious and innovative creative partnership with Linn Records, offering industry-level experience of high-level recording and the chance for Scholars to release their music under the Bicentenary Series.

PROGRAMMES OF STUDY

Our Artist Development programme, designed to develop our students' entrepreneurship in relation to their artistic USP, shifted up a gear in this year. This strand covers all taught programmes of study and saw 12 new initiatives, ranging from new student work presented at the Tete-a-Tete Opera London to residences in collaboration with the Southbank Centre, workshops at Glyndebourne Festival Opera, and most significantly, the three-day Students' Create Festival, in which students were enabled to present innovative and experimental work to sell-out public audiences at the Academy.

The undergraduate programme continues in good health, with buoyant recruitment and excellent retention of students, and standards of work in electives are high. Feedback has been positive, both internally and via the National Student Survey, and suggests that students are generally engaged with the programme and committed to their personal development.

The two-year cycle for the core postgraduate programmes means that the effects of the pandemic are now in the past, and students have again been more much active externally as well as internally. Postgraduate portfolios reveal an astonishingly wide range of enterprising self-directed work externally, as well as many placements and opportunities with major ensembles in London and throughout the UK. This year also sees the completion of PhDs, with students whose outputs were delayed by the pandemic issues (commercial CDs, performance opportunities, etc) now able to make their final submissions.

External Examiners commented very positively on the balance and integration of practical and academic work across the programmes and the consistently excellent feedback provided in reports. The broader and more diverse repertoire being presented in final assessments was also welcomed.

We are in the process of developing and approving a range of revisions to programme content and assessment criteria to take account of the new opportunities provided by AI. This is being done in conjunction with revisions to areas of the Regulations, and in cross-programme discussions with members of the undergraduate and postgraduate teams. The marked rise in student engagement with AI tools has prompted a more nuanced awareness of the importance of 'ownership' and individuality that will be woven into teaching and assessment. New and continuing students will be required to develop awareness of the potential benefits and critical dangers of using the currently available tools and directed to appropriate strategies for communicating this in assessments, and in material published publicly.

RESEARCH

A non-recurrent grant from Research England enabled us to invest strategically in professionalising the support for our research community. The employment of two experienced experts in research governance management to our new Research Office has had an immediate and transformative effect on our ability to capture and trace research data and increase the number of external grant applications. It has also enabled us to review and revise our research policies to ensure that they are fit for purpose over the next decade. The work of the Research Office includes:

- Internal funding: Academy staff undertaking research can apply to the Research Committee for a small grant to support their research activity if their research aligns with our Research Strategy and does not meet the criteria for external funding sources.
- External funding: Assistance to identify potential funding opportunities for projects, and prepare and submit applications to external organisations.
- Research Strategies and Policies to support the work of Academy researchers and enable research to benefit the student experience and wider society.
- Public research events: Staff and students can propose public engagement events ranging from workshops, demonstrations and interviews to lecture recitals and more formally delivered presentations.
- UK research landscape: A central resource contextualising the UK research landscape.
- PrestoArchive: The Academy's open access repository which houses research by staff.

KNOWLEDGE EXCHANGE

Throughout its history the Academy has had deep and wide connections throughout the music industry and knowledge exchange has therefore been part of our DNA for 200 years. Following the establishment of a Knowledge Exchange (KE) Committee in 2022/23, we have continued to formalise data gathering activities and the training of academic staff in identifying KE potential in all areas of delivery.

A highlight of this year's KE activities has been the Viotti Lecturer in Performance's large collaborative project with the Metropolitan Museum in New York and the Library of Congress in Washington DC, developing radical innovations to their approach to audience engagement with their collections of historical musical instruments.

New KE projects announced in 2023/24 include a collaboration with the British Film Institute for Academy students to improvise and compose music for a large number of silent Sherlock Holmes films, to be released commercially from 2025 onwards.

We continue to work closely with the Associated Board of the Royal Schools of Music (ABRSM) in refining their educational offerings.

STUDENT WELLBEING

Pastoral care is built into the fabric of a conservatoire and must respond to the evolving needs of students. Our series of student wellbeing sessions include mental and physical health, performance-related issues, drugs, alcohol, and sexual consent. The postgraduate provision is organised around themes and issues, in collaboration with the Students' Union. Sessions include negotiating contracts and relationships with promoters and sponsors, sexual harassment, alcohol and other topics.

The Counselling team has maintained a hybrid working pattern which enables students to access their services online, by telephone or in person. This can be valuable for students in isolation or in challenging home situations, and for keeping international students supported.

Many students rely on income from professional engagements and other work to support their studies. The Philanthropy team launched a fundraising campaign, the Response Fund, during 2019/20, which continues to distribute funds to students experiencing financial hardship.

Since 2007 the Academy has been working with the London South Bank University on a long-term project to address concerns about students' hearing which involves hearing tests and instrument-specific advice on hearing protection. This work has been broadened to incorporate staff. The Academy provides earplugs free of charge to students and factors sound exposure and noise issues into room scheduling.

Financial support in the form of bursaries and merit-based scholarships is provided to enable the very best students to study at the Academy, regardless of their background. Academy students received £6.0m in financial support during 2023/24 (£5.8m 2022/23).

STUDENT UNION

The Royal Academy of Music Students' Union (RAMSU) is an unincorporated association, an independent group run by and for our students, funded by an annual grant from the Academy for its working in supporting students. RAMSU plays a key role in Academy life by supporting and advancing the wellbeing of all our students, offering advice and representation, and maintaining the inclusive community for which the Academy is known, through social events, activities and collaborative projects.

The President of the Students' Union's membership of the Governing Body and a range of committees, initiatives, and the Business Continuity Group, is vital for understanding and addressing our students' needs, and in improving communication.

SENIOR ACADEMY

Recruitment to all the Academy's programmes remains strong, with a far larger number of high-quality applicants than there are places on offer. Entrance is via a combination of competitive auditions (performers and conductors) or interview/portfolio submission (composers) and the fulfilment of relevant academic entry requirements. Although our admissions procedures are highly competitive, at undergraduate level we audition every candidate who applies without exception. We offer live auditions in London and at some international centres and accept video auditions from candidates who are unable to travel to those centres to audition. The Academic Board oversees the process to ensure that all applicants receive a fair hearing regardless of the means by which the audition takes place.

Offer-making decisions are undertaken by experienced and suitably trained professionals who understand and are invested in our institutional strategy regarding widening participation.

We do not hold Open Days in the traditional sense; during the autumn term we have 'Discovery Events' where prospective students can gain an insight into the area of study that interests them, attend performances and masterclasses or consultation lessons, and meet staff and students.

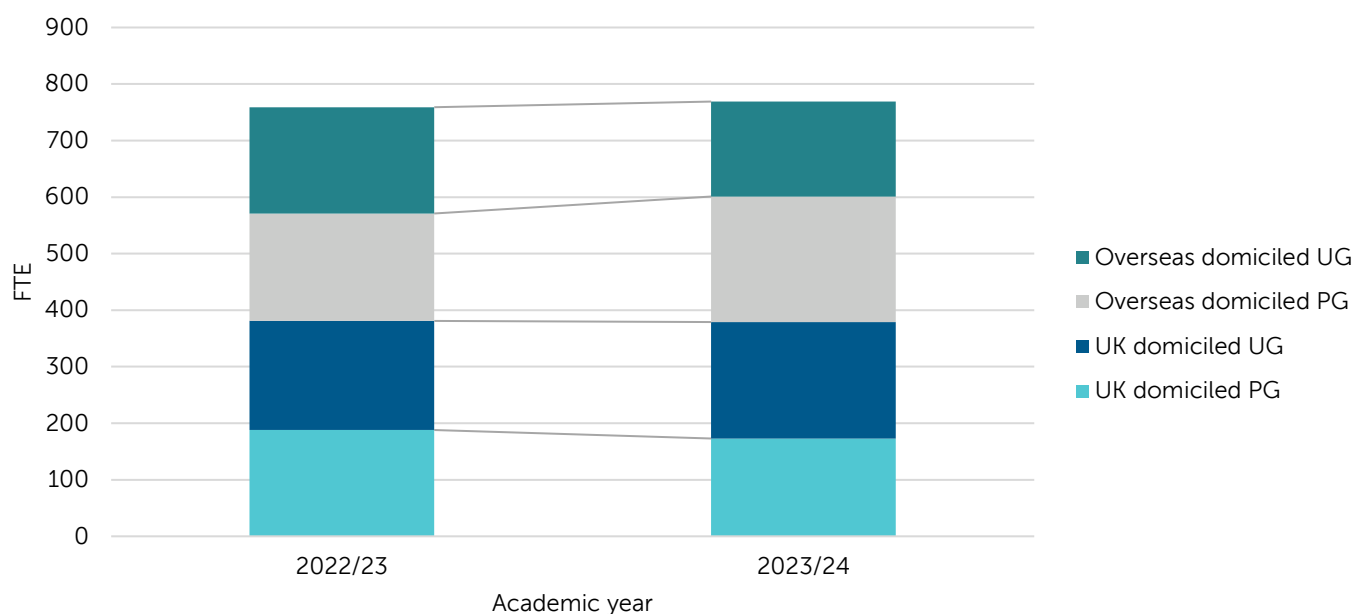
STUDENT NUMBERS

Entrance standards to our programmes are at a level of international excellence which enables us to train and educate our students intensively to reach professional levels of achievement by the end of their programme. The combination of world-leading talent, outstanding teachers, and globally significant resources is reflected in the standards achieved by our students at the end of the programme and the classification of the awards that we make. To assure ourselves that we are setting appropriate standards on our programmes, we have a double system of external scrutiny: external examiners who oversee the standards and operations of the assessment processes as a whole, and specialist external assessors who sit on final assessment panels to scrutinise the quality and standards of students' playing, singing or composition. Additionally, all written work is blind double-marked.

The Academy attracts applicants from around 82 countries and over 50 countries are represented in our student population, with just over 49% from the UK, 14% from the EU and 37% from other countries (50%, 15% and 35% respectively 2022/23). Applications and recruitment have remained strong despite national and international uncertainties and challenges, and we have developed our recruitment strategy and tactics to accommodate this rapidly changing environment. We are proud of the cosmopolitan and healthy cultural breadth of our student body.

As the following chart shows, our full-time equivalent student numbers have overall remained just under 800, and we intend to maintain similar student numbers going forward. Undergraduate student numbers have remained constant over the last three years, with a small increase in numbers of students paying overseas fee rates (including non-resident EU students starting courses from autumn 2022) and a small decrease in domestic student numbers.

Student Numbers (Full Time Equivalent)



STUDENT RESULTS FOR 2023/24

Our academic, tutorial, professorial, professional services and estates colleagues again worked tirelessly to draw the 2023/24 year to a successful close. All students were given the opportunity to have their Final Recitals livestreamed so that family and friends could hear them wherever they were in the world, and most took up this opportunity.

Results for the year are very good: interim results are shown below as some awards have yet to be agreed by Examination Boards. We remain committed to preserving the standards and quality of our programmes; our exceptional 'double' external assessor project involving Specialist External Examiners for each principal study discipline, as well as External Assessors for overall programmes, gives us confidence that our programmes remain world-leading in the standards that we set and the professional discipline we enable our students to develop.

BMus Awards	2023/24		2022/23*		MA/Mus Awards	2023/24		2022/23*	
	No	(%)	No	(%)		No	(%)	No	(%)
First Class	41	57	60	(58)	Distinction	100	69	133	(67)
Upper Second	24	33	34	(33)	Merit	36	25	47	(24)
Lower Second	6	8	9	(9)	Pass	9	6	19	(9)
Third/Pass	1	2	0	(0)	Pending	46		1	
Pending	7		0						

* Results for 2022/23 have been restated because some awards may be pending and final results for MA/MMus students are not available when the financial statements are prepared in November.

Under the powers of the Academy's Royal Charter, the Examinations Board may award a Dip RAM to any postgraduate student who particularly excelled in their final recital and conventionally the award has been made to the elite cohort who achieve a mark of 80% or above in their recital. This year 45 such awards were made (65 2022/23). Post Masters awards were also made by the Examinations Board, including 23 Advanced Diplomas and 12 Professional Diplomas [6 pending] (20 and 10 2022/23).

During 2023/24 there were 17 research students (17 2022/23) and 9 PhDs were awarded (4 2022/23).

The Licentiate of the Royal Academy of Music (LRAM) is a practical course exploring music teaching in the context of a principal study discipline, informed and supported by pedagogical theory, which gives students an understanding of current national teaching practices, promotes reflective teaching and aligns with national standards. The course is open to our 3rd and 4th year BMus undergraduate and postgraduate students and emphasises employability through a range of skills relevant to state and independent education contexts. During 2023/24, 99 students were awarded the LRAM (93 2022/23).

2. Engagement

Our annual programme of public events plays two key functions: it gives our students experience of professional-level work and showcases their achievements, and it enables us to engage with a broad section of the public and give them access to high-quality music making.

As the Academy enters its third century, we continue to embrace the wealth of repertoire from the past, to inform the music of the future. The breadth of talent at the Academy was celebrated this year with performances of operatic works, musical theatre productions, jazz, historical performance and new music, and much more.

Performance highlights during the autumn term included orchestral concerts with Sir Mark Elder of Sibelius, Ravel and Bax, Trevor Pinnock conducting Schubert's Great Symphony No 9, Edward Gardner conducting the Academy Symphony Orchestra, Royal Academy Opera's production of Handel's *Ariodante*, and Musical Theatre's tribute to Cy Coleman. During the spring term John Wilson conducted Rachmaninov's Piano Concerto No 2 and Rimsky Korsakov's *Scheherazade*, and Barbara Hannigan conducted arrangements by Hans Abrahamsen of Nielson's Symphony No 6 and *Commotion*, which was recorded for release on Linn Records in 2025.

Major side-by-side performances included a programme at the Royal Festival Hall with the London Philharmonic Orchestra and the LPO Future Firsts and Edward Gardner, and another with Riot Ensemble with Fabian Panisello at the Academy in February. The spring term Royal Academy of Opera production was Britten's *Albert Herring* conducted by Geoffrey Paterson and directed by Orpha Phelan. Also in February, 8 students travelled to Prague to join the Czech Philharmonic and Jakub Hrusa for a side-by-side concert, playing Maher and Honneger.

The Academy's successful Sunday series of Bach cantatas came to an end in December 2023, after 15 years and nearly 300 performances. In January 2024, a new performance series *Resounding Shores* commenced which celebrates Purcell and the legacy of a golden age for music in England. *Resounding Shores* explores English masterpieces from the late Elizabethan era to the end of the 17th century and will present a chance to experience the extraordinary range and depth of expression of Henry Purcell, and to re-evaluate his work alongside his forebears and contemporaries. This series also includes side-by-side opportunities for Academy musicians, with leading visiting artists joining students in rehearsals and performances, bringing a fresh vocational experience and collaborative engagement from which all parties benefit.

The Academy Piano Series at Wigmore Hall continued in January, February and March, and Academy Song Circle gave their annual Sunday afternoon concert at Wigmore Hall in January.

The annual Students Create Festival (15-17 January) saw our students fill performance venues from lunchtime into the evening over the course of three days of sensational demonstrations of talent and creative imagination, often representing the very best kind of artistic risk.

The annual cycle of festivals at the Academy continued with 'Music and the Persistence of Memory' (23-25 April) a three-day festival which explored the rich world of music and memory with new music by Academy composers, also including video and art installations. Celebrating the creativity and boldness of Academy's pianists, the annual Summer Piano Festival returned for its 10th anniversary (12-14 June) and included film improvisation, rarely performed pieces by The Forgotten Melodies Society and a day immersively devoted to György Kurtág. Completing the festival season was the return of the Seen and Heard festival (25 and 27 June); now in its fourth year, this festival celebrates diversity in classical music and students from across the Academy united to perform work by underrepresented composers.

String Principals from the Berlin Philharmonic Orchestra worked with string students in masterclasses and a side-by-side workshop on the original version of Strauss' *Metamorphosen*, and wind players from the Los Angeles Philharmonic worked with wind players.

Following a recent series of critically acclaimed productions, Royal Academy Opera performed a double bill of Bohuslav Martinů's *Comedy on the Bridge* and *Twice Alexander* (8 and 10 May) including a brand-new English translation of Alexandra Bis which has been adopted by the International Martinu Society as the standard libretto text for this work. These two comic operas were directed by Rachael Hewer and conducted by Lada Valesova. The Musical Theatre Company presented *Spring Awakening* (6-9 June) by Duncan Sheik and Steven Sater, and Stephen Sondheim and James Lapine's *Into the Woods* (27-30 June).

Throughout the year the next generation of music makers performed alongside leading musicians in the profession. In April, audiences heard Academy students play Frank Sinatra's hit songs alongside Mike Lovatt, Derek Watkins Professor of Trumpet (26 April). From the King of Swing to the Sun King, the Academy Baroque Soloists were joined by the Academy of Ancient Music to pay homage to Louis XIV of France (1 May). Vimbayi Kaziboni conducted the Manson Ensemble for the first time on 27 June in a programme featuring Bára Gísladóttir, our summer term Composer in Residence, working with Academy composers and performers.

Rounding off a packed programme of performances, in June Academy jazz musicians were heard performing *Kenny Wheeler's Lost Scores* at the Vortex Club, marking 10 years since Wheeler's death. Students from the Academy performed alongside vocalist Norma Winstone, who was part of the original Kenny Wheeler big band sessions. After this performance, the ensemble followed in the footsteps of musical legends to record this music at Abbey Road Studios.

Our engagement has global reach through our live streaming, which provides an opportunity to disseminate our work to broader constituencies, especially highly popular events.

WIDENING PARTICIPATION

Reaching the level of musicianship required for conservatoire entry takes years of hard work and, in most cases, significant financial commitment. Although we already offer millions of pounds in financial support for students every year, we are aware that this does not redress inequalities in earlier education.

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. Like all conservatoires in the UK, our undergraduate and postgraduate programmes are only accessible to applicants who have already achieved a very high standard in their instrumental discipline or show clear promise of doing so.

Our strategic measures to increase the pool of talented applicants from under-represented groups fall into three broad initiatives: Open Academy, Junior Academy, and Your Academy.

OPEN ACADEMY

Open Academy is the Academy's Learning, Participation and Community initiative, which reached nearly 9,000 people beyond our enrolled students and staff this year.

Open Academy enables participants from schools, local authorities and a variety of community groups to work creatively alongside our students and world-class artists, making music at the highest level. We work closely with artistic and community partners to produce creative projects in which our students and project participants can explore making music together in a wide range of contexts. Open Academy aims to raise aspirations, make connections, challenge preconceptions and creative new possibility through a range of activities delivered with partner schools and organisations. All of our projects are led and supported by skilled professionals, ensuring the quality of the experience for everyone involved. These include workshops with children and young people in mainstream schools, special education needs and disability (SEND) settings, people receiving treatment in hospital, residents and staff of care homes, and people attending day centres.

As the importance of participatory music programmes in areas including education, health and wellbeing continues to grow, it is crucial that our students have the opportunity to obtain skills and experience in this exciting and expanding area of work. Open Academy electives at undergraduate and postgraduate level are available to all students, offering seminars and workshops alongside hands-on experience in the field. We also offer fellowships to graduating students who will be the future leaders of this work.

During the 2023/24 academic year our annual participant total was 4,140 which is lower than in previous years due to a focus on deeper engagement with smaller groups of participants, the need to re-establish partnerships projects following the pandemic, a small number of cancelled projects due to partners no longer being able to deliver on pre-arranged dates, and partner organisations scaling back their engagement offers due to the challenging financial environment.

Open Academy projects with	Participants
Adults with learning disabilities	148
Dementias	380 plus 4,855 online*
Early years	2,064
Hospitals	183
Older people	30
People experiencing homelessness	264
Primary school	933
Special needs	66
Young people outside of school	72
Total	4,140

* An additional 4,855 people viewed our monthly *Music for the Moment* concerts online via the Wigmore Hall's livestream service.

Inspiring projects included Open Academy's partnership with the Academy of St Martin in the Fields on their continuing work with people experiencing homelessness to create 'A City Full of Stories', a SoundWalk in central London which was launched in April. Open Academy's artistic partners are Wigmore Hall, Glyndebourne Opera, English National Opera, English Touring Opera, Spitalfields Music, City of London Sinfonia and The Academy of St Martin in the Fields. Our community partners include Camden Music Hub, Tri-borough Music Hub, Resonate Arts, Royal London Hospital, Chelsea and Westminster Hospital, City Lit, Awards for Young Musicians and The Connection at St Martin's.

JUNIOR ACADEMY

Junior Academy provides opportunities for young musicians from all backgrounds to develop all aspects of their musicianship in a creative learning environment, and to be challenged and inspired through their music-making. We operate a range of targeted initiatives to encourage children from under-represented groups to engage with this and have invested heavily in and seen a significant expansion of our widening participation and community-focused activity in recent years.

Our main challenge, and key strategic priority, is in relation to access. Our aim is to identify and implement effective ways to enable potential candidates from underrepresented groups with significant natural talent to regard the Academy as an obvious place in which they can study, and to put provision and support in place to enable them to gain entry.

On Saturdays the Royal Academy of Music transforms into Junior Academy, with young musicians aged between 12 and 18 travelling from all over the UK to be part of our creative learning environment. Intensive one-to-one lessons, specialist classes and a variety of performance opportunities all add to the musical vibrancy. The programmes under its umbrella are First Strings and Guitar Experiences; Primary Academy; Junior Academy; Junior Jazz; and the Junior Academy Musical Theatre (JAMT) course for 13- to 18-year-olds, launched in September 2022. In 2023/24 71% of Junior Academy leavers went on to study music.

Our Junior Academy teachers are successful performing musicians and educators; they combine active careers with the reward of helping young performers and composers fulfil their potential. Many also teach on the Academy's undergraduate and postgraduate programmes.

Applications for places continues to be strong and the academic year began with 347 Junior Academy students including 53 JAMT, 41 Jazz and 51 Primary Academy students.

We provided 88 bursaries for 2023/24 (75 2022/23), including 34 Music and Dance Scheme government funded places. We are grateful for the continuing support of the Wolfson Foundation, Leverhulme Trust, Sir Elton John and a number of individual benefactors. We were also grateful to receive a legacy from the Estate of the late Clare Helen Redfarn during 2021/22 for the benefit of Junior Academy, which will continue to benefit students during the coming years, and the invaluable assistance from an anonymous donor in providing a hardship fund.

Student wellbeing is a core value that informs every area of our Junior programmes. Our Confident Young Musician course helps our musicians to approach performance growth in an effective and healthy way. Our aim is to build calm, confident and coordinated young musicians who can make good choices about how to look after themselves, both physically and mentally, and apply these skills not only to being a musician but to all aspects of their lives, now and into the future. We also run a weekly one-to-one active listening service which allows students to share any worries they have, music related or otherwise, and to signpost them to a range of resources to ensure that all students are supported both inside and outside the Academy. All performance classes relate to how students feel and react from a confidence point of view where encouragement is key. Repertoire does not have to be complete or perfect, as long as the art of performance has been.

Performance highlights during the year were a public concert in November, a joint concert with Symphonic Wind and Musical Theatre, three lunchtime concerts at St James's Piccadilly, and two side-by-side projects with the Royal Philharmonic Orchestra to help students with orchestra skills.

On 30 September 2023 we celebrated 20 years of Junior Jazz with a concert and workshops for young musicians. Three bands made up of Junior Academy world-class alumni including Dan Higham (trombone), Rosie Frater-Taylor (guitar/vocals), Josh Blackmore (drums) and many more, generously gave their time and played for free, with all the proceeds of ticket sales going towards Junior Academy bursaries for young musicians from all backgrounds.

YOUR ACADEMY

Your Academy is the annual programme of events, projects and support for 14- to 17-year-old musicians which comprises the main body of our Widening Participation work. In addition, the Widening Participation department runs early the years strings programme Community First Strings Experience (CFSE), support for new entrants, and is researching a foundation year.

During the 2023/24 academic year, the Widening Participation team worked with participants to provide access to a supportive musical environment where they can develop their skills and broaden awareness of the opportunities available through advanced musical study. Activities took place at the Academy, as well as outreach activities in schools and community spaces, and the introduction of remote learning online.

The number of participants engaging with Widening Participation projects has increased significantly with 694 unique participant interactions this year (620 2022/23). There was a total of 1,571 participant interactions (800 2023/24) with many participants returning to the Academy for multiple activities.

As part of our Access and Participation Plan, to inspire, encourage, and support talented young musicians to progress to higher education, we offer Academy Clubs and Collectives to provide opportunities for state-educated secondary school pupils to study with our teachers and students.

	Project	Participants
	CFSE	270
	Composers, Percussion, Jazz, Audition, Mentor, Music Theory Clubs	307
	Alexis Ffrench Masterclass	32
	Musical Theatre Outreach Workshops	21
	Junior Jazz 20 Year Celebrations: workshops, tours, watching rehearsals, talks, and a final concert	13
	St Mark's Sundays: three-day programme for young musicians to work with professional musicians for Woodwind, Brass, Strings	53
	Beyond the Dots: core musicianship skills that pave the way towards confident improvising	41
	LRAM Workshops and Masterclass	23
	Composing for Voice	7
	Composers Showcase	43
	Widening Participation Takeover Day	38
	Summer schools: five-day programmes Inner Ear Summer Programme and Springboard to Grade 5 Theory & Beyond	34

Participants learnt key skills for their ABRSM exam and worked together to produce and perform their own group composition, with many composing for the first time. We followed this up with a larger programme incorporating Springboard and ensemble activity, and one-to-one tuition on instruments.

In August 2024, we celebrated three years of CFSE, welcoming over 200 students from local primary schools, Corpus Christi in Brixton and St John's in Rotherhithe for a celebration of their achievements. Based on our Junior Academy First Strings Experience (FSE), which provides early years string training from the age of four, this programme is managed by the Academy's Widening Participation Department in local primary schools. During 2023/24 270 children across three school year groups took part in this initiative and five of the graduating students successfully auditioned to join the new FSE Year 4 course at the Academy for 7- to 8-year-olds. In addition, all students who took part in CFSE will be given advice on how to continue lessons at school or in their local area. The creation of CFSE and the new FSE for Year 4 pupils has been made possible thanks to philanthropic support.

The Academy is aware of the need to ensure that people from all backgrounds can benefit from our activities and that those in financial hardship are not excluded. As a joint proprietor of the ABRSM, the Academy is both strategically and financially committed to providing bursaries at both junior and senior levels, as well as co-contributing to regional schemes to identify and support young musicians who are under-represented within conservatoire students.

Our [Access and Participation Plan](#) is subject to regular approval by the OfS, and is published on our website.

As well as funding from the OfS, we receive generous philanthropic support which is targeted in order to help us achieve our goals in this area. We are grateful for the continuing support of the Alex and William de Winton Trust, Thompson Family Charitable Trust, Q Charitable Trust, The Mila Charitable Organisation, The Karlsson Játiva Charitable Foundation and The Mackintosh Foundation.

ALUMNI

The Academy's alumni community permeates all areas of the music profession and is an integral part of the Academy family. We tell our alumni stories to inspire the next generation of musicians, alongside actively engaging our wider alumni community through focused communications and content.

We continue to develop a programme of engagement opportunities and access points to support our mission to provide lifelong value to our alumni, while in turn cultivating their ongoing support for the Academy and its strategic aims.

In 2024 we made a strategic decision to include alumni from our Junior Academy programmes into wider alumni recognition. This included interviewing Junior Academy alumni for our monthly newsletters and celebrating them in our annual Honours.

We held our annual Honours Ceremony in April 2024 to recognise the achievements of alumni who have made a significant contribution to the music industry, and celebrated 68, largely early-career, alumni, conferring Associate memberships (ARAM) on them, along with Honorary Associates (Hon ARAM) to 11 long-standing staff and other individuals who have played important roles in developing the Academy's work and outreach. Major Honours were awarded at Graduation in July 2024, with recipients including Es Devlin and Alexis Ffrench, who attended Junior Academy, as well as Senior Academy alumni Dame Evelyn Glennie and Peter Holder.

INTERNATIONAL COLLABORATIONS

Further key aspects of the Academy's identity are our global outlook, reach, and strong connections with the music industry.

The Academy leads an extraordinary programme with the world's great conservatoires. Together, we offer unique exchange opportunities for young musicians to collaborate and learn. These range from high-profile creative projects to student and staff exchange schemes and teaching/research projects between individual members of staff.

The Sir Elton John Global Exchange Programme promotes and facilitates global mobility and international collaboration and enables Academy students to take part in educational exchanges with top conservatoires across the world. Our exchange institutions are:

- Conservatoire National Superior de Musique et de Danse de Paris
- Glenn Gould School of the Royal Conservatory of Music, Toronto
- Hanns Eisler Academy, Berlin
- Hong Kong Academy for Performing Arts
- The Juilliard School, New York
- Reine Sofia School of Music, Madrid
- Shanghai Conservatory of Music
- Sibelius Academy of the University of the Arts, Helsinki
- Sydney Conservatorium of Music
- Tokyo University of the Arts
- mdw - University of Music and Performing Arts Vienna
- University of Music and Performing Arts, Munich

2023/24 was the programme's second year of operations. Highlights included three trumpet students who travelled to Paris to participate in a performance of Bach's Christmas Oratorio directed by Lionel Meunier at the Église Saint-Eustache. This was a joint production with the Maîtrise Notre-Dame de Paris, featuring an orchestra made up of students from the Paris and Lyon conservatoires plus the three Academy trumpets. Other opportunities for Academy students were a string quartet spending a week at the Hong Kong Academy for Performing Arts, learning from visiting chamber musicians from the Lincoln Center as well as HKAPA faculty and students. For the first time, we had four students from three different partners simultaneously at the Academy, with two in the same orchestral project. Two pianists from The Glenn Gould School, a violist from mdw Vienna, and a violinist from the Reina Sofia School spent one week immersing themselves in life in London and at the Academy. We are looking forward to continuing to develop the programme, strengthening the Academy's many connections around the world and enabling meaningful experiences for young musicians.

Work continues outside the programme, both to facilitate more traditional student exchanges and to nurture new kinds of collaboration and partnerships. Outside of the Sir Elton John Global Exchange Programme, we have exchange agreements with:

- Lübeck Academy of Music
- University of Mannheim
- University of Miami (for Jazz Students)
- Conservatoire National Supérieur Musique et Danse de Lyon
- Melbourne Symphony Orchestra Academy

In 2023/24 we signed a Memorandum of Understanding with the Hasdrubal Foundation, Tunisia. This Foundation works with the Paris Conservatoire and mdw Vienna to bring together staff and students from those institutions for short educational programmes in Tunisia, working with Tunisian music students to share practice and knowledge about both Western classical music traditions and the musics of Tunisia. We are looking forward to the first scheduled project in Tunisia in autumn 2024.

MUSEUM AND COLLECTIONS

The Academy's collections of instruments, art, photography, manuscripts and scores offer valuable insights into the creative processes of great musicians. Items on permanent display include stringed instruments by Stradivari and the Amati family, historic keyboards by Broadwood, Pleyel and Erard, and scores and memorabilia that belonged to significant figures from the world of music. The collections expand beyond the Museum spaces and can be found throughout the Academy: teaching rooms, corridors, offices, performance venues, curated spaces, the Library, and online. The extensive archives offer students, staff and members of the public unique insights into the creative processes of great musicians, as well as informing our knowledge of performance practice.

During 2023/24, we received 26 objects to the Museum collections and one archive was acquired for the Library, all donations. The Library made 369 new purchases (student-driven purchases of sheet music, books, and digital resources) which are not registered under collections.

Bach III, by Alexander Polzin, an extraordinary bronze sculpture, is currently on display in the foyer and is also loan to the Academy.

In addition to the collections owned by the Academy, we are grateful for the extraordinary Calleva Collection, on loan to and managed by the Curator of Instruments. This Collection continues to grow by commissioning instruments from today's finest luthiers and makers, and in 2023/24 9 new instruments were added to the Collection. Students may be offered the use of many of these instruments, providing an important boost to their musical development.

In January 2024 we submitted the Museum Accreditation Return application to the Arts Council England (ACE) and were successfully awarded Full Accreditation by the ACE in July 2024. The previous submission had taken place in 2014/15. These revisions are periodic and necessary as they ensure an alignment with both the Academy's strategic plan and the UK Museum Accreditation Scheme.

The current Museum Forward Plan (2023 to 2026) aligns five strategic aims with the Museum's mission and core aims:

- Interpretation and access
- Audience development
- Creatively developing collection-based opportunities to actively connect with other institutions, individuals and communities
- Improvement of documentation and information
- Improvement of collections care

Digitisation is a priority for the Collections as a way of increasing access and engagement, and this service also generates some income. During 2023/24 we created 17,683 digital images from the Museum and Library and archive collections. Among these are 98 documents (6,400 pages) from the Library collections that correspond to 61 items for external researchers, one for internal researchers, and 36 volumes from institutional archives. We took steps to improve the digitisation space so it can accommodate volunteers, and aim to increase the number of digital images and information available online.

The Museum issued 215 long-term or special or loan contracts (new loans and renewals) and 11 heritage loans during the year, relating to 251 instruments (bowed, plucked and wind) and 174 bows. Two exhibition loans were included in the heritage loans; the Viotti ex Bruce Stradivari violin was on loan to the Viotti Foundation in Vercelli in April 2024, and the Theatre Royal Playbills from our collections, featuring Julia Grissi, are currently on loan to the Historic Royal Palaces (Kensington Palace).

The Museum and Collections team continues to respond to internal and external enquiries: the Library dealt with 364 external enquiries, while the Museum dealt with 209 (excluding tour enquiries).

The Museum is open to the public on Fridays from 11am to 6pm and by appointment or through collaboration with Widening Participation and Open Academy, and preliminary numbers indicate 1,180 Friday visitors. We offered 23 Museum tours to a total of 502 visitors, of which 404 were children and teenagers. Most tours include a performance aspect through instrument demonstrations by Academy students, offering an insight into the collection and Academy life. Several education providers find our collection a good resource for the history and development of musical instruments, and they also refer to the importance of our students in inspiring younger audiences. Additionally, the Museum hosted 16 Academy classes (approximately 155 users), including a day with Junior Academy students.

The Museum and Collections team, with the collaboration of students and staff, curated 9 monthly displays in the Lionel Tertis Memorial display case, and 12 objects were featured via the Object of the Month [see [Museum and Collections | Royal Academy of Music](#)]. We hosted 15 Gallery events with an estimated 245 attendees.

We continue to acknowledge and celebrate diversity and minorities through our displays and events. In October 2023, Black History Month was celebrated with 'Moving through time', a display in the Tertis Memorial display case and a gallery event, both curated by Zara Williams, a piano student. International Women's Day in March was celebrated with 'Demystifying the Diva', a gallery event curated by Victoria Hodgkinson, a PhD student, and a display and Object of the Month featuring Marjorie Hayward, created by Maho Harada, a PhD student.

The Collections Documentation and Care Officer conducted a full audit of the onsite collection on display, and about 60% of the collection stored onsite. This audit was accompanied by a revision and standardisation of the reference locations in the Museum data (Emu), for consistency. There is an ongoing project to digitise object acquisition files, which is being undertaken with the help of Museum placement.

Museum Collections are accessible via the Academy website and any of the objects on display can be viewed on our website ram.ac.uk/museum. Library Special Collections are accessible via lib.ram.ac.uk.

3. People and Resources

Attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources secures the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.

Over the past year we have scaled up our commitment to staff wellbeing through the implementation of a staff wellbeing week and various staff social events, and activities with a wellbeing theme. We continue to improve transparency around pay and reward and hope to develop some clear commitments on this following the staff survey undertaken in 2023/24.

Staff numbers include part-time teachers paid on an hourly basis. The overall full-time equivalent numbers were 248 on average across the year (260 2022/23), of which 57% are teaching and teaching support staff (57% 2022/23).

ESTATES

The Academy is situated on the Marylebone Road, retains practice rooms at Cross Keys and uses St Mark's Church mainly for recording and rehearsals. During 2023/24 we continued to invest in capital refurbishment in line with our five-year estates plan; significant projects included repairs to the roof at York Terrace East; the installation of a new fire alarm system across the entire main building, as well as further refreshment of our electrical infrastructure.

Our main building on the Marylebone Road provides five performance spaces, multiple classrooms and other facilities, but only limited space for ensemble rehearsals and larger group teaching. We have been searching for some time to find a venue to provide additional and affordable space on a long-term basis, and subsequent to year end we entered into an Agreement to Lease for a property at City Island.

INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY

Business systems and processes continue to be reviewed to ensure that we are working as effectively as possible. Technology touches all aspects of Academy life and plays a vital role in the increasingly interdependent activities of the organisation and a new digital strategy has been developed to ensure a coherent approach to technology in the future.

After implementation of the new combined HR/Payroll system, iTrent, in May 2022, work has continued to implement the time sheet function and streamline payment workflows for part-time staff, which were piloted successfully in 2022/23, and has since been rolled out to all senior Academy teaching staff in 2023/24.

Procurement for a new finance system started in spring 2023, and the project to redesign our finance processes and implement Xledger was completed successfully and on time to achieve the go-live date of April 2024. Our finance operational processes have been modernised and streamlined and are improving reporting and analysis capabilities. Work will continue during 2024/25 to implement further changes and training.

ENVIRONMENTAL, SUSTAINABILITY AND GOVERNANCE (ESG)

Our aim is to limit our overall environmental impact and reduce our carbon footprint and carbon emissions, within the constraints of our listed buildings.

From the social perspective, our Human Resources processes recognise, acknowledge and are compliant with a range of initiatives, directives and good practice frameworks that support fairness, rights and staff wellbeing. The Governing Body has delegated oversight of ESG matters to the Audit Committee; strategic responsibility rests with the ESG lead on behalf of the Senior Management Team and operational responsibilities with the ESG Committee and other teams such as Estates.

The Environmental Committee was relaunched as the ESG Committee in March 2024 and comprises voluntary staff committee members from across the Academy and student representatives from the student-led Environmental Committee, which was established in September 2024. Committee members have all completed the Academy's online training module on climate change and sustainability and this was rolled out to all staff in June 2024. We include a sustainability policy briefing as part of new staff induction and onboarding, and in September 2024 introduced a session on sustainability and engagement in student enrolment week. The online climate change and sustainability training module was also made available to students.

The ESG Committee is currently developing the Academy's first ESG Strategy, to be approved and published during the 2024/25 academic year, and following an assessment period and priority setting exercise. The Senior Management Team approved an annual central budget for staff and student engagement towards ESG in April 2024, and capital spend on fixed assets to improve sustainability is delegated to budgets in departments such as Estates and IT.

A number of initiatives and activities took place during 2023/24 to raise awareness of environmental matters, to increase staff and student engagement and to celebrate nature. These included an ESG-themed staff quiz, institution-wide engagement comprising workshops, training, and varied activities as part of the Great Big Green Week. We aim to make more connections with Regent's Park given its proximity to the Academy.

The ESG Committee will continue to interrogate current practice, progress and relevant metrics to assess the gap between our current position and examples of good practice from across the sector, and benchmark against similar institutions. We will continue our dialogue with People and Planet and begin to set targets once we have completed our research and agreed a reliable, robust and consistent approach to data collection in areas such as waste reduction and emissions monitoring. A Carbon Footprint Report and Gap Analysis was commissioned in September 2023 which identifies areas where we are missing primary data, for example in respect of use of transport for business travel.

A new 10-credit BMus elective 'Music and the Environment' is available to students for the 2024/25 academic year. Students will engage with music and case studies that relate to different historical and geographical locations, and that incorporate a variety of practices and approaches to music and environment.

FINANCIAL OVERVIEW

We were pleased to end the financial year 2023/24 with an operating surplus of £7.2m (£3.1m 2022/23), and an overall growth in balance sheet reserves to £236.7m (£221.3m 2022/23).

This positive position is primarily due to another extremely successful year of fundraising with £4.0m donations (£4.4m 2022/23) received for long-term endowments and £8.3m (£5.1m 2022/23) for shorter term use, including £5m towards capital projects. These generous donations have allowed us to grow our financial awards to students to support their studies at the Academy, to invest in teaching and performance activities and to make essential improvements to our Estates infrastructure, with commensurate increases in expenditure.

This has led to an overall deficit in unrestricted comprehensive income; this was anticipated for the year, and was in line with budget expectations; however, we recognise that this is not a sustainable position in the long-term and are working to identify additional sources of income to secure future operations.

	2023/24 £000	2022/23 £000
Summary of income and expenditure		
Income before donations and endowments	22,606	21,343
Donations and endowments	14,900	11,182
Expenditure	(30,331)	(29,472)
Operating surplus before other gains or losses	7,175	3,053
Gain on disposal of fixed assets	66	12
Gain on investments	7,898	1,236
Actuarial gain in respect of RAM1967 pension scheme	234	2,117
Revaluation of instruments	-	-
Total comprehensive income	15,373	5,418
Represented by:		
Endowment comprehensive income for the year	10,307	5,249
Restricted comprehensive income for the year	5,484	449
Unrestricted comprehensive (deficit) for the year	(1,683)	(548)
Revaluation reserve comprehensive income*	1,265	258
	15,373	5,418

* Revaluation of the fixed asset investment and instruments

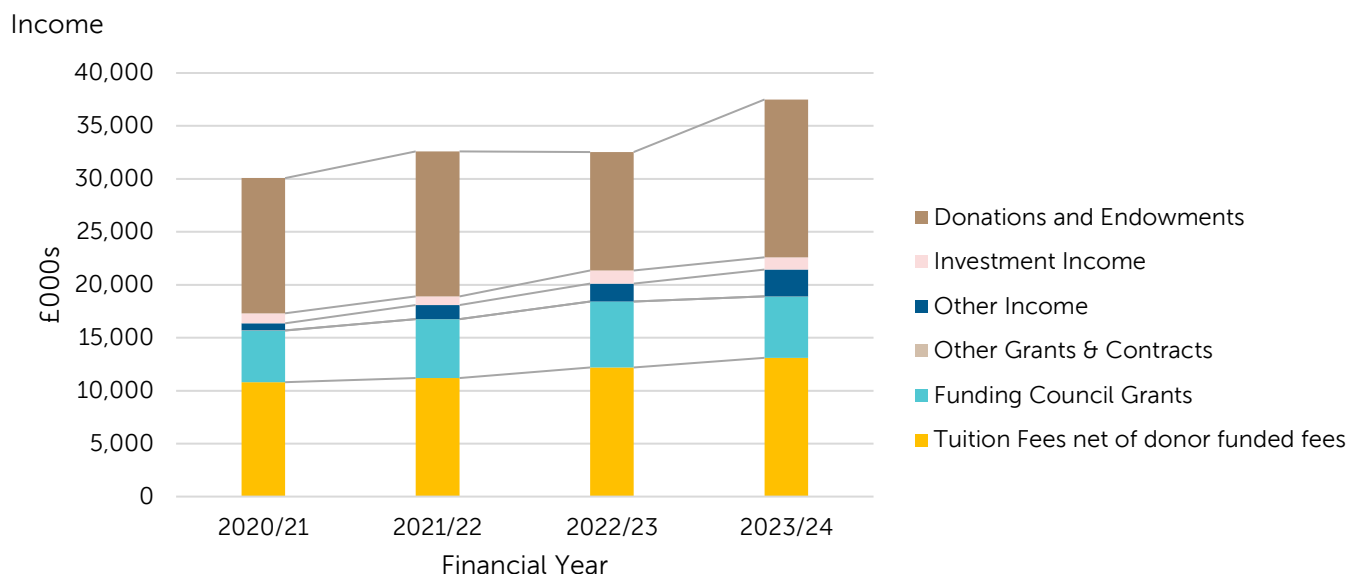
Total comprehensive income includes a number of unrealised movements in the value of our investment, heritage and pension assets as well as income from endowment and restricted donations received in the year, which cannot be used for general purposes. It is also stated after charges for depreciation of assets which were funded by external donations held in reserve.

To understand the underlying operational financial outturn, the table below excludes these specific purpose income streams, as well as the unrealised income amounts, since these cannot be used for general purposes. It also excludes the element of depreciation costs which are funded from previous donations. This shows that the underlying operational position was a deficit of £1.2m in-year (deficit £0.5m 2022/23).

	2023/24 £000	2022/23 £000
Breakdown of unrestricted comprehensive income for the year		
Operating (deficit)	(170)	(918)
Actuarial gain on RAM1967 pension scheme	234	1,117
Depreciation funded by external donations	(747)	(747)
Unrestricted comprehensive (deficit) for the year	(1,683)	(548)

INCOME

Overall income increased to £37.5m (£32.5m 2022/23), with donations, tuition fees and funding council grants remaining the major revenue streams.



To avoid double counting, and in line with accounting requirements, tuition fees are stated in the accounts net of donations funding fee awards to students; in 2023/24, £13.1m income net of donations for fees formed 35% of income, up from £12.2m, which formed 37% in 2022/23, while gross tuition fee income, before donations, grew to £15.4m (£13.9m 2021/22). Fee levels for home status undergraduate students are regulated and fixed at £9,250, although we have applied inflationary increases to fees for other students. Students from EU countries who started courses from September 2022 pay international student fees. Together, these changes mean that the share of tuition fee income from international fees has continued to grow.

At £5.8m, funding grants remain a key revenue stream (£6.2m 2022/23). The OfS provided £5.0m (£5.2m 2022/23), including £4.9m to support the additional costs of providing teaching to a world-class level in a small specialist institution, and we received £596k (£983k 2022/23) from UKRI in support of our research and innovation work, as well as £164k (£164k 2022/23) to support our Museum and collections.

As the costs for students of studying at the Academy and the costs to the Academy of providing world-class teaching grow while other income sources have remained static, donations and endowments have become a core part of our income, and we are extremely grateful to all individuals and funding bodies who have provided us with funds.

The Philanthropy team is responsible for raising philanthropic funds, primarily from individuals (including alumni), companies, trusts and foundations. Donations were received to fund our students through scholarships and bursaries as well as general funds to offset the high cost of educating students. Philanthropic funds were also raised to support widening access programmes, to support students experiencing financial hardship, and to support student wellbeing and mental health. In 2023/24 we were also very grateful to receive £5m as a donation towards our future capital projects; please see our fundraising section below for further information.

Total donations and endowments received during 2023/24 amounted to £14.9m (£11.2m 2022/23). Over the last 6 years we have seen a significant growth in total donations, and a particular growth in endowment gifts as a result of our campaign, The Royal Academy of Music's Future, which we have invested for long-term growth in line with the intentions of donors.

In 2023/24 we also benefited from £8.3m in donations and legacies for specific purposes (£2.5m 2023/24), which we have classified as restricted funds. These are predominantly donated for capital projects (£5m) and student financial support (see below). In addition we received £1.4m other donations (£0.9m 2022/23) which we have classified as unrestricted.

Income distributed to the Academy as a Member of the ABRSM totalled £500k (£500k 2022/23).

This financial year also saw stable or increased levels of commercial income; we earned £0.5m (£0.5m 2022/23) from sales in our bar and canteen, and £0.6m (£0.3m 2022/23) from ticket sales and space rentals. We received £274k (£247k 2022/23) as Orchestra and Theatre tax relief against the costs of our productions and concerts.

We have applied £1,158k (£1,235k 2022/23) as investment income from our long-term and current asset portfolio income.

EXPENDITURE

The 2023/24 financial year saw a planned growth in expenditure to £29.99m (£29.47m 2021/22), with particular investment in teaching and student financial support.

Student teaching remains at the core of our operations. Staff costs continued to be our largest expenditure area with gross expenditure of £15.4m in 2023/24 (£15.2m 2022/23); overall costs were partly offset by the release of our pension provision (£571k). Teaching and related staff costs at £9.1m (£8.9m 2022/23) directly absorbed 63% of our staff expenditure. Employment costs of teaching staff include pension costs; from April 2024 employer's contributions to the Teacher's Pension Scheme (TPS), to which the majority of our teaching staff belong, rose to 28.68% of salary from 23.68%, which will increase overall costs of employment for members. This has been partially offset by reductions in employer's contributions to the Universities Superannuation Scheme (USS) to 16.4%; however, as there are only 8 members of the USS at the Academy, the impact is limited.

Operating costs grew to £13.4m in 2023/24, an increase of £1.0m from 2022/23. Within the category we term 'General Education', which at £4.5m absorbs the largest share of non-pay expenditure, the largest single item remains student financial support (excluding donor funded fee awards) £3.6m (£3.8m 2022/23). The General Education category includes the Academy funded share of awards for both fees and maintenance together with donation funded maintenance awards. Donation funded fees £2.3m 2023/24 (£1.7m 2022/23) are shown as a reduction in fee income rather than an expense, in line with accounting regulations.

Premises costs increased by £276k (9%) to £3.4m (£3.1m 2022/23) excluding depreciation, as a result of as additional spend on building maintenance.

BALANCE SHEET POSITION

Our balance sheet position has improved to a net asset position of £236.7m (£221.3m 2022/23), reflecting an appreciation in value of investments of £7.9m as well as increased working capital generated from our positive financial performance in year, and further gains on revaluation of our pension schemes.

Our invested assets are managed through Cazenove and Meridien in a mixed portfolio of bonds, equities and private equity investments. They performed well over the year in line with the global markets. We ended the year with long-term asset investment portfolio values of £75.7m (£58.3m 2022/23) and £17.8m in cash and cash equivalents (£12.2m 31 July 2023).

Our cash position remained stable, ending the year at £10.1m (2022/23 £10.2m). We invested surplus cash in a liquidity fund via Cazenove, which is instant access; current investments, including this fund, grew to £7.7m (£2.0m 2022/23).

As the majority of our in-year surplus was for restricted purposes, our restricted and endowment reserves increased to £78.4m (£62.9m 2022/23) reflecting the new donations received in year and accumulated returns.

Unrestricted reserves reduced to £129.7m (£130.9m 2022/23) in line with the underlying deficit in unrestricted comprehensive income offset by positive movements in designated funds held for capital projects.

FUNDRAISING

Philanthropic gifts regularly provide over a third of the Academy's annual income. Donors are integral to the Academy's ongoing success and their support impacts on all aspects of our students' experience while they are studying with us. The top priority for fundraising is to raise budget-relieving funds, which form just over 60% of the annual fundraising target. These include funding for the Awards programme (scholarships and bursaries), support for flagship public performances, and gifts towards general funds. The overarching focus is to ensure that no student with the talent and potential to succeed at the top of the global music profession is denied the chance of studying at the Academy.

In 2023/24 we passed a significant milestone in our ongoing 'Royal Academy of Music's Future' campaign, launched in 2022 to coincide with our Bicentenary. This comprehensive campaign encompasses core priorities for the Academy, including endowed teaching posts, widening participation and student support. Having initially set an overall fundraising goal of £60m – the most ambitious ever campaign by a conservatoire outside the USA – we exceeded this target in 2023/24 with £69m now raised.

Notable commitments this year included a £1m gift to endow two scholarships in perpetuity, reflecting our mission to attract the very best young musicians and help them realise their potential, now and for generations to come. A £500k commitment provided a challenge fund whereby all gifts up to the value of £35k were matched pound for pound, offering a powerful incentive for lower level giving. This year also saw the launch of our Royal Academy Opera production syndicates which, for the first time, enabled groups of donors to join together in support of our world-class opera productions. Performance sits at the heart of an Academy musician's training and donors can now play an integral role in making these opportunities possible.

Much of our fundraising success can be attributed to the vital work of the Philanthropy Board (previously named the Bicentenary Development Board). Philanthropy Board members continue to help expand our network of supporters and provide valuable guidance in all aspects of our fundraising. The Board will be essential in shaping the next phase of the campaign, to be revealed in 2024/25.

As the Academy's ambitions grow, our need for larger and highly equipped spaces has become a top priority. Thanks to an extraordinary £5m anchor gift made this year, we intend to commence one of the most significant expansions to the Academy's capital footprint in our history, with details to be announced in due course.

The majority of philanthropic income continues to come from individuals and trusts, with a lesser amount from companies overall. The 2023/24 annual Spring Appeal saw a 77% increase in money raised compared with our 2022/23 Appeal. Our community of friends and supporters in the USA also grew again this year, with fundraising staff continuing to make regular visits, host events and make new connections stateside.

Legacies regularly constitute a substantial proportion of philanthropic income received each year, with many alumni and friends choosing to include the Academy in their estate plans. Many of these bequests are expendable or permanent endowments and therefore add to the Academy's endowed funds. Legacy gifts have impacted various areas of Academy life in 2023/24 from endowing new scholarships, to upgrading facilities, to supporting the coaching of string quartets and fellowships.

In 2023/24, the team delivered a return of 12:1 (9:1 2022/23), well above the sector average. The Academy routinely performs strongly against peers in annual benchmarking surveys by the Council for the Advancement and Support of Education (CASE). In particular, the Academy typically raises the most fundraising income in the conservatoire sector of the UK.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement and Statement on Internal Control and Risks relate to the financial year 1 August 2023 to 31 July 2024, and up to 18 November 2024 when the Annual Report and end-of-year Financial Statements were approved by the Governing Body.

The powers, duties and responsibilities of the Governing Body are laid down by the Royal Charter and its Bye-Laws. The Governing Body is also required, where appropriate, to conduct its business in line with the Statutes and Ordinances of the University of London of which the Academy is a member and, in their capacity as trustees, with the Academy's charitable objects.

The Academy is a higher education institution, part funded by the OfS and subject to its Terms and conditions of funding for higher education institutions. The Governing Body confirms that due regard has been given to the OfS public interest governance principles in respect of:

- I. Academic freedom
- II. Accountability
- III. Student engagement
- IV. Academic governance
- V. Risk management
- VI. Value for money
- VII. Freedom of speech
- VIII. The size, composition, diversity, skills mix and terms of office of the Governing Body
- IX. The appointment of fit and proper persons as members of the Governing Body and Senior Management Team

The Academy endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and complies with the guidance provided by the Committee of University of Chairs (CUC) in The Higher Education Code of Governance and the HE Audit Committee Code of Practice. The Governing Body has had regard to the Charity Governance Code and adopted the CUC Higher Education Senior Staff Remuneration Code.

Under the terms of the Supplemental Charter dated 1998 and its Bye-Laws, the direction of the Academy is the responsibility of the Governing Body, which makes rules, orders and regulations deemed useful and necessary for the regulation and management of the institution.

Following a recruitment process overseen by three senior members of the Governing Body, assisted by an executive search firm, members of the Governing Body unanimously agreed to appoint Sir Simon Robey as Chair, to succeed Dame Jenny Abramsky at the end of the 2023/24 academic year. In addition, three other long-serving and much valued members of the Governing Body retired: Dame Susie Sainsbury; The Rt Hon Lord Sumption; and Tim Parker. New members appointed during 2023/24 were Hamish Forsyth, Professor Jo Fox, Peter Hesketh, and Dinah Rose KC. The Duchess of Wellington was appointed Deputy Chair for 2024/25.

The Academy registered with the Fundraising Regulator in October 2017, displaying the badge to demonstrate adherence to the Code of Fundraising Practice. The Academy is a member of CASE and benchmarks its fundraising activities against UK universities and specialist institutions. The Academy works sensitively to protect vulnerable people and members of the public to ensure that no undue pressure is placed on a person to give money or other property. The Academy maintains a complaints log, and in the last year there were zero complaints in response to the organisation's fundraising activities. The Academy has not worked with commercial participators or professional fundraisers in the last year.

The Governing Body is responsible for overseeing and managing the general business, finances and investments of the Academy, safeguarding its assets, setting its general strategic direction and determining its educational character and mission. It is also responsible for ensuring that academic governance is operating effectively, encouraging student engagement in academic governance; that Academy students receive a high-quality education, value for money, and that adequate provision has been made for their welfare and wellbeing.

The Governing Body comprises the President, the Principal, and the trustees: 10 to 15 independent members from whom its Chair and Deputy Chairs are drawn, and up to five representative members elected by the staff and students.

None of the independent members receive any payment for work they do for the Academy. A Register of Interests is maintained for members of the Governing Body, and senior officers of the Academy.

The Governing Body meets four times each academic year and much of its detailed work is delegated to senior committees, in particular the Academic Board, Audit Committee, Finance and General Purposes Committee,

Nominations Committee, Remuneration Committee and Gift Acceptance Committee, which are formally constituted as Committees of the Governing Body with written terms of reference and reporting structures. In addition, working groups are constituted as required. With the exception of the Academic Board, membership of these Committees includes a significant proportion of independent members of the Governing Body, from whom the chair is selected.

Members of the Governing Body meet with the Principal and Senior Management Team at least annually to review the Academy's strategic direction and measure progress against strategic aims.

Corporate Governance arrangements are reviewed annually and amended as the Governing Body sees fit.

As previously reported, a review of effectiveness of the Governing Body was undertaken during 2022/23, led by the Senior Independent Governor. Members confirmed that overall they believed the Governing Body was effective, they were comfortable with their role as trustees and had no major concerns. Internal controls and governance were believed to be good, the Board was a strong entity, the committees worked well and members were confident in the quality of their work. There was significant trust and confidence in the Chair, and in the Principal and Senior Management Team's abilities, resourcefulness, experience and leadership. There were a few areas where effectiveness could be improved around creating more opportunities for in-depth discussion on topics of interest and information sharing. This, and other recommendations arising from the review, were implemented during 2023/24 and the appointment of the new Chair will provide further opportunities for review.

GOVERNANCE

The **Academic Board** is the main academic committee of the Governing Body and draws its members from the academic staff and the students of the institution. It is the body responsible for the academic and academic governance work of the Academy in teaching, examining and in research, and recommending and implementing strategic academic, artistic and policy initiatives. It is responsible for the Academy's Quality Assurance procedures which outline the principles, procedures and processes involved in our quality assurance and enhancement activities, which have been developed in accordance with the expectations set out in the UK Quality Code for Higher Education. These procedures are monitored annually to ensure they remain appropriate and robust for a small specialist institution.

The **Audit Committee** is responsible for overseeing internal controls, risk management, compliance, and the integrity of the annual financial statements. The Committee meets with the external auditors to discuss audit findings, and with the internal auditors to consider internal audit reports and recommendations for the improvement of the Academy's systems of internal control, together with management's response and implementation plans. The Committee receives reports from the OfS and monitors adherence with regulatory requirements. It provides the Governing Body and the Principal with an Annual Report on its key activities and an opinion on arrangements for risk management, safeguarding, GDPR, value for money and data integrity, environmental, social and governance (ESG) matters, among others.

The Audit Committee benefits from the appointment of an independent external member, Linda Peka, Deputy Registrar and Executive Divisional Director of Education and Academic Services at Exeter University, who provides additional expertise and scrutiny of the Academy's operations.

The **Finance and General Purposes Committee** oversees the management and control of the financial and general affairs of the Academy to ensure its short- and long-term viability. It recommends to the Governing Body the annual budget and elements of the end-of-year Financial Statements, advises on financial strategy, monitors financial performance and ensures that systems are in place for the effective and efficient management of resources and financial operations. The Investment Committee reports to and advises the Committee and the Governing Body on performance of the Academy's investment portfolio and strategic direction.

The **Gift Acceptance Committee** is responsible for advising the Governing Body about whether the sources and purposes of prospective donations, fundraising, and other funded activities are ethically acceptable.

The **Nominations Committee** is responsible for identifying fit and proper persons for nomination as independent members to ensure that the Governing Body has appropriate expertise to meet its short- and long-term needs. The priorities for recruitment are to widen the diversity of members and enhance the financial, business, professional, and fundraising expertise of the Governing Body.

The **Remuneration Committee** is responsible for the terms of employment and remuneration of the Principal, members of the Senior Management Team and other senior staff. The Academy adopted the CUC's Higher Education Senior Staff Remuneration Code, and presents an annual report to the Governing Body (page 34).

The Principal is the Chief Executive Officer of the Academy, who reports to the Governing Body and is responsible for implementing its decisions and for maintaining and promoting the efficiency and good order of the Academy.

Under the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2024, the Principal is the designated Accountable Officer of the Academy.

The Senior Management Team is the Principal's advisory group and comprises the Deputy Principal, Director of Finance, Deputy Principal (Advancement), Dean of Students, and Registrar and Director of Student Operations.

STATEMENT OF INTERNAL CONTROL AND RISK

The Governing Body has, in accordance with its Royal Charter and Bye-Laws and the OfS Terms and conditions of funding for higher education institutions for the period to 31 July 2024, responsibility for maintaining a sound system of internal control that supports the achievement of strategic aims and objectives while safeguarding public and other funds and assets for which the Academy is responsible. The system of internal control is designed to manage rather than eliminate risk and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them efficiently and effectively. This process has been in place for the financial year ended 31 July 2024 and up to the date of approval of the Financial Statements, and accords with OfS guidance.

The following internal control processes have been established:

- The Governing Body considers the plans and strategic direction of the Academy on an annual basis.
- The Governing Body has delegated to the Audit Committee responsibility for reviewing the effectiveness of internal control systems and the risk management process and for ensuring suitable processes are in place for monitoring and managing the risks.
- The Governing Body receives an annual report from the Audit Committee concerning issues of risk, internal controls and their effectiveness, which are informed by reports from the Senior Management Team and internal auditors on the steps being taken to manage risks.
- The Audit Committee receives reports from the internal auditors, which include its independent opinion on the adequacy and the effectiveness of internal controls based on work undertaken in accordance with its approved audit plan.
- The Academy maintains an Academy-wide risk register, which is monitored by the Senior Management Team and reviewed by the Audit Committee. Changes in risk assessments are reported to the Audit Committee. This is reviewed by the Governing Body on an annual basis.
- Our approach to risk management is risk based and the Governing Body reviews risk appetite in key areas annually.
- Heads of departments are required to identify and keep up to date the record of risks facing the Academy. These are discussed on at least an annual basis.

The highest rated risks currently on the register include:

- Government policy changes, including fee reduction and student number cap, and grant reductions
- Difficulty in keeping within cost envelope due to inflationary and fiscal increases
- Difficulty in keeping costs of bursaries and scholarships within budget
- Cyber security
- Failure of key hardware and software
- Non-compliance with estates health and safety and regulatory requirements

All risks listed are discussed by the Senior Management Team on a regular basis with mitigating actions in place, and are reviewed termly by the Audit Committee.

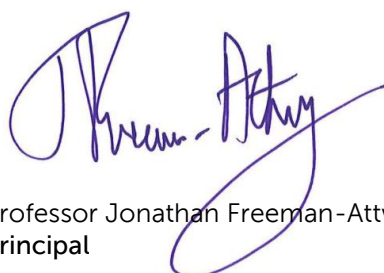
The Academy continues to review data management with external consultation and legal and marketing experts, to minimise the GDPR-related risks in all our activities.

The Academy is subject to review by internal audit which, for 2023/24, was carried out by Azets. The internal auditors operate to standards defined in the Audit Code of Practice set out in the OfS Terms and conditions of funding for higher education institutions for the period to 31 July 2024 and report on the adequacy and effectiveness of the Academy's system of internal control, make recommendations for improvement and monitor implementation. No significant weaknesses in internal control were identified during the year.

The Corporate Governance Statement and Statement on Internal Control and Risks was approved by the Governing Body and the Principal on 5 December 2024, and signed on its behalf by



Sir Simon Robey
Chair of Governing Body



Professor Jonathan Freeman-Attwood
Principal

RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body oversees the Academy's activities, determines its future direction, and fosters an environment in which the Academy's mission can be achieved.

In accordance with its Royal Charter, the Governing Body is responsible for the administration and management of the Academy's affairs and is required to present an Annual Report and audited Financial Statements each financial year.

The Governing Body is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable it to ensure that the Financial Statements are prepared in accordance with the Statement of Recommended Practice: 'Accounting for Further and Higher Education' and other relevant accounting standards. In addition, within the OfS Terms and conditions of funding for higher education institutions, for the period to 31 July 2024, the Governing Body, through its designated Accountable Officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the surplus or deficit and cash flows for that year.

In causing the Financial Statements to be prepared, the Governing Body ensures that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made which are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governing Body is satisfied that the Academy has adequate resources to continue in operation for the foreseeable future despite reporting a loss on Total Comprehensive Income for the year. For this reason, the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Governing Body is also responsible for:

- Ensuring there is a robust and comprehensive system of management, control and corporate governance, including prevention and detection of corruption, fraud, bribery and irregularities, and GDPR compliance.
- Obtaining regular, reliable, timely and adequate information to monitor performance and track the use of public and other funds it receives.
- Planning and managing activities to remain sustainable and financially viable.
- Informing the OfS of any significant changes in its circumstances and incidents that could impact on the mutual interests of the Academy and the OfS.
- Using public funds for their proper purpose and seeking to achieve value for money from public funds.
- Complying with mandatory requirements relating to audit and financial reporting.
- Delivering its charitable purpose for the public benefit including:
 - Sending required returns and information to the OfS.
 - Ensuring there are effective arrangements in place for managing and quality assurance of data submitted to funding and regulatory bodies.
 - Ensuring an effective framework to manage the quality of learning and teaching and to maintain academic standards.

The key elements of the Academy's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and professional services departments.
- A comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body.
- A treasury management policy.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and General Purposes Committee.
- A professional internal audit provider, whose annual programme is approved by the Audit Committee.

- An ongoing process designed to identify the principal risks (whether business, operational, compliance, financial or educational) to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.
- The existence of committees reporting to the Governing Body, particularly the Academic Board, Finance and General Purposes Committee and Audit Committee.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Governing Body is responsible for the oversight and integrity of the Academy's website.

SENIOR STAFF REMUNERATION ANNUAL REPORT 2023/24

THE HIGHER EDUCATION SENIOR STAFF REMUNERATION CODE

The Governing Body adopted the HE Senior Staff Remuneration Code in June 2018 and is committed to fair and appropriate remuneration for all staff.

The Senior Staff Remuneration Code advises that there are three key elements to adopt when setting senior staff remuneration:

- i. A fair, appropriate and justifiable level of remuneration
- ii. Procedural fairness
- iii. Transparency and accountability

The Remuneration Committee

The Remuneration Committee's terms of reference state that the Committee is responsible for matters relating to the remuneration of the Principal as Head of Institution (HoI), the Senior Management Team, senior staff with remuneration over £100,000, and other pertinent matters relating to senior staff. It also scrutinises the annual Gender Pay Gap Report.

Members of the Remuneration Committee, including its Chair, are appointed by the Governing Body. The Committee comprises three Independent Members and the Director of Human Resources: Lord Blackwell as Chair; Dame Jenny Abramsky and Sir Simon Robey; Rehmet Kassim-Lakha; and Cengiz Ali, Director of Human Resources. The Principal is not a member of the Committee but may be invited to attend to discuss matters relating to the remuneration of senior members of staff, but not his own.

The Committee reports its business to the Governing Body and presents an annual report which forms the basis of the Senior Staff Remuneration Report in the financial statements.

The Committee met three times during the reporting period, on 25 September 2023, and 3 June and 7 November 2024.

Approach to Senior Staff Remuneration

The Academy is recognised as a world-class institution, welcoming students from nearly 55 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. We are dedicated to offering the very best education to students from all over the world; we train versatile and resourceful musicians with the skills they need in the continually changing profession and to enable them to become independent and creative musicians. We foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we aim to recruit and retain the very best, supporting them with professional development opportunities. The Academy also relies on an infrastructure of talented and committed professional services staff.

A number of factors will be considered when determining reward for senior staff:

- The finite number of specialist musical educators and leaders in the UK and globally.
- A key facet of the Academy's mission is to widen access to music education.
- We are committed to equality and diversity in employment and all our activities.
- Benchmarking against comparative UK conservatoires.
- Complexity, scale and scope of the Senior Management Team positions and impact of the role, on students, staff, visitors, donors, research, resources and finances, the Academy, and the conservatoire sector.
- Discretion, level of accountability, degree of autonomy and decision-making authority.
- Reputation and academic or professional credibility.
- Performance in support of the Academy's strategic objectives.
- Management and leadership of staff.
- Strategic partnerships and external relations internationally and nationally.
- The HE Senior Staff Remuneration Code.
- The Academy's annual Gender Pay Gap Report.
- Value for money, affordability, and the Academy's financial sustainability.

Sources of data for the Remuneration Committee

Sources of comparative data include:

- a. Higher Education Statistics Agency (HESA) data.
- b. The Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey.
- c. The CUC Vice-Chancellor Salary Survey.
- d. Reports and reviews from external experts commissioned by the Committee.
- e. Internal analysis of salary distributions and the Higher Education Role Analysis (HERA) system.

Pay awards

The Academy subscribes to the Universities & Colleges Employers Association (UCEA), which negotiates the nationally agreed annual cost-of-living pay award with unions, on behalf of its members. Once agreed, the cost-of-living pay award is applied to all staff.

The pay award for 2023/24 was implemented with effect from 1 August 2023 and varied between 3-9%, with workers on lower points of the pay scale receiving a larger percentage to recognise that the effect of inflation impacts the lower paid disproportionately.

The pay award for 2024/25 is 2.5 to 5.7%, again weighted to the lower end of the pay spine, with all staff receiving 2.5% from 1 August 2024, with the remainder payable from 1 March 2025. The Academy decided to implement the increase in full from 1 August 2024, ensuring that all employees benefited from the uplift in their salaries with immediate effect.

Non-Senior Management Team remuneration

For non-Senior Management Team roles, the Academy subscribes to the HERA system, through which all roles are evaluated and assessed to determine the pay grade and salary range against the national pay scales, based on transparent criteria and to ensure pay equity and the elimination of discrimination.

Market forces supplements may be applied, where necessary, to attract and retain staff, upon provision of evidence of external market rates.

Additional staff pay awards, including incremental awards and one-off payments for exceptional work are evaluated on a termly basis by the Salary Review Group and its recommendations are scrutinised by the Senior Management Team.

Pay Multiples

The pay multiple of the HoI basic salary against the median of all staff is 5.39 for 2023/24 (5.47 2022/23). During the last five years the pay multiple has varied between 4.76 and 5.65.

External appointments

The Academy has some of the world's finest teachers who provide inspiring tuition to our students and we encourage and support staff to continue their professional performance careers and to develop links with other institutions through flexible working arrangements. Staff who have visiting professorships or fellowships and other positions raise the profile of the Academy, and this is a useful means of identifying and sharing good practice in the sector. In addition, a significant number of our staff work as Special External Assessors and External Examiners at other institutions which benefits the Academy by adding an extra layer of externality in our ongoing monitoring and review of the quality and standards of our principal study disciplines, programmes and awards. This externality is also valuable in providing reassurance in respect of standards across the conservatoire sector. We do not therefore have a policy on the retention of income generated from external bodies but ask staff to inform us of any potential conflict of interest.

Expenses

All staff are expected to adhere to principles of seeking value for money, in hospitality, business travel, accommodation or otherwise. Expenses are expected to be reasonable and not excessive.

The expenses of the Principal are authorised by the Chair of the Governing Body. The expenses of the Director of Finance are authorised by the Principal. All other staff expenses are authorised by the Director of Finance.

The Principal's contract was renewed during the period and extended to 2028. Information about the Principal's remuneration is published on page 50.

INDEPENDENT AUDITORS' REPORT TO THE ACADEMY'S GOVERNING BODY

Opinion

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

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

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

- give a true and fair view of the state of the Academy's affairs as at 31 July 2024 and of its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body'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 Group's and Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governing Body are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Governing Body

As explained more fully in the Responsibilities Statement of the Governing Body, the Governing Body are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governing Body 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 Governing Body are responsible for assessing the Group and Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design

procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

Report on other legal and regulatory

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

In our opinion, in all material respects:

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

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

Use of our report

This report is made solely to the Governing Body, as a body, in accordance with Part 4 of the Charities

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

The logo consists of the letters 'MHA' in a stylized, handwritten font. The 'M' and 'H' are connected, and the 'A' is slightly offset to the right.

MHA
Statutory Auditor
London, United Kingdom

Date 20 December 2024

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

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

CONSOLIDATED AND ACADEMY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Income					
Tuition fees	1	13,104	13,104	12,188	12,188
OfS and Funding Council grants	2	5,806	5,806	6,222	6,222
Research grants and contracts	3	1	1	-	-
Other income	4	2,537	2,537	1,698	1,698
Investment income	5	1,158	1,158	1,235	1,235
Total income before donations and endowments		22,606	22,606	21,343	21,343
Donations and endowments	6	14,900	14,900	11,182	11,182
Total income		37,506	37,506	32,525	32,525
Expenditure					
Staff costs	7	15,114	15,114	15,240	15,240
Other operating expenses		13,357	13,357	12,442	12,442
Depreciation	10	1,860	1,830	1,728	1,698
Interest and other finance costs	8	-	-	62	62
Total expenditure	9	30,331	30,301	29,472	29,442
Operating surplus before other gains or losses		7,175	7,205	3,053	3,083
Gain on disposal of fixed assets		66	66	12	12
Gain on investments		7,898	7,898	1,236	1,236
Surplus for the year		15,139	15,169	4,301	4,331
Unrealised surplus on revaluation of tangible assets		-	-	-	-
Actuarial (loss)/gain in respect of RAM1967 Pension Scheme		234	234	1,117	1,117
Total comprehensive income for the year		15,373	15,403	5,418	5,448
Represented by:					
Endowment comprehensive income for the year		10,307	10,307	5,259	5,259
Restricted comprehensive income for the year		5,484	5,484	449	450
Unrestricted comprehensive income for the year		(1,683)	(1,653)	(548)	(518)
Revaluation reserve comprehensive income for the year		1,265	1,265	258	258
		15,373	15,403	5,418	5,449

CONSOLIDATED AND ACADEMY STATEMENT OF CHANGES IN RESERVES

CONSOLIDATED	INCOME AND EXPENDITURE ACCOUNT			Revaluation	Total
	Endowment £000	Restricted £000	Unrestricted £000	reserve £000	
Balance as at 1 August 2022	53,001	4,697	130,745	27,439	215,882
Surplus/(deficit) from the income and expenditure statement	5,259	449	(548)	258	5,418
Transfers between revaluation and income and expenditure reserve	-	-	167	(167)	-
Transfer between endowment and restricted reserves	-	-	-	-	-
Release of restricted capital funds spent in year	-	(544)	544	-	-
Balance as at 1 August 2023	58,260	4,602	130,908	27,530	221,300
Surplus/(deficit) from the income and expenditure statement	10,307	5,484	(1,683)	1,265	15,373
Transfers between revaluation and income and expenditure reserve	-	-	274	(274)	-
Transfer between endowment and restricted reserve	(59)	55	-	4	-
Release of restricted capital funds spent in year	-	(201)	201	-	-
Balance at 31 July 2024	68,508	9,940	129,700	28,525	236,673

ACADEMY	INCOME AND EXPENDITURE ACCOUNT			Revaluation	Total
	Endowment £000	Restricted £000	Unrestricted £000	reserve £000	
Balance as at 1 August 2022	53,001	4,697	130,115	27,439	215,252
Surplus/(deficit) from the income and expenditure statement	5,259	449	(518)	258	5,448
Transfer between endowment and restricted reserves	-	-	-	-	-
Release of restricted capital funds spent in year	-	(544)	711	(167)	-
Balance as at 1 August 2023	58,260	4,602	130,308	27,530	220,700
Surplus/(deficit) from the income and expenditure statement	10,307	5,484	(1,653)	1,265	15,403
Transfers between revaluation and income and expenditure reserve	-	-	274	(274)	-
Transfer between endowment and restricted reserve	(59)	55	-	4	-
Release of restricted capital funds spent in year	-	(201)	201	-	-
Balance at 31 July 2024	68,508	9,940	129,130	28,525	236,103

CONSOLIDATED AND ACADEMY STATEMENT OF FINANCIAL POSITION

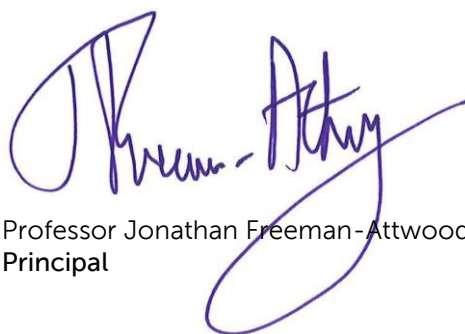
	Note	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Non-Current Assets					
Fixed Assets:					
Heritage	10a	91,148	90,578	91,198	90,598
Operational	10a	53,325	53,325	53,165	53,165
		144,473	143,903	144,363	143,763
Non-Current Investments	11	75,693	75,693	67,742	67,742
		220,166	219,596	212,105	211,505
Current Assets					
Trade and other receivables	12	2,863	2,863	1,719	1,719
Current Investments	13	7,681	7,681	2,030	2,030
Cash and Cash Equivalents		10,115	10,115	10,162	10,162
		20,659	20,659	13,911	13,911
Creditors: Amounts falling due within one year	14a	(4,152)	(4,152)	(3,801)	(3,801)
Net Current Assets		16,507	16,507	10,110	10,110
Total Assets less Current Liabilities		236,673	236,103	222,215	221,615
Provisions					
Pension Provisions	15	-	-	(572)	(572)
Other Provisions	15	-	-	(343)	(343)
Total Net Assets		236,673	236,103	221,300	220,700
Restricted Reserves					
Income and Expenditure Reserve – Endowment	16	68,508	68,508	58,260	58,260
Income and Expenditure Reserve – Restricted	17	9,940	9,940	4,602	4,602
		78,448	78,448	62,862	62,862
Unrestricted Reserves					
Income and Expenditure Reserve – Unrestricted		129,700	129,130	130,908	130,308
Revaluation Reserve		28,525	28,525	27,530	27,530
		158,225	157,655	158,438	158,438
Total Funds		236,673	236,103	221,300	220,700

The Notes on pages 49 to 66 form part of these Financial Statements.

The Financial Statements were approved by the Governing Body and authorised for issue on 5 December 2024.



Sir Simon Robey
Chair of Governing Body



Professor Jonathan Freeman-Attwood
Principal

CONSOLIDATED CASH FLOW STATEMENT

	Note	2024 £000	2023 £000
Cash flow from operating activities			
Surplus for the year		15,139	4,301
Adjustments for non-cash items			
Depreciation/Impair of fixed assets	10a	1,859	1,728
(Gain) on investments	11	(7,898)	(1,236)
(Increase in debtors)	12	(1,144)	(690)
Increase in creditors	14	351	377
Increase/(decrease) in pension provisions	15	(867)	(181)
Increase in other provisions	15	(343)	1
Receipt of donated equipment	6	(102)	(235)
Adjustment for investing or financing activities			
Investment income	5	(1,158)	(1,235)
New endowments	16	(4,003)	(4,442)
(Profit) on sale of fixed assets		(31)	(12)
Capital grant income		(5,117)	(313)
Net cash inflow from operating activities		(3,314)	(1,937)
Cash flows from investing activities			
Proceeds from sale of operational tangible assets		66	26
Capital grant receipts		5,117	313
Disposal of non-current asset investments		35,662	29,351
Withdrawal of current asset investments deposits		519	1,026
Investment income		1,158	1,235
Purchase of operational tangible fixed assets		(1,902)	(1,884)
New non-current asset investments		(35,705)	(44,588)
New current asset investment deposits		(5,651)	(18)
		(736)	(14,539)
Cash flows from financing activities			
New endowments received	16	4,003	4,442
		4,003	4,442
Decrease in cash and cash equivalents in the year		(47)	(12,034)
Cash and cash equivalents at 1 August 2023		10,162	22,196
Cash and cash equivalents at 31 July 2024		10,115	10,162

The Group has not included an analysis of movement of net debt table as it did not have any net debt during the year.

STATEMENT OF ACCOUNTING POLICIES

FRS 102 is the single comprehensive Financial Reporting Standard and SORP 2019 is the education sector's interpretation of FRS 102.

1. Accounting Convention

The Financial Statements have been prepared under the historical cost convention, modified for the revaluation of the Academy's listed investments, in accordance with applicable Accounting Standards and the Statement of Recommended Practice: 'Accounting for Further and Higher Education' (SORP), published in October 2018. The institution is a public benefit entity and has therefore applied the relevant public benefit requirement of the applicable accounting standards.

The Governing Body has reviewed the financial position of the Academy and its plans for the future as set out in the Operating and Financial review, outturn in 2023/24 as set out in the planned operation and activities of the Academy, and is satisfied that it has adequate resources to continue in operation for the foreseeable future.

The Governing Body reviews the annual budgets and plans which the Academy prepares as part of its annual planning cycle; these reflect the aims and objectives of the Strategic Plan 2023 to 2026, and feed into the five-year forecast. The budgets, plans and forecasts show that the Academy is expected to be able to continue to meet its working capital requirements from cash and liquid investments. The budgets and forecasts consider the impact of key external factors including the impact of Brexit on student recruitment as well as possible changes in government funding. The Senior Management Team and Governing Body consider the impact of changes in assumptions in these key areas before approving budgets and forecasts.

For this reason, the Governing Body considers that the Academy has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the Academy from continuing as a going concern. These financial statements have therefore been prepared on a going concern basis.

2. Basis of Consolidation

The consolidated Financial Statements comprise the Academy's activities and those of its charitable subsidiary undertaking, the RAM Collections Trust. RAM Collections Trust is a registered charity established in 2004. It makes available the Foyle Menuhin collection for the Royal Academy of Music, which nominates its two Directors. RAM Development Company Limited was dormant during the year. The consolidated Financial Statements do not include those of the Students' Union because the Academy does not control those activities as it is a separate entity. Intra-group transactions are eliminated on consolidation.

3. Recognition of Income

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

Fee income is credited to income over the period in which students are studying. Bursaries funded from external donations or endowment income are omitted from expenditure and fee income and recognised as donations or interest receivable accordingly. Bursaries funded from general or designated funds are included within bursary expenditure and fee income.

Funds the Academy receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure where the Academy is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grants and Donations

A Performance Related Condition (PRC) is a condition that requires the performance of a particular level of service or units of output to be delivered with payment of, or entitlement to, the resources conditional on that performance.

Grants and donations without PRC or any other type of restriction are recognised in full within the Consolidated Statement of Comprehensive Income and Expenditure on entitlement to the income. This includes donations of assets.

Government and non-government grants with PRCs include annual grants such as OfS or UKRI teaching and research grants and bursary grants where the academic year and/or students to whom the grants relate are stipulated. They may also include grants for specific research projects to fund academic posts over a number of

years. These grants are deferred on the balance sheet until the PRC has been met, at which point the grant is released to income.

Where no PRC attaches to a government or non-government grant but there are nevertheless restrictions imposed on the use of funds, the grant income is recognised in full when the Academy is entitled to the income. It is retained within a restricted reserve until being used in line with the restriction, at which point a reserve transfer is made to release the reserve to general funds.

Capital grants are treated in the same way as revenue grants.

Endowments

An endowment fund is a form of charitable trust retained for the benefit of the Academy for the long-term and is subdivided into a capital and accumulated income element. A donation to establish an endowment fund which prohibits conversion of capital to income creates a 'permanent' endowment fund and such funds must generally be held indefinitely. If the Academy has power to use the capital then the endowment fund is 'expendable' although the Academy would be unlikely to use this power in the short-term.

The investment income from permanent endowment funds may be restricted or unrestricted in use depending on the requirements of the donor whereas investment income from expendable endowment funds will always be restricted in use.

New endowment funds are credited to the Consolidated Statement of Comprehensive Income and Expenditure on entitlement and then transferred to an endowment fund within the Balance Sheet. Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure and, if restricted, reserved within the endowment fund for future spend in accordance with restrictions. Expenditure against the restricted endowment fund is debited to the Consolidated Statement of Comprehensive Income and Expenditure and charged to the endowment fund.

Appreciation/depreciation of endowment investments is recorded within the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the capital element of the endowment funds.

Other Investment Income

Other investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis. Appreciation/depreciation of investments is credited/debited to the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the General Fund or Endowment funds, as appropriate.

4. Accounting for Retirement Benefits

The Academy contributes to four different pension schemes for current employees: the TPS; a Group Personal Pension Scheme (GPPS); the National Employment Savings Trust (NEST); and the Universities Superannuation Scheme (USS). The TPS and USS are defined benefit schemes and each fund is valued every three years by professionally qualified independent actuaries. The GPPS and NEST are defined contribution schemes.

The assets of the TPS are held in separate trustee-administered funds. Because of the nature of the Scheme, its assets are not hypothecated to individual institutions and Scheme-wide contributions are set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. Therefore, it accounts for the Scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the Scheme in respect of the accounting period.

The USS is a multi-employer hybrid scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Academy therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the Scheme. Since the Academy has entered into an agreement (the recovery plan) that determines how each employer within the Scheme will fund the overall deficit, a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. The Academy had 8 members in the USS at the end of 2023/24.

The Academy also operates a defined benefit pension scheme, The Royal Academy of Music Pension Scheme 1967 (RAM1967), which is closed to new members, and which provides retirement benefits based on the length of service and final pensionable salary for certain employees. The operating and financing costs of the Scheme are recognised separately in the income and expenditure account. Service costs are spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions are recognised in the Statement of Comprehensive Income and Expenditure. The Academy's net obligation in respect of the RAM1967 Scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods: that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. Any resulting surplus is subject to an impairment charge.

5. Employment Benefits

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

6. Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the term of the lease. Any lease premiums or incentives are spread over the lease term.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where components of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Musical Instrument Collection assets which were revalued to fair value prior to 1 August 2014, the date of transition to the revised SORP, are measured on the basis of deemed cost, being the revalued amount at the transition date.

Impairment reviews are carried out if changes in conditions or events indicate the carrying amount of a fixed asset may not be recoverable.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet.

Donations received towards the cost of buildings or other assets are released to income on entitlement or when PRCs, if they exist, have been met (refer to income recognition policy for further details). The income is then transferred to a restricted reserve to fund remaining asset purchase costs.

Land and Buildings

Expenditure that adds value to the main Academy property is capitalised and depreciated over 40 years on a straight line basis.

Academy buildings are being depreciated over 90 years, in line with the length of the lease.

A componentisation approach has been applied to the completed Susie Sainsbury Theatre and Angela Burgess Recital Hall. The structures are being depreciated over 50 years but other components are being depreciated over between 10 and 25 years.

The York Gate building was acquired with the aid of a specific grant from The National Lottery Heritage Fund and was subsequently refurbished. The refurbishment costs of the York Gate building and the cost of the David Josefowitz Recital Hall have also been capitalised and are being depreciated over 71 and 28 years respectively. Fit-out costs for York Gate are being depreciated over 13 years. The depreciation for the York Gate buildings was recalculated on transfer of the assets to the Academy in 2013.

The fit-out costs of the Cross Keys practice rooms are being depreciated over 10 years, this being the length of the lease.

Buildings under construction within the Academy are accounted for at cost based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Equipment and Collection of Musical Instruments

Expenditure on the purchase of equipment and other items is depreciated on a straight line basis as follows:

- Equipment/working instruments/artefacts: Between 5 and 40 years or not depreciated.
- Collection of Prestigious Musical Instruments: Not depreciated as their long economic life and high residual value mean depreciation is not material.
- Assets in excess of £10k and refurbishments in excess of £25k are capitalised. All other equipment is written off in the year of acquisition.

Donated Assets

Donated fixed assets are capitalised on donation and included in the balance sheet at fair value, this being insurance value of the cost to the donor.

8. Heritage Assets

Since its foundation in 1822, the Academy has acquired important collections of instruments, manuscripts, paintings, photographs, busts, drawings, teaching aids and artefacts, batons, furnishings, memorabilia and other objects which have been bought or donated over the years. The majority of the instruments have been valued and are recorded in the Balance Sheet, most as working assets but a few, primarily stringed instruments made by Stradivari and Amati, are considered to be of such cultural international importance that they are not generally used for educational or musical purposes but are on display in the Academy's Museum, which is open to the public. Consequently they fall to be treated as heritage assets as they are held primarily for their contribution to knowledge and culture. The Spencer Collection and the Menuhin Collection were both purchased by the Academy and are also included in the Balance Sheet as heritage assets. The other items of the type described above are numerous and many have relatively low intrinsic values, however many of them have unique associations with their original owner or with the Academy. These assets are not considered to be of a heritage nature but are nevertheless an important part of the Academy's history and assist in preserving its reputation and attraction to current and potential students and teachers. Full details of the collections, which are fully catalogued and include both heritage and non-heritage assets, together with opening times for the Museum and Access policy, are given on the Academy's website at www.ram.ac.uk/Museum.

The key stringed instruments that are held as heritage assets are included in the Balance Sheet at fair value as at 1 August 2014, the date of transition to the SORP, and are no longer generally revalued. The ten most valuable instruments were revalued in 2020/21, as they account for 95% of the heritage assets. The carrying amounts are reviewed annually for impairment. Donated heritage assets are not depreciated as, given their long economic life and high residual value, depreciation would not be material. Heritage assets purchased by the Academy are included in the Financial Statements at cost and are depreciated over 40 years. Costs in connection with the preservation and conservation of heritage assets are charged to the Income and Expenditure Account as they are incurred.

9. Investments

Listed investments held within Non-Current investments are stated at fair value at the Balance Sheet date. Gains or losses are attributed to the appropriate fund.

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. They include bank and building society deposits with a deposit term greater than 90 days.

10. Financial Instruments

The Academy has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The Academy only has financial assets and liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the Academy are as follows:

- Debtors – trade and other receivables (including accrue income) are financial instruments and are debt instruments measured at amortised cost as detailed in Note 12. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

11. Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and cash deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include building society deposits with a deposit term less than 90 days and no material penalty for early withdrawal.

12. Stock

The majority of the stock held used to relate to the Academy Chimes music shop with minor amounts for canteen and bar stock. Stock is stated at the lower of cost and net realisable value.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when:

- a. The Academy has a present legal or constructive obligation as a result of a past event.
- b. It is probable that an outflow of economic benefits will be required to settle the obligation.
- c. A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Academy a possible obligation whose existence will only be confirmed by the occurrence of otherwise uncertain future events not wholly within the control of the Academy. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Academy a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

Maintenance of Premises

The Academy has a provision for the maintenance of its buildings which it is required to carry out in accordance with the terms of its lease. This is based on a 15-year maintenance plan which is reviewed on an annual basis. The provision represents the estimated cost, at the Balance Sheet date, of maintenance work falling due within the cyclical programme under the lease.

The cost of routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

14. Taxation Status

As a registered charity the Academy is exempt from taxation in respect of income received within categories covered by Part II of the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes. The Academy is partially exempt in respect of Value Added Tax (VAT) so it can only recover a minor element of VAT charged on its inputs.

15. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include endowments (see Note 16) and non-endowment funds which the donor has designated for a specific purpose.

16. Significant Estimates and Accounting Judgements

In the preparation of the 2024 consolidated Financial Statements, it is the responsibility of management to make informed judgements and estimates that affect the reported values for assets, liabilities, income and expenditure.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date of 31 July 2024, are listed as follows:

Deferred Benefit Scheme Pension Provision

The Academy is the sole member of the RAM1967 Pension Scheme which is a defined benefit scheme, and for which a provision is recorded within the balance sheet. The recognised liability is based on the valuation provided by professionally qualified independent actuaries which is based on a number of assumptions. These include the future cash flows of the Scheme, the discount rate used (which is based on average AA rated UK corporate bond rates that reflect the duration of our liability), the pensionable salary growth going forward and proposed price inflation (which is based on the RPI). Further details can be found in Note 18.

Management review the assumptions made to derive the provisions recorded within the Balance Sheet to ensure that they are reasonable.

17. Post Balance Sheet Events

There are no post balance sheet events to report.

On 22 November 2024 the Royal Academy of Music signed an Agreement to Lease in relation to a property in City Island. This will provide the Academy with additional space for teaching and learning. The Academy will fit out the property at its own cost and will depreciate those costs over the expected lifetime of the assets. Full costs of operating the building will be finalised once the planning and build stage is more developed; the initial projection is that the net costs of operation will be at a similar level to current costs of renting space in other buildings after taking account of expected rental income.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
1. Tuition fees net of fees paid by donors				
Full-time UK and EU	4,560	4,560	4,675	4,675
Full-time international	7,414	7,414	6,499	6,499
Junior and intermediate	1,130	1,130	1,014	1,014
	<u>13,104</u>	<u>13,104</u>	<u>12,188</u>	<u>12,188</u>
2. OfS and funding council grants				
Recurrent teaching grant	4,995	4,995	5,137	5,137
Recurrent research grant	597	597	625	625
Other special funding	164	164	358	358
Capital grant	50	50	100	100
Other grants	-	-	2	2
	<u>5,806</u>	<u>5,806</u>	<u>6,222</u>	<u>6,222</u>
We are satisfied that we meet the performance conditions set out in the grants above.				
3. Research grants and contracts				
Other grants and contracts	1	1	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
The source of grant and fee income, included in Notes 1 to 2 is as follows:				
Grant and fee income				
Grant income from the OfS	5,045	5,045	5,239	5,239
Grant income from other bodies	761	761	983	983
Fee income for research awards (exclusive of VAT)	219	219	154	154
Fee income from non-qualifying courses (exclusive of VAT)	1,130	1,130	1,014	1,014
Fee income for taught awards (exclusive of VAT)	11,755	11,755	11,020	11,020
	<u>18,910</u>	<u>18,910</u>	<u>18,410</u>	<u>18,410</u>
4. Other income				
Residences and catering	528	528	463	463
Other operating income *	2,009	2,009	1,235	1,235
	<u>2,537</u>	<u>2,537</u>	<u>1,698</u>	<u>1,698</u>
5. Investment income				
Investment income	818	818	957	957
Other interest receivable	340	340	278	278
	<u>1,158</u>	<u>1,158</u>	<u>1,235</u>	<u>1,235</u>
6. Donations and endowments				
New endowments	4,003	4,003	4,442	4,442
Performance Related Condition income utilised	1,557	1,557	1,431	1,431
Restricted donations	8,275	8,275	2,488	2,488
Unrestricted donations *	963	963	2,586	2,586
Donation of assets (non-cash)	102	102	235	235
	<u>14,900</u>	<u>14,900</u>	<u>11,182</u>	<u>11,182</u>

* During the year the treatment of distributions from the ABRSM were reconsidered and included in other operating income 2023/24 £500k (£500k 2022/23 included in unrestricted donations)

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
7. Staff				
Staff costs				
Wages and salaries *	12,408	12,408	12,378	12,378
Social Security costs	1,165	1,165	1,102	1,102
Pension costs net of pension provision adjustment	1,541	1,541	1,760	1,760
	<u>15,114</u>	<u>15,114</u>	<u>15,240</u>	<u>15,240</u>

* These figures include the following amounts paid to freelance workers: £nil 2023/24 (£416,482 2022/23).

Members of Governing Body do not receive remuneration for their work as Trustees.

Principal's emoluments	£	£
Salary	209,842	201,151
Benefits	5,102	4,397
Pension contributions and pay in lieu of pension contributions	36,911	35,856
Compensation for change in tax treatment of accommodation **	14,778	16,703
Accommodation – taxable	24,592	21,643
	<u>291,225</u>	<u>279,750</u>

** Compensation to reflect changes in tax treatment of accommodation, provided to enable him to perform his role, recognising the contractual obligations arising from changes in HMRC regulations.

The Principal is not a member of a pension scheme therefore his salary contains a pension equivalent, now rolled into a single sum. This is shown separately above.

The Principal is required as part of his contract to live on the Academy premises. The premises are an integral part of the main Academy building and the apportioned costs associated with the Principal's use of the residence are £24,592 (£21,642 2022/23). The space is also used by chamber groups for rehearsal and coaching, for visiting performers, for cataloguing by the Library staff and for quiet working.

The Principal's remuneration is set by the Remuneration Committee (of which he is not a member) after consideration of his performance over time, his success in meeting strategic objectives, and of salaries at other comparable Higher Education institutions, nationally and internationally. This includes particular reference to other conservatoires and specialist institutions. He has continued to strengthen the quality of student and staff recruitment, achieving high rankings in relevant league tables, as well as attracting additional philanthropic income. He has also generated an international profile, as reflected in the Sir Elton John Global Exchange Programme. The salary does not reflect a corporate-world equivalent but rather takes into account the skills required to run a high-level and complex institution, with long working hours. The Principal's contract and remuneration were reviewed in 2023.

The Principal's basic salary is 5.39 times (5.47 times 2022/23) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Academy to its staff.

The Principal's total remuneration is 6.50 times (6.01 times 2022/23) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Academy to its staff.

Severance payments of £26,075 were made to 2 members of staff in 2023/24, of which £10,000 was non-contractual (2 members of staff £69k of which £46k was non-contractual 2022/23).

The Academy adheres to the CUC Higher Education Senior Staff Remuneration Code.

There were 5 members of staff, including the Principal, who received emoluments (including taxable benefits and allowances but excluding employer's pension contributions) in excess of £100,000, in the following ranges:

Range	2024	2023
£105,000-£109,999	2	-
£120,000-£124,999	-	1
£125,000-£125,999	1	-
£140,000-£144,999	-	1
£150,000-£154,999	1	-
£240,000-£244,999	-	-
£250,000-£254,999	1	1

The average number of persons employed by the Academy and the Group during the year, expressed as full-time equivalents (FTE), are shown in the table below:

	2024	Recategorised 2023*
Staff numbers	FTE	FTE
Teaching and academic provision*	142	136
Student projects, performances and wellbeing	44	47
Central administration and services	47	50
Premises	15	15
	248	260

* The figures above include the following Junior Academy teaching staff

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Key Management Personnel

Key Management Personnel comprises the Senior Management Team, including the Principal, being those persons having authority and responsibility for planning, directing and controlling the activities of the Academy.

	2024	2023
	£000	£000
Key management personnel compensation	964	969
Headcount	6	6

Widening Participation Staffing costs

	2024	2023
	£000	£000
Access investment	164	185
Financial support	-	-
Disability support (excluding expenditure included in the 2 categories above)	148	67
Research and evaluation	13	29
	324	281

Public Sector Trade Union Facility Time

The Academy is required to report on the paid time off during working hours for trade union representatives to carry out trade union duties. This data covers the period 1 August 2023 to 31 July 2024.

Total number and FTE of union officials employed	0 no and 0 FTE
Percentage of time spent on facility time	0%
Total cost of facility time	£0
Total pay bill	£12,408k
Percentage of pay bill spent on facility time	0%
Time spent on paid trade union activities as a percentage of total paid facility hours	0%

8. Interest and other finance costs

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Net charge on pension schemes	-	-	62	62

9. Total expenditure by activity

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Teaching	11,263	11,263	10,529	10,529
Support	336	336	486	486
Other academic services	632	632	719	719
Central administration and services	4,853	4,853	4,578	4,578
General education	5,893	5,893	6,184	6,184
Student/staff facilities	369	369	452	452
Premises	6,037	6,007	5,617	5,587
Long-term maintenance	-	-	-	-
Catering and residence	938	938	845	845
Research grants and contracts	-	-	-	-
Other expenses	10	10	62	62
	30,331	30,301	29,472	29,442

Other operating expenses include:

External auditors' remuneration in respect of audit services	70	99
External auditors' remuneration in respect of non-audit services	-	-
Internal auditors' remuneration	24	29
Operating lease rentals: Land and buildings	723	945
Other	20	15

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Widening Participation				
Access investment	234	234	228	228
Financial support	338	338	469	469
Disability support (excluding expenditure included in the two categories above)	152	152	121	121
Research and evaluation	13	13	44	44
	738	738	862	862

£325,000 (£81,000 2022/23) of these costs are included in the overall staff costs figures in the financial statements, see Note 7.

Link to the Academy's Access and Participation Plan: [Access and Participation Plan 2022/23 to 2026/26](#).

10. Fixed assets**a) Consolidated**

Cost or valuation	OPERATIONAL					HERITAGE			TOTAL
	Long leasehold land and buildings	Assets in the course of construction	Equipment	Instrument collection	Subtotal	Heritage instrument collection	Spencer collections	Subtotal	Grand total
					Operational assets			Heritage assets	
					Valuation			Valuation	
	Cost	Cost	Cost	Valuation	£000	£000	£000	£000	£000
At 1 August 2023	56,147	486	9,939	7,525	74,097	90,145	2,103	92,248	166,345
Additions	24	1,635	246	100	2,004	-	-	-	2,004
Disposals	-	-	(282)	(32)	(314)	-	-	-	(314)
Transfer	542	(542)	-	-	-	-	-	-	-
At 31 July 2024	56,713	1,579	9,903	7,593	75,787	90,145	2,103	92,248	168,035
Depreciation									
As at 1 August 2023	15,853	-	5,079	-	20,932	-	1,050	1,050	21,982
Disposals	-	-	(279)	-	(279)	-	-	-	(279)
Charge for the year	1,565	-	244	-	1,809	-	50	50	1,859
At 31 July 2024	17,418	-	5,044	-	22,462	-	1,100	1,100	23,563
Net book value									
At 31 July 2024	39,295	1,579	4,859	7,593	53,325	90,145	1,003	91,148	144,473
At 31 July 2023	40,294	486	4,860	7,525	52,165	90,145	1,053	91,198	144,363

99% of the value of instruments held as heritage assets is represented by 22 stringed instruments.

There were no disposals of heritage assets during the year (nil 2022/23).

During the year there were 22 donated items, due to their unique nature and minimal market value, these heritage items have not been included in the financial statements. While they are of significant cultural value, their fair market value is considered minimal and therefore do not affect the financial statements.

b) Academy

Cost or valuation	OPERATIONAL					HERITAGE			TOTAL
	Long leasehold land and buildings	Assets in the course of construction	Equipment	Instrument collection	Subtotal	Heritage instrument collection	Spencer collections	Subtotal	Grand total
					Operational assets			Heritage assets	
					Valuation			Valuation	
	Cost	Cost	Cost	Valuation	£000	£000	£000	£000	£000
At 1 August 2023	53,375	486	9,939	7,525	71,325	90,145	905	91,050	162,375
Additions	24	1,635	246	100	2,004	-	-	-	2,004
Disposals	-	-	(282)	(32)	(314)	-	-	-	(314)
Transfer	542	(542)	-	-	-	-	-	-	-
At 31 July 2024	53,941	1,579	9,903	7,593	73,015	90,145	905	91,050	164,065
Depreciation									
At 1 August 2023	13,081	-	5,079	-	18,160	-	452	452	18,612
Disposals	-	-	(279)	-	(279)	-	-	-	(279)
Charge for the year	1,565	-	244	-	1,809	-	20	20	1,829
At 31 July 2024	14,646	-	5,044	-	19,690	-	472	472	20,162
Net book value									
At 31 July 2024	39,295	1,579	4,859	7,593	53,325	90,145	433	90,578	143,903
At 31 July 2023	40,294	486	4,860	7,525	53,165	90,145	453	90,598	143,763

11. Non-current investments

	Consolidated and Academy total investments £000
At market value	
At 1 August 2023	67,742
Purchases of investments	35,705
Proceeds from sales of investments	(35,662)
Gains on disposal/revaluation	7,908
At 31 July 2024	75,693
Represented by:	
Equities	50,067
Fixed interest stocks	10,562
Property and alternatives	12,164
Other	2,900
	75,693

12. Trade and other receivables

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Amounts falling due within one year:				
Trade debtors	559	559	315	315
Prepayments and accrued income	2,304	2,304	1,404	1,404
	2,863	2,863	1,719	1,719

13. Current investments

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Short-term deposits	7,681	7,681	2,030	2,030

During the 2022/23 financial year deposits were held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority. During the 2023/24 financial year the Investment Committee decided to consolidate all our investments under Cazenove Capital. As a result, a £7m Working Capital Liquidity Fund has been set up with Cazenove Capital.

14. Creditors

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Amounts falling due within one year:				
Trade creditors	593	593	244	244
Fees in advance	779	779	867	867
Deferred revenue (Performance Related Conditions)	1,803	1,803	1,187	1,187
Taxation and social security	389	389	331	331
Other creditors and accruals	588	588	1,172	1,172
	4,152	4,152	3,801	3,801

Deferred revenue includes the following items of income which are deferred until specific performance related conditions are met:

Teaching grants	1,768	1,768	1,167	1,167
Other grants	35	35	20	20
	1,803	1,803	1,187	1,187

15. Provisions

	CONSOLIDATED AND ACADEMY			
	USS deficit funding obligation £000	RAM1967 defined benefit obligation £000	Total pension provisions £000	Other provisions - leasehold dilapidations £000
At 1 August 2023	572	-	572	343
Transfer from income and expenditure account	11	269	280	-
Utilised in year	(583)	(269)	(852)	(343)
At 31 July 2024	-	-	-	-

USS deficit funding obligation: at the start of 2023/24, the provision represents agreed contributions payable to satisfy the Academy's net liabilities based on the 2020 valuation (see note 18). The 2023 valuation led to a write-down of this provision, as it is no longer needed due to a surplus asset position.

RAM1967 defined benefit obligation: the provision represents contributions from the Academy to fund the deficit in the RAM1967 pension scheme, based on the 2023 valuation. At the end of the year the actuarial valuation in respect of this scheme resulted in a net asset position. Since the asset recognition does not meet the requirements of FRS102, it has been impaired to £nil

Other provisions – leasehold dilapidations: the provision is held to fund essential leasehold maintenance obligations, and utilised fully during 2023/24.

16. Endowment Reserve

	CONSOLIDATED AND ACADEMY					2023
	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	Grand total £000
Capital						
At 1 August 2023	6,218	30,816	37,034	20,083	57,117	52,151
Reclassification of funds on 1 August 2023 *	-	-	-	-	-	-
Transfer to restricted reserves (Note 17)	-	-	-	-	-	-
Increase/(decrease) in market value of investment	682	3,161	3,843	2,701	6,544	958
New endowments received	-	836	836	3,167	4,003	4,442
Capital applied for distribution	-	-	-	(377)	(377)	(434)
At 31 July 2024	6,900	34,813	41,713	25,574	67,287	57,117
Accumulated Income						
At 1 August 2023	-	612	612	531	1,143	850
Reclassification of funds on 1 August 2023	-	-	-	-	-	-
Transfer to restricted reserves (Note 17)	-	-	-	-	-	-
Capital applied for distribution	-	-	-	377	377	434
Investment income	137	632	769	139	908	944
Expenditure	(137)	(639)	(776)	(431)	(1,207)	(1,085)
Net income accumulated/(utilised) in current year	-	(7)	(7)	(292)	(299)	(141)
At 31 July 2024	-	605	605	616	1,221	1,143
Total Funds						
At 1 August 2023	6,218	31,428	37,646	20,614	58,260	53,001
At 31 July 2024	6,900	35,418	42,318	26,190	68,508	58,260
Analysis by fund-type						
Bursary and prize funds	1,423	27,807	29,230	8,043	37,273	31,455
Teaching and masterclass funds	-	7,611	7,611	13,119	20,730	17,340
Development funds	5,466	-	5,466	-	5,466	4,926
Other funds	11	-	11	5,028	5,039	4,539
	6,900	35,418	42,318	26,190	68,508	58,260
Analysis by asset						
Investments					65,895	56,151
Cash					2,186	2,106
Other current assets/liabilities					427	3
					68,508	58,260

There are no deficit balances on any endowment fund.

	CONSOLIDATED AND ACADEMY PRIOR YEAR					2022
	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	Grand total £000
Capital						
At 1 August 2022	6,137	30,119	36,256	15,895	52,151	47,851
Reclassification of funds on 1 August 2021	-	-	-	-	-	(206)
Transfer to restricted reserves (Note 17)	-	-	-	-	-	(16)
Increase/(decrease) in market value of investments	81	397	478	480	958	302
New endowments received	-	300	300	4,142	4,442	4,220
Capital applied for distribution	-	-	-	(434)	(434)	-
At 31 July 2023	6,218	30,816	37,034	20,083	57,117	52,151
Accumulated income						
At 1 August 2022	-	511	511	339	850	931
Reclassification of funds on 1 August 2021	-	-	-	-	-	206
Transfer to restricted reserves (Note 17)	-	-	-	-	-	(1)
Capital applied for distribution	-	-	-	434	434	-
Investment income	137	685	822	122	944	753
Expenditure	(137)	(584)	(721)	(364)	(1,085)	(1,039)
Net income accumulated/(utilised) in current year	-	101	101	(242)	(141)	(286)
At 31 July 2023	-	612	612	531	1,143	850
Total funds						
At 1 August 2022	6,137	30,630	36,767	16,234	53,001	48,782
At 31 July 2023	6,218	31,428	37,646	20,614	58,260	53,001
Analysis by fund-type						
Bursary and prize funds	1,282	24,614	25,896	5,559	31,455	30,338
Teaching and masterclass funds	-	6,814	6,814	10,526	17,340	13,301
Development funds	4,926	-	4,926	-	4,926	4,862
Other funds	10	-	10	4,529	4,539	4,500
	6,218	31,428	37,646	20,614	58,260	53,001
Analysis by asset						
Investments					56,151	42,155
Cash					2,106	4,722
Other current assets/liabilities					3	6,124
					58,260	53,001

There are no deficit balances on any endowment fund.

ENDOWMENT FUNDS – CONSOLIDATED AND ACADEMY

Details of the major funds (income or balances over £500,000) are as follows:

Fund Name	Fund type	Fund purpose	At 1 August 2023 £000	Market revaluation and donations £000	Investment income £000	Expenditure £000	At 31 July 2024 £000
Christopher Hogwood Scholarship	Unrestricted Permanent	Income designated for postgraduate student awards	1,322	128	27	(54)	1,423
Development Fund	Unrestricted Permanent	In support of general operations	4,926	505	102	(56)	5,477
Derek Butler Scholarship	Restricted Permanent	To supply scholarships for students	631	62	13	(13)	693
Elton John Scholarship (senior academy fund)	Restricted Permanent	A scholarship fund for UK students	1,755	173	36	(35)	1,929
Sir Lawrence Robson Award	Restricted Permanent	To supply awards for students of exceptional merit or in financial need	767	75	16	(15)	843
Alec Rowley Memorial Fund	Restricted Permanent	To supply awards for students intending to pursue a career in classical music	566	56	11	(12)	621
Academy Permanent Endowment Awards	Restricted Permanent	To support deserving Academy Students	6,768	711	138	(144)	7,473
Academy Permanent Endowment Bursary	Restricted Permanent	To support Academy students in financial need	5,492	540	112	(113)	6,031
Academy Permanent Endowment Scholarship	Restricted Permanent	To make awards to Academy students for exceptional merit	3,835	377	78	(76)	4,214
San Martino Trust	Restricted Permanent	To provide scholarships for musical education	890	88	18	(18)	978
The Gatsby Chair of Musical Theatre	Restricted Permanent	To support the Gatsby chair of Musical Theatre	6,713	672	139	(139)	7,385
Albert Butler Memorial Scholarship	Restricted Permanent	To supply award to UK home piano students	-	759	1	(0)	760

Academy Expendable Endowment Awards	Restricted Expendable	To supply awards for deserving Academy students	1,798	353	11	(56)	2,106
Expendable Endowment Junior Academy awards	Restricted Expendable	To supply awards for Junior Academy students	881	102	5	(23)	965
Alexander Technique Fund	Restricted Expendable	To support operational costs of the Alexander Technique department	531	65	3	(9)	590
Junior Academy Fund	Restricted Expendable	To support operational costs of the Junior Academy department	1,360	134	6	(33)	1,467
York Gate Fund	Restricted Expendable	To support the running costs of the York Gate estate	4,505	545	26	(75)	5,001
Aud Jebsen Endowed Professorship of Piano	Restricted Expendable	To support a professorship of piano	851	570	5	(19)	1,407
William Lawes Endowed Chair of Chamber Music	Restricted Expendable	To support the Chair of Chamber Music and Head of Strings	2,702	328	16	(45)	3,001
Dame Myra Hess Chair of Piano	Restricted Expendable	To support the Chair of Piano	2,709	329	16	(45)	3,009
John Baker Opera Scholarship	Restricted Expendable	To supply awards to PG opera students	-	733	2	(9)	726
Suresh & Richard McMillan Scholarship for Opera and Music	Restricted Expendable	To supply awards to opera and clarinet students	-	1,121	0	(11)	1,110
Sulamita Aronovsky Piano Department/Piano students	Restricted Expendable	To support Piano Department and Piano students	-	875	-	-	875
Nina Drucker, Strings, fellows, masterclasses and competition prize	Restricted Expendable	To support the Strings Department	3,227	503	19	(47)	3,702
			52,229	9,804	800	(1,047)	61,786

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

17. Restricted Reserves

	CONSOLIDATED AND ACADEMY		2024 Total £000	2023 Total £000
	Unspent capital grants £000	Other restricted funds £000		
At 1 August 2023	176	4,426	4,602	4,697
*Transfer from endowments (Note 16)	-	59	59	-
Donations	5,117	3,171	8,288	2,948
Investment income	-	5	5	6
Appreciation of restricted investments	-	43	43	20
Capital grants utilised	(201)	-	(201)	(544)
Expenditure	-	(2,854)	(2,854)	(2,525)
At 31 July 2024	5,092	4,850	9,942	4,602
Analysis of other restricted funds by type of purpose:				
Bursary and prize funds		2,198		2,066
Teaching funds		711		376
Other funds		1,941		1,984
		4,850		4,426

	CONSOLIDATED AND ACADEMY		2023 Total £000	2022 Total £000
	Unspent capital grants £000	Other restricted funds £000		
At 1 August 2022	407	4,290	4,697	3,494
*Transfer from endowments (Note 16)	-	-	-	17
Donations	313	2,635	2,948	3,563
Investment income	-	6	6	4
Appreciation of restricted investments	-	20	20	20
Capital grants utilised	(544)	-	(544)	(213)
Expenditure	-	(2,525)	(2,525)	(2,188)
At 31 July 2023	176	4,426	4,602	4,697
Analysis of other restricted funds by type of purpose:				
Bursary and prize funds		2,066		1,822
Teaching funds		376		326
Other funds		1,984		2,142
		4,426		4,290

18. Pension Scheme costs

Superannuation contributions are paid to the Teachers' Pension Scheme (TPS) for teaching staff, to the USS for a small number of staff, to a GPPS for administrative staff or to the NEST for those not eligible for other schemes. The assets of these schemes are held separately from the assets of the Academy in independently administered funds.

The Royal Academy of Music Pension Scheme 1967 (RAM1967) for administrative staff was closed to future accruals of pension benefit on 31 March 2005, however the Scheme continues to be operated by the Prudential Assurance Company and the Academy is undertaking deficit funding.

	2024 £000	2023 £000
Total pension cost for the year was:		
TPS: employer's contributions paid	1,117	987
GPPS: employer's contributions paid*	557	499
USS: (gross including deficit recovery portion)	124	147
NEST: employer's contributions paid	23	19
Total pension cost	1,821	1,652

* Includes salary sacrifice element.

TEACHERS PENSION SCHEME

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These Regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The 2020 valuation of the TPS was under way at 31 July 2023 and has now been published. TPS employers paid a contribution rate of 23.68%, including the administration levy of 0.8% during the first 8 months of 2023/24. This rose to 28.68% from 1 April 2024, on the basis of the 2020 valuation.

<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>.

UNIVERSITIES SUPERANNUATION SCHEME

The USS is a contributory, defined benefit scheme. At the end of the year the Academy had nine members.

The Scheme is a multi-employer scheme and given the mutual nature of the scheme, is unable to identify individual employers' shares of assets and liabilities. Consequently, individual employers are unable to apply defined benefit accounting. Section 28 of FRS 102 states that if sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit arrangement, an entity shall account for the plan as if it was a defined contribution arrangement.

The total cost charged to the profit and loss account is £124,000 (£147,000 2023) as shown above.

Deficit recovery contributions due within one year for the institution are £nil (£43,120 2023).

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

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the 7th valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical

provisions. At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's technical provisions was £65.7bn indicating a surplus of £7.4bn and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (<https://www.uss.co.uk/fundprinciples-sfs>).

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payments of 6.2% of salaries over the period 1 April 2022 until 13 March 2024, at which point the rate will increase to 6.3%. However, as the 2023 valuation moved to a surplus position, the deficit contribution ceased from January 2024. Deficit contributions in the financial year were £14,763.64.

	As at 31 March 2024	As at 31 March 2023
Discount rate	6.20%	5.92%
Pensionable salary growth	n/a	n/a

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	3%pa (based on a long term average expected level of CPI, broadly consistent with long term market expectations)
Pension increases (CPI)	Increases linked to CPI: Benefits with no cap: CPI + 3bs Benefits with a 'soft cap' of 5% (providing inflationary increases up to 5% and half of any excess inflation over 5% up to a maximum increase of 10%). CPI assumption – 3bps. Increases capped at 2.5% (where applicable). CPI assumption – 96bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% pa Post retirement: 0.9%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	As at 31 July 2024	As at 31 July 2023
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	23.70	24.00
Females currently aged 65 (years)	25.60	25.60
Males currently aged 45 (years)	25.40	26.00
Females currently aged 45 (years)	27.20	27.40

	As at 31 July 2024 valuation	As at 31 July 2023 valuation
Scheme assets	£73.1bn	£66.5bn
Total scheme liabilities	£65.7bn	£80.6bn
FRS 102 total scheme deficit	£7.4bn	£14.1bn
FRS 102 total funding level	111.0%	83.0%

GROUP PERSONAL PENSION SCHEME

A GPPS was started on 1 April 2005 for all administrative staff. This Scheme is a defined contribution scheme with employee and employer contributions based on length of service. £48,592 of contributions were outstanding at the balance sheet date and the amount of employer contributions paid during the year was £557k (£499k 2023/24).

ROYAL ACADEMY OF MUSIC PENSION SCHEME 1967

The Academy operates a defined benefit scheme which is managed by the Prudential Assurance Company Ltd and was closed to future accruals of pension benefit on 31 March 2005. A formal actuarial valuation was carried out as at 31 December 2021. Following the actuarial valuation, the Employer agreed to make contributions to the Scheme at the rate of £418,504 pa from 2 February 2023 to 28 February 2023, followed by £273,035 pa from 1 March 2023 to 21 October 2026, with an inflationary increment.

	As at 31 July 2024	As at 31 July 2023
Main assumptions used to value RAM1967 Scheme liabilities under FRS 102:		
Discount rate	5.05%	5.20%
Inflation assumption – RPI pre 2030	3.35%	3.45%
Inflation assumption – CPI post 2030	3.15%	3.25%
Rate of increase in salaries	5.00%	5.00%
Increases to deferred pensions in excess of GMP before retirement	5.00%	5.00%
Increases to pensions in payment for all members in respect of service up to 31 December 2003	In line with RPI assumptions	5.00%

	As at 31 July 2024	As at 31 July 2023
Demographic assumptions:		
Mortality base table	S4PA	S3PA
Adjustment to mortality base tables	100% (M/F)	101% (M) 104%(F)
Projection to mortality rates	CMI 2023 1.2% M/F	CMI 2022 1.25% M/F
Commutation	No allowance	No allowance
Retirement age	Normal retirement age	Normal retirement age
Proportion married	80%	80%
Spouse age difference	Females are 3 years younger than males	Females are 3 years younger than males
GMP equalisation	1.5% liabilities	1.5% liabilities

		As at 31 July 2024	As at 31 July 2023
Retiring today	Males	86.30	86.30
	Females	88.70	88.60
Retiring in 20 years	Males	87.50	87.60
	Females	90.10	90.00

	2024 £000	2023 £000
Analysis of amount charged to operating profit		
Past service cost	-	(150)

The total current service cost represents the expenses incurred in running the Scheme.

	2024 £000	2023 £000
Analysis of amount credited/(charged) to other finance income		
Expected return on pension scheme assets	474	369
Interest on pension scheme liabilities	(448)	(411)
Net charge to other finance income (Note 8)	26	(42)
Analysis of other comprehensive income/(loss)		
Actual return less expected return on pension scheme assets	255	(1,759)
Experience gains and losses arising on scheme liabilities	(231)	3,247
Impairment charge	(319)	(371)
Total other comprehensive income	(295)	1,117
Amounts recognised in the statement of financial position		
Present value of scheme liabilities	9,101	(8,792)
Fair value of scheme assets	9,791	9,163
Impairment charge	(690)	(371)
Deficit in scheme - net pension liability	-	-

	2024				2023		
Reconciliation of scheme assets and liabilities	Assets £000	Liabilities £000	Impairment £000	Net £000	Assets £000	Liabilities £000	Net £000
Deficit in scheme at beginning of the year	9,163	(8,792)	(371)	-	10,555	(11,831)	(1,276)
Movement in year:							
Contributions	269	-	-	269	351	-	351
Past service cost	-	-	-	-	-	(150)	-
Other finance income/(charge)	474	(448)	-	26	369	(411)	(42)
Benefits paid	(370)	370	-	-	353	-	-
Actuarial gain/(loss)	255	(231)	(319)	(295)	(1,759)	3,247	1,117
Deficit in scheme at end of the year	9,791	(9,101)	(690)	-	9,163	(8,792)	-

	2024 £000	2023 £000
Actual return on scheme assets		
Expected return on pension scheme assets	474	369
Actuarial gain/(loss)	255	(1,759)
Actual return on scheme assets	729	(1,390)

	Long term ROR expected (incl annuities)	Long term ROR expected (incl annuities)
Analysis of scheme assets		
Equities	1,148	1,197
Bonds	5,118	4,361
Property	279	270
Cash	37	71
Total market value of invested assets	6,582	5,899
Secured pensions in payment	3,209	3,264
	9,791	9,163
Long term ROR expected (excluding annuities)	5.2%	5.2%

History of experience gains and losses	2024	2023	2022	2021	2020
Experience adjustments on scheme assets					
Amount (£000)	255	(1,759)	(1,752)	-	826
Percentage of scheme assets	2.6%	-19.2%	-16.6%	0.0%	6.9%
Experience adjustments on scheme liabilities					
Amount (£000)	231	(3,247)	(3,923)	(799)	2,788
Percentage of scheme liabilities	-2.5%	36.9%	33.2%	5.0%	-16.6%
Actuarial gain/(loss) recognised in other comprehensive income					
Amount (£000)	(295)	1,488	2,171	799	(1,962)
Percentage of scheme liabilities	3.2%	-16.9%	-18.4%	-5.0%	11.7%
Cumulative actuarial loss recognised in other comprehensive income	(4,868)	(4,202)	(5,690)	(7,861)	(8,660)
History of defined benefit scheme					
Present value of defined benefit obligation	(9,101)	(8,792)	(11,831)	(15,933)	(16,811)
Fair value of scheme assets	9,791	9,163	10,555	12,152	11,923
Impairment	(3690)	(371)	-	-	-
Deficit arising in the scheme	-	-	(1,276)	(3,781)	(4,888)

19. Capital Commitments

Provision has been made for the following capital commitments at 31 July 2024:

	Consolidated 2024 £000	Academy 2024 £000	Consolidated 2023 £000	Academy 2023 £000
Capital commitments contracted for	1,048	1,048	559	559

20. Lease obligations

Total rentals payable under operating leases:

	Land and buildings £000	Plant and machinery £000	2024 Total £000	2023 Total £000
Payable during the year	723	20	743	883
Future minimum lease payments due:				
Not later than 1 year	908	9	917	910
Later than 1 year and not later than 5 years	3,193	92	3,285	3,234
Later than 5 years	28,143	2	28,145	28,145
Total lease payments due	32,967	123	33,090	33,172

21. Contingent Asset

The Academy has been notified of 14 legacies to the Academy with a potential total value of £4,473,508 which have not been recognised as income during the year, on the basis that amounts to be received may vary from the estimated values. The Academy has also been notified of 14 legacies which it cannot attribute a potential value due to a lack of reliable documentation

22. Contingent Liability

There are no contingent liabilities to report.

23. Related Party Transactions

The Independent Members of the Academy's Governing Body and the staff and student members are the Trustees for charitable purposes. Due to the nature of the Academy's operations and the members of the Governing Body being drawn from large public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries. The Register of Interests has been reviewed by the Director of Finance and is published on the Academy's website. All

transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the Academy's Financial Regulations and usual procurement procedures.

No Trustee (member of the Governing Body) received any remuneration for their work during the year. The Academy paid a total of £0 (£187.99 2022/23) to Governors in reimbursement of travel expenses. On occasions Trustees may make donations for specific purposes but they receive nothing in exchange. The value of such donations from Trustees and related parties was £6,268k (£1,257k 2022/23).

The Chair and 3 trustees retired on 31 July 2024 and were presented with small gifts amounting to £705 (£0 2022/23).

The RAM Student Union is an unincorporated association which is classed as a related party for the purposes of these financial statements. The Student Union is a separate entity, an independent group run by and for our students, funded by an annual grant from the Academy for its work in supporting students.

In accordance with the Charter, the Governing Body reviews the RAM SU Constitution at least five-yearly and receives regular reports on activities as part of its overall responsibility for the welfare of students.

A grant of £44.7k (£42.6k 2022/23) was paid to the RAM SU for their work in supporting students during the year.

The ABRSM is a registered charity (no 292182) and a company limited by guarantee (no 1926395) established by four Royal Schools of Music for the benefit of music education. The ABRSM makes an annual distribution which is divided equally between the four Royal Schools. The Board of the ABRSM includes members of the Governing Body of the Royal Academy of Music.

The value of the distribution from the ABRSM to the Academy in 2023/24 was £500k (£500k 2023).

There were no other related party transactions.

24. Events after the reporting period

On 22 November 2024 the Royal Academy of Music exchanged on an Agreement to Lease in relation to a property in City Island. This will provide the Academy with additional space for teaching and learning. The Academy will fit out the property at its own cost and will depreciate those costs over the expected lifetime of the assets. Full costs of operating the building will be finalised once the planning and build stage is more developed; the initial projection is that the net costs of operation will be at a similar level to current costs of renting space in other buildings after taking account of expected rental income.

Accounts

ANNUAL REVIEW AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2023

The Royal Academy of Music moves music forward by inspiring successive generations of musicians to connect, collaborate and create.

Charity number 310007

Company registration number RC000438

MARYLEBONE ROAD, LONDON NW1 5HT
RAM.AC.UK



**UNIVERSITY
OF LONDON**



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FOREWORD FROM THE CHAIR OF THE GOVERNING BODY



In 2023 we celebrated the Academy's Bicentenary with a vast array of concerts, many linked to the history of the institution, scholarly and commemorative events, and projects with significant public benefit including 200 Pieces; new solo works commissioned from 200 leading composers covering all the musical disciplines that we teach and premiered by Academy students.

Following a thorough consultation process with students and staff, our Strategic Plan was revised during the year. The 2023-26 Plan sets the direction for the Academy's development in terms of our educational strategy, our public engagement and how we will invest in our people and resources to ensure that the Academy continues to fulfil its mission at the very highest standards.

Reflecting on changes in the musical world since the pandemic, we have re-assessed our curriculum to broaden the range of student experience, and increased student support. We are using the Academy's spaces in a more versatile way to maximise their benefit to student learning and reflect the broader range of flexible working styles.

This special year has boosted our fundraising campaign, the Royal Academy of Music's Future, with its target of £60m. Our financial future depends on philanthropy which enables the Academy to achieve its vision and continue to be financially sustainable into our Third Century.

It has been a busy year, and this report may appear to be all about the numbers, which evidence some impressive results and hard work. But it's also about the people who make it happen. The halls of the Academy are filled with glorious music performed by our students, the remarkable teachers passing on their wisdom, the staff who make everything work, the donors who fund the scholarships and the concert halls and the audiences who applaud the performances. Thank you to everyone who has played a part in our success over our first two hundred years.

Dame Jenny Abramsky DBE
Chair

FOREWORD FROM THE PRINCIPAL



The Royal Academy of Music is an extraordinary place with extraordinary people and for over 200 years we have been training and inspiring successive generations of music makers and leaders. Into our third century, we are more confident than ever in our ability to shape the future of music by discovering and supporting talent wherever it exists, and by attracting the exceptional teachers and mentors who spark this talent. Our overriding ambition is to provide young musicians with everything they need to thrive in a rapidly evolving professional environment.

Students perform over 500 concerts each year in a diary of events which we believe is second to none in its variety and range. Our building provides a perfect example of how we marry the traditions of the past with the facilities and technology today's students need to hone their skills. Musicians need to be more imaginative, versatile and resilient than ever, and that's the reason we're constantly developing our programmes and student support to meet the demands of the music industry.

Performance, in all its live and digital manifestations, is what drives the student experience, and this includes masterclasses, festivals, chamber music, jazz, symphony orchestras and other mixed ensembles, opera and musical theatre as well as recordings. All our projects are led by internationally eminent figures, many of whom have been closely associated with the Academy over many years. We are proud of our Students' Create Festivals, where our spaces are taken over by students who devise and curate their own projects and events, many experimenting with a range of music which reflects and represents the plurality of today's musical tastes, outlooks, and traditions.

Our Bicentenary last year reminded us that at the very beginning, international reach lay at the heart of our founding in 1822. Last year we launched the Sir Elton John Global Exchange Programme which allows Academy students to visit and collaborate with our dozen or so international partner conservatoires from The Juilliard School in New York to the Far East, and many European conservatoires such as the Paris Conservatoire, Hanns Eisler in Berlin, and Sibelius Academy in Helsinki.

We were deeply saddened by the death of Queen Elizabeth II and are honoured that she served as Patron of the Academy for nearly 70 years. The Queen first attended a concert here as Princess Elizabeth in 1947 and took an active interest in the Academy throughout her reign. She allowed us annually to award the Queen's Commendation Prize to the best student of the year, and we co-hosted two memorable Jubilee parties in her presence at the Royal Academy of Arts in 2002 and 2012, at which our students performed. Her Majesty visited the Academy in late 2007, when she toured the building, met several students and members of staff, heard performances and officially opened the Patron's Room.

Professor Jonathan Freeman-Attwood CBE
Principal

ABOUT US

The Royal Academy of Music (the Academy) was established in 1822 and granted a Royal Charter in 1830 (Supplemental Charter granted in 1998). The Academy is a registered charity, number 310007, and a company registered with Companies House, number RC000438. The Academy is registered with the Office for Students as a higher education provider, OfS: 0135532.

PATRON	The Late Queen Elizabeth II
PRESIDENT	HRH The Duchess of Gloucester GCVO Hon FRAM
VICE PRESIDENTS	Lord Burns CBE Hon FRAM Sir Elton John CH CBE Hon RAM, DMus Sir Curtis Price KBE Hon RAM

GOVERNING BODY (TRUSTEES)

CHAIR	Dame Jenny Abramsky DBE
DEPUTY CHAIR	Dame Susie Sainsbury Hon FRAM
DEPUTY CHAIR	The Rt Hon Lord Sumption OBE, Hon FRAM Lord Blackwell John Burgess Hon FRAM Robin Butler Hon FRAM (retired July 2023) Ina De Alexis Ffrench Hamish Forsyth (appointed September 2023) Rehmet Kassim-Lakha Luke Lloyd Davies Timothy Parker Hon FRAM Professor Irem Tuna The Duchess of Wellington OBE Hon FRAM William de Winton Damian Wisniewski
STAFF MEMBERS	Professor Margaret Faultless Hon RAM Barbara Law Gemma Waring
STUDENT UNION PRESIDENT AND STUDENT MEMBER	Shona Masson (retired July 2023) Tiffany Qiu (appointed August 2023)
SECRETARY TO GOVERNING BODY	Sandra Green Hon ARAM

SENIOR MANAGEMENT TEAM

PRINCIPAL	Professor Jonathan Freeman-Attwood CBE BMus, MPhil, Hon RAM, FKC, FRNCM, FRCM
DEPUTY PRINCIPAL	Professor Timothy Jones MA DPhil, ITCL, Hon RAM
DIRECTOR OF FINANCE	Karen Di Lorenzo MBA, MA Cantab, ACMA
REGISTRAR & DIRECTOR OF STUDENT OPERATIONS	Catherine Jury Hon ARAM
DEAN OF STUDENTS	Professor Elizabeth Kenny MA, FRAM
DEPUTY PRINCIPAL (ADVANCEMENT)	Kirsty MacDonald BA, MA Oxon, Hon FRAM

ADMINISTRATIVE INFORMATION

REGISTERED OFFICE	Marylebone Road, London NW1 5HT
EXTERNAL AUDITORS	MHA, 6th floor, 2 London Wall Place, London EC2Y 5AU
INTERNAL AUDITORS	Azets, Exchange Place 3, Semple Street, Edinburgh EH3 8BL
BANKERS	Lloyds Bank plc, 25 Gresham Street, London EC2V 7HB
INVESTMENT FUND MANAGERS	Cazenove Capital, 12 Moorgate, London EC2 R 6DA Veritas Investment Management LLP, 90 Long Acre, London WC2E 9RE Pantheon Venture (UK) LLP, 10 Finsbury Square, 4th Floor, London EC2A 1AF
LEGAL ADVISERS	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BW1 4QA

COMMITTEE MEMBERSHIP

AUDIT COMMITTEE	Damian Wisniewski (Chair) Dame Jenny Abramsky Robin Butler (retired July 2023) Ina De Hamish Forsyth (appointed September 2023)
FINANCE & GENERAL PURPOSES COMMITTEE	Lord Blackwell (Chair) John Burgess Timothy Parker Professor Irem Tuna William de Winton
GIFT ACCEPTANCE COMMITTEE	Dame Jenny Abramsky (Chair) Lord Sumption Ina De
NOMINATIONS COMMITTEE	Dame Jenny Abramsky (Chair) Dame Susie Sainsbury Lord Sumption Duchess of Wellington
REMUNERATION COMMITTEE	Lord Blackwell (Chair) Dame Jenny Abramsky Rehmet Kassim-Lakha

HONORARY TRUSTEES

The title of Honorary Trustee is awarded to retired Independent Members of the Governing Body to recognise their distinguished service to the Academy.

Sir Rodrick Braithwaite GCMG Hon FRAM
 The Rt Hon Lord Carnwath Kt CVO PC Hon FRAM
 Robin Butler Hon FRAM
 Sir Howard Davies Hon FRAM
 Matthew Ferrey Hon FRAM
 Lesley Garrett CBE FRAM
 Sam Gordon Clark CBE Hon FRAM
 Lady Heywood
 Professor Sir Barry Ife CBE FKC FBbk, Hon FRAM, FRCM, FGS
 Steven Isserlis CBE Hon RAM
 The Rt Hon Lord Lloyd of Berwick PC DL Hon FRAM
 Dame Felicity Lott DBE FRAM FRCM
 George Nissen CBE Hon FRAM
 William Robert C Ogden Hon FRAM
 Professor Roger Parker Hon FRAM
 Christopher Purvis CBE
 Sir John Ritblat Hon FRAM
 Sir Simon Robey Hon FRAM
 Lady Becket Smith OBE Hon FRAM
 Sir Martin Smith Hon FRAM
 John Suchet OBE Hon FRAM
 Professor Sir Richard Trainor KBE BA, MA, DPhil, FKC, Hon FRAM
 Anthony Travis Hon FRAM
 John Willan FRAM FRSA FCA
 Julia Yorke Hon FRAM

TRUSTEES REPORT:

OPERATING PLAN AND FINANCIAL REVIEW FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

The Governors and Trustees of the Royal Academy of Music present their Annual Review and audited Financial Statements for the year ended 31 July 2023 and confirm that they comply with the requirements of the Charities Act 2011, the Academy's Royal Charter and the Statement of Recommended Practice 'Accounting for Further and Higher Education' (SORP 2019) and Office for Students Accounts Directions.

MISSION

The Academy's mission is to provide pre-professional, undergraduate and postgraduate musical training of the highest national and international standards, and to enrich musical culture by training and educating the most talented musicians.

VISION AND VALUES

Our vision is for the Academy to be the conservatoire of choice for top global talent aspiring to a successful creative professional career.

Quality and equality are at the core of our values, underpinning all of our activities. The Academy operates in a spirit of professionalism, collaboration and openness, and promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. We support students and staff in challenging and removing any form of prejudice or discrimination, and in promoting equality, diversity and inclusion, which in turn enriches the teaching, learning, artistic and social environment.

PUBLIC BENEFIT

The Academy operates under the terms of its Royal Charter and its Objects are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with general instruction of all persons desirous of acquiring a knowledge thereof'.

The Governing Body confirms that careful consideration has been given to the Charity Commission's public benefit guidance when reviewing our missions, aims and objectives, and in planning our activities.

The Academy makes a significant contribution to the public benefit via our teaching, research, performances and other activities, in terms of the advancement of education; the advancement of the arts, culture and heritage; and our commitment to access and participation.

THE ADVANCEMENT OF EDUCATION

The Academy contributes to the advancement of education through our programmes of study; calendar of publicly accessible performances and research events; outreach events designed to encourage learners from traditionally low-participation sectors of the community to participate in music education and higher education; and the conservation, display, interpretation, and practical use of our collections to educational ends.

We are committed to providing a range of long-term outreach activities targeted at groups that are under-represented in higher education. This includes working collaboratively to raise aspiration to make music more accessible, through recruitment at all levels and the wide-ranging activities of our students, both in the UK and internationally. By taking music out into the community and providing high level musical tuition to children and young people, our Open Academy, Junior Academy and Your Academy departments reach ever further, raising aspirations, making connections and challenging preconceptions via a range of projects delivered with partner schools and organisations.

THE ADVANCEMENT OF ARTS, CULTURE AND HERITAGE

Our core activities advance arts, culture and heritage by finding the most promising British and international musical talent and nurturing it through the delivery of world-class education and vocational training, producing exceptional artists who will shape the future of music in this country and beyond. We support the UK's cultural infrastructure, generate development in the cultural industries, and provide international leadership in music:

- By collaborating with leading venues and ensembles, supporting musical research, commissioning new music and bringing before the public new and unfamiliar work, the Academy enriches the UK's musical culture.
- Through the preservation, display and use of our collection of musical artefacts, the Academy contributes to the advancement of the UK's musical heritage.

The Academy aims to enrich musical culture by:

- Educating and training students with the most significant potential to attain the highest standards in performance, composition and other music-related disciplines. We offer full-time programmes of study at undergraduate and postgraduate level and ambitious student-centred artistic programmes. In addition, our Junior Academy is a fundamental and integral part of the Academy and continues to provide music education of the highest quality through our First Strings and First Guitar Experiences, and Primary Academy and Junior Academy programmes, to those aged 4 to 18.
- Enabling public engagement through a wide range of public performances, research events and outreach activities designed to enhance pre-tertiary music educational opportunities and encourage wider access to higher education.
- Promoting the creation of new music, original research and scholarship in music through publications, conference and study days, programmes of symposia, recordings and public performances.
- Conserving the significant and globally renowned heritage collections in the field of music that support our educational purposes.
- Enabling research via our Museum collections catalogue which is available for consultation by researchers from outside the Academy.

OUR COMMITMENT TO WIDENING PARTICIPATION

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. Like all conservatoires in the UK, our undergraduate and postgraduate programmes are only accessible to applicants who have already achieved a very high standard in their instrumental discipline or show clear promise of doing so.

DIVERSITY, EQUITY, INCLUSION AND BELONGING

We want our students, staff and visitors to value not only what we have in common, but also what makes us different. We want the Academy to be a place where everyone feels they belong and this is summed up by the term Diversity, Equity, Inclusion and Belonging.

The Academy promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. Everyone working and studying at the Academy is selected, taught, trained, assessed, appraised, promoted and otherwise treated solely on merit and ability. Equality is at the core of our values, underpinning all our activities.

Our Equality, Diversity and Inclusion Policy sets out the Academy's values and the framework under which we operate. It also highlights the individual roles we have to play in ensuring the Academy is an inclusive and harmonious place to study and work. We take pride in being welcoming, friendly and, most importantly, an inclusive environment for all.

We adhere to the Equality Act 2010 which aims to eliminate discrimination, harassment and victimisation. We believe everyone at the Academy is responsible for:

- Understanding and committing to equality.
- Helping to remove barriers, enabling all to fulfil their potential.
- Challenging or reporting discrimination and harassment, should it occur.

The Academy's primary objectives are to:

- Continue to improve access to our buildings and services.
- Continue to develop our widening participation initiatives (we have regular Widening Participation Committee meetings to address any equality issues and monitor our progress against our objectives).
- Promote equality and diversity in our procurement procedures and third-party relationships.

We are committed to creating the Academy as a place:

- Which seeks actively to recruit new members who are ethnically and culturally diverse.
- Where students and staff of colour are treated fairly and respectfully at all times.
- Where all students are taught by regular and visiting staff of high professional distinction from a range of backgrounds, including musicians of colour.
- With which alumni of colour are proud to remain associated throughout their lives, long after graduation.

STRATEGIC PLAN

Our Strategic Plan 2019 to 2024 was reviewed during the year and a new Plan for the period 2023 to 2026 was developed in consultation with the Governing Body, staff and students. The Plan was approved by the Governing Body in March 2023.

MEASURING AND REPORTING SUCCESS

We are presenting our annual review based on the three themes of our Strategic Plan:

1. Education

Offer each student the opportunity to grow and fulfil their potential.

2. Engagement

Play a leading part in Britain's musical landscape.

Provide appropriate access points from primary to higher education and in continuing professional development.

3. People and Resources

Attract and retain the finest teaching and professional services staff.

Provide facilities and technology which enables staff and students to work at the highest level and towards a sustainable future.

Although many activities support more than one strand of our strategic themes and could be included within two or three of them, we have tried to capture them within the most relevant area to avoid repetition.

1. Education

The Academy was founded in 1822, and for 200 years we have trained versatile and resourceful musicians with the skills they need in the continually changing music profession. We continue to refine our programmes to ensure that students acquire the craft, skills, knowledge and experience to enable them to become independent, creative musicians who can make a significant impact. Alongside this, we foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we will continue to recruit and retain the very best, supporting them with professional development opportunities.

We welcome students from nearly 55 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. By continuing to raise our international profile, improving our student recruitment marketing, and building on our relationships with like-minded institutions worldwide, we aim to be the conservatoire of choice for the most talented young musicians. We believe that the mixture of students from different countries is a vital contribution to the experience and training that the Academy offers.

In all our disciplines we encourage students to explore their musical horizons to the limit and that is why our graduates make their mark in concert halls, opera houses, theatres and recording studios all over the world. Our students benefit from a stimulating curriculum which includes an ambitious range of concerts and events, they work regularly with renowned visiting professors and guests in performances, side-by-side projects and masterclasses. For over 20 years our professional collaboration projects have played a unique and indispensable role in high-level musical training; our side-by-side projects, effectively artistic work placements, give students the experience of world-class collaborative music-making and mentorship provided by professional partners. Side-by-side partners include the London Philharmonic Orchestra, Czech Philharmonic Orchestra, London Sinfonietta, Academy of Ancient Music, Knussen Chamber Orchestra, Riot Ensemble, CHROMA, Nash Ensemble and Septura Brass.

Music making is at the heart of everything that we do at the Academy. A key part of the student experience is the range and quality of artistic projects in which they work intensively with leading professionals. Our roster of visiting professors and visiting artists continues to be expanded and refined to enrich our students' education and to ensure that our graduates leave with experience of the professional realities of a high-level career in music. Every year the Academy creates performance opportunities that are second to none, from our renowned Piano Festivals to new music programmes, operas and musicals, to late night jazz; our lively calendar of events is a rich showcase of the next generation of musical talent. Our busy diary of events provides plenty of opportunities for students to gain ensemble experience and perform publicly, not only at the Academy but also in world-famous venues such as the Royal Albert Hall, Royal Festival Hall, Wigmore Hall and Southbank Centre.

A key component of the professional skills our students need is in developing the reach and quality of their work in the public domain. We therefore develop their skills in curating their digital presence on social media and we provide them with training and professional level opportunities in studio recording. Many graduates take the studio skills they have learnt into their careers and form alliances with major labels, armed with the tools to chronicle their work. Since 2012 we have partnered with world-renowned independent label Linn Records in producing exceptional recordings of some of the world's most talented young performers, including notable work led by Trevor Pinnock and Barbara Hannigan.

PROGRAMMES OF STUDY

The periodic review of postgraduate programmes took place at the beginning of the summer term. This process is undertaken every five years to assess the continuing validity, relevance and academic and professional standards of the programmes. The review day was the culmination of a long period of consultation with staff and students on issues arising from the last few years, which formed the basis of the review proposals. The programmes were given a clean bill of health, noting that the incremental changes made every year and detailed in the Annual Monitoring Reports, have ensured the continuing validity and strength of the programmes. The quality of the management, documentation and the sensitive handling of diversity and inclusion issues were also commended. A significant number of proposals were approved as part of the review process; the most important strategic changes comprise a set of initiatives to increase support for student 'ownership' of their work, including revisions to Final Recital requirements in some disciplines, revisions to Professional Skills and the Portfolio, extending the Students' Create Festival, and a new addition to the way in which we manage project allocations. There are also a number of new strategies which will be put in place to further enhance programme support for diversity and inclusion issues.

We introduced a series of new electives for undergraduate students to meet emerging professional challenges. These include our popular programme 'Diverse Voices', in which students explore how professional identity is

central to the education of today's musicians, as well as a revision of the Composition department courses to modernise the offering and bring useful skills to the fore of what the Academy teaches its composers.

The undergraduate teaching team held a conference on Current Issues in Music Pedagogy in May, with invited expert speakers from the UK and internationally.

Our Artist Development programme, which is a unique offering in the sector designed to develop our students' entrepreneurship in relation to their artistic USP, shifted up a gear in this year. This strand covers all taught programmes of study and saw 12 new initiatives, ranging from new student work presented at the Tete-a-Tete Opera London to residences in collaboration with the Southbank Centre, workshops at Glyndebourne Festival Opera, and most significantly, the three-day Students' Create Festival, in which students were enabled to present innovative and experimental work to sell-out public audiences at the Academy.

RESEARCH

A non-recurrent grant from Research England enabled us to invest strategically in professionalising the support for our research community. The employment of two experienced experts in research governance management to our new Research Office has had an immediate and transformative effect on our ability to capture and trace research data and increase the number of external grant applications. It has also enabled us to review and revise our research policies to ensure that they are fit for purpose over the next decade.

As part of our engagement with the European research culture in performance, we hosted the annual European Platform for Artistic Research in Music (EPARM) in April, at which senior Academy staff gave keynote presentations.

KNOWLEDGE EXCHANGE

Throughout its history the Academy has had deep and wide connections throughout the music industry and knowledge exchange has therefore been part of our DNA for 200 years. We have had an opportunity to formalise the infrastructural support for our Knowledge Exchange activities in 2022/23 through the receipt of a unique non-recurrent grant from Research England to help us develop our Knowledge Exchange infrastructure. This grant enabled us to develop a formal Knowledge Exchange strategy and to establish a Knowledge Exchange Committee to oversee our current activities and develop future initiatives.

We identified three priorities: the development of new music industry partnerships with the Southbank Centre, Finchcocks Trust and the Orchestra of the Age of Enlightenment, and with a series of leading partners in the museum and heritage sector, including the British Museum, the Ashmolean Museum Oxford, the Metropolitan Museum New York and the Library of Congress in Washington DC. We also developed our entrepreneurial training programmes and negotiated placement schemes with partners in the UK and internationally, including the Wigmore Hall, the Czech Philharmonic Orchestra and the Melbourne Symphony Orchestra. We believe that the UKRI funding has enabled us to transform our infrastructure in this important area.

STUDENT WELLBEING

Pastoral care is built into the fabric of a conservatoire and must respond to the evolving needs of students. Our series of student wellbeing sessions include mental and physical health, performance-related issues, drugs, alcohol, and sexual consent. The postgraduate provision is organised around themes and issues, in collaboration with the Students' Union. Sessions include negotiating contracts and relationships with promoters and sponsors, sexual harassment, alcohol and other topics.

The Counselling team has maintained a hybrid working pattern which enables students to access their services online, by telephone or in person, which is especially valuable for students in isolation or in challenging home situations, and for keeping international students supported. We were able to continue with plans to improve our capacity to work with students with mental health challenges.

Many students rely on income from professional engagements and other work to support their studies. The Development team launched a fundraising campaign, the Response Fund, during 2019/20, which continues to distribute funds to students experiencing financial hardship.

Since 2007 the Academy has been working with the London South Bank University on a long-term project to address concerns about students' hearing which involves hearing tests and instrument-specific advice on hearing protection. This work has been broadened to incorporate staff. The Academy provides earplugs free of charge to students and factors sound exposure and noise issues into room scheduling.

Financial support in the form of bursaries and merit-based scholarships is provided to enable the very best students to study at the Academy, regardless of their background. Academy students received £5.8m in financial support during 2022/23

STUDENT UNION

The Royal Academy of Music Students' Union (RAMSU) supports all our students, offering advice and representation and maintaining the inclusive social atmosphere for which the Academy is known.

The President of the Students' Union's membership of the Governing Body and a range of committees, initiatives and the Business Continuity Group, is vital in understanding and addressing our students' needs, and improving communication.

SENIOR ACADEMY

Recruitment to all the Academy's programmes remains strong, with a far larger number of high-quality applicants than there are places on offer. Entrance is via a combination of competitive auditions (performers and conductors) or interview/portfolio submission (composers) and the fulfilment of relevant academic entry requirements. Although our admissions procedures are highly competitive, at undergraduate level we audition every candidate who applies without exception. We offer live auditions in London and at some international centres and accept video auditions from candidates who are unable to travel to those centres to audition. The Academic Board oversees the process to ensure that all applicants receive a fair hearing regardless of the means by which the audition takes place.

Offer-making decisions are undertaken by experienced and suitably trained professionals who understand and are invested in our institutional strategy regarding widening participation.

Due to the success of online open days which were introduced during the pandemic, an online provision will continue to make them more accessible to a wider range of potential applicants.

STUDENT NUMBERS

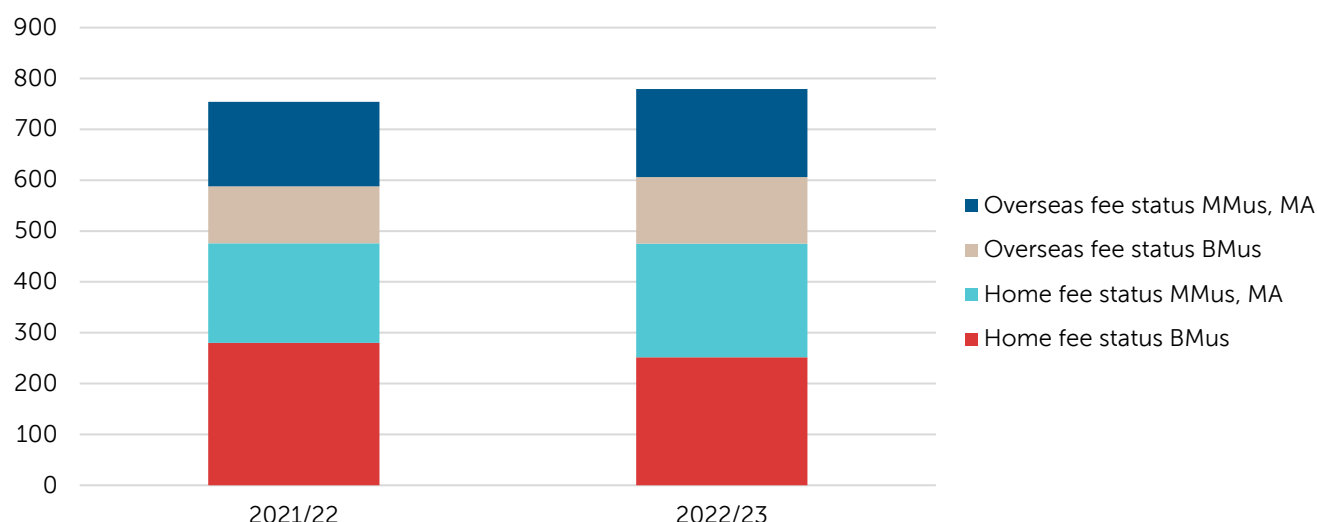
Entrance standards to our programmes are at a level of international excellence which enables us to train and educate our students intensively to reach professional levels of achievement by the end of their programme. The combination of world-leading talent, outstanding teachers, and globally significant resources is reflected in the standards achieved by our students at the end of the programme and the classification of the awards that we make. To assure ourselves that we are setting appropriate standards on our programmes, we have a double system of external scrutiny: external examiners who oversee the standards and operations of the assessment processes as a whole, and specialist external assessors who sit on final assessment panels to scrutinise the quality and standards of students' playing, singing or composition. Additionally, all written work is blind double-marked.

The Academy attracts applicants from around 80 countries and almost 55 countries are represented in our student population, with just over 49% from the UK, 16% from the EU and 35% from other countries (just over 50%, 16% and 34% respectively 2021/22). Applications and recruitment have remained strong despite national and international uncertainties and challenges, and we have developed our recruitment strategy and tactics to accommodate this rapidly changing environment. We are proud of the cosmopolitan and healthy cultural breadth of our student body.

As the following chart shows, our full-time equivalent student numbers have overall remained consistently close to 800, and we intend to maintain similar student numbers going forward. Undergraduate student numbers have remained constant over the last three years, with a small increase in numbers of students paying overseas fee rates (including non-resident EU students starting courses from autumn 2021) and a small decrease in domestic student numbers.

Overseas postgraduate student numbers, including EU students from autumn 2021, increased to 41% of the total postgraduate population; we expect this trend to continue.

Student Numbers (FTE)



STUDENT RESULTS FOR 2022/23

Our academic, tutorial, professorial, professional services and estates colleagues again worked tirelessly to draw the 2022/23 year to a successful close. All students were given the opportunity to have their Final Recitals livestreamed so that family and friends could hear them wherever they were in the world, and most took up this opportunity.

Results for the year are very good: interim results are shown below as some awards have yet to be agreed by Examination Boards. We remain committed to preserving the standards and quality of our programmes; our exceptional 'double' external assessor project involving Specialist External Examiners for each principal study discipline, as well as External Assessors for overall programmes, gives us confidence that our programmes remain world-leading in the standards that we set and the professional discipline we enable our students to develop.

BMus Awards	2022/23		2021/22*		MA/Mus Awards	2022/23		2021/22*	
	No	(%)	No	(%)		No	(%)	No	(%)
First Class	60	(59)	72	(68)	Distinction	116	(76)	116	(69)
Upper Second	33	(32)	31	(29)	Merit	35	(22)	35	(21)
Lower Second	9	(9)	3	(3)	Pass	3	(2)	16	(10)
Third/Pass	0	0	0	(0)	Pending	40			
Pending	4								

* Results for 2021/22 have been restated because some awards may be pending and final results for MA/MMus students are not available when the financial statements are prepared in November.

Under the powers of the Academy's Royal Charter, the Examinations Board may award a Dip RAM to any postgraduate student who particularly excelled in their final recital and conventionally the award has been made to the elite cohort who achieve a mark of 80% or above in their recital. This year 55 such awards were made (68 2021/22). Post Masters awards were also made by the Examinations Board, including 19 Advanced Diplomas and 19 Professional Diplomas (27 and 25 2021/22).

During 2022/23 there were 17 research students (16 2021/22) and 3 PhDs were awarded (7 2021/22).

The Licentiate of the Royal Academy of Music (LRAM) is the outcome of completing a course exploring music teaching in the context of a principal study discipline. The course emphasises employability through a range of skills relevant to state and independent education contexts. It is open to our 3rd and 4th year BMus undergraduate and postgraduate students and is a practical course, informed and supported by pedagogical theory, which gives students an understanding of current national teaching practices, promotes reflective teaching and aligns with national standards. During 2022/23, 93 students were awarded the LRAM (88 2021/22).

2. Engagement

Our annual programme of public events plays two key functions: it gives our students experience of professional-level work and showcases their achievements, and it enables us to engage with a broad section of the public and give them access to high-quality music making.

Our bicentenary year created significant additional opportunities to showcase our students' work while we celebrated the Academy's history and achievements with a range of ambitious projects and performances. A busy programme of New Music events included the culmination and official launch of our 200 Pieces project; a concert at the Queen Elizabeth Hall to commemorate the late Sir Harrison Birtwistle CH; concerts curated by composer-in-residence Hannah Kendall; and new pieces written about the natural world and premiered in the Fragile Festival in collaboration with the Listening Planet. All the 200 Pieces have been recorded and are publicly accessible from our [website](#).

A series of performances showcased some of the treasures in the Academy's Collections: an evening of highlights from Purcell's *Fairy Queen* performed by students and staff directed by Laurence Cummings in November, and performances of Vaughan Williams *Tallis Fantasia* at the Academy and in Gloucester Cathedral where the premiere took place in 1910. Also during the autumn term there was a gala concert in the Wigmore Hall where our students, past and present, played alongside Professor James Ehnes, the conductor, alumnus Adam Hickox and alumna Lucy Crowe.

Within the schedule of regular orchestral performances, a two-week period in January 2023 stood out. It began with a visit from the Music Director of the London Symphony Orchestra and Academy alumnus Sir Simon Rattle, who led an in-depth workshop on Haydn's *Symphony No 88* with our students, and continued with a collaborative project between Academy students and students of the Juilliard School in New York conducted by Barbara Hannigan. Semyon Bychkov, our Klemperer Chair of Conducting, led a sell-out performance of Dvorak's *7th Symphony*. Finally, at the end of the month, we were joined by the Music Director of Bach Collegium Japan, Masaaki Suzuki, who conducted the first of our 2023 *Bach in Leipzig* series at which we were joined by students from the Paris Conservatoire.

Our students undertook 12 major orchestral projects over the course of the year, with an outstanding roster of conductors – Sir Simon Rattle OM, Sir Mark Elder CH, Barbara Hannigan, Lorenza Borrani, Semyon Bychkov, Edward Gardner CBE, Trevor Pinnock CBE, John Wilson, Ryan Bancroft, Ryan Wigglesworth, Nikolaj Szeps Znaider, and Martyn Brabbins. Royal Academy Opera mounted three productions in the Susie Sainsbury Theatre during the year: Stravinsky's *The Rake's Progress* conducted by Trevor Pinnock CBE and directed by Frederic Wake-Walker, Mozart's *Le nozze di Figaro* conducted by Alice Farnham, and Rossini's *La cambiale di matrimonio* conducted by Johann Stuckenberg. The Musical Theatre summer shows were Gordon & Caird's *Jane Eyre* and Rogers & Hammerstein's *Carousel*.

We mounted five festivals during the year: Autumn and Summer Piano Festivals programmed by students from the Piano Department in collaboration with Professor Joanna MacGregor; the Chamber Music Festival in February 2022 featuring side-by-sides with Kaleidoscope Ensemble; our Sunday morning Bach Canata series, which was devoted to the 'erster Jahrgang' of works Bach composed in 1723 in Leipzig and directed by eminent Bach specialists including Masaaki Suzuki; and the second iteration of our *Students Create Festival* – a two-day programme of premieres and innovative performances devised by students.

Our engagement has global reach through our live streaming, which provides an opportunity to disseminate our work to broader constituencies, especially highly popular events.

WIDENING PARTICIPATION

Reaching the level of musicianship required for conservatoire entry takes years of hard work and, in most cases, significant financial commitment. Although we already offer millions of pounds in financial support for students every year, we are aware that this does not redress inequalities in earlier education.

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. Like all conservatoires in the UK, our undergraduate and postgraduate programmes are only accessible to applicants who have already achieved a very high standard in their instrumental discipline or show clear promise of doing so.

Our strategic measures to increase the pool of talented applicants from under-represented groups fall into three broad initiatives: Open Academy, Junior Academy, and Your Academy.

OPEN ACADEMY

Open Academy is the Academy's Learning, Participation and Community initiative, which worked with 7,675 people beyond our enrolled students and staff this year.

Open Academy enables participants from schools, local authorities and a variety of community groups to work creatively alongside our students and world-class artists, making music at the highest level. We work closely with artistic and community partners to produce creative projects in which our students and project participants can explore making music together in a wide range of contexts. Open Academy aims to raise aspiration, make connections, challenge preconceptions and create new possibilities through a range of activities delivered with partner schools and organisations. All of our projects are led and supported by skilled professionals, ensuring the quality of the experience for everyone involved. These include workshops with children and young people in mainstream schools and special educational needs and disability (SEND) settings, people receiving treatment in hospitals, residents and staff of care homes, and people attending day centres.

As the importance of participatory music programmes in areas including education, health and wellbeing continues to grow, it is crucial that our students have the opportunity to obtain skills and experience in this exciting and expanding area of work. Open Academy electives at undergraduate and postgraduate level are available to all students, offering seminars and workshops alongside hands-on experience in the field. Open Academy also offers fellowships to graduating students who will be the future leaders of this work.

In the 2022/23 academic year our students worked alongside:

Open Academy projects with	Participants
Early years	683
Primary school pupils	5,096
Young people outside school time	375
Older people and care homes	40
Vulnerable adults	135
People with special needs	103
Hospital patients	126
People living with dementias	822
Other	295

JUNIOR ACADEMY

Junior Academy provides opportunities for young musicians from all backgrounds to be challenged and inspired through their music-making and operates a range of targeted initiatives to encourage children from under-represented groups to engage with this. The Academy has invested heavily in and seen a significant expansion of our widening participation and community-focused activity in recent years and our main challenge, and key strategic priority, is in relation to access. Our aim is to identify and implement effective ways to enable potential candidates from underrepresented groups with significant natural talent to regard the Academy as an obvious place in which they can study, and to put provision and support in place to enable them to gain entry.

We dedicate Saturdays to Junior Academy and the programmes under its umbrella; First Strings and Guitar Experiences; Primary Academy; Junior Academy; Junior Jazz; and the new Junior Academy Musical Theatre (JAMT) course for 13- to 18-year olds which was launched in September 2022. Young students between 8-18 occupy all areas of the building to create one of the most unique musical learning atmospheres available to young musicians and to be inspired and challenged in their music-making. Intensive one-to-one lessons, a variety of performance opportunities, specialist classes and excellent teaching staff all add to the musical vibrancy of Junior Academy. In 2022/23 71% of Junior Academy leavers went on to study music.

Our Junior Academy teachers are successful performing musicians and educators; they combine active careers with the reward of helping young performers and composers fulfil their potential. Many also teach on the Academy's undergraduate and postgraduate programmes.

Applications for places continues to be strong and the academic year began with 347 Junior Academy students including 53 JAMT, 41 Jazz and 51 Primary Academy students.

We provided 75 bursaries for 2022/23 (32 2021/22), including 34 Music and Dance Scheme government funded places. We are grateful for the continuing support of the Wolfson Foundation, Leverhulme Trust, Sir Elton John and a number of individual benefactors. We were also grateful to receive a legacy from the late Helen Redfarn during 2021/22 for the benefit of Junior Academy, which will continue to benefit students during the coming years, and the invaluable assistance from an anonymous donor in providing a hardship fund.

Student wellbeing is a core value that informs every area of our Junior programmes. Our Healthy Young Musician course helps our musicians to approach performance growth in an effective and healthy way. Our aim is to build calm, confident and coordinated young musicians who can make good choices about how to look after themselves, both physically and mentally, and apply these skills not only to being a musician but to all aspects of their lives, now and into the future. We also run a weekly one-to-one active listening service which allows students to share any worries they have, music related or otherwise, and to signpost them to a range of resources to ensure that all students are supported both inside and outside the Academy.

Performance highlights during the year were a public concert in November, Junior Academy students participating in the Commonwealth Observance Day Service held at Westminster Abbey in March, and a side-by-side project with The Philharmonic Orchestra to help students with orchestral skills.

YOUR ACADEMY

Your Academy is the umbrella under which Widening Participation projects complement widening participation work.

During the 2022/23 academic year, the Widening Participation team engaged with over 800 participants (534 2021/22), providing them with access to a supportive musical environment where they can develop their skills and broaden awareness of the opportunities available through advanced musical study. Activities took place at the Academy, as well as outreach activities in schools and community spaces.

As part of our Access and Participation Plan, to inspire, encourage, and support talented young students to progress to higher education, we offer Academy Clubs to provide opportunities for state-educated secondary school pupils to study with our teachers and students over a series of weekends.

Project	Participants
Community First Strings Experience	180
Composers, Percussion, Jazz, Audition, Mentor and Music Theory Clubs	187
Musical Theatre Outreach Workshops	180
Mentor Clubs	15
Masterclasses	42
St Mark's Sundays (Woodwind, Brass)	25
Beyond the Dots	14
LRAM Workshops and Masterclass	10
Schools Visits	147
RAM Takeover	50
Summer schools: Inner Ear Summer Programme and Springboard to Grade 5 Theory & Beyond	25

Participants learnt key skills for their Associated Board of the Royal Schools of Music (ABRSM) exam and worked together to produce and perform their own group composition, with many composing for the first time. We followed this up with a larger programme incorporating Springboard and ensemble activity, and one-to-one tuition on instruments.

The Dean of Students and Head of Widening Participation have developed relationships with a number of schools and music hubs. During the academic year 2022/23 we created and filled two new posts: an Evidence, Evaluation & Planning Coordinator, and a one-year Your Academy Assistant, enabling a candidate with no prior experience of higher education to be mentored towards further job opportunities. This has increased our capacity to evaluate as well as run a greater range of projects.

The Academy is aware of the need to ensure that people from all backgrounds can benefit from our activities and that those in financial hardship are not excluded. As a joint proprietor of the ABRSM, the Academy is both strategically and financially committed to providing bursaries at both junior and senior levels, as well as co-contributing to regional schemes to identify and support young musicians from under-represented areas.

Our Access and Participation Plan is subject to regular approval by the OfS, and is published on our [website](#).

As well as funding from the OfS, we receive generous philanthropic support which is targeted in order to help us achieve our goals in this area. We are grateful for the continuing support of the Alex and William de Winton Trust, Thompson Family Charitable Trust, Q Charitable Trust, The Mila Charitable Organisation and The Karlsson Játiva Charitable Foundation.

ALUMNI

The Academy's alumni community permeates all areas of the music profession and is an integral part of the Academy family. We tell our alumni stories to inspire the next generation of musicians, alongside actively engaging our wider alumni community through focused communications and content.

We continue to develop a programme of engagement opportunities and access points to support our mission to provide lifelong value to our alumni, while in turn cultivating their ongoing support for the Academy and its strategic aims.

We held our annual Honours Ceremony in May 2023 to recognize the achievements of alumni who have made a significant contribution to the music industry, and celebrated 70, largely early-career, alumni, conferring Associate memberships (ARAM) on them, along with Honorary Associates (Hon ARAM) to 10 long-standing staff and other individuals who have played important roles in developing the Academy's work and outreach.

INTERNATIONAL COLLABORATIONS

Further key aspects of the Academy's identity are our global reach and strong connections with the music industry. Collaborations with educational and musical institutions across the world range from high-profile creative projects to student and staff exchange schemes and teaching/research projects between individual members of staff.

The Sir Elton John Global Exchange Programme promotes and facilitates global mobility and international collaboration and enables Academy students to take part in educational exchanges with top conservatoires across the world. Our exchange institutions are:

- Conservatoire National Superior de Musique et de Danse de Paris
- Glenn Gould School of the Royal Conservatory of Music, Toronto
- Hanns Eisler Academy, Berlin
- Hong Kong Academy for Performing Arts
- Juilliard School, New York
- University of Music and Performing Arts Vienna
- Reine Sofia School of Music, Madrid
- Shanghai Conservatory of Music
- Sibelius Academy of the University of the Arts, Helsinki
- Sydney Conservatorium of Music
- University of Music and Performing Arts, Munich
- Tokyo University of the Arts

Activity under the Programme continued throughout the year including a student conductor from The Juilliard School spending one week with Sian Edwards and our Conducting department, attending classes, workshops, and tutorials, and a Piano Accompaniment student from the Academy travelling to Paris for a week of studies with Professor Susan Manoff at the Conservatoire National Supérieur Musique et de Danse de Paris.

Following the success of the Programme's first year, we are busy planning exchange opportunities with our partners for 2023/24 and beyond. We have found that short project-specific exchanges tend to be the most rewarding, balancing immersing an individual in life at another institution whilst minimising disruption to their home studies.

Conversations continue with previous and new partners to mitigate the continued impact of Brexit upon the Academy's international connections and ensure that we can reach and develop sustainable networks with musicians from institutions around the globe.

MUSEUM AND COLLECTIONS

The mission of the Museum is to support the work of the Academy and to advertise it to the wider public, highlighting the potential of music to inspire, unite and stimulate through performance, displays and research. We actively promote the ethos that music is a vital part of life.

The strategic aims of the Museum are:

1. To increase awareness, understanding and enjoyment of our collection of musical instruments, art, photographs, scores, manuscripts and other objects in the galleries and the wider Academy through lively and innovative displays, interpretation, outreach and programming.
2. To support the culture of musical research and practice in the Academy and beyond through displays, events, collaboration and access to the collections.
3. To provide access to the collections, and information about them, for users within the Academy and the wider public, using digital means as well as traditional methods.
4. To enable active use of the collections today while responsibly preserving them for tomorrow.

The collections of instruments, art, photography, manuscripts and scores offer valuable insights into the creative processes of great musicians. Items on permanent display include stringed instruments by Stradivari and the Amati family, historic keyboards by Broadwood, Pleyel and Erard, and scores and memorabilia that belonged to significant figures from the world of music. Temporary displays have included composers' manuscripts like Vaughan Williams's *Fantasia on a Theme by Thomas Tallis*. In recent years we have been building up the unique Calleva Collection, commissioning stringed and other instruments from today's finest luthiers and makers. In 2023, nine new Calleva Collection instruments were added. Students may be offered the use of many of these instruments, providing an important boost to their musical development. The extensive archives offer students, staff and members of the public unique insights into the creative processes of great musicians, as well as informing our knowledge of performance practice.

The Museum is an integral part of Academy life. Engaging stories are told through its permanent galleries and programme of changing temporary displays. During the academic year 2022/23, the Museum returned to its formal function of holding specialist tours, lecture-recitals, research and outreach events. These are free of charge. The Museum was open to the public on Fridays from 11am to 6pm (approximately 301 hours) and by appointment on Thursday, with additional days in collaboration with the Widening Participation Department and Open Academy. Preliminary visitor numbers indicate 1,512 visitors, of which 367 were children. Additionally, the Museum hosted 54 Academy classes, including a class of 30 from Junior Academy students.

Our Gallery Assistants (paid Academy students) as well as the Museum Engagement Coordinator were recruited in February.

Museum Collections are accessible via the Academy website and any of the objects on display can be viewed on our website at www.ram.ac.uk/museum. Library Special Collections are accessible via <https://lib.ram.ac.uk/>. In 2022/23, 986 museum objects and 26,499 page-images from the Library Special Collections were digitised.

During the academic year, the Museum and Collections Department, with the collaboration of students and staff, created monthly displays in the Lionel Tertis Memorial Display, and 11 objects were featured via the Object of the Month. A temporary exhibit, the Sir Henry Wood Collections, was installed in the York Gate Ground Floor gallery. This exhibit was co-curated by the Orchestral Librarian in collaboration with the Museum & Collections Department. We brought the collections closer to the public attending concerts, by creating displays in the foyer that related to music being performed in the Duke's Hall. An example was Elgar's holograph manuscript *In the South: Alassio: overture, Op 50*, bequeathed to the Academy by Leo F Schuster in 1928.

The Curator of Instruments and team of luthiers maintain a collection of over 200 fine instruments in playable condition, which makes us unique in the sector. Carefully curated loans to leading professionals associated with the Academy ensure that rare instruments contribute to research and interpretation through performance and change the lives of students through access to high-quality instruments made in the great European tradition. In 2022/23, 200 instrument and 127 bow loans were made through the contracted loans system.

The Museum opened in 2001, supported by a grant from the National Lottery Heritage Fund. Many of its collections have Designated status and the Museum itself is Accredited – both chartermarks of quality, awarded and administered by Arts Council England (ACE). Work is continuing towards reaccreditation in January 2024.

A new Museum Forward Plan (2023 to 2026) was written, aligning Museum deliverables with the Academy planning cycle and allowing for a concerted investment of resources and measured deliverables. A new Collections Information Policy was approved by the Governing Body in September 2023. The Museum Access Policy, Collections Care and Conservation Policy, and Collections Development Policy were revised, restructured and updated to reflect current working models and practices.

3. People and Resources

Attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources secures the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.

Staff numbers include part-time teachers paid on an hourly basis. The overall full-time equivalent numbers grew to 260 (242 2021/22), of which 58% are teaching and teaching support staff (57% 2020/21).

ESTATES

The Academy is situated on the Marylebone Road, retains practice rooms at Cross Keys and uses St Mark's Church mainly for recording and rehearsals. During 2022/23 we invested £1.7m in capital refurbishment in line with our five-year estates plan; significant projects included the refurbishment and re-equipment of one of our main teaching rooms (now renamed the Forsyth Room), window refurbishment in the Duke's Hall and the replacement of our main lift, as well as further refreshment of our electrical infrastructure.

INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY

Business systems and processes continue to be reviewed to ensure that we are working as effectively as possible. Technology touches all aspects of Academy life and plays a vital role in the increasingly interdependent activities of the organisation and a new digital strategy has been developed to ensure a coherent approach to technology in the future.

Students are at the heart of all we do, meaning that the Registry and its systems are a key part of the organisation. Implementation of the new student database system, Quercus, was completed during the year and is bringing significant benefits to students, Registry staff, teaching staff and the Finance team, through simplifying processes and holding more data in one place.

After implementation of the new combined HR/Payroll system, iTrent, in May 2022, work has continued to implement the time sheet function and streamline payment workflows for part-time staff, which were piloted successfully in 2022/23, and has since been rolled out to all senior Academy teaching staff in 2023/24.

Procurement for a new finance system started in spring 2023, and the project to implement xLedger has begun with a target go-live date of April 2024. This is expected to modernise and streamline finance operational processes and improve reporting and analysis capabilities.

ENVIRONMENTAL, SUSTAINABILITY AND GOVERNANCE

Our aim is to limit our overall environmental impact and reduce our carbon footprint and carbon emissions. The constraints of our listed buildings mean that we are in the process of carrying out a detailed process to ensure that our targets are realistic.

We have adopted policies to direct sustainable practice covering Sustainable Investment, Environmental, Biodiversity, Utilities and Transport. We have reviewed our Environmental Policy and affirmed our commitment to providing resources for effective environmental management. We are setting objectives towards reducing our carbon emissions and protecting our environment, and we work with our Environmental Committee, Sostenuto, to identify and roll out changes in practice.

We have also adopted the UN Sustainable Development Goals as the structure and themes for reporting ESG matters, alongside our new Strategic Plan.

FINANCIAL OVERVIEW

We were pleased to end the financial year 2022/23 with an operating surplus of £3.1m (£6.1m 2021/22), and an overall growth in balance sheet reserves to £221.3m (£215.9m 2021/22).

This positive position is primarily due to another extremely successful year of fundraising with £4.4m donations (£4.2m 2021/22) received for long-term endowments and £5.1m (£8.1m 2021/22) for shorter term use. This has allowed us to grow our financial awards to students to support their studies at the Academy, to invest in teaching and performance activities and to make essential improvements to our Estates infrastructure, with commensurate increases in expenditure.

	2022/23 £000	2021/22 £000
Summary of income and expenditure		
Income before donations and endowments	21,343	18,910
Donations and endowments	11,182	13,674
Expenditure	(29,472)	(26,484)
Operating surplus before other gains or losses	3,053	6,100
Gain on disposal of fixed assets	12	-
Gain on investments	1,236	589
Actuarial gain in respect of RAM1967 pension scheme	1,117	2,171
Revaluation of instruments	-	-
Total comprehensive income	5,418	8,860
Represented by:		
Endowment comprehensive income for the year	5,249	4,236
Restricted comprehensive income for the year	449	1,399
Unrestricted comprehensive income/(deficit) for the year	(548)	2,958
Revaluation reserve comprehensive income*	258	267
	5,418	8,860

* Revaluation of the fixed asset investment and instruments

Total comprehensive income includes a number of unrealised movements in the value of our investment, heritage and pension assets as well as income from endowment and restricted donations received in the year, which cannot be used for general purposes. It is also stated after charges for depreciation of assets which were funded by external donations held in reserve.

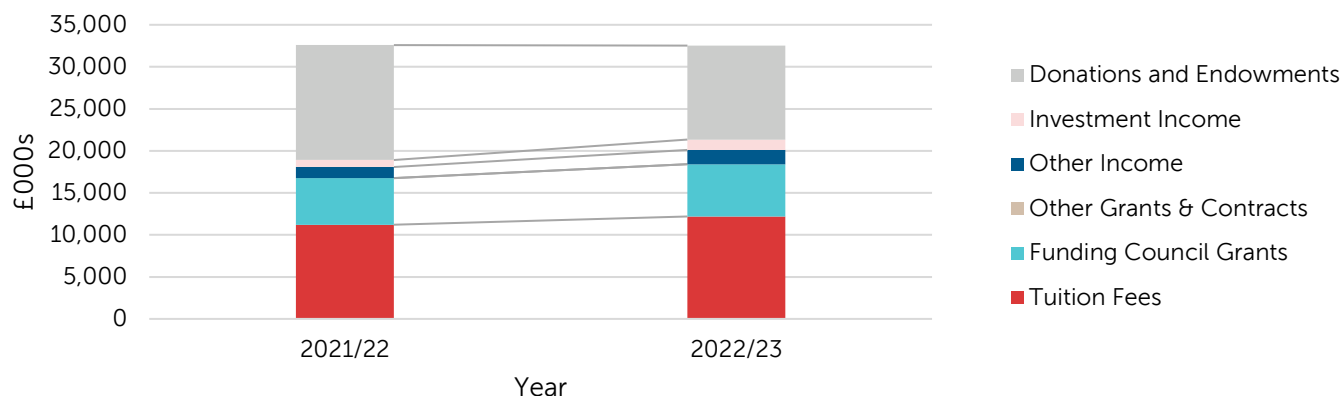
To understand the underlying operational financial outturn, the table below excludes these specific purpose income streams, as well as the unrealised income amounts, since these cannot be used for general purposes. It also excludes the element of depreciation costs which are funded from previous donations. This shows that the underlying operational position was a surplus of £0.4m in-year (surplus £1.5m 2021/22), due mainly to an increase in grant income from central bodies.

	2022/23 £000	2021/22 £000
Breakdown of unrestricted comprehensive income for the year		
Operating gain/(loss)	(918)	1,534
Actuarial gain on RAM1967 pension scheme	1,117	2,171
Depreciation funded by external donations	(747)	(747)
Unrestricted comprehensive income/(deficit) for the year	(548)	2,958

INCOME

Overall income remained steady at £32.5m (£32.6m 2021/22), with donations, tuition fees and funding council grants remaining the major revenue streams.

Income



To avoid double counting, and in line with accounting requirements, tuition fees are stated in the accounts net of donations funding fee awards to students; in 2022/23, this income net of donations for fees formed 37% of income, up from 34% in 2021/22, while gross tuition fee income, before donations, grew to £13.9m (£12.9m 2021/22). Fee levels for home status undergraduate students are regulated and fixed at £9,250, although we have applied inflationary increases to fees for other students. Students from EU countries who started courses from September 2022 pay international student fees. Together, these changes mean that the share of tuition fee income from international fees has continued to grow.

Funding grants remain a key revenue stream and made up 19% of total income in 2022/23. The OfS provided £5.2m (£4.2m 2021/22) to support the additional costs of providing teaching to a world-class level in a small specialist institution, and we received £983k (£1,115k 2021/22) from UKRI in support of our research and innovation work, as well as £164k (£164k 2021/22) to support our Museum and collections.

As the costs for students of studying at the Academy and the costs to the Academy of providing world-class teaching grow while other income sources have remained static, donations and endowments have become a core part of our income, and we are extremely grateful to all individuals and funding bodies who have provided us with funds.

The Development team is responsible for raising philanthropic funds, primarily from individuals (including alumni), companies, trusts and foundations. Donations were received to fund our students through scholarships and bursaries as well as general funds to offset the high cost of educating students. Philanthropic funds were also raised to support Academy students impacted by the conflict in Ukraine, to support students experiencing financial hardship, and to support student wellbeing and mental health.

Total donations and endowments received during 2022/23 amounted to £11.2m (£13.7m 2021/22). Over the last five years we have seen a significant growth in total donations, and a particular growth in endowment gifts as a result of our campaign, The Royal Academy of Music's Future, which we have invested for long term growth in line with the intentions of donors.

In 2022/23 we also benefited from £2.5m in donations for specific purposes (£3.4m 2021/22), which we have classified as restricted funds. These are predominantly donated for student financial support (see below). In addition we received £2.6m other donations (£4.7m 2020/21) which we have classified as unrestricted.

This financial year also saw stable levels of commercial income; we earned £0.5m (£0.4m 2021/22) from sales in our bar and canteen, and £0.3m (£0.3m 2021/22) from ticket sales and space rentals.

We have applied £957k (£789k 2021/22) as investment income from our portfolio, with the increase reflecting our larger investment portfolio.

EXPENDITURE

The 2022/23 financial year saw a planned growth in expenditure of 11% overall to £29.5m (£26.5m 2021/22), with particular investment in teaching and student financial support.

Student teaching remains at the core of our operations. Staff costs continued to be our largest expenditure area at £15.2m in 2022/23, an increase of 13%. Teaching staff costs at £8.8m (£7.7m 2021/22) directly absorbed 57% of our staff expenditure. In line with other HEIs, the Academy implemented part of the 2023/24 5% pay award from February 2023, to help ease cost of living pressures.

Operating costs grew to £12.4m in 2022/23, an increase of £1.3m from 2021/22. Within the category we term 'General Education', which at £4.8m absorbs the largest share of non-pay expenditure, the largest single item remains student financial support £3.8m (£3.6 m 2021/22).

The General Education category includes the Academy funded share of awards for both fees and maintenance together with donation funded maintenance awards. Donation funded fees £1.7m 2022/23 (£1.7m 2021/22) are shown as a reduction in fee income rather than an expense, in line with accounting regulations.

Premises costs increased by £424k to £3.1m (£2.9m 2021/22) excluding depreciation, as a result of increased utilities costs as well as additional spend on building maintenance.

BALANCE SHEET POSITION

Our balance sheet position has improved to a net asset position of £221.3m (£215m 2021/22), due to the positive year end return on activity, donations and further gains on revaluation of our pension schemes.

Our invested assets suffered gains and losses over the year in line with the global markets. We transferred further funds from our cash holdings into our equity and managed cash portfolio during the year and ended the year with total investment portfolio values of £58.3m (£53.0m 2021/22) and £10.2m in cash and cash equivalents (£22.2m 31 July 2022).

Restricted and endowment reserves have increased to £62.9m (£57.7m 2021/22) reflecting the new donations received in year and accumulated returns.

Unrestricted reserves reduced slightly to £130.9m (£130.8m 2021/22) in line with the underlying deficit in unrestricted comprehensive income offset by positive movements in pension deficit reserves.

CASHFLOW

Our cash position reduced by £12.3m during 2022/23 (£4.7m increase 2021/22), with a net cash outflow from operating activities of £1.9m (£1.3m inflow 2021/22) and a net outflow from investment activities of -£10.1m (-£0.8m 2021/22), as we moved cash from investment accounts to broker administration to secure higher returns.

FUNDRAISING

The top priority for fundraising at the Academy is to raise budget-relieving funds, which form just over 60% of the annual fundraising target. These include funding for the Awards programme (scholarships and bursaries) and gifts that go towards general funds, such as through the Patrons' Scheme and Principal's Fund. The overarching focus is to provide vital support to ensure that no student with the appropriate talent and potential is denied the chance of studying at the Academy.

2022/23 saw the advance of two significant initiatives from the previous year. The first was the extraordinary progress towards the target of the 'Royal Academy of Music's Future' campaign, launched the previous year to coincide with our Bicentenary. The second was the work of the Bicentenary Development Board which delivered new impetus in widening our network of supporters and was vital to the campaign.

This comprehensive campaign covers major priorities for the Academy, including endowed posts, widening participation and student support. At the campaign launch, our ambitions to establish a suite of new endowed posts was announced. This was a major step forward for the Academy and in 2022/23, the number of funded endowed posts reached six, within the following departments: Piano; Musical Theatre; Chamber Music; Choral Conducting and Historical Performance. These posts will help to attract and retain the very best teachers. The overall campaign target of £60m is extremely close to being achieved, with £58m having been secured in total by the end of the financial year.

The majority of philanthropic income continues to come from individuals and trusts, with a modest amount from companies. In the year we increased our high-level cultivation and stewardship activities and expanded our community of supporters in the USA.

The Development team is looking for opportunities to reinforce and advance the sustainability work of the Academy. In 2022/23, two significant applications were made to trusts for low-energy lighting and to increase the thermal efficiency of dedicated practice rooms. Proposals for support to fund projects that will help the Academy in its pursuit of more environmentally friendly practices are a greater priority than ever.

Legacies continue to represent a substantial portion of philanthropic income, with many alumni and friends choosing to include the Academy in their estate plans. Many of these bequests are expendable or permanent endowments and therefore add to the Academy's endowed funds. We have enhanced our identification and engagement of potential legacy donors and analysed recent legacy trends to grow confidence in our future legacy income. In 2022/23, our first Legacy Policy was created, detailing how to handle and accept bequests in line with Academy priorities and investment policies. The policy will help to further evolve and professionalise this important area and to offer greater transparency to both internal and external stakeholders.

In 2022/23, the team delivered a return of 9:1 (8.5 2021/22), well above the sector average. Benchmarked to other HEIs in an annual survey by the Council for the Advancement and Support of Education (CASE), the Academy ranks in the top 20% for fundraised income raised, and the largest in the conservatoire sector of the UK.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement and Statement on Internal Control and Risks relate to the financial year 1 August 2022 to 31 July 2023, and up to 23 November 2023 when the Annual Report and end-of-year Financial Statements were approved by the Governing Body.

The powers, duties and responsibilities of the Governing Body are laid down by the Royal Charter and its Bye-Laws. The Governing Body is also required, where appropriate, to conduct its business in line with the Statutes and Ordinances of the University of London of which the Academy is a member and, in their capacity as trustees, with the Academy's charitable objects.

The Academy is a higher education institution, part funded by the OfS and subject to its Terms and conditions of funding for higher education institutions. The Governing Body confirms that due regard has been given to the OfS public interest governance principles in respect of:

- I. Academic freedom
- II. Accountability
- III. Student engagement
- IV. Academic governance
- V. Risk management
- VI. Value for money
- VII. Freedom of speech
- VIII. The size, composition, diversity, skills mix and terms of office of the Governing Body
- IX. The appointment of fit and proper persons as members of the Governing Body and Senior Management Team

The Academy endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and complies with the guidance provided by the Committee of University of Chairs (CUC) in The Higher Education Code of Governance. The Governing Body has had regard to the Charity Governance Code and adopted the CUC Higher Education Senior Staff Remuneration Code.

The Objects of the Academy are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with the general instruction of all persons wanting to acquire knowledge thereof'.

Under the terms of the Supplemental Charter dated 1998 and its Bye-Laws, the direction of the Academy is the responsibility of the Governing Body, which makes rules, orders and regulations deemed useful and necessary for the regulation and management of the institution. The Charter is under review.

The Academy registered with the Fundraising Regulator in October 2017, displaying the badge to demonstrate adherence to the Code of Fundraising Practice. The Academy is a member of CASE and benchmarks its fundraising activities against UK universities and specialist institutions. The Academy works sensitively to protect vulnerable people and members of the public to ensure that no undue pressure is placed on a person to give money or other property. The Academy maintains a complaints log, and in the last year there were zero complaints in response to the organisation's fundraising activities. The Academy has not worked with commercial participators or professional fundraisers in the last year.

The Governing Body is responsible for overseeing and managing the general business, finances and investments of the Academy, safeguarding its assets, setting its general strategic direction and determining its educational character and mission. It is also responsible for ensuring that academic governance is operating effectively, encouraging student engagement in academic governance; that Academy students receive a high-quality education, value for money, and that adequate provision has been made for their welfare and wellbeing.

The Governing Body comprises the President, the Principal, and the trustees: 10 to 15 independent members from whom its Chair and Deputy Chairs are drawn, and up to five representative members elected by the staff and students.

None of the independent members receive any payment for work they do for the Academy. A Register of Interests is maintained for members of the Governing Body, and senior officers of the Academy.

The Governing Body meets four times each academic year and much of its detailed work is delegated to senior committees, in particular the Finance and General Purposes Committee, Audit Committee, Nominations Committee, Remuneration Committee, Gift Acceptance Committee and Academic Board, which are formally constituted as Committees of the Governing Body with written terms of reference and reporting structures. In addition, working groups are constituted as required. With the exception of the Academic Board, membership of these Committees includes a significant proportion of independent members of the Governing Body, from whom the chair is selected.

Members of the Governing Body meet with the Principal and Senior Management Team at least annually to review the Academy's strategic direction and measure progress against strategic aims.

Corporate Governance arrangements are reviewed annually and amended as the Governing Body sees fit.

A review of effectiveness of the Governing Body was undertaken during 2022/23, led by the Senior Independent Governor. Members confirmed that overall they believed the Governing Body was effective, they were comfortable with their role as trustees and had no major concerns. Internal controls and governance were believed to be good, the Board was a strong entity, the committees worked well and members were confident in the quality of their work. There was significant trust and confidence in the Chair, and in the Principal and Senior Management Team's abilities, resourcefulness, experience and leadership. There were a few areas where effectiveness could be improved around creating more opportunities for in-depth discussion on topics of interest and information sharing. Recommendations arising from the review will be implemented during 2023/24.

GOVERNANCE

The **Academic Board** is the main academic committee of the Governing Body and draws its members from the academic staff and the students of the institution. It is the body responsible for the academic and academic governance work of the Academy in teaching, examining and in research, and recommending and implementing strategic academic, artistic and policy initiatives. It is responsible for the Academy's Quality Assurance procedures which outline the principles, procedures and processes involved in our quality assurance and enhancement activities, which have been developed in accordance with the expectations set out in the UK Quality Code for Higher Education. These procedures are monitored annually to ensure they remain appropriate and robust for a small specialist institution.

The **Audit Committee** is responsible for overseeing internal controls, risk management, compliance, and the integrity of the annual financial statements. The Committee meets with the external auditors to discuss audit findings, and with the internal auditors to consider internal audit reports and recommendations for the improvement of the Academy's systems of internal control, together with management's response and implementation plans. The Committee receives reports from the OfS and monitors adherence with regulatory requirements. It provides the Governing Body and the Principal with an Annual Report on its key activities and an opinion on arrangements for risk management, safeguarding, GDPR, value for money and data integrity, environmental, social and governance (ESG) matters, among others.

The Audit Committee benefits from the appointment of an independent external member, Linda Peka, Deputy Registrar and Executive Divisional Director of Education and Academic Services at Exeter University, who provides additional expertise and scrutiny of the Academy's operations.

The **Finance and General Purposes Committee** oversees the management and control of the financial and general affairs of the Academy to ensure its short- and long-term viability. It recommends to the Governing Body the annual budget and elements of the end-of-year Financial Statements, advises on financial strategy, monitors financial performance and ensures that systems are in place for the effective and efficient management of resources and financial operations.

The **Gift Acceptance Committee** is responsible for advising the Governing Body about whether the sources and purposes of prospective donations, fundraising, and other funded activities are ethically acceptable.

The **Nominations Committee** is responsible for identifying fit and proper persons for nomination as independent members to ensure that the Governing Body has appropriate expertise to meet its short- and long-term needs. The priorities for recruitment are to widen the diversity of members and enhance the financial, business, professional, and fundraising expertise of the Governing Body.

The **Remuneration Committee** is responsible for the terms of employment and remuneration of the Principal, members of the Senior Management Team and other senior staff. The Academy adopted the CUC's Higher Education Senior Staff Remuneration Code, and presents an annual report to the Governing Body (page 31).

The Principal is the Chief Executive Officer of the Academy, who reports to the Governing Body and is responsible for implementing its decisions and for maintaining and promoting the efficiency and good order of the Academy. Under the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2023, the Principal is the designated Accountable Officer of the Academy.

The Senior Management Team is the Principal's advisory group and comprises the Deputy Principal, Director of Finance, Deputy Principal (Advancement), Dean of Students, and Registrar and Director of Student Operations.

STATEMENT OF INTERNAL CONTROL AND RISK

The Governing Body has, in accordance with its Royal Charter and Bye-Laws and the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2023, responsibility for maintaining a sound system of internal control that supports the achievement of strategic aims and objectives while safeguarding public and other funds and assets for which the Academy is responsible. The system of internal control is designed to manage rather than eliminate risk and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them efficiently and effectively. This process has been in place for the financial year ended 31 July 2023 and up to the date of approval of the Financial Statements, and accords with OfS guidance.

The following internal control processes have been established:

- The Governing Body considers the plans and strategic direction of the Academy on an annual basis.
- The Governing Body has delegated to the Audit Committee responsibility for reviewing the effectiveness of internal control systems and the risk management process and for ensuring suitable processes are in place for monitoring and managing the risks.
- The Governing Body receives an annual report from the Audit Committee concerning issues of risk, internal controls and their effectiveness, which are informed by reports from the Senior Management Team and internal auditors on the steps being taken to manage risks.
- The Audit Committee receives reports from the internal auditors, which include its independent opinion on the adequacy and the effectiveness of internal controls based on work undertaken in accordance with its approved audit plan.
- The Academy maintains an Academy-wide risk register, which is monitored by the Senior Management Team and reviewed by the Audit Committee. Changes in risk assessments are reported to the Audit Committee. This is reviewed by the Governing Body on an annual basis.
- Our approach to risk management is risk based and the Governing Body reviews risk appetite in key areas annually.
- Heads of departments are required to identify and keep up to date the record of risks facing the Academy. These are discussed on at least an annual basis.

The highest rated risks currently on the register include:

- Government policy changes to grant funding and student numbers
- Failure to controls costs
- Inflationary pressures
- Insufficient financial support to attract most able students
- Environmental change
- Physical security of collections
- Cyber security
- Noise protection for staff and students
- Failure of key IT hardware and software, higher costs and reduced availability
- Non-compliance with estates health and safety and regulatory requirements

All risks listed are discussed by the Senior Management Team on a regular basis with mitigating actions in place, and are reviewed termly by the Audit Committee.

The Academy continues to review data management with external consultation and legal and marketing experts, to minimise the GDPR-related risks in all our activities.

The Academy is subject to review by internal audit which, for 2022/23, was carried out by Azets. The internal auditors operate to standards defined in the Audit Code of Practice set out in the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2023 and report on the adequacy and effectiveness of the Academy's system of internal control, make recommendations for improvement and monitor implementation. No significant weaknesses in internal control were identified during the year.

The Corporate Governance Statement and Statement on Internal Control and Risks was approved by the Governing Body and the Principal on 23 November 2023, and signed on its behalf by

RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body oversees the Academy's activities, determines its future direction, and fosters an environment in which the Academy's mission can be achieved.

In accordance with its Royal Charter, the Governing Body is responsible for the administration and management of the Academy's affairs and is required to present an Annual Report and audited Financial Statements each financial year.

The Governing Body is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable it to ensure that the Financial Statements are prepared in accordance with the Statement of Recommended Practice: 'Accounting for Further and Higher Education' and other relevant accounting standards. In addition, within the OfS's Terms and conditions of funding for higher education institutions, for the period to 31 July 2023, the Governing Body, through its designated Accountable Officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the surplus or deficit and cash flows for that year.

In causing the Financial Statements to be prepared, the Governing Body ensures that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made which are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governing Body is satisfied that the Academy has adequate resources to continue in operation for the foreseeable future despite reporting a loss on Total Comprehensive Income for the year. For this reason, the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Governing Body is also responsible for:

- Ensuring there is a robust and comprehensive system of management, control and corporate governance, including prevention and detection of corruption, fraud, bribery and irregularities, and GDPR compliance.
- Obtaining regular, reliable, timely and adequate information to monitor performance and track the use of public and other funds it receives.
- Planning and managing activities to remain sustainable and financially viable.
- Informing the OfS of any significant changes in its circumstances and incidents that could impact on the mutual interests of the Academy and the OfS.
- Using public funds for their proper purpose and seeking to achieve value for money from public funds.
- Complying with mandatory requirements relating to audit and financial reporting.
- Delivering its charitable purpose for the public benefit including:
 - Sending required returns and information to the OfS.
 - Ensuring there are effective arrangements in place for managing and quality assurance of data submitted to funding and regulatory bodies.
 - Ensuring an effective framework to manage the quality of learning and teaching and to maintain academic standards.
 - Considering the OfS's assessment of the Academy's risk status and taking action accordingly.

The key elements of the Academy's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and professional services departments.
- A comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body.
- A treasury management policy.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and General Purposes Committee.

- A professional internal audit provider, whose annual programme is approved by the Audit Committee.
- An ongoing process designed to identify the principal risks (whether business, operational, compliance, financial or educational) to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.
- The existence of committees reporting to the Governing Body, particularly the Academic Board, Finance and General Purposes Committee and Audit Committee.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Governing Body is responsible for the oversight and integrity of the Academy's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SENIOR STAFF REMUNERATION ANNUAL REPORT 2022/23

THE HIGHER EDUCATION SENIOR STAFF REMUNERATION CODE

The Governing Body adopted the HE Senior Staff Remuneration Code in June 2018 and is committed to fair and appropriate remuneration for all staff.

The Senior Staff Remuneration Code advises that there are three key elements to adopt when setting senior staff remuneration:

- i. A fair, appropriate and justifiable level of remuneration
- ii. Procedural fairness
- iii. Transparency and accountability.

The Remuneration Committee

The Remuneration Committee's terms of reference state that the Committee is responsible for matters relating to the remuneration of the Principal as Head of Institution (HoI), the Senior Management Team, senior staff with remuneration over £100,000, and other pertinent matters relating to senior staff. It also scrutinises the annual Gender Pay Gap Report.

Members of the Remuneration Committee, including its Chair, are appointed by the Governing Body. The Committee comprises three Independent Members and the Director of Human Resources: Lord Blackwell as Chair; Dame Jenny Abramsky; Rehmet Kassim-Lakha; and Paul Riddell (to May 2023) and Cengiz Ali (from May 2023). The Principal is not a member of the Committee but may be invited to attend to discuss matters relating to the remuneration of senior members of staff, but not his own.

The Committee reports its business to the Governing Body and presents an annual report which forms the basis of the Senior Staff Remuneration Report in the financial statements.

The Committee met three times during the reporting period, on 10 October 2022, 5 June and 25 September 2023.

Approach to Senior Staff Remuneration

The Academy is recognised as a world-class institution, welcoming students from nearly 55 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. We are dedicated to offering the very best education to students from all over the world; we train versatile and resourceful musicians with the skills they need in the continually changing profession and to enable them to become independent and creative musicians. We foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we aim to recruit and retain the very best, supporting them with professional development opportunities. The Academy also relies on an infrastructure of talented and committed professional services staff.

A number of factors will be considered when determining reward for senior staff:

- The finite number of specialist musical educators and leaders in the UK and globally.
- A key facet of the Academy's mission is to widen access to music education.
- We are committed to equality and diversity in employment and all our activities.
- Benchmarking against comparative UK conservatoires.
- Complexity, scale and scope of the Senior Management Team positions and impact of the role, on students, staff, visitors, donors, research, resources and finances, the Academy, and the conservatoire sector.
- Discretion, level of accountability, degree of autonomy and decision-making authority.
- Reputation and academic or professional credibility.
- Performance in support of the Academy's strategic objectives.
- Management and leadership of staff.
- Strategic partnerships and external relations internationally and nationally.
- The HE Senior Staff Remuneration Code.
- The Academy's annual Gender Pay Gap Report.
- Value for money, affordability, and the Academy's financial sustainability.

Sources of data for the Remuneration Committee

Sources of comparative data include:

- a. Higher Education Statistics Agency (HESA) data.
- b. The Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey.
- c. The CUC Vice-Chancellor Salary Survey.
- d. Reports and reviews from external experts commissioned by the Committee.
- e. Internal analysis of salary distributions and the Higher Education Role Analysis (HERA) system.

Pay awards

The Academy subscribes to the Universities & Colleges Employers Association (UCEA), which negotiates the nationally agreed annual cost-of-living pay award with unions, on behalf of its members. Once agreed, the cost-of-living pay award is applied to all staff.

The pay award for 2022/23 was implemented with effect from 1 August 2022 and varied between 3-9%, with workers on lower points of the pay scale receiving a larger percentage to recognise that the effect of inflation impacts the lower paid disproportionately. For 2023/24 the same principle was applied, and the award varied between 3 to 5% with an early interim uplift of £1,000 or 2% (whichever was the greater) payable from February 2023.

Non-Senior Management Team remuneration

For non-Senior Management Team roles, the Academy subscribes to the HERA system, through which all roles are evaluated and assessed to determine the pay grade and salary range against the national pay scales, based on transparent criteria and to ensure pay equity and the elimination of discrimination.

Market forces supplements may be applied, where necessary, to attract and retain staff, upon provision of evidence of external market rates.

Additional staff pay awards, including incremental awards and one-off payments for exceptional work are evaluated on a termly basis by the Salary Review Group and its recommendations are scrutinised by the Senior Management Team.

Pay Multiples

The pay multiple of the HoI basic salary against the median of all staff is 5.47 for 2022/23 (5.65 2021/22).

External appointments

The Academy has some of the world's finest teachers who provide inspiring tuition to our students and we encourage and support staff to continue their professional performance careers and to develop links with other institutions through flexible working arrangements. If staff have visiting professorships or fellowships this raises the profile of the Academy and is a useful means of identifying and sharing good practice elsewhere in the sector. In addition, a significant number of our staff work as Special External Assessors and External Examiners at other institutions which benefits the Academy by adding an extra layer of externality in our ongoing monitoring and review of the quality and standards of our principal study disciplines, programmes and awards. This externality is also valuable in providing reassurance in respect of standards across the conservatoire sector. We do not therefore have a policy on the retention of income generated from external bodies but ask staff to inform us of any potential conflict of interest.

Expenses

All staff are expected to adhere to principles of seeking value for money, in hospitality, business travel, accommodation or otherwise. Expenses are expected to be reasonable and not excessive.

The expenses of the Principal are authorised by the Chair of the Governing Body. The expenses of the Director of Finance are authorised by the Principal. All other staff expenses are authorised by the Director of Finance.

The Principal's contract was renewed during the period and extended to 2026 and will be considered for extension again in 2024. Information about the Principal's remuneration is published on page 47.

INDEPENDENT AUDITORS' REPORT TO THE ACADEMY'S GOVERNING BODY

Opinion

We have audited the financial statements of Royal Academy of Music (the 'Academy') and its subsidiaries ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and Academy Statement of Comprehensive Income and Expenditure, Consolidated and Academy Statement of Changes in Reserves, Consolidated and Academy Statement of Financial Position, Consolidated Cash Flow Statement and the related notes, including a summary statement of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

- give a true and fair view of the state of the Academy's affairs as at 31 July 2023 and of its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body'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 Group's and Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governing Body are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Governing Body

As explained more fully in the Statement of the Governing Body, the Governing Body are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governing Body 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 Governing Body are responsible for assessing the Group and Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on other legal and regulatory

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

In our opinion, in all material respects:

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

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

Use of our report

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

MHA
Statutory Auditor
London, United Kingdom

Date

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

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

CONSOLIDATED AND ACADEMY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Income					
Tuition fees	1	12,188	12,188	11,208	11,208
OfS and Funding Council grants	2	6,222	6,222	5,539	5,539
Research grants and contracts	3	-	-	18	18
Other income	4	1,698	1,698	1,311	1,311
Investment income	5	1,235	1,235	834	834
Total income before donations and endowments		21,343	21,343	18,910	18,910
Donations and endowments	6	11,182	11,182	13,674	13,674
Total income		32,525	32,525	32,584	32,584
Expenditure					
Staff costs	7	15,240	15,240	13,528	13,528
Other operating expenses		12,442	12,442	11,149	11,149
Depreciation	10	1,728	1,698	1,744	1,714
Interest and other finance costs	8	62	62	63	63
Total expenditure	9	29,472	29,442	26,484	26,454
Operating surplus before other gains or losses		3,053	3,083	6,100	6,130
Gain on disposal of fixed assets		12	12	-	-
Gain on investments		1,236	1,236	589	589
Surplus for the year		4,301	4,331	6,689	6,719
Unrealised surplus on revaluation of tangible assets		-	-	-	-
Actuarial gain in respect of RAM1967 Pension Scheme		1,117	1,117	2,171	2,171
Total comprehensive income for the year		5,418	5,448	8,860	8,890
Represented by:					
Endowment comprehensive income for the year		5,259	5,259	4,236	4,236
Restricted comprehensive income for the year		449	450	1,399	1,399
Unrestricted comprehensive income for the year		(548)	(518)	2,958	2,988
Revaluation reserve comprehensive income for the year		258	258	267	267
		5,418	5,449	8,860	8,890

CONSOLIDATED AND ACADEMY STATEMENT OF CHANGES IN RESERVES

	INCOME AND EXPENDITURE ACCOUNT			Revaluation reserve	Total
	Endowment	Restricted	Unrestricted		
Consolidated	£000	£000	£000	£000	£000
Balance at 1 August 2021	48,782	3,494	127,574	27,172	207,022
Surplus from the income and expenditure statement	4,236	1,399	2,958	267	8,860
Transfers between endowment and restricted reserves	(17)	17	-	-	-
Release of restricted capital funds spent in year	-	(213)	213	-	-
Balance at 1 August 2022	53,001	4,697	130,745	27,439	215,882
Surplus/(deficit) from the income and expenditure statement	5,259	449	(548)	258	5,418
Transfer between revaluation and income and expenditure reserve	-	-	167	(167)	-
Release of restricted capital funds spent in year	-	(544)	544	-	-
Balance at 31 July 2023	58,260	4,602	130,908	27,530	221,300

	INCOME AND EXPENDITURE ACCOUNT			Revaluation Reserve	Total
	Endowment	Restricted	Unrestricted		
Academy	£000	£000	£000	£000	£000
Balance at 1 August 2021	48,782	3,494	126,914	27,172	206,362
Surplus from the income and expenditure statement	4,236	1,399	2,988	267	8,890
Transfer between endowment and restricted reserves	(17)	17	-	-	-
Release of restricted capital funds spent in year	-	(213)	213	-	-
Balance at 1 August 2022	53,001	4,697	130,115	27,439	215,252
Surplus/(deficit) from the income and expenditure statement	5,259	449	(518)	258	5,448
Transfer between endowment and restricted reserves	-	-	-	-	-
Release of restricted capital funds spent in year	-	(544)	711	(167)	-
Balance at 31 July 2023	58,260	4,602	130,308	27,530	220,700

CONSOLIDATED AND ACADEMY STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Non-Current Assets					
Fixed assets:					
Heritage	10a	91,198	90,598	91,250	90,620
Operational	10a	53,165	53,165	52,736	52,736
		144,363	143,763	143,986	143,356
Non-Current Investments	11	67,742	67,742	51,269	51,269
		212,105	211,505	195,255	194,625
Current Assets					
Trade and other receivables	12	1,719	1,719	1,029	1,029
Current Investments	13	2,030	2,030	3,038	3,038
Cash and Cash Equivalents		10,162	10,162	22,196	22,196
		13,911	13,911	26,263	26,263
Creditors: Amounts falling due within one year	14	(3,801)	(3,801)	(3,424)	(3,424)
Net Current Assets		10,110	10,110	22,839	22,839
Total Assets less Current Liabilities		222,215	221,615	218,094	217,464
Provisions					
Pension provisions	15	(572)	(572)	(1,870)	(1,870)
Other provisions	15	(343)	(343)	(342)	(342)
Total Net Assets		221,300	220,700	215,882	215,252
Restricted Reserves					
Income and Expenditure Reserve - Endowment	16	58,260	58,260	53,001	53,001
Income and Expenditure Reserve - Restricted	17	4,602	4,602	4,697	4,697
		62,862	62,862	57,698	57,698
Unrestricted Reserves					
Income and Expenditure Reserve - Unrestricted		130,908	130,308	130,745	130,115
Revaluation reserve		27,530	27,530	27,439	27,439
		158,438	158,838	158,184	157,554
Total Funds		221,300	220,700	215,882	215,252

The Notes on pages 46 to 63 form part of these Financial Statements.

The Financial Statements were approved by the Governing Body and authorised for issue on 23 November 2023.

Dame Jenny Abramsky
Chair of Governing Body

Professor Jonathan Freeman-Attwood
Principal

CONSOLIDATED CASH FLOW STATEMENT

	Note	2023 £000	2022 £000
Cash flow from operating activities			
Surplus for the year		4,301	6,689
Adjustments for non-cash items			
Depreciation/Impairment of Fixed Assets	10a	1,728	1,744
(Gain) on investments	11	(1,236)	(589)
Decrease in stocks		-	5
(Increase) in debtors	12	(690)	(368)
Increase/(decrease) in creditors	14	377	(887)
(Decrease) in pension provisions	15	(181)	(3)
Increase/(decrease) in other provisions	15	1	97
Receipt of donated equipment	6	(235)	(177)
Adjustment for investing or financing activities			
Investment income	5	(1,235)	(834)
New endowments	16	(4,442)	(4,220)
(Profit) on sale of fixed assets		(12)	-
Capital grant income		(313)	(163)
Net cash inflow from operating activities		<u>(1,937)</u>	<u>1,294</u>
Cash flows from investing activities			
Proceeds from sale of operational tangible assets		26	-
Capital grant receipts		313	163
Disposal of non-current asset investments		29,351	5,772
Withdrawal of current asset investments deposits		1,026	-
Investment income		1,235	834
Purchase of operational tangible fixed assets		(1,884)	(635)
New non-current asset investments		(44,588)	(6,957)
New current asset investment deposits		(18)	(14)
		<u>(14,539)</u>	<u>(837)</u>
Cash flows from financing activities			
New endowments received	16	4,442	4,220
		<u>4,442</u>	<u>4,220</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(12,034)</u>	<u>4,677</u>
Cash and cash equivalents at 1 August 2022		22,196	17,519
Cash and cash equivalents at 31 July 2023		<u>10,162</u>	<u>22,196</u>

The Group has not included an analysis of movement in net debt table as it did not have any net debt during the year.

STATEMENT OF ACCOUNTING POLICIES

FRS 102 is the single comprehensive Financial Reporting Standard and SORP 2019 is the education sector's interpretation of FRS 102.

1. Accounting Convention

The Financial Statements have been prepared under the historical cost convention, modified for the revaluation of the Academy's listed investments, in accordance with applicable Accounting Standards and the Statement of Recommended Practice: 'Accounting for Further and Higher Education' (SORP), published in October 2018. The institution is a public benefit entity and has therefore applied the relevant public benefit requirement of the applicable accounting standards.

The Governing Body has reviewed the financial position of the Academy and its plans for the future as set out in the Operating and Financial review, outturn in 2022/23 as set out in the planned operation and activities of the Academy, and is satisfied that it has adequate resources to continue in operation for the foreseeable future.

The Governing Body reviews the annual budgets and plans which the Academy prepares as part of its annual planning cycle; these reflect the aims and objectives of the Strategic Plan 2023 to 2026, and feed into the five-year forecast. The budgets, plans and forecasts show that the Academy is expected to be able to continue to meet its working capital requirements from cash and liquid investments. The budgets and forecasts consider the impact of key external factors including the impact of Brexit on student recruitment as well as possible changes in government funding. The management team and governing body consider the impact of changes in assumptions in these key areas before approving budgets and forecasts.

For this reason, the Governing Body feels that the Academy has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the Academy from continuing as a going concern. These financial statements have therefore been prepared on a going concern basis.

2. Basis of Consolidation

The consolidated Financial Statements comprise the Academy's activities and those of its charitable subsidiary undertaking, the RAM Collections Trust. RAM Development Company Limited was dormant during the year. The consolidated Financial Statements do not include those of the Students' Union because the Academy does not control those activities as it is a separate entity. Intra-group transactions are eliminated on consolidation.

3. Recognition of Income

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

Fee income is credited to income over the period in which students are studying. Bursaries funded from external donations or endowment income are omitted from expenditure and fee income and recognised as donations or interest receivable accordingly. Bursaries funded from general or designated funds are included within bursary expenditure and fee income.

Funds the Academy receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure where the Academy is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grants and Donations

A Performance Related Condition (PRC) is a condition that requires the performance of a particular level of service or units of output to be delivered with payment of, or entitlement to, the resources conditional on that performance.

Grants and donations without PRC or any other type of restriction are recognised in full within the Consolidated Statement of Comprehensive Income and Expenditure on entitlement to the income. This includes donations of assets.

Government and non-government grants with PRCs include annual grants such as OfS or UKRI teaching and research grants and bursary grants where the academic year and/or students to whom the grants relate are stipulated. They may also include grants for specific research projects to fund academic posts over a number of

years. These grants are deferred on the balance sheet until the PRC has been met, at which point the grant is released to income.

Where no PRC attaches to a government or non-government grant but there are nevertheless restrictions imposed on the use of funds, the grant income is recognised in full when the Academy is entitled to the income. It is retained within a restricted reserve until being used in line with the restriction, at which point a reserve transfer is made to release the reserve to general funds.

Capital grants are treated in the same way as revenue grants.

Endowments

An endowment fund is a form of charitable trust retained for the benefit of the Academy for the long-term and is subdivided into a capital and accumulated income element. A donation to establish an endowment fund which prohibits conversion of capital to income creates a 'permanent' endowment fund and such funds must generally be held indefinitely. If the Academy has power to use the capital then the endowment fund is 'expendable' although the Academy would be unlikely to use this power in the short-term.

The investment income from permanent endowment funds may be restricted or unrestricted in use depending on the requirements of the donor whereas investment income from expendable endowment funds will always be restricted in use.

New endowment funds are credited to the Consolidated Statement of Comprehensive Income and Expenditure on entitlement and then transferred to an endowment fund within the Balance Sheet. Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure and, if restricted, reserved within the endowment fund for future spend in accordance with restrictions. Expenditure against the restricted endowment fund is debited to the Consolidated Statement of Comprehensive Income and Expenditure and charged to the endowment fund.

Appreciation/depreciation of endowment investments is recorded within the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the capital element of the endowment funds.

Other Investment Income

Other investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis. Appreciation/depreciation of investments is credited/debited to the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the General Fund or Endowment funds, as appropriate.

4. Accounting for Retirement Benefits

The Academy contributes to four different pension schemes for current employees: the TPS; a GPPS; the NEST; and the USS. The TPS and USS are defined benefit schemes and each fund is valued every three years by professionally qualified independent actuaries. The GPPS and NEST are defined contribution schemes.

The assets of the TPS are held in separate trustee-administered funds. Because of the nature of the Scheme, the Scheme's assets are not hypothecated to individual institutions and Scheme-wide contributions are set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. Therefore, it accounts for the Scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the Scheme in respect of the accounting period.

The USS is a multi-employer hybrid scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Academy therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the Scheme. Since the Academy has entered into an agreement (the recovery plan) that determines how each employer within the Scheme will fund the overall deficit, a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. The Academy had eight members in the USS at the end of 2022/23.

The Academy also operates a defined benefit pension scheme, The Royal Academy of Music Pension Scheme 1967 (RAM1967), which is closed to new members, and which provides retirement benefits based on the length of service and final pensionable salary for certain employees. The operating and financing costs of the Scheme are recognised separately in the income and expenditure account. Service costs are spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions are recognised in the Statement of Comprehensive Income and Expenditure. The Academy's net obligation in respect of the RAM1967 Scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods: that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. Any resulting surplus is subject to an impairment charge.

5. Employment Benefits

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

6. Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the term of the lease. Any lease premiums or incentives are spread over the lease term.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where components of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Musical Instrument Collection assets which were revalued to fair value prior to 1 August 2014, the date of transition to the revised SORP, are measured on the basis of deemed cost, being the revalued amount at the transition date.

Impairment reviews are carried out if changes in conditions or events indicate the carrying amount of a fixed asset may not be recoverable.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet.

Donations received towards the cost of buildings or other assets are released to income on entitlement or when PRCs, if they exist, have been met (refer to income recognition policy for further details). The income is then transferred to a restricted reserve to fund remaining asset purchase costs.

Land and Buildings

Expenditure that adds value to the main Academy property is capitalised and depreciated over 40 years on a straight line basis.

Academy buildings are being depreciated over 90 years, in line with the length of the lease.

A componentisation approach has been applied to the recently completed Susie Sainsbury Theatre and Angela Burgess Recital Hall. The structures are being depreciated over 50 years but other components are being depreciated over between 10 and 25 years.

The York Gate building was acquired with the aid of a specific grant from the Heritage Lottery Fund and was subsequently refurbished. The refurbishment costs of the York Gate building and the cost of the David Josefowitz Recital Hall have also been capitalised and are being depreciated over 71 and 28 years respectively. Fit-out costs for York Gate are being depreciated over 13 years. The depreciation for the York Gate buildings was recalculated on transfer of the assets to the Academy in 2013.

The fit-out costs of the Cross Keys practice rooms are being depreciated over 10 years, this being the length of the lease.

Buildings under construction within the Academy are accounted for at cost based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Equipment and Collection of Musical Instruments

Expenditure on the purchase of equipment and other items is depreciated on a straight line basis as follows:

- Equipment/working instruments/artefacts: Between 5 and 40 years or not depreciated.
- Collection of Prestigious Musical Instruments: Not depreciated as their long economic life and high residual value mean depreciation is not material.
- Assets in excess of £10,000 and refurbishments in excess of £25,000 are capitalised. All other equipment is written off in the year of acquisition.

Donated Assets

Donated fixed assets are capitalised on donation and included in the balance sheet at fair value, this being insurance value of the cost to the donor.

8. Heritage Assets

Since its foundation in 1822, the Academy has acquired important collections of instruments, manuscripts, paintings, photographs, busts, drawings, teaching aids and artefacts, batons, furnishings, memorabilia and other objects which have been bought or donated over the years. The majority of the instruments have been valued and are recorded in the Balance Sheet, most as working assets but a few, primarily stringed instruments made by Stradivari and Amati, are considered to be of such cultural international importance that they are not generally used for educational or musical purposes but are on display in the Academy's Museum, which is open to the public. Consequently they fall to be treated as heritage assets as they are held primarily for their contribution to knowledge and culture. The Spencer Collection and the Menuhin Collection were both purchased by the Academy and are also included in the Balance Sheet as heritage assets. The other items of the type described above are numerous and many have relatively low intrinsic values, however many of them have unique associations with their original owner or with the Academy. These assets are not considered to be of a heritage nature but are nevertheless an important part of the Academy's history and assist in preserving its reputation and attraction to current and potential students and teachers. Full details of the collections, which are fully catalogued and include both heritage and non-heritage assets, together with opening times for the Museum and Access policy, are given on the Academy's website at www.ram.ac.uk/Museum.

The key stringed instruments that are held as heritage assets are included in the Balance Sheet at fair value as at 1 August 2014, the date of transition to the SORP, and are no longer generally revalued. The ten most valuable instruments were revalued in 2020/21, as they account for 95% of the heritage assets. The carrying amounts are reviewed annually for impairment. Donated heritage assets are not depreciated as, given their long economic life and high residual value, depreciation would not be material. Heritage assets purchased by the Academy are included in the Financial Statements at cost and are depreciated over 40 years. Costs in connection with the preservation and conservation of heritage assets are charged to the Income and Expenditure Account as they are incurred.

9. Investments

Listed investments held within Non-Current investments are stated at fair value at the Balance Sheet date. Gains or losses are attributed to the appropriate fund.

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. They include bank and building society deposits with a deposit term greater than 90 days.

10. Financial Instruments

The Academy has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The Academy only has financial assets and liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the Academy are as follows:

- Debtors – trade and other receivables (including accrue income) are financial instruments and are debt instruments measured at amortised cost as detailed in Note 12. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

11. Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and cash deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include building society deposits with a deposit term less than 90 days and no material penalty for early withdrawal.

12. Stock

The majority of the stock held used to relate to the Academy Chimes music shop with minor amounts for canteen and bar stock. Stock is stated at the lower of cost and net realisable value.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when:

- a. The Academy has a present legal or constructive obligation as a result of a past event.
- b. It is probable that an outflow of economic benefits will be required to settle the obligation.
- c. A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Academy a possible obligation whose existence will only be confirmed by the occurrence of otherwise uncertain future events not wholly within the control of the Academy. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Academy a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

Maintenance of Premises

The Academy has a provision for the maintenance of its buildings which it is required to carry out in accordance with the terms of its lease. This is based on a 15-year maintenance plan which is reviewed on an annual basis. The provision represents the estimated cost, at the Balance Sheet date, of maintenance work falling due within the cyclical programme under the lease.

The cost of routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

14. Taxation Status

As a registered charity the Academy is exempt from taxation in respect of income received within categories covered by Part II of the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes. The Academy is partially exempt in respect of Value Added Tax (VAT) so it can only recover a minor element of VAT charged on its inputs.

15. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include endowments (see Note 16) and non-endowment funds which the donor has designated for a specific purpose.

16. Significant Estimates and Accounting Judgements

In the preparation of the 2022 consolidated Financial Statements, it is the responsibility of management to make informed judgements and estimates that affect the reported values for assets, liabilities, income and expenditure.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date of 31 July 2023, are listed as follows:

Deferred Benefit Scheme Pension Provision

The Academy is the sole member of the RAM1967 Pension Scheme which is a defined benefit scheme, and for which a provision is recorded within the balance sheet. The recognised liability is based on the valuation provided by professionally qualified independent actuaries which is based on a number of assumptions. These include the future cash flows of the Scheme, the discount rate used (which is based on average AA rated UK corporate bond rates that reflect the duration of our liability), the pensionable salary growth going forward and proposed price inflation (which is based on the RPI). Further details can be found in Note 18.

The net interest expense is based on the interest rates of AA rated corporate bonds and the deficit position.

Management review the assumptions made to derive the provisions recorded within the Balance Sheet to ensure that they are reasonable.

17. Post Balance Sheet Events

There are no post balance sheet events to report.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
1. Tuition fees net of fees paid by donors				
Full-time UK and EU	4,675	4,675	4,849	4,849
Full-time international	6,499	6,499	5,461	5,461
Junior and intermediate	1,014	1,014	898	898
	<u>12,188</u>	<u>12,188</u>	<u>11,208</u>	<u>11,208</u>
2. OfS and funding council grants				
Recurrent teaching grant	5,137	5,137	4,400	4,400
Recurrent research grant	625	625	933	933
Other special funding	358	358	164	164
Capital grant	100	100	30	30
Other grants	2	2	12	12
	<u>6,222</u>	<u>6,222</u>	<u>5,539</u>	<u>5,539</u>
We are satisfied that we meet the performance conditions set out in the grants above.				
3. Research grants and contracts				
Research Councils	-	-	18	18
	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>
The source of grant and fee income, included in Notes 1 to 3 is as follows:				
Grant and fee income				
Grant income from the OfS	5,239	5,239	4,442	4,442
Grant income from other bodies	983	983	1,115	1,115
Fee income for research awards (exclusive of VAT)	154	154	207	207
Fee income from non-qualifying courses (exclusive of VAT)	1,014	1,014	898	898
Fee income for taught awards (exclusive of VAT)	11,020	11,020	10,103	10,103
	<u>18,410</u>	<u>18,410</u>	<u>16,765</u>	<u>16,765</u>
4. Other income				
Residences and catering	463	463	415	415
Revenue grant (CJRS government)	-	-	1	1
Other operating income	1,235	1,235	895	895
	<u>1,698</u>	<u>1,698</u>	<u>1,311</u>	<u>1,311</u>
5. Investment income				
Investment income	957	957	789	789
Other interest receivable	278	278	45	45
	<u>1,235</u>	<u>1,235</u>	<u>834</u>	<u>834</u>
6. Donations and endowments				
New endowments	4,442	4,442	4,220	4,220
Performance Related Condition income utilised	1,431	1,431	1,188	1,188
Restricted donations	2,488	2,488	3,357	3,357
Unrestricted donations *	2,586	2,586	4,731	4,731
Donation of assets (non-cash)	235	235	178	178
	<u>11,182</u>	<u>11,182</u>	<u>13,674</u>	<u>13,674</u>

* Includes distribution of £500,000 from the ABRSM (£0 2021/22)

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
7. Staff				
Staff costs				
Wages and salaries *	12,378	12,378	10,836	10,836
Social Security costs	1,102	1,102	992	992
Change in USS pension provision parameters	-	-	345	345
Other pension costs	1,760	1,760	1,355	1,355
	15,240	15,240	13,528	13,528

* These figures include the following amounts paid to freelance workers: £416,482 2022/23, £374,377 2021/22.

Members of Governing Body do not receive remuneration for their work as Trustees.

Principal's emoluments	£	£
Salary	201,151	193,696
Benefits	4,397	3,993
Pension contributions and pay in lieu of pension contributions	35,856	34,130
Compensation for change in tax treatment of accommodation **	16,703	17,025
Accommodation – taxable	21,643	22,000
	279,750	270,844

** Compensation to reflect changes in tax treatment of accommodation, provided to enable him to perform his role, recognising the contractual obligations arising from changes in HMRC regulations.

The Principal is not part of a pension scheme therefore his salary contains a pension equivalent, now rolled into a single sum. This is shown separately above.

The Principal is required as part of his contract to live on the Academy premises. The premises are an integral part of the main Academy building and the apportioned costs associated with the Principal's use of the residence are £21,643 (£22,000 2021/22). The space is also used by chamber groups for rehearsal and coaching, for visiting performers, for cataloguing by the Library staff and for quiet working.

The Principal's remuneration is set by the Remuneration Committee (of which he is not a member) after consideration of his performance over time, his success in meeting strategic objectives, and of salaries at other comparable Higher Education institutions, nationally and internationally. This includes particular reference to other conservatoires and specialist institutions. He has continued to strengthen the quality of student and staff recruitment, achieving high rankings in relevant league tables, as well as attracting additional philanthropic income, particularly over the very successful Bicentenary Campaign. He has also personally overseen several major global initiatives, including the Sir Elton John Global Exchange Scheme, continued to lead on the transformation of facilities, and has attracted world-leading musicians to join the staff for projects and collaborations. The salary does not reflect a corporate-world equivalent but rather takes into account the skills required to run a high-level and complex institution, with long working hours. In November 2022 the Remuneration Committee decided that the Principal's contract should be amended to apply the Academy cost of living increase to all his elements of pay. The Principal's contract and remuneration were reviewed in 2022.

The Principal's basic salary is 5.47 times (5.65 times 2021/22) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Academy to its staff.

The Principal's total remuneration is 6.01 times (6.62 times 2021/22) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Academy to its staff.

Severance payments of £69,126 were made to 2 members of staff in 2022/23, of which £45,731 was non-contractual (3 members of staff £53k 2021/22).

The Academy adheres to the CUC Higher Education Senior Staff Remuneration Code.

There were two members of staff, excluding the Principal, who received emoluments (including taxable benefits and allowances but excluding employer's pension contributions) in excess of £100,000, in the following ranges:

Range	2023	2022
£105,000-£109,999	-	1
£120,000-£124,999	1	-
£125,000-£125,999	-	1
£140,000-£144,999	1	-
£240,000-£244,999	-	1
£250,000-£254,999	1	-

The average number of persons employed by the Academy and the Group during the year, expressed as full-time equivalents (FTE), are shown in the table below:

	2023 FTE	2022 FTE
Staff numbers		
Teaching *	136	130
Support	9	10
Other academic services	12	12
Central administration and services	50	44
General education	29	18
Student/staff facilities	9	7
Premises	15	20
Catering and residence	-	1
	260	242

* The figures above include the following Junior Academy teaching staff

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Key Management Personnel

Key Management Personnel comprises the Senior Management Team, including the Principal, being those persons having authority and responsibility for planning, directing and controlling the activities of the Academy.

	2023 £000	2022 £000
Key management personnel compensation	969	924
Headcount	6	7

Widening Participation

	2023 £000	2022 £000
Access investment	185	155
Financial support	-	-
Disability support (excluding expenditure included in the category above)	67	61
Research and evaluation	29	6
	281	222

Public Sector Trade Union Facility Time

The Academy is required to report on the paid time off during working hours for trade union representatives to carry out trade union duties. This data covers the period 1 August 2022 to 31 July 2023.

Total number and FTE of union officials employed	0 no and 0 FTE
Percentage of time spent on facility time	0%
Total cost of facility time	£0
Total pay bill	£11,962k
Percentage of pay bill spent on facility time	0%
Time spent on paid trade union activities as a percentage of total paid facility hours	0%

8. Interest and other finance costs

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Net charge on pension schemes	62	62	63	63

9. Total expenditure by activity

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Teaching	10,529	10,529	9,227	9,227
Support	486	486	468	468
Other academic services	719	719	694	694
Central administration and services	4,578	4,578	4,579	4,579
General education	6,184	6,184	5,040	5,040
Student/staff facilities	452	452	347	347
Premises	5,617	5,587	5,236	5,206
Long-term maintenance	-	-	100	100
Catering and residence	845	845	712	712
Research grants and contracts	-	-	18	18
Other expenses	62	62	63	63
	29,472	29,442	26,484	26,454

Other operating expenses include:

External auditors' remuneration in respect of audit services	99	67
External auditors' remuneration in respect of non audit services	-	-
Internal auditors' remuneration	29	5
Operating lease rentals: Land and buildings	945	945
Other	15	15

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Widening Participation				
Access investment	280	280	225	225
Financial support	609	609	561	565
Disability support (excluding expenditure included in the two categories above)	67	67	61	61
Research and evaluation	44	44	6	6
	1,000	1,000	853	853

£281,000 (£222,000 2021/22) of these costs are included in the overall staff costs figures in the financial statements, see Note 7.

Link to the Academy's Access and Participation Plan: <https://www.ram.ac.uk/about-us/policies-and-procedures/access-and-participation-plan>.

10. Fixed assets**a) Consolidated**

Cost or valuation	OPERATIONAL					HERITAGE			TOTAL
	Long leasehold land and buildings	Assets in the course of construction	Equipment	Instrument collection	Subtotal	Heritage instrument collection	Spencer collections	Subtotal	Grand total
					Operational assets			Heritage assets	
					Valuation			Valuation	
	Cost	Cost	Cost	Valuation	£000	£000	£000	£000	£000
At 1 August 2022	54,662	300	9,579	7,515	72,056	90,145	2,103	92,248	164,304
Additions	191	1,480	424	424	2,119	-	-	-	2,119
Disposals	-	-	(64)	(14)	(78)	-	-	-	(78)
Transfer	1,294	(1,294)	-	-	-	-	-	-	-
At 31 July 2023	56,147	486	9,939	7,525	74,097	90,145	2,103	92,248	166,345
Depreciation									
As at 1 August 2022	14,402	-	4,918	-	19,320	-	998	998	20,318
Disposals	-	-	(64)	-	(64)	-	-	-	(64)
Charge for the year	1,451	-	225	-	1,676	-	52	52	1,728
At 31 July 2023	15,853	-	5,079	-	20,938	-	1,050	1,050	21,982
Net book value									
At 31 July 2023	40,294	486	4,860	7,525	53,165	90,145	1,053	91,198	144,363
At 31 July 2022	40,260	300	4,661	7,515	52,736	90,145	1,105	91,250	143,986

99% of the value of instruments held as heritage assets is represented by 22 stringed instruments.

There were no disposals of heritage assets during the year (nil 2021/22).

b) Academy

Cost or valuation	OPERATIONAL					HERITAGE			TOTAL
	Long leasehold land and buildings	Assets in the course of construction	Equipment	Instrument collection	Subtotal	Heritage instrument collection	Spencer collections	Subtotal	Grand total
					Operational assets			Heritage assets	
					Valuation			Valuation	
	Cost	Cost	Cost	Valuation	£000	£000	£000	£000	£000
At 1 August 2022	51,890	300	9,579	7,515	69,284	90,145	905	91,050	160,334
Additions	191	1,480	424	24	2,119	-	-	-	2,119
Disposals	-	-	(64)	(14)	(78)	-	-	-	(78)
Transfer	1,294	(1,294)	-	-	-	-	-	-	-
At 31 July 2023	53,375	486	9,939	7,525	71,325	90,145	905	91,050	162,375
Depreciation									
At 1 August 2022	11,630	-	4,918	-	16,548	-	430	430	16,978
Disposals	-	-	(64)	-	(64)	-	-	-	(64)
Charge for the year	1,451	-	225	-	1,676	-	22	22	1,698
At 31 July 2023	13,081	-	5,079	-	18,160	-	452	452	18,612
Net book value									
At 31 July 2023	40,294	486	4,860	7,525	53,165	90,145	453	90,598	143,763
At 31 July 2022	40,260	300	4,661	7,515	52,736	90,145	475	90,620	143,356

11. Non-current investments

	Consolidated and Academy total investments £000
At market value	
At 1 August 2022	51,269
Purchases of investments	44,588
Proceeds from sales of investments	(29,351)
Gains on disposal/revaluation	1,236
At 31 July 2023	67,742
Represented by:	
Equities	46,780
Fixed interest stocks	7,441
Property and alternatives	11,216
Other	2,305
	67,742

12. Trade and other receivables

	Consolidated 2023 £000	Academy 2022 £000	Consolidated 2022 £000	Academy 2022 £000
Amounts falling due within one year:				
Trade debtors	315	315	329	329
Prepayments and accrued income	1,404	1,404	700	700
	1,719	1,719	1,029	1,029

13. Current investments

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Short-term deposits	2,030	2,030	3,038	3,038

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months' maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit on placement.

At 31 July 2023 the weighted average interest rate of these fixed rate deposits was 1.82% pa and the remaining weighted average period for which the interest rate was fixed was 105 days. The fair value of the deposits was not materially different from book value.

14. Creditors

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Amounts falling due within one year:				
Trade creditors	244	244	124	124
Fees in advance	867	867	1,158	1,158
Deferred revenue (Performance Related Conditions)	1,187	1,187	680	680
Taxation and social security	331	331	340	340
Other creditors and accruals	1,172	1,172	1,122	1,122
	3,801	3,801	3,424	3,424

Deferred revenue includes the following items of income which are deferred until specific performance related conditions are met:

Teaching grants	1,167	1,167	660	660
Other grants	20	20	20	20
	1,187	1,187	680	680

15. Provisions

	CONSOLIDATED AND ACADEMY			
	USS deficit funding obligation £000	RAM1967 defined benefit obligation £000	Total pension provisions £000	Other provisions - leasehold dilapidations £000
At 1 August 2022	594	1,276	1,870	342
Transfer from income and expenditure account	20	(925)	(905)	-
Utilised in year	(42)	(351)	(393)	1
At 31 July 2023	572	-	572	343

USS deficit funding obligation: the provision represents agreed contributions payable to satisfy the Academy's net liabilities based on the 2020 valuation.

RAM1967 defined benefit obligation: the provision represent contributions from the Academy to fund the deficit in the RAM1967 pension scheme, based on the 2023 valuation.

Other provisions – leasehold dilapidations: the provision is held to fund essential leasehold maintenance obligations.

16. Endowment Reserve

	CONSOLIDATED AND ACADEMY					2022
	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	Grand total £000
Capital						
At 1 August 2022	6,137	30,119	36,256	15,895	52,151	47,851
Reclassification of funds on 1 August 2021 *	-	-	-	-	-	(206)
Transfer to restricted reserves (Note 17)	-	-	-	-	-	(16)
Increase/(decrease) in market value of investment	81	397	478	480	958	302
New endowments received	-	300	300	4,142	4,442	4,220
Capital applied for distribution	-	-	-	(434)	(434)	-
At 31 July 2023	6,218	30,816	37,034	20,083	57,117	52,151
Accumulated Income						
At 1 August 2022	-	511	511	339	850	931
Reclassification of funds on 1 August 2021	-	-	-	-	-	206
Transfer to restricted reserves (Note 17)	-	-	-	-	-	(1)
Capital applied for distribution	-	-	-	434	434	-
Investment income	137	685	822	122	944	753
Expenditure	(137)	(584)	(721)	(364)	(1,085)	(1,039)
Net income accumulated/(utilised) in current year	-	101	101	(242)	(141)	(286)
At 31 July 2023	-	612	612	531	1,143	850
Total Funds						
At 1 August 2022	6,137	30,630	36,767	16,234	53,001	48,782
At 31 July 2023	6,218	31,428	37,646	20,614	58,260	53,001
Analysis by fund-type						
Bursary and prize funds	1,282	24,614	25,896	5,559	31,455	30,338
Teaching and masterclass funds	-	6,814	6,814	10,526	17,340	13,301
Development funds	4,926	-	4,926	-	4,926	4,862
Other funds	10	-	10	4,529	4,539	4,500
	6,218	31,428	37,646	20,614	58,260	53,001
Analysis by asset						
Investments					56,151	42,155
Cash					2,106	4,722
Other current assets/liabilities					3	6,124
					58,260	53,001

There are no deficit balances on any endowment fund.

	CONSOLIDATED AND ACADEMY PRIOR YEAR					2021
	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	Grand total £000
Capital						
At 1 August 2021	8,047	30,676	238,723	9,128	47,851	35,352
Transfer to restricted reserves (Note 17)	(1,894)	(1,441)	(3,335)	3,129	(206)	-
Increase/(decrease) in market value of investments	(16)	(78)	(94)	396	302	5,468
New endowments received	-	978	978	3,242	4,220	7,208
Bonus issue	-	-	-	-	-	3
At 31 July 2022	6,137	30,119	36,256	15,895	52,151	47,851
Accumulated income						
At 1 August 2021	-	594	594	337	931	1,058
Reclassification Of funds on 1 August 2021	-	152	152	54	206	-
Transfer to restricted reserves (Note 17)	-	-	-	-	-	-
Investment income	117	565	682	71	753	815
Expenditure	(117)	(799)	511	339	850	(942)
Net income accumulated/(utilised) in current year	-	(105)	(105)	(22)	(127)	18
At 31 July 2021	-	594	594	337	931	1,058
Total funds						
At 1 August 2020	6,243	22,413	28,656	7,754	36,410	38,057
At 31 July 2021	8,047	31,270	39,317	9,465	48,782	36,410
Analysis by fund-type						
Bursary and prize funds	1,269	24,626	25,895	3,716	29,611	26,648
Teaching and masterclass funds	1,894	6,644	8,538	1,370	9,908	1,801
Development funds	4,874	-	4,874	-	4,874	4,403
Other funds	10	-	10	4,379	4,389	3,558
	8,047	31,270	39,317	9,465	48,782	36,410
Analysis by asset						
Investments					38,658	33,443
Cash					4,693	3,855
Other current assets/liabilities					5,431	(888)
					48,782	36,410

ENDOWMENT FUNDS – CONSOLIDATED AND ACADEMY

Details of the major funds (income or balances over £500,000) are as follows:

Fund Name	Fund type	Fund purpose	Restated At 1 August 2022 £000	Market revaluation and donations £000	Investment income £000	Expenditure £000	At 31 July 2023 £000
Hogwood, Christopher Scholarship	Unrestricted permanent	Income designated for postgraduate student awards	1,292	17	28	(15)	1,322
Development Fund*	Unrestricted permanent	In support of general operations	4,862	64	107	(107)	4,926
Butler, Derek Scholarship	Restricted permanent	To supply scholarships for students	622	8	14	(12)	631
John, Elton Scholarship (Senior Academy fund)	Restricted permanent	A scholarship fund for UK students	1,726	22	38	(30)	1,755
Robson, Sir Lawrence Award	Restricted permanent	To supply awards for students of exceptional merit or in financial need	747	10	16	(6)	767
Rowley, Alec Memorial Fund	Restricted permanent	To supply awards for students intending to pursue a career in classical music	556	7	12	(9)	566
Academy Permanent Endowment Awards	Restricted permanent	To support deserving Academy students	6,644	86	145	(107)	6,768
Academy Permanent Endowment Bursary	Restricted permanent	To support Academy students in financial need	5,396	70	118	(92)	5,492
Academy Permanent Endowment Scholarship	Restricted permanent	To make awards to Academy students for exceptional merit	3,771	49	82	(67)	3,835
San Martino Trust	Restricted permanent	To provide scholarships for musical education	879	11	19	(19)	890
The Gatsby Chair of Musical Theatre	Restricted permanent	To support the Gatsby Chair of Musical Theatre	6,626	87	146	(146)	6,713
Academy Expendable Endowment Awards	Restricted expendable	To supply awards for deserving Academy students	1,754	42	11	(9)	1,798

Expendable Endowment Junior Academy awards	Restricted expendable	To supply awards for Junior Academy students	857	20	5	(2)	881
Alexander Technique Fund	Restricted expendable	To support operational costs of the Alexander Technique department	526	14	3	(12)	531
Junior Academy Fund	Restricted expendable	To support operational costs of the Junior Academy department	1,351	27	7	(24)	1,360
York Gate Fund	Restricted expendable	To support the running costs of the York Gate estate	4,467	108	28	(97)	4,505
Aud Jebsen Endowed Professorship of Piano	Restricted expendable	To support a professorship of piano	428	437	3	(16)	851
William Lawes Endowed Chair of Chamber Music	Restricted expendable	To support the Chair of Chamber Music and Head of Strings	2,156	590	16	(60)	2,702
Dame Myra Hess Chair of Piano	Restricted expendable	To support the Chair of Piano	2,686	65	17	(59)	3,227
Nina Drucker, Strings, fellows, masterclasses and competition prize	Restricted expendable	To support the Strings department	0	3,277	15	(65)	3,227
			47,345	5,009	831	(955)	52,230

* The Governing Body is reviewing the background to the Development fund, and expects to classify this as an unrestricted fund from 2023/24.

The Aud Jebsen fund for a professorship of piano was added to the list retrospectively as new funds received during 2023 increased its value in excess of £500,000.

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

17. Restricted Reserves

	CONSOLIDATED AND ACADEMY		2023 Total £000	2022 Total £000
	Unspent capital grants £000	Other restricted funds £000		
At 1 August 2022	407	4,290	4,697	3,494
*Transfer from endowments (Note 16)	-	-	-	17
Donations	313	2,635	2,948	3,563
Investment income	-	6	6	4
Appreciation of restricted investments	-	20	20	20
Capital grants utilised	(544)	-	(544)	(213)
Expenditure	-	(2,525)	(2,525)	(2,188)
At 31 July 2023	176	4,426	4,602	4,697
Analysis of other restricted funds by type of purpose:				
Bursary and prize funds		2,066		1,822
Teaching funds		376		326
Other funds		1,984		2,142
		4,426		4,290

	CONSOLIDATED AND ACADEMY		2022 Total £000	2021 Total £000
	Unspent capital grants £000	Other restricted funds £000		
At 1 August 2021	457	3,037	3,494	2,376
*Transfer from endowments (Note 16)	-	17	17	-
Donations	163	3,400	3,563	2,460
Investment income	-	4	4	6
Appreciation of restricted investments	-	20	20	151
Capital grants utilised	(213)	-	(213)	(123)
Expenditure	-	(2,188)	(2,188)	(1,376)
At 31 July 2022	407	4,290	4,697	3,494
Analysis of other restricted funds by type of purpose:				
Bursary and prize funds		1,822		1,740
Teaching funds		326		625
Other funds		2,142		672
		4,290		3,037

18. Pension Scheme costs

Superannuation contributions are paid to the Teachers' Pension Scheme (TPS) for teaching staff, to the Universities Superannuation Scheme (USS) for a small number of staff, to a Group Personal Pension Scheme (GPPS) for administrative staff or to the National Employment Savings Trust (NEST) for those not eligible for other schemes. The assets of these schemes are held separately from the assets of the Academy in independently administered funds.

The Royal Academy of Music Pension Scheme 1967 (RAM1967) for administrative staff was closed to future accruals of pension benefit on 31 March 2005, however the Scheme continues to be operated by the Prudential Assurance Company and the Academy is undertaking deficit funding.

	2023 £000	2022 £000
Total pension cost for the year was:		
TPS: employer's contributions paid	987	950
GPPS: employer's contributions paid	499*	249
USS: (gross including deficit recovery portion)	147	148
NEST: employer's contributions paid	19	24
Total pension cost	1,652	1,371

* Includes salary sacrifice element.

TEACHERS PENSION SCHEME

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These Regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The 2020 valuation of the TPS was under way at 31 July 2023 and has now been published. The figures in these accounts reflect contributions based on the previous valuation, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers paid a contribution rate of 23.68%, including the administration levy of 0.8% during 2022/23. This is expected to rise to 28.68% from 1 April 2024, on the basis of the 2020 valuation.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at the following location <https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>.

UNIVERSITIES SUPERANNUATION SCHEME

The USS is a contributory, defined benefit scheme. At the end of the year the Academy had nine members.

The Scheme is a multi-employer scheme and given the mutual nature of the scheme, is unable to identify individual employers' shares of assets and liabilities. Consequently, individual employers are unable to apply defined benefit accounting. Section 28 of FRS 102 states that if sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit arrangement, an entity shall account for the plan as if it was a defined contribution arrangement.

The total cost charged to the profit and loss account is £147,000 (£148,000 2022) as shown above.

Deficit recovery contributions due within one year for the institution are £43,120 (£43,562 2022).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's technical provisions was £80.6bn indicating a shortfall of £14.1bn and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payments of 6.2% of salaries over the period 1 April 2022 until 13 March 2024, at which point the rate will increase to 6.3%. The 2022/23 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	As at 31 March 2023	As at 31 March 2022
Discount rate	5.92%	3.31%
Pensionable salary growth	n/a	n/a

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest Linked yield curves less:
Pension increases (CPI)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus:
	Pre-retirement: 2.75%
	Post retirement: 1.00%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	As at 31 July 2023	As at 31 July 2022
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	24.00	23.90
Females currently aged 65 (years)	25.60	25.50
Males currently aged 45 (years)	26.00	25.90
Females currently aged 45 (years)	27.40	27.30

	As at 31 July 2023 valuation	As at 31 March 2022 valuation
Scheme assets	£66.5bn	£66.5bn
Total scheme liabilities	£80.6bn	£80.6bn
FRS 102 total scheme deficit	£14.1bn	£14.1bn
FRS 102 total funding level	83.0%	83.0%

The scheme trustee is currently completing a valuation based on 31 March 2023 values. This process is ongoing and consultation is underway on future payment and benefit options which will impact the future value of liabilities.

GROUP PERSONAL PENSION SCHEME

A GPPS was started on 1 April 2005 for all administrative staff. This Scheme is a defined contribution scheme with employee and employer contributions based on length of service. £46,300 of contributions were outstanding at the balance sheet date and the amount of employer contributions paid during the year was £499k (£423k 2022).

ROYAL ACADEMY OF MUSIC PENSION SCHEME 1967

The Academy operates a defined benefit scheme which is managed by the Prudential Assurance Company Ltd and was closed to future accruals of pension benefit on 31 March 2005. A formal actuarial valuation was carried out as at 31 December 2021. Following the actuarial valuation, the Academy/Employer agreed to make contributions to the Scheme at the rate of £418,504 pa from 2 February 2023 to 28 February 2023, followed by £273,035 pa from 1 March 2023 to 21 October 2026. The results of the 31 December 2021 valuation have been projected to 31 July 2023 with allowance for cashflows over the period. The figures in the disclosure were measured using the Projected Unit Method.

	As at 31 July 2023	As at 31 July 2022
Main assumptions used to value RAM1967 Scheme liabilities under FRS 102:		
Discount rate	5.20%	3.50%
Inflation assumption – RPI pre 2030	3.45%	3.35%
Inflation assumption – CPI post 2030	3.25%	3.15%
Rate of increase in salaries	5.00%	n/a
Increases to deferred pensions in excess of GMP before retirement	5.00%	n/a
Increases to pensions in payment for all members in respect of service up to 31 December 2003	5.00%	5%
Increase to pension in payment for all members in respect of service after 1 January 2004 pre 2030	3.45%	3.35%
Increase to pension in payment for all members in respect of service after 1 January 2004 post 2030	3.25%	3.15%

	As at 31 July 2023	As at 31 July 2022
Demographic assumptions:		
Mortality base table	S3PA	S3PA
Adjustment to mortality base tables	101% (M) 104%(F)	100%
Projection to mortality rates	CMI 2022 1.25% M/F	CMI 2021 1.25% M/F
Commutation	No allowance	No allowance
Retirement age	Normal retirement age	Normal retirement age
Proportion married	80%	80%
Spouse age difference	Females are 3 years younger than males	Females are 3 years younger than males
GMP equalisation	1.5% liabilities	1.5% liabilities

		As at 31 July 2023	As at 31 July 2022
Retiring today	Males	86.30	86.90
	Females	88.60	89.30
Retiring in 20 years	Males	87.60	88.20
	Females	90.00	90.70

	2023 £000	2022 £000
Analysis of amount charged to operating profit		
Past service cost	(150)	-

The total current service cost represents the expenses incurred in running the Scheme.

	2023 £000	2022 £000
Analysis of amount credited/(charged) to other finance income		
Expected return on pension scheme assets	369	206
Interest on pension scheme liabilities	(411)	(267)
Net charge to other finance income (Note 8)	(42)	(61)
Analysis of other comprehensive income/(loss)		
Actual return less expected return on pension scheme assets	(1,759)	(1,752)
Experience gains and losses arising on scheme liabilities	3,247	3,923
Impairment charge	(371)	-
Total other comprehensive income	1,117	2,171
Amounts recognised in the statement of financial position		
Present value of scheme liabilities	(8,792)	(11,831)
Fair value of scheme assets	9,163	10,555
Impairment charge	(371)	-
Deficit in scheme - net pension liability	-	(1,276)

	2023				2022		
Reconciliation of scheme assets and liabilities	Assets £000	Liabilities £000	Impairment £000	Net £000	Assets £000	Liabilities £000	Net £000
Deficit in scheme at beginning of the year	10,555	(11,831)	-	(1,276)	12,152	(15,933)	(3,781)
Movement in year:							
Contributions	351	-		351	395	-	395
Past service cost	-	(150)		(150)	-	-	-
Other finance income/(charge)	369	(411)		(42)	206	(267)	(61)
Benefits paid	(353)	353		-	(466)	466	-
Actuarial gain/(loss)	(1,759)	3,247	(371)	1,117	(1,752)	3,923	2,171
Deficit in scheme at end of the year	9,163	(8,792)	(371)	-	10,535	(11,811)	(1,276)

	2023 £000	2022 £000
Actual return on scheme assets		
Expected return on pension scheme assets	369	206
Actuarial (loss)	(1,759)	(1,752)
Actual return on scheme assets	(1,390)	(1,546)

	Long term ROR expected (incl annuities)	Long term ROR expected (incl annuities)
Analysis of scheme assets		
Equities	1,197	1,190
Bonds	4,361	4,666
Property	270	300
Cash	71	73
Total market value of invested assets	5,899	6,229
Secured pensions in payment	3,264	4,326
	9,163	10,555
Long term ROR expected (excluding annuities)	5.2%	1.7%

History of experience gains and losses	2023	2022	2021	2020	2019
Experience adjustments on scheme assets					
Amount (£000)	(1,759)	(1,752)	-	826	1,216
Percentage of scheme assets	-19.2%	-16.6%	0.0%	6.9%	11.2%
Experience adjustments on scheme liabilities					
Amount (£000)	(3,247)	(3,923)	(799)	2,788	1,338
Percentage of scheme liabilities	36.9%	33.2%	5.0%	-16.6%	-9.5%
Actuarial gain/(loss) recognised in other comprehensive income					
Amount (£000)	1,488	2,171	799	(1,962)	(122)
Percentage of scheme liabilities	-16.9%	-18.4%	-5.0%	11.7%	0.9%
Cumulative actuarial loss recognised in other comprehensive income	(4,202)	(5,690)	(7,861)	(8,660)	(6,698)
History of defined benefit scheme					
Present value of defined benefit obligation	(8,792)	(11,831)	(15,933)	(16,811)	(14,030)
Fair value of scheme assets	9,163	10,555	12,152	11,923	10,815
Impairment	(371)	-	-	-	-
Deficit arising in the scheme	-	(1,276)	(3,781)	(4,888)	(3,215)

19. Capital Commitments

Provision has been made for the following capital commitments at 31 July 2023:

	Consolidated 2023 £000	Academy 2023 £000	Consolidated 2022 £000	Academy 2022 £000
Capital commitments contracted for	559	559	-	-

20. Lease obligations

Total rentals payable under operating leases:

	Land and buildings £000	Plant and machinery £000	2023 Total £000	2022 Total £000
Payable during the year	873	10	883	960
Future minimum lease payments due:				
Not later than 1 year	901	9	910	937
Later than 1 year and not later than 5 years	3,186	48	3,234	2,853
Later than 5 years	28,143	2	28,145	30,305
Total lease payments due	33,103	69	33,172	35,055

21. Contingent Asset

The Academy has been notified of fourteen legacies to the Academy with a potential total value of £4,246,986 which have not been recognised as income during the year, on the basis that amounts to be received may vary from the estimated values.'

22. Contingent Liability

There are no contingent liabilities to report.

23. Related Party Transactions

The Independent Members of the Academy's Governing Body and the staff and student members are the Trustees for charitable purposes. Due to the nature of the Academy's operations and the members of the Governing Body being drawn from large public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries. The Register of Interests has been reviewed by the Director of Finance and is published on the Academy's website. All

transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the Academy's Financial Regulations and usual procurement procedures.

No Trustee (member of the Governing Body) received any remuneration for their work during the year, but the Academy paid a total of £187.99 (£0 2022) in reimbursement of travel expenses. On occasions Trustees may make donations for specific purposes but they receive nothing in exchange.

The RAM Student Union is a separate entity which is classed as a related party for the purposes of these financial statements. A grant of £42,600 (£42,600 2021/22) was paid to the RAM SU for their work in supporting students during the year.

The Associated Board of the Royal Schools of Music (ABRSM) is a registered charity (no 292182) and a company limited by guarantee (no 1926395) established by four Royal Schools of Music for the benefit of music education. The ABRSM makes an annual distribution which is divided equally between the four Royal Schools. The Board of the ABRSM includes members of the Governing Body of the Royal Academy of Music.

The value of the distribution from the ABRSM to the Academy was £500,000 (£0 2022).

There were no other related party transactions.

Accounts

ANNUAL REVIEW AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

22 NOVEMBER 2022

The Royal Academy of Music moves music forward by inspiring successive generations of musicians to connect, collaborate and create.

Charity number 310007

Company registration number RC000438

MARYLEBONE ROAD, LONDON NW1 5HT
RAM.AC.UK



**UNIVERSITY
OF LONDON**



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FOREWORD FROM THE CHAIR OF THE GOVERNING BODY



The Royal Academy of Music is the UK's oldest conservatoire, the second oldest in the world. Founded in 1822 the Academy has always attracted outstanding students and teachers from around the world. This past year we have begun our Bicentenary celebrations with an ambitious programme of commissions, performances and collaborations between alumni, students and many industry organisations nationally and internationally. Coming after the challenges of the pandemic, the Bicentenary has given all our staff and students a rich mix of new and old to celebrate. The Academy is focused on its future and these celebrations have enabled us to form new alliances and pathways for our students.

The Governing Body has reviewed its safeguarding and wellbeing policies aiming to take a leading role in its approach and practices. Those practices will continue to be regularly reviewed and we are committed to constant improvement.

Sir Rick Trainor, Master of Exeter College, Oxford completed his tenure as a member of the Governing Body and I would like to thank Sir Rick for his wise advice and support he has given over the past 9 years. His knowledge of the Higher Education sector has been invaluable.

We ended the year with the sad news of the death of our Patron, Her Majesty Queen Elizabeth II. The late Queen first attended a concert here as Princess Elizabeth in 1947 and took an active interest in the Academy throughout her reign. She allowed us annually to award the Queen's Commendation Prize to the best student of the year, and we co-hosted two memorable Jubilee parties in her presence at the Royal Academy of Arts in 2002 and 2012, at which our students performed. Her Majesty visited the Academy in late 2007, when she toured the building, met students and members of staff, heard performances and officially opened the Patron's Room. We are honoured that she served as Patron of the Academy for nearly 70 years.

Dame Jenny Abramsky DBE
Chair

FOREWORD FROM THE PRINCIPAL



The Royal Academy of Music was founded in the summer of 1822, first welcomed students from 1823, and was granted its Royal Charter in 1830 with the aim 'to promote the cultivation of Music, and afford facilities for attaining perfection in it'. Two centuries later, that still underpins the Academy's mission.

The Academy is an extraordinary place with extraordinary people – for 200 years we have been training and inspiring successive generations of music makers and leaders. As we enter our third century, we are more confident than ever in our ability to shape the future of music by discovering and supporting talent wherever it exists, and by attracting the exceptional teachers and mentors who spark this talent.

As Britain's oldest conservatoire, the Academy is steeped in tradition but is also one of the most progressive musical institutions in the world. Students have access to cutting-edge technology in our exceptional performance spaces, our programming is ground-breaking, and in all our disciplines, from classical to musical theatre and jazz to composition, we encourage students to explore their horizons to the limit.

Performing is a way of life at the Academy, and this is reflected in an ambitious range of concerts and events. Students work regularly with renowned visiting professors and guests in performances, side-by-side projects and masterclasses they will remember for the rest of their lives – formative experiences that lay the groundwork for fulfilling and diverse careers. That's why our graduates make their mark in concert halls, opera houses, theatres and recording studios all over the world.

As we move into our third century, we have never been more confident in our ability to shape the future of music.

Professor Jonathan Freeman-Attwood CBE
Principal

ABOUT US

The Royal Academy of Music was established in 1822 and granted a Royal Charter in 1830 (Supplemental Charter granted in 1998). The Academy is a registered charity, number 310007, and a company registered with Companies House, number RC000438. The Academy is registered with the Office for Students as a higher education provider, OfS:0135532.

Patron	Her Late Majesty Queen Elizabeth II
President	HRH The Duchess of Gloucester GCVO Hon FRAM
Vice Presidents	Lord Burns GCB Hon FRAM Sir Elton John CH CBE Hon RAM, DMus Sir David Lumsden MA DPhil, Hon RAM, Hon FRCO Sir Curtis Price KBE Hon RAM

GOVERNING BODY (TRUSTEES)

Independent Members

Chair	Dame Jenny Abramsky DBE Hon RAM
Deputy Chair	Dame Susie Sainsbury of Turville DBE Hon FRAM, FSA
Deputy Chair	The Rt Hon Lord Sumption OBE PC FSA, FRHistS, Hon FRAM Lord Blackwell John Burgess Hon FRAM Robin Butler Hon FRAM Ina De (appointed January 2022) Alexis Ffrench (appointed January 2022) Rehmet Kassim-Lakha Luke Lloyd Davies Timothy Parker Hon FRAM Professor Sir Richard Trainor KBE BA, MA, DPhil, FKC, Hon FRAM (retired July 2022) Professor Irem Tuna (appointed September 2022) The Duchess of Wellington OBE William de Winton Damian Wisniewski BSc (Eng), ACGI, BFP, FCA, LRAM

Staff Representative Members

Margaret Faultless
Barbara Law
Safi Schlicht (retired July 2022)
Gemma Waring (appointed September 2022)

Student Union President and Student Representative Member

Daniel Latham (retired July 2022)
Shona Masson (appointed August 2022)

Secretary to Governing Body

Sandra Green Hon ARAM

SENIOR MANAGEMENT TEAM

Principal	Professor Jonathan Freeman-Attwood CBE BMus, MPhil, Hon RAM, FKC, FRNCM, FRCM
Deputy Principal	Professor Timothy Jones MA, DPhil, LTCL, Hon RAM
Director of Finance	Karen Di Lorenzo MBA, MA Cantab, ACMA (appointed September 2021)
Registrar and Director of Student Operations	Catherine Jury Hon ARAM
Dean of Students	Professor Elizabeth Kenny MA, FRAM
Deputy Principal (Advancement)	Kirsty MacDonald BA, MA Oxon, Hon FRAM

ADMINISTRATIVE INFORMATION

Registered Office	Marylebone Road, London NW1 5HT
External Auditors	MHA MacIntyre Hudson, 6th floor, 2 London Wall Place, London, EC2Y 5AU
Internal Auditors	Azets, Exchange Place 3, Seiple Street, Edinburgh EH3 8BL
Bankers	Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN
Investment Fund Managers	Cazenove Capital, 12 Moorgate, London EC2R 6DA Veritas Investment Management LLP, 90 Long Acre, London WC2E 9RA Pantheon Ventures (UK) LLP, 10 Finsbury Square, 4th Floor, London EC2A 1AF
Legal Advisers	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

TRUSTEE COMMITTEE MEMBERSHIP

Audit Committee	Chair Damian Wisniewski Robin Butler Ina De
Finance and General Purposes Committee	Chair Lord Blackwell Dame Jenny Abramsky John Burgess Timothy Parker Irem Tuna William de Winton
Gift Acceptance Committee	Chair Dame Jenny Abramsky The Rt Hon Lord Sumption Professor Sir Richard Trainor
Honours and Awards Committee	Chair Dame Jenny Abramsky
Nominations Committee	Chair Dame Jenny Abramsky Dame Susie Sainsbury The Rt Hon Lord Sumption Duchess of Wellington
Remuneration Committee	Chair Lord Blackwell Dame Jenny Abramsky Rehmet Kassim-Lakha

HONORARY TRUSTEES

The title of Honorary Trustee is awarded to retired Independent Members of the Governing Body to recognise their distinguished service to the Academy.

Sir Rodric Braithwaite GCMG Hon FRAM
 The Rt Hon Lord Carnwath Kt CVO PC Hon FRAM
 Sir Howard Davies Hon FRAM
 Matthew Ferrey Hon FRAM
 Lesley Garrett CBE FRAM
 Sam Gordon Clark CBE Hon FRAM
 Lady Heywood
 Professor Sir Barry Ife CBE FKC FBbk, Hon FRAM, FRCM, FGS
 Steven Isserlis CBE Hon RAM
 The Rt Hon The Lord Lloyd of Berwick PC DL Hon FRAM
 Dame Felicity Lott DBE FRAM, FRCM
 George Nissen CBE Hon FRAM
 William Robert C Ogden Hon FRAM
 Professor Roger Parker Hon FRAM
 Laurel Powers-Freeling Hon FRAM
 Christopher Purvis CBE
 Sir John Ritblat Hon FRAM
 Sir Simon Robey Hon FRAM
 Lady Elise Becket Smith OBE Hon FRAM
 Sir Martin Smith Hon FRAM
 Nicholas Snowman OBE Hon FRAM
 John Suchet Hon FRAM
 Professor Sir Richard Trainor KBE BA, MA, DPhil, FKC, Hon FRAM
 Anthony Travis Hon FRAM
 John Willan FRAM FRSA FCA
 Julia Yorke Hon FRAM

TRUSTEES REPORT

OPERATING PLAN AND FINANCIAL REVIEW FOR THE FINANCIAL YEAR ENDING 31 JULY 2022

The Governors and Trustees of the Royal Academy of Music present their Annual Review and audited Financial Statements for the year ended 31 July 2022 and confirm that they comply with the requirements of the Charities Act 2011, the Academy's Royal Charter and the Statement of Recommended Practice 'Accounting for Further and Higher Education' (SORP 2019).

MISSION

The Academy's mission is to provide pre-professional, undergraduate and postgraduate musical training of the highest national and international standards and to enrich musical culture by training and educating the most talented musicians.

VISION AND VALUES

Our vision is for the Academy to be the conservatoire of choice for top global talent aspiring to a successful creative professional career.

Quality and equality are at the core of our values, underpinning all of our activities. The Academy operates in a spirit of professionalism, collaboration and openness, and promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. We support students and staff in challenging and removing any form of prejudice or discrimination, and in promoting equality, diversity and inclusion, which in turn enriches the teaching, learning, artistic and social environment.

PUBLIC BENEFIT

The Academy operates under the terms of its Royal Charter and its Objects are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with general instruction all persons desirous of acquiring a knowledge thereof'.

The Governing Body confirms that careful consideration has been given to the Charity Commission's public benefit guidance when reviewing our mission, aims and objectives and in planning our activities.

The Academy makes a significant contribution to the public benefit via its teaching, research, performances and other activities, in terms of:

- The advancement of education.
- The advancement of the arts, culture and heritage.
- Its commitment to access and participation.

THE ADVANCEMENT OF EDUCATION

The Academy contributes to the advancement of education through its programmes of study; its calendar of publicly accessible performances and research events; its outreach events designed to encourage learners from traditionally low-participation sectors of the community to participate in music education and higher education; and the conservation, display, interpretation, and practical use of its collections to educational ends.

We are committed to providing a range of long-term outreach activities targeted at groups that are under-represented in higher education. This includes working collaboratively to raise aspirations to make music more accessible, through our recruitment at all levels and the wide-ranging activities of our students, both in the UK and internationally. By taking music out into the community and providing high level musical tuition to children and young people, our Open

Academy, Junior Academy and Your Academy departments reach ever further, raising aspirations, making connections and challenging preconceptions via a range of projects delivered with partner schools and organisations.

THE ADVANCEMENT OF ARTS, CULTURE AND HERITAGE

Our core activities advance arts, culture and heritage by finding the most promising British and international musical talent and nurturing it through the delivery of world-class education and vocational training, producing exceptional artists who will shape the future of music in this country and beyond. We support the UK's cultural infrastructure, generate development in the cultural industries, and provide international leadership in music:

- By collaborating with leading venues and ensembles, supporting musical research, commissioning new music and bringing before the public new and unfamiliar work, the Academy enriches the UK's musical culture.
- Through the preservation, display and use of its collection of musical artefacts, the Academy contributes to the advancement of the UK's musical heritage.

The Academy aims to enrich musical culture by:

- Educating and training the most talented students to the highest standards in performance, composition and other music-related disciplines. We offer full-time programmes of study at undergraduate and postgraduate level and ambitious student-centred artistic programmes. In addition, our Junior Academy is a fundamental and integral part of the Academy and continues to provide music education of the highest quality through its First Strings and First Guitar Experience, Primary Academy and Junior Academy programmes to those aged 4 to 18.
- Enabling public engagement through a wide range of public performances, research events and outreach activities designed to enhance pre-tertiary music educational opportunities and encourage wider access to higher education.
- Promoting the creation of new music, original research and scholarship in music through publications, conference and study days, programmes of symposia, recordings and public performances.
- Conserving significant and globally renowned heritage collections in the field of music that support our educational purposes. The Academy's Museum collections catalogue is available for consultation by researchers from outside the Academy.

OUR COMMITMENT TO ACCESS AND PARTICIPATION

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. Like all conservatoires in the UK, our undergraduate and postgraduate programmes are only accessible to applicants who have already achieved a very high standard in their instrumental discipline or show clear promise of doing so.

Our strategic measures to increase the pool of talented applicants from under-represented groups fall into three broad initiatives:

1. Junior Academy provides opportunities for young musicians from all backgrounds to be challenged and inspired through their music-making and operates a range of targeted initiatives to encourage participation from children from under-represented groups to engage with this. The Academy has invested heavily in and seen a significant expansion of our widening participation and community-focused activity in recent years. Our main challenge, and key strategic priority, is in relation to access. Our aim is to identify and implement effective ways to enable potential candidates from underrepresented groups with significant natural talent to regard the Academy as an obvious place in which they can study and to put provision and support in place to enable them to gain entry.

Planning took place for the new Junior Academy Musical Theatre course which started in September 2022, and provides an opportunity for 14-18 year olds to access the highest level of training in singing, drama and movement. It forms an integral part of the existing provision.

2. Open Academy enables participants from schools, local authorities and a variety of community groups to work creatively alongside our students and world-class artists, making music at the highest level. Open Academy aims to raise aspirations, to make connections, challenge preconceptions, and create new possibilities through a range of activities delivered with partner schools and organisations.

3. Widening Participation: Your Academy is the umbrella under which Widening Participation projects complement access and participation work.

During the 2021/22 academic year, the Widening Participation team engaged with 534 participants providing them with access to a supportive musical environment where they can develop their skills and broaden awareness of the opportunities available through advanced musical study. Activity took place at the Academy, as well as outreach activities in schools and community spaces.

Projects have been launched as part of this plan to inspire, encourage, and support talented young students to progress to higher education. Academy Clubs provide opportunities for state-educated secondary school pupils to study with our teachers and students over a series of weekends. Jazz, Composers and Percussion Clubs include teaching jazz, composition, percussion, theory and musicianship, with more instrumental disciplines planned for 2022/23. The Mentor Club was introduced in October 2021 to support participants who have engaged with one of our projects and provides opportunities for further study. The Audition Club was launched in February 2022, led by Senior Academy students who provide valuable insights to support participants in applying and auditioning for advanced musical study.

In August 2021 the Academy ran the first Springboard to Grade 5 Theory and Beyond summer school. Participants learnt key skills for their Associated Board of the Royal Schools of Music (ABRSM) exam and worked together to produce and perform their own group composition, with many composing for the first time. We followed this up with a larger programme incorporating Springboard and ensemble activity, and one-to-one tuition on instruments.

The Dean of Students and Access and Participation Manager have developed relationships with a number of schools and music hubs. During the academic year 2021/22 we recruited for two new posts: an Evidence, Evaluation & Planning Coordinator, and a one-year Your Academy Assistant post which will be renewed next year. This has increased our capacity to evaluate as well as run a greater range of projects.

The Academy is aware of the need to ensure that people from all backgrounds can benefit from our activities and that those in financial hardship are not excluded. As a joint proprietor of the ABRSM, the Academy is both strategically and financially committed to providing bursaries at both junior and senior levels, as well as co-contributing to regional schemes to identify and support young musicians from under-represented areas.

Our Access and Participation Plan is subject to regular approval by the Office for Students (OfS), and is published on our [website](#).

As well as funding from the OfS, we receive generous philanthropic support which is targeted in order to help us achieve our goals in this area.

BICENTENARY

Our bicentenary year created unique opportunities to celebrate the Academy's history and achievements with a range of ambitious projects and performances. For one of these projects, 200 PIECES, we invited 200 composers to write 200 new works for solo instrument or voice, with world premiere performances taking place throughout the year including works by Hans Abrahamsen, Sir George Benjamin, Sally Beamish and Daniel Kidane. The recordings and

scores for these works, written for every principal study instrument taught at the Academy, will be available in December 2022 and create a new library of varied contemporary works by many of the world's leading composers.

The Academy commissioned a new opera by Freya Waley-Cohen, *WITCH*, which received its world premiere in a triple bill with Strauss's Prologue to *Adriadne auf Naxos* and Ryan Wigglesworth's new arrangement of Monteverdi's *Lamento d'Arianna*, (23-26 March). The opening night was live-streamed, continuing our aim of sharing our performances and events with a wider audience. PhD student composer Louise Drewett's new staged work *Daylighting* premiered with Academy performers and local school children (22-25 February). This community project was held in partnership with Open Academy, our learning and participation department and was sponsored by the Travis Foundation. *Daylighting* has been nominated for the Ivor Composers Award.

Other performance highlights included Semyon Bychkov conducting Mahler's Symphony No 3 at the Southbank Centre (23 June) and the start of a new two-year Bach in Leipzig series, continuing the ever-popular Sunday Bach concerts. The Academy Song Circle performed music composed during the Academy's founding year of 1822 at Wigmore Hall (30 January), featuring some of Schubert's best-loved Lieder.

A five-part podcast series, *Short Stories: 200 years of the Royal Academy of Music*, presented by alumna Anna Picard, is available on all major streaming platforms and on our website. The series opens our doors to a wider audience, revealing some of the treasures we hold and telling the stories of extraordinary musicians who have studied here. It features music by current and former students, much of it specially recorded.

More importantly, this milestone has been an opportunity for us to think about how we plan for the long-term success of the Academy by building on its past and present successes.

STRATEGIC PLAN

A Strategic Plan was created over the course of 2019, setting out priorities over the five-year period 2019 to 2024, and has been reviewed annually to ensure that it remains appropriate and fit for purpose, despite the financial, economic and other challenges arising from national and international events. Implementation of a number of previously agreed actions, particularly around reducing expenditure and achieving efficiencies in education delivery, has been speeded up to ensure the Academy's educational and financial sustainability.

In drawing up our Strategic Plan the Governing Body has had due regard to the Charity Commission's public benefit guidance in considering our objectives and activities. Each department has set out their own plans to support the delivery of the strategy, and progress is reviewed annually.

EQUALITY, DIVERSITY, INCLUSION AND BELONGING

We want our students, staff and visitors to value not only what we have in common, but also what makes us different. We want the Academy to be a place where everyone feels they belong and this is summed up by the term Diversity, Equity, Inclusion and Belonging.

The Academy promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. Everyone working and studying at the Academy is selected, taught, trained, assessed, appraised, promoted and otherwise treated solely on merit and ability. Equality is at the core of our values, underpinning all our activities.

Our Equality, Diversity and Inclusion Policy sets out the Academy's values and the framework under which we operate. It also highlights the individual roles we have to play in ensuring the Academy is an inclusive and harmonious place to study and work. We take pride in being welcoming, friendly and, most importantly, an inclusive environment for all.

We adhere to the Equality Act 2010, which aims to eliminate discrimination, harassment and victimisation. We believe everyone at the Academy is responsible for:

- Understanding and committing to equality.
- Helping to remove barriers, enabling all to fulfil their potential.
- Challenging or reporting discrimination and harassment, should it occur.

The Academy's primary objectives are to:

- Continue to improve access to our buildings and services.
- Continue to develop our widening participation initiatives (we have regular Widening Participation Committee meetings to address any equality issues and monitor our progress against our objectives).
- Promote equality and diversity in our procurement procedures and third-party relationships.

We are committed to creating the Academy as a place:

- Which seeks actively to recruit new members who are ethnically and culturally diverse.
- Where students and staff of colour are treated fairly and respectfully at all times.
- Where all students are taught by regular and visiting staff of high professional distinction from a range of backgrounds, including musicians of colour.
- With which alumni of colour are proud to remain associated throughout their lives, long after graduation.

In 2020/21 the Blueprint For All consultancy conducted in-depth interviews with members of the Academy's Governing Body, staff and students in order to inform a new Equality, Diversity and Inclusion action plan, which is being implemented. The SHM Foundation also began design work on a new, interview-based evaluation framework intended to capture the benefits of involvement with the Academy, from Junior Academy onwards.

MEASURING AND REPORTING PROGRESS

We are presenting our review based on the three themes of our Strategic Plan:

1. **Education:** Through our commitment to providing a world-class educational experience, we will continue to equip outstanding young musicians with the skills, artistry, intellectual curiosity, rigour and resilience they will need to contribute to music making at the highest levels.
2. **People and Resources:** By attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources, we will secure the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.
3. **Engagement:** In our role as custodians of the future of music, we recognise the importance of encouraging participation at every level. We are committed to enabling students from underrepresented backgrounds to access conservatoire training, expanding our relationships with the wider community and engaging with artistic and educational partners from around the world.

Although many activities support more than one strand of our strategic themes and could be included within two or three of them, we have tried to capture them within the most relevant area to avoid repetition.

1. Education

The Academy was founded in 1822, and for 200 years we have trained versatile and resourceful musicians with the skills they need in the continually changing music profession.

We continue to refine our programmes to ensure that students acquire the craft, skills, knowledge and experience to enable them to become independent, creative musicians who can make a significant impact. Alongside this, we foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we will continue to recruit and retain the very best, supporting them with professional development opportunities.

We welcome students from over 50 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. By continuing to raise our international profile, improving our student recruitment marketing and building on our relationships with like-minded institutions worldwide, we aim to be the conservatoire of choice for the most talented young musicians. We believe that the mixture of students from different countries is a vital contribution to the experience and training that the Academy offers.

Financial support in the form of bursaries and merit-based scholarships is provided to enable the very best students to study at the Academy, regardless of their background. Academy students received £5.3m in financial support during 2021/22, an increase of £0.3m from 2020/21.

We were proud to announce the launch of the Sir Elton John Global Exchange Programme in January 2022. This new scheme, developed by the Academy and endorsed by Sir Elton John, went live in September 2022 and will enable students from 12 other top conservatoires worldwide to take part in educational exchanges with the Academy, promoting global mobility and international collaboration between deserving and talented young musicians. International collaboration has always been an integral part of the Academy's identity, and this scheme will further encourage the free exchange of ideas with peer institutions that share our values of artistic and educational excellence. Up to 20 participants per year from the Academy and an equal number from partner conservatoires will benefit from short collaborative projects, a single term, or a full year of tuition at their host institution.

In addition to reigniting older professional partnerships, new ones have come to fruition, reflecting the Academy's commitment to provide the best possible educational experience to our students. Our scheme to encourage young women conductors has moved to a new stage and been renamed the Glover-Edwards Conducting Programme in recognition of Dame Jane Glover and Professor Sian Edwards and Dame Jane Glover, two members of our conducting faculty and world-wide trail blazers in this sphere. We launched an exciting new scheme with The VOCES8 Foundation as part of our bicentenary celebrations; each year a small number of postgraduate students will be selected to work with VOCES8 to create new audio-visual material that will help them to communicate their unique creative personalities and ensure that they have the best possible material to disseminate to potential employers in the industry.

A key part of the student experience at the Academy is the range and quality of artistic projects in which our students work intensively with leading professionals. Our roster of visiting professors and visiting artists continues to be expanded and refined to enrich our students' education and to ensure that our graduates leave with experience of the professional realities of a high-level career in music. Dame Sarah Connolly, James Ehnes, Joyce DiDonato, Dave Holland, Angelika Kirchschrager and Igor Levit are some of the world-famous artists who led masterclasses. The Musical Theatre Company worked with Claude-Michel Schönberg, Imelda Staunton, John Caird, Natalie Abrahami and Sandy Faison. The range of both side-by-side opportunities for our students to work with leading orchestras and international ensembles including the London Symphony Orchestra, London Philharmonic Orchestra and the Czech Philharmonic, and opportunities for our student composers to participate in external collaborative projects, is being increased.

Performing is a way of life at the Academy and in all our disciplines we encourage students to explore their musical horizons to the limit and that is why our graduates make their mark in concert halls, opera houses, theatres and recording studios all over the world. Our students

benefit from a stimulating curriculum which includes an ambitious range of concerts and events, they work regularly with renowned visiting professors and guests in performances, side-by-side projects and masterclasses they will remember for the rest of their lives. Our busy diary of events provides plenty of opportunities for students to gain ensemble experience and perform publicly, not only at the Academy but also in world-famous venues such as the Royal Albert Hall, Royal Festival Hall, Wigmore Hall and Southbank Centre.

Performances in September and October 2021 were live-streamed free on YouTube, building on the success of our online concerts during the pandemic, which reached a global audience of over 200,000 people. We were delighted to welcome in-person audiences back to the Academy on 1 November 2021 and during the remainder of the academic year we held 238 events, 140 of which were free of charge. Highlights of the year included an all-Sibelius programme conducted by Sir Mark Elder (5 November), side-by-side concerts with players from the London Philharmonic Orchestra and the London Sinfonietta; Royal Academy Opera's performances of Ravel's *L'heure espagnole* and Puccini's *Gianni Schicchi* in November and Handel's *Imeneo* in May, as well as the Musical Theatre Company's shows, Adam Guettel's *The Light in the Piazza* and Stephen Sondheim's *Merrily We Roll Along*, and Academy Big Band concerts with Jason Yarde (12 November) and Julian Siegal (24 June).

The pandemic-related world-wide lockdown has had a severe effect on music industries and we are responding to the post-pandemic music world in the way we are training our students. The Academy has long had an enhancement-led approach to our curriculum and delivery and we have mechanisms in place to respond to the changing and intensive high-level demands of musical life and to new challenges and opportunities that today's world presents to our graduates. Our Artist Development programme, which concentrates on developing skills to develop future careers, ensures that from the moment they arrive, Academy students are thinking about their employability and the creative opportunities that spring from their unique set of skills and artistry. Each of our taught programmes requires students to think strategically about their own professional and artistic development in order to prepare them for their initial years as independent artists after they leave the Academy.

STUDENT WELLBEING

Pastoral care is built into the fabric of a conservatoire and must respond to the evolving needs of students. Our series of student wellbeing sessions include mental and physical health, performance-related issues, drugs, alcohol, and sexual consent. The postgraduate provision is organised around themes and issues, in collaboration with the Students' Union. Sessions include negotiating contracts and relationships with promoters and sponsors, sexual harassment, alcohol and other topics.

The Counselling team has maintained a hybrid working pattern which enables students to access their services online or in person. We were able to continue with plans to improve our capacity to work with students with mental health challenges. The Counselling team is working with students online and by telephone, which is especially valuable for students in isolation or in challenging home situations, and for keeping international students supported.

Many students rely on income from professional engagements and other work to support their studies. The Development team launched a fundraising campaign, the Response Fund, during 2019/20, which continues to distribute funds to students experiencing financial hardship.

Since 2007 the Academy has been working with the London South Bank University on a long-term project to address concerns about students' hearing which involves hearing tests and instrument-specific advice on hearing protection. This work has been broadened to incorporate staff. The Academy provides earplugs free of charge to students and factors sound exposure and noise issues into room scheduling.

In 2020, an independent review of the Academy's safeguarding policies and procedures was carried out. We are pleased to report its recommendations have been implemented; we have a zero-tolerance approach to bullying, harassment and discrimination.

- A Safeguarding & Support Committee has been established which reports to the Audit Committee. Membership includes members of the Governing Body, Counselling team, teachers, tutors and students.
- Students are required to complete three on-line training modules as a condition of enrolment and a code of practice has been agreed for students that lays out the standards expected of everyone.
- For staff, the Academy's Ethics and Conduct Policy and the ISM MU Industry Code of Practice forms part of their induction.
- The Report + Support portal has become a valuable tool in enabling students and staff to report and record wellbeing concerns about their fellow students and colleagues, seek support in managing concerns, and initiate discussions with internal and external safeguarding and support staff and parents.
- Currently safeguarding and wellbeing issues are identified in equal measure by Report + Support and by staff and students discussing their concerns directly with the support team.

STUDENT UNION

The Royal Academy of Music Students' Union (RAMSU) supports all our students, offering advice and representation and maintaining the inclusive social atmosphere for which the Academy is known.

The President of the Students' Union's membership of a range of committees, initiatives and the Business Continuity Group is vital in understanding and addressing our students' needs, and improving communication.

JUNIOR ACADEMY

On Saturdays Junior Academy occupies all areas of the building to create one of the most unique musical learning atmospheres available to young musicians. Individual lessons, a variety of performance opportunities, specialist classes and excellent teaching staff all add to the musical vibrancy of Junior Academy.

Junior Academy teachers are leading professional musicians who combine active performing careers with the challenge of helping young players, singers and composers to fulfil their potential and musical ambitions. Many also teach on the undergraduate and postgraduate programmes at the Academy and bring enormous experience of teaching and performance to their Junior Academy students.

Applications for places continue to be strong and the academic year began with 207 Junior Academy students (209 2020/21).

We provided 32 bursaries for 2021/22 (34 2020/21), in addition to our 35 Music and Dance Scheme government funded places. We are grateful for the continuing support of the Wolfson Foundation, Leverhulme Trust, Sir Elton John Trust and a number of individual benefactors. We were also extremely grateful to receive a legacy from the Redfarm Trust for the benefit of Junior Academy, which will be of great benefit to students during the coming years.

The new Healthy Young Musician scheme became further embedded into the programme and is designed to inform young students of preventative ways of staying healthy in mind and body, and a listening service enabling students to access an individual walk-in session offering sign posting.

This spotlights our ethos of excellence twinned with wellbeing resulting in confident young performers of the future.

SENIOR ACADEMY

Recruitment to all the Academy's programmes remains strong, with a far larger number of high-quality applicants than there are places on offer. Entrance is via a combination of competitive auditions (performers and conductors) or interview/portfolio submission (composers) and the fulfilment of relevant academic entry requirements. Although our admissions procedures are highly competitive, at undergraduate level we audition every candidate who applies without exception. During the height of the pandemic in the UK we had to move to video and online auditions and because of continuing travel restrictions in some parts of the world, we are currently offering live auditions in London and some international centres and accepting video auditions from candidates who are unable to travel to those centres to audition. The Academic Board oversees the process to ensure that all applicants receive a fair hearing regardless of the means by which the audition takes place.

Offer-making decisions are undertaken by experienced and suitably trained professionals who understand and are invested in our institutional strategy regarding access and participation.

Due to the success of online open days in 2020 and 2021, an online provision will continue, to make them more accessible to a wider range of potential applicants.

STUDENT NUMBERS

Applications to study at the Academy and acceptance of places were strong for the year.

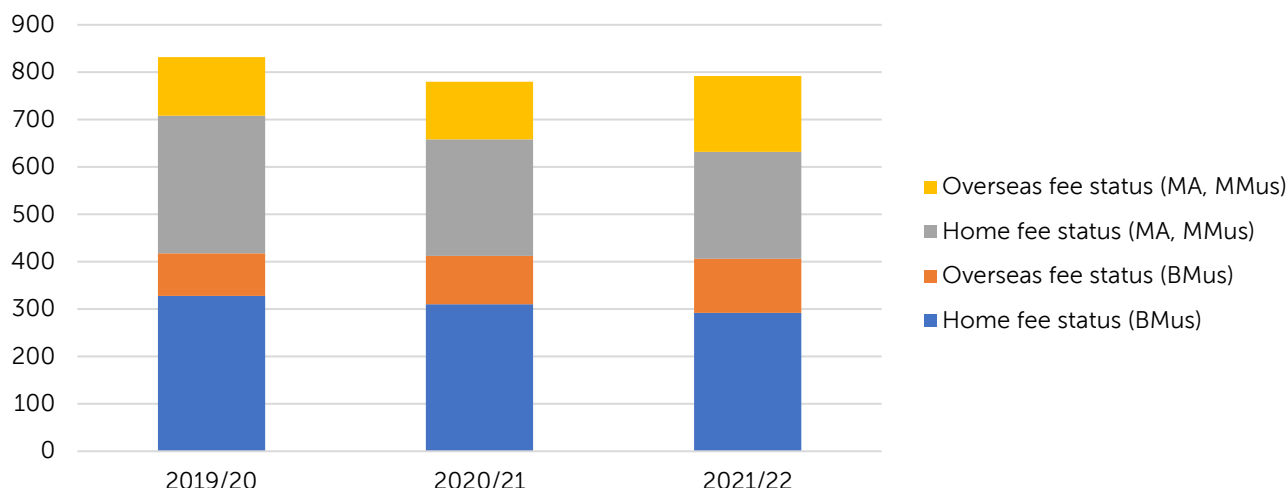
Entrance standards to our programmes are at a level of international excellence which enables us to train and educate our students intensively to reach professional levels of achievement by the end of their programme. The combination of world-leading talent, outstanding teachers, and globally significant resources is reflected in the standards achieved by our students at the end of the programme and the classification of the awards that we make. To assure ourselves that we are setting appropriate standards on our programmes, we have a double system of external scrutiny: external examiners who oversee the standards and operations of the assessment processes as a whole, and specialist external assessors who sit on final assessment panels to scrutinise the quality and standards of students' playing, singing or composition. Additionally, all written work is blind double-marked.

The Academy attracts applicants from around 90 countries and over 50 countries are represented in our student population, with just over 50% from the UK, 16% from the rest of the EU and 34% from other countries. Applications and recruitment have remained strong in spite of national and international uncertainties and challenges, and we have developed our recruitment strategy and tactics to accommodate this rapidly changing environment. We are proud of the cosmopolitan and healthy cultural breadth of our student body.

As the following chart shows, our full-time equivalent student numbers have overall remained consistently close to 800, and we intend to maintain similar student numbers going forward. Undergraduate student numbers have remained constant over the last three years, with a small increase in numbers of students paying overseas fee rates (including non-resident EU students starting courses from autumn 2021) and a small decrease in domestic student numbers.

Overseas postgraduate student numbers, including EU students from autumn 2021, increased to 41% of the total postgraduate population; we expect this trend to continue.

Student Numbers (FTE)



STUDENT RESULTS FOR 2021/22

Our academic, tutorial, professorial, professional services and estates colleagues again worked tirelessly over the summer to draw the 2021/22 year to a successful close. All students were given the opportunity to have their Final Recitals livestreamed so that family and friends could hear them wherever they were in the world, and most took up this opportunity.

Results for the year are very good: interim results are shown below as some awards have yet to be agreed by Examination Boards. The Academy remains committed to preserving the standards and quality of our programmes; our exceptional 'double' external assessor project involving Specialist External Examiners for each principal study discipline, as well as External Assessors for overall programmes gives us confidence that our programmes remain world-leading in the standards that we set and the professional discipline we enable our students to develop.

	2021/22		2020/21*			2021/22		2020/21*	
BMus Awards	No	(%)	No	(%)	MA/Mus Awards	No	(%)	No	(%)
First Class	72	(70)	80	(73)	Distinction	102	(74)	142	(74)
Upper Second	29	(28)	27	(25)	Merit	32	(21)	32	(23)
Lower Second	2	(2)	2	(0)	Pass	4	(3)	6	(3)
Third/Pass	0	(0)	0	(0)	Pending	25		9	
Pending	5		1						

* Results for 2020/21 have been restated because some final results for MA/MMus students are not available when the financial statements are prepared in November.

Under the powers of the Academy's Royal Charter, the Examinations Board may award a Dip RAM to any postgraduate student who particularly excelled in their final recital. Conventionally the award has been made to the elite cohort who achieve a mark of 80% or above in their recital. This year 54 such awards were made (68 2021). Post Masters awards were also made by the Examinations Board, including Advanced Diplomas and Professional Diplomas.

During 2021/22 there were 16 research students (17 2020/21) and 7 PhDs were awarded (3 2020/21).

2. People and Resources

Attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources secures the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.

Staff numbers include part-time teachers paid on an hourly basis. The overall full-time equivalent numbers remained similar to 2020/21, at 242 (243 2020/21), of which 58% are teaching and teaching support staff (57% 2020/21).

In line with many other organisations in the UK, we have seen a larger turnover in professional services staff than usual; we continue to review our pay and rewards strategy to make sure we offer appropriate remuneration.

ESTATES

The Academy continues to be based in its headquarters on Marylebone Road, and retains practice rooms at Cross Keys and uses St Mark's Church mainly for recording and rehearsals. During summer 2021 we re-purposed and refurbished a number of rooms to maximise teaching and practice space. As students returned to full-time in person teaching from September 2021 we have made full use of all our buildings, including new teaching rooms built in space vacated on the ground floor of York Gate as a result of closing the Chimes shop.

During 2021/22, we completed a number of significant estates projects, including replacement of core elements of our electricity supply system, replacement of our emergency lighting system, and redecoration and improvement of a number of teaching rooms.

In 2022 we reviewed our Environmental Policy and affirmed our commitment to providing resources for effective environmental management. We set objectives towards reducing our carbon emissions and protecting our environment, and we work with our Environmental Committee, Sostenuto, to identify and roll out changes in our practice. Developments in the year included the addition of thermostatic valves to radiators across the estate to reduce energy use, and sourcing energy efficient boilers.

INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY

Business systems and processes continue to be reviewed to ensure that we are working as effectively as possible. Technology touches all aspects of Academy life and plays a vital role in the increasingly interdependent activities of the organisation and a new digital strategy has been developed to ensure a coherent approach to technology in the future.

Students are at the heart of all we do, meaning that the Registry and its systems are a key part of the organisation. During 2018/19 work started on the implementation of a new student database system, Quercus, which went live for enrolment in September 2021. The exams and assessments, HESA and finance modules have now been implemented and are bringing significant benefits to students, Registry staff, teaching staff and the Finance team, through simplifying processes and holding more data in one place.

The project to implement a new combined HR/Payroll system also made substantial progress and the majority of its functionality went live in June. The iTrent system will streamline workflows and will benefit all staff, not only the HR and Payroll teams.

The return to onsite delivery of our programmes has meant that students now have full access to our specialist facilities, including all our practice, performance and rehearsal spaces, Library, Museum and collections, and our recording provision including specialist recording support staff. Streaming of performances continued during the year with many recordings available via our website.

3. Engagement

Reaching the level of musicianship required for conservatoire entry takes years of hard work and, in most cases, significant financial commitment. Although we already offer millions of pounds in financial support for students every year, we are aware that this does not redress inequalities in earlier education.

Live streaming provides an opportunity to disseminate our work to broader constituencies, especially highly popular events. Apart from audiences, live streaming of performances and masterclasses allows international communities of potential students to see the quality and range of our work, and this is supported by sections of the stream which are then put on the website for other marketing purposes.

Two key aspects of the Academy's identity are our global reach and our strong connections with the music industry. Collaborations with educational and musical institutions across the world range from high-profile creative projects to student and staff exchange schemes and teaching/research projects between individual members of staff.

OPEN ACADEMY

Open Academy is the Academy's Learning, Participation and Community initiative, which worked with nearly 7,500 people beyond our enrolled students and staff this year. As the importance of participatory music programmes in areas including education, health and wellbeing continues to grow, it is crucial that our students have the opportunity to obtain skills and experience in this exciting and expanding area of work. Open Academy electives at undergraduate and postgraduate level are available to all students, offering seminars and workshops alongside hands-on experience in the field. Open Academy also offers fellowships to graduating students who will be the future leaders of this work.

Open Academy works closely with artistic and community partners to produce creative projects in which our students and project participants can explore making music together in a wide range of contexts. All of our projects are led and supported by skilled professionals, ensuring the quality of the experience for everyone involved. These include workshops with children and young people in mainstream schools and special educational needs and disability (SEND) settings, people receiving treatment in hospitals, residents and staff of care homes, and people attending day centres. All of our projects are led and supported by skilled professionals, ensuring the quality of the experience for everyone involved.

In the 2021/22 academic year our students worked alongside:

Open Academy projects with	Participants
Early years	1,364
Primary school pupils	3,458
Secondary school pupils	230
Young people outside school time	1,589
Older people and care homes	24
Vulnerable adults	37
People with special needs	14
Hospital patients	141
Talks	21
People living with dementias	481
Other	104
Total	7,463

ALUMNI

The Academy's alumni community permeates all areas of the music profession and is an integral part of the Academy family. We tell our alumni stories to inspire the next generation of musicians, alongside actively engaging our wider alumni community through focused communications and content.

We continue to develop a programme of engagement opportunities and access points to support our mission to provide lifelong value to our alumni, while in turn cultivating their ongoing support for the Academy and its strategic aims.

MUSEUM AND COLLECTIONS

The mission of the Museum is to support the work of the Academy and to advertise it to the wider public, highlighting the potential of music to inspire, unite and stimulate through performance, displays and research. We actively promote the ethos that music is a vital part of life.

The strategic aims of the Museum are:

1. To increase awareness, understanding and enjoyment of our collection of musical instruments, art, photographs, scores, manuscripts and other objects in the galleries and the wider Academy through lively and innovative displays, interpretation, outreach and programming.
2. To support the culture of musical research and practice in the Academy and beyond through displays, events, collaboration and access to the collections.
3. To provide access to the collections, and information about them, for users within the Academy and the wider public, using digital means as well as traditional methods.
4. To enable active use of the collections today while responsibly preserving them for tomorrow.

The collections of instruments, art, photography, manuscripts and scores offer valuable insights into the creative processes of great musicians. Items on permanent display include stringed instruments by Stradivari and the Amati family, historic keyboards by Broadwood, Pleyel and Erard, and scores and memorabilia that belonged to significant figures from the world of music. Temporary displays have included composers' manuscripts like Vaughan Williams's *Fantasia on a Theme by Thomas Tallis*. In recent years we have been building up the unique Calleva Collection, commissioning stringed and other instruments from today's finest luthiers and makers. Students may be offered the use of many of these instruments, providing an important boost to their musical development. The extensive archives offer students, staff and members of the public unique insights into the creative processes of great musicians, as well as informing our knowledge of performance practice.

The Museum is an integral part of Academy life. Engaging stories are told through its permanent galleries and programme of changing temporary displays. The Museum is now returning to its formal function of holding specialist tours, lecture-recitals, seminars, workshops, and outreach events. These are free of charge. There are practice spaces in the gallery, giving students an opportunity to rehearse with an informal audience, try out new repertoire and interact with visitors.

The Museum opened in 2001, supported by a grant from the Heritage Lottery Fund. Many of its collections have Designated status and the Museum itself is Accredited – both chartermarks of quality, awarded and administered by Arts Council England (ACE). Work is continuing towards reaccreditation in January 2023.

The Museum reopened to the public in June 2022 and is open to the general public on Fridays from 11am to 5pm. On Thursdays the Museum is also accessible to the public through planned activities. Many of the objects on display can be viewed on our website at www.ram.ac.uk/museum/about/.

FINANCIAL OVERVIEW

For the financial year 2021/22 we are reporting an operating surplus of £6.1m (£5.5m 2020/21), and a comprehensive income surplus of £8.9m (£38.2m 2020/21). Our balance sheet position also remains strong.

This positive position is primarily due to an extremely successful year of fundraising in our bicentenary year, with donations being received for both long-term endowments and for shorter term use. This has allowed us to grow our financial awards to students to support their studies at the Academy, and to return our teaching and performance activities to pre-pandemic levels, with commensurate increases in expenditure.

	2021/22 £000	2020/21 £000
Summary of income and expenditure		
Income before donations and endowments	18,910	17,308
Donations and endowments	13,674	12,765
Expenditure	(26,484)	(24,530)
Operating surplus before other gains or losses	6,100	5,543
Gain on disposal of fixed assets	-	3
Gain on investments	589	7,596
Actuarial gain in respect of RAM1967 pension scheme	2,171	799
Revaluation of instruments	-	24,300*
Total comprehensive income	8,860	38,241
Represented by:		
Endowment comprehensive income for the year	4,236	12,372
Restricted comprehensive income for the year	1,399	1,241
Unrestricted comprehensive income/(deficit) for the year	2,958	(1,649)
Revaluation reserve comprehensive income*	267	26,277
	8,860	38,241

* Revaluation of the fixed asset investment and instruments

The total comprehensive income includes a number of unrealised movements in the value of our investment, heritage and pension assets as well as income from endowment and restricted donations received in the year, which cannot be used for general purposes. It is also stated after charges for depreciation of assets which were funded by external donations held in reserve. Once these specific purpose and unrealised income amounts and previously funded charges are excluded, the underlying operational position was an operational surplus of £1.5m in-year (deficit £1.7m 2020/21), due mainly to an increase in unrestricted donations.

	2021/22 £000	2020/21 £000
Breakdown of unrestricted comprehensive income for the year		
Operating gain/(loss)	1,534	(1,701)
Actuarial gain on RAM1967 pension scheme	2,171	799
Depreciation funded by external donations	(747)	(747)
Unrestricted comprehensive income/(deficit) for the year	2,958	(1,649)

1. INCOME

Overall income grew by 8% year-on-year to £32.6m, with donations, tuition fees and funding council grants remaining the major revenue streams. In 2021/22, the income net of donations for fees formed 34% of income, down from 36% in 2020/21, although overall fee income grew by 4% year-on-year.

Fee levels for UK undergraduate students are regulated and fixed at £9,250 from 2017, although we have applied inflationary increases to fees for other students. Students from EU countries who started courses in September 2022 now pay international student fees. Together, these changes mean that the share of tuition fee income from international fees has continued to grow.

Funding grants remain a key revenue stream and made up 17% of total income in 2021/22. £4.4m (£4.2m 2020/21) was provided by the OfS to support the additional costs of providing teaching to a world-class level in a small specialist institution, while we benefited from £933k (£378k 2020/21) from UKRI in support of our research and innovation work, as well as £164k (£150k 2020/21) to support our Museum and collections.

As the costs for students of studying at the Academy and the costs to the Academy of providing world-class teaching grow while other income sources have remained static, donations and endowments have become a core part of our income, and we are extremely grateful to all individuals and funding bodies who have provided us with funds.

The Development team is responsible for raising philanthropic funds, primarily from individuals (including alumni), companies, trusts and foundations. Donations were received to fund our students through scholarships and bursaries as well as general funds to offset the high cost of educating students. Philanthropic funds were also raised to support Academy students impacted by the conflict in Ukraine, to support students experiencing financial hardship, and to support student wellbeing and mental health.

Total donations and endowments received during 2021/22 amounted to £13.7m (£12.8m 2020/21). Over the last four years we have seen a significant growth in total donations, and a particular growth in endowment gifts as a result of our Bicentenary Campaign, which we have invested for long term growth in line with the intentions of donors.

In 2021/22 we also benefited from £3.4m in donations for specific purposes (£2.2m 2020/21), which we have classified as restricted funds. These are predominantly donated for student financial support (see below) and £4.7m other donations (£2.3m 2020/21) which we have classified as unrestricted.

This financial year also saw a recovery in our commercial income, as we were able to welcome audiences and hirers back to the building. We earned £415k (£60k 2020/21) from sales in our bar and canteen, and £320k (£29k 2020/21) from ticket sales and space rentals.

We have applied £789k (£924k 2020/21) as investment income from our portfolio, with the reduction reflecting adverse market conditions.

2. EXPENDITURE

The 2021/22 financial year was the first full year of onsite operation for three years. This has brought with it a return to pre-pandemic levels of expenditure in many operational areas, including concerts and opera and musical theatre productions, as well as in our estate team. We have also used funds generated for specific purposes to invest in our staff and facilities. Overall, this has led to an 8% year-on-year growth in expenditure.

Student teaching remains at the core of our operations, and in 2021/22 at £7.7m (2020/21 (£7.5m) directly absorbed 57% of our expenditure. Costs have increased slightly in excess of the

1% pay rise from August 2021, as we implemented the pay rationalisation for hourly paid staff and were able to realise activity delayed due to the pandemic.

In line with activity, operational costs have returned closer to pre-pandemic levels (+£375k); we have also provided more financial support to students and together these trends have led to a 16% growth in operational costs to £11.1m (£9.6m 2020/21). Within the category we term 'General Education', which at £4.1m absorbs the largest share of expenditure (37%), the largest single item remains student financial support (£3.6m 2021/22, £3.5m 2020/21).

The General Education category includes the Academy funded share of awards for both fees and maintenance together with donation funded maintenance awards. Donation funded fees (£1.7m 2021/22, £1.5m 2020/21) are shown as a reduction in fee income rather than an expense, in line with accounting regulations.

Premises costs have reduced by £557k to £2,709k excluding depreciation, as a result of a reduction in rent costs of £356k due to reduced need for social distancing and the exit from our former site at Aybrook Street, as well as the inclusion in 2020/21 of one-off costs for electrical maintenance.

3. BALANCE SHEET POSITION

Our balance sheet position has improved to a net asset position of £216m, due to the positive year end return on operational activity and the gain on revaluation of the pension scheme.

Our invested assets suffered gains and losses over the year in line with the global markets. We transferred a further £1.25m into the equity portfolio during the year and ended the year with the total portfolio having grown £1.8m in value.

On 31 July 2022 we were holding £25m in cash including endowments awaiting investment; we have since moved £9m into investments in line with decisions of the Investment Sub-Committee. Creditors and provisions have reduced due to our reduction in deposits to 10% of fees.

Endowment reserves have increased reflecting new endowments received in year, The overall general fund position has increased by £1,692k, reflecting the year end operational deficit offset by the reduction in the pension deficit by £2,171k.

Free reserves, which are the reserves not committed or designated for specific purposes, stood at £11.9m on 31 July 2022 (£11.8m 31 July 2021), in line with the underlying operational surplus.

4. CASHFLOW

Our cash position increased by £4,677k during 2021/22 (£8,466k 2020/21), with a net cash inflow from operating activities of £1,294k (£857k 2020/21), and a net outflow from investment activities of -£837k (+£674k 2020/21).

Liquid cash holdings remained above £22.5m for the full financial year, including endowment income of £11,251k. £9m cash has been invested with our brokers since the year end in line with decisions by the Investment Committee.

FUNDRAISING

The top priority for fundraising at the Academy is to raise budget-relieving funds, which form just over 60% of the annual fundraising target. These include funding for the Awards programme (scholarships and bursaries) and gifts that go towards general funds, such as through the Patrons' Scheme and Principal's Fund. The overarching focus is to provide vital support to ensure that no student with the appropriate talent and potential is denied the chance of studying at the Academy.

In 2021/22, there were two major developments in the fundraising programme. The first was the establishment of the Bicentenary Development Board in September 2021. The Board is a group of senior volunteers, some of whom are Governing Body members but others who are philanthropists with a strong connection to the Academy. Members of the Bicentenary Development Board have worked to build new relationships for the Academy with contacts in their network, and in the process they have unlocked a new pool of high-level prospects, leading to a number of six-figure donations.

The second major development was the launch in April 2022 of a major campaign to coincide with the Academy's Bicentenary, known as the 'The Royal Academy of Music's Future'. This is a comprehensive campaign covering the major priorities for the Academy including endowed posts, widening access and student support. A target of £60m was announced and of that £41m has been raised to date. Excellent progress is being made and it is anticipated that the target of £60m will be met in the next 12-18 months.

At the Campaign launch, the Academy's ambition to establish endowed chairs and professorships for each of its 18 departments was announced. The Academy is the first conservatoire in Europe to create a new suite of endowed posts, which will help to attract and retain the very best teachers for our students.

The majority of philanthropic income continues to come from individuals and trusts, with a modest amount from companies. Legacies are increasing, with many alumni and friends choosing to include the Academy in their estate plans. Many of these bequests are expendable or permanent endowments and therefore add to the Academy's endowed funds. Work continues to encourage lifetime endowment gifts.

Following an exceptional return on investment during the capital campaign, the team is now delivering a return above the sector average of 7:1 (6:1 2020/21) excluding the significant endowment donation of £6m.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement and Statement on Internal Control and Risks relate to the financial year 1 August 2021 to 31 July 2022, and up to 22 November 2022 when the Annual Report and end-of-year Financial Statements were approved by the Governing Body.

The powers, duties and responsibilities of the Governing Body are laid down by the Royal Charter and its Bye-Laws. The Governing Body is also required, where appropriate, to conduct its business in line with the Statutes and Ordinances of the University of London of which the Academy is a member and, in their capacity as trustees, with the Academy's charitable objects.

The Academy is a higher education institution, part funded by the OfS and subject to its Terms and conditions of funding for higher education institutions. The Governing Body confirms that due regard has been given to the OfS public interest governance principles in respect of:

- I. Academic freedom
- II. Accountability
- III. Student engagement
- IV. Academic governance
- V. Risk management
- VI. Value for money
- VII. Freedom of speech
- VIII. The size, composition, diversity, skills mix and terms of office of the Governing Body
- IX. The appointment of fit and proper persons as members of the Governing Body and Senior Management Team

The Academy endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and complies with the guidance provided by the Committee of University of Chairs (CUC) in The Higher Education Code of Governance. The Governing Body has had regard to the Charity Governance Code and adopted the CUC Higher Education Senior Staff Remuneration Code.

The Objects of the Academy are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with the general instruction of all persons wanting to acquire knowledge thereof'.

Under the terms of the Supplemental Charter dated 1998 and its Bye-Laws, the direction of the Academy is the responsibility of the Governing Body, which makes rules, orders and regulations deemed useful and necessary for the regulation and management of the institution. The Charter is under review.

The Academy registered with the Fundraising Regulator in October 2017, displaying the badge to demonstrate adherence to the Code. The Academy is a member of the Council for the Advancement and Support of Education (CASE) and benchmarks its fundraising activities against UK universities and specialist institutions. The Academy works sensitively to protect vulnerable people and members of the public to ensure that no undue pressure is placed on a person to give money or other property. The Academy maintains a complaints log, and in the last year there have been fewer than 10 complaints in response to the organisation's fundraising activities. The Academy has not worked with commercial participators or professional fundraisers in the last year.

The Governing Body is responsible for overseeing and managing the general business, finances and investments of the Academy, safeguarding its assets, setting its general strategic direction and determining its educational character and mission. It is also responsible for ensuring that academic governance is operating effectively, encouraging student engagement in academic governance; that Academy students receive a high-quality education, value for money, and that adequate provision has been made for their welfare and wellbeing.

The Governing Body comprises the President, 10 to 15 independent members from whom its Chair and Deputy Chairs are drawn, and up to five representative members elected by the staff and students.

None of the independent members receive any payment for work they do for the Academy. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries.

The Governing Body meets four times each academic year and much of its detailed work is delegated to senior committees, in particular the Finance and General Purposes Committee, Audit Committee, Nominations Committee, Remuneration Committee, Gift Acceptance Committee and Academic Board, which are formally constituted as Committees of the Governing Body with written terms of reference and reporting structures. In addition, working groups are constituted as required. With the exception of the Academic Board, membership of these Committees includes a significant proportion of independent members of the Governing Body, from whom the chair is selected.

Members of the Governing Body meet with the Principal and Senior Management Team at least annually to review the Academy's strategic direction and measure progress against strategic aims.

Corporate Governance arrangements are reviewed annually and amended as the Governing Body sees fit. In March 2020, members agreed that, in order for Governing Body, Committee and business operations to continue during the coronavirus pandemic, virtual meetings should take place by telephone/digital communications. Although in-person meetings are preferred, virtual and hybrid meetings are considered to be effective and will continue.

GOVERNANCE

The **Academic Board** is the main academic committee of the Governing Body and draws its members from the academic staff and the students of the institution. It is the body responsible for the academic and academic governance work of the Academy in teaching, examining and in research, and recommending and implementing strategic academic, artistic and policy initiatives. It is responsible for the Academy's Quality Assurance procedures which outline the principles, procedures and processes involved in our quality assurance and enhancement activities, which have been developed in accordance with the expectations set out in the UK Quality Code for Higher Education. These procedures are monitored annually to ensure they remain appropriate and robust for a small specialist institution.

The **Audit Committee** is responsible for overseeing internal controls, risk management, compliance, and the integrity of the annual financial statements. The Committee meets with the external auditors to discuss audit findings, and with the internal auditors to consider internal audit reports and recommendations for the improvement of the Academy's systems of internal control, together with management's response and implementation plans. The Committee receives reports from the OfS and monitors adherence with regulatory requirements. It provides the Governing Body and the Principal with an Annual Report on its key activities and an opinion on arrangements for risk management, safeguarding, GDPR, value for money and data integrity, among others.

The Audit Committee benefits from the appointment of an independent external member, Linda Peka, Chief College Operations Officer at Exeter University, who provides additional expertise and scrutiny of the Academy's operations.

The **Finance and General Purposes Committee** oversees the management and control of the financial and general affairs of the Academy to ensure its short- and long-term viability. It recommends to the Governing Body the annual budget and elements of the end-of-year Financial Statements, advises on financial strategy, monitors financial performance and ensures that systems are in place for the effective and efficient management of resources and financial operations.

The **Gift Acceptance Committee** is responsible for advising the Governing Body about whether the sources and purposes of prospective donations, fundraising, and other funded activities are ethically acceptable.

The **Nominations Committee** is responsible for identifying fit and proper persons for nomination as independent members to ensure that the Governing Body has appropriate expertise to meet its short- and long-term needs. The priorities for recruitment are to widen the diversity of members and enhance the financial, business, professional, and fundraising skills of the Governing Body.

The **Remuneration Committee** is responsible for the terms of employment and remuneration of the Principal, members of the Senior Management Team and other senior staff. The Academy adopted the CUC's Higher Education Senior Staff Remuneration Code, and has prepared an annual report (page 34).

The Principal is the Chief Executive Officer of the Academy, who reports to the Governing Body and is responsible for implementing its decisions and for maintaining and promoting the efficiency and good order of the Academy. Under the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2022, the Principal is the designated Accountable Officer of the Academy.

The Senior Management Team is the Principal's advisory group and comprises the Deputy Principal, Director of Finance, Dean of Students, Registrar and Director of Student Operations, and Deputy Principal (Advancement).

STATEMENT OF INTERNAL CONTROL AND RISK

The Governing Body has, in accordance with its Royal Charter and Bye-Laws and the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2022, responsibility for maintaining a sound system of internal control that supports the achievement of strategic aims and objectives while safeguarding public and other funds and assets for which the Academy is responsible. The system of internal control is designed to manage rather than eliminate risk and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them efficiently and effectively. This process has been in place for the financial year ended 31 July 2022 and up to the date of approval of the Financial Statements, and accords with OfS guidance.

The following internal control processes have been established:

- The Governing Body considers the plans and strategic direction of the Academy on an annual basis.
- The Governing Body has delegated to the Audit Committee responsibility for reviewing the effectiveness of internal control systems and the risk management process and for ensuring suitable processes are in place for monitoring and managing the risks.
- The Governing Body receives an annual report from the Audit Committee concerning issues of risk, internal controls and their effectiveness, which are informed by reports from the Senior Management Team and internal auditors on the steps being taken to manage risks.
- The Audit Committee receives reports from the internal auditors, which include its independent opinion on the adequacy and the effectiveness of internal controls based on work undertaken in accordance with its approved audit plan.
- The Academy maintains an Academy-wide risk register, which is monitored by the Senior Management Team and reviewed by the Audit Committee. Changes in risk assessments are reported to the Audit Committee. This is reviewed by the Governing Body on an annual basis.
- Our approach to risk management is risk based.
- Heads of departments are required to identify and keep up to date the record of risks facing the Academy. These are discussed on at least an annual basis.

The highest rated risks currently on the register include:

• Government Policy changes to funding	• Physical security of collections
• The impact of Brexit	• Cyber security
• Environmental change	• Noise protection for staff and students
• Insufficient financial support to attract most able students	• Failure of key hardware and software
• Pay and pension inequality	• Non-compliance with estates health and safety and regulatory requirements
• Failure to control costs, including financial support	

All risks listed are discussed by the Senior Management Team on a regular basis with mitigating actions in place, and are reviewed termly by the Audit Committee

The Academy continues to review data management with external consultation and legal and marketing experts, to minimise the GDPR-related risks in all our activities.

The Academy is subject to review by internal audit which, for 2021/22, was carried out by Azets. The internal auditors operate to standards defined in the Audit Code of Practice set out in the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2022 and report on the adequacy and effectiveness of the Academy's system of internal control,

make recommendations for improvement and monitor implementation. No significant weaknesses in internal control were identified during the year.

The Corporate Governance Statement and Statement on Internal Control and Risks was approved by the Governing Body and the Principal on 22 November 2022, and signed on its behalf by



Dame Jenny Abramsky
Chair of Governing Body



Professor Jonathan Freeman-Attwood
Principal

RESPONSIBILITIES OF THE GOVERNING BODY

In accordance with its Royal Charter, the Governing Body is responsible for the administration and management of the Academy's affairs and is required to present an Annual Report and audited Financial Statements each financial year.

The Governing Body oversees the Academy's activities, determines its future direction, and fosters an environment in which the Academy's mission can be achieved.

The Governing Body is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable it to ensure that the Financial Statements are prepared in accordance with the Statement of Recommended Practice: 'Accounting for Further and Higher Education' and other relevant accounting standards. In addition, within the OfS's Terms and conditions of funding for higher education institutions, for the period to 31 July 2022, the Governing Body, through its designated Accountable Officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the surplus or deficit and cash flows for that year.

In causing the Financial Statements to be prepared, the Governing Body ensures that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made which are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governing Body is satisfied that the Academy has adequate resources to continue in operation for the foreseeable future despite reporting a loss on Total Comprehensive Income for the year. For this reason, the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Governing Body is also responsible for:

- Ensuring there is a robust and comprehensive system of management, control and corporate governance, including prevention and detection of corruption, fraud, bribery and irregularities, and GDPR compliance.
- Obtaining regular, reliable, timely and adequate information to monitor performance and track the use of public funds.
- Planning and managing activities to remain sustainable and financially viable.
- Informing the OfS of any significant changes in its circumstances and incidents that could impact on the mutual interests of the Academy and the OfS.
- Using public funds for proper purpose and seeking to achieve value for money from public funds.
- Complying with mandatory requirements relating to audit and financial reporting.
- Delivering its charitable purpose for the public benefit:
 - Sending required returns and information to the OfS.
 - Ensuring there are effective arrangements in place for managing and quality assurance of data submitted to funding and regulatory bodies.
 - Ensuring an effective framework to manage the quality of learning and teaching and to maintain academic standards.
 - Considering the OfS's assessment of the Academy's risk status and taking action accordingly.

The key elements of the Academy's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments.

- A comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body.
- A treasury management policy.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and General Purposes Committee.
- A professional internal audit provider, whose annual programme is approved by the Audit Committee.
- An ongoing process designed to identify the principal risks (whether business, operational, compliance, financial or educational) to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.
- The existence of committees reporting to the Governing Body, particularly the Academic Board, Finance and General Purposes Committee and Audit Committee.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Governing Body is responsible for the oversight and integrity of the Academy's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SENIOR STAFF REMUNERATION ANNUAL REPORT 2021/22

The Higher Education Senior Staff Remuneration Code

The Governing Body adopted the HE Senior Staff Remuneration Code in June 2018 and is committed to fair and appropriate remuneration for all staff.

The Senior Staff Remuneration Code advises that there are three key elements to adopt when setting senior staff remuneration:

- i. A fair, appropriate and justifiable level of remuneration
- ii. Procedural fairness
- iii. Transparency and accountability.

The Remuneration Committee

The Remuneration Committee's terms of reference state that the Committee is responsible for matters relating to the remuneration of the Principal as Head of Institution (HoI), the Senior Management Team, senior staff with remuneration over £100,000, and other pertinent matters relating to senior staff. It also scrutinises the annual Gender Pay Gap Report.

Members of the Remuneration Committee, including its Chair, are appointed by the Governing Body. The Committee comprises three Independent Members: Lord Blackwell, Chair; Dame Jenny Abramsky, Chair of Governing Body; Rehmet Kassim-Lakha, independent member of the Governing Body; and Paul Riddell, Director of Human Resources. The Principal is not a member of the Committee but may be invited to attend to discuss matters relating to the remuneration of senior members of staff, but not his own.

The Committee met three times during the reporting period 31 August 2021 to 22 November 2022; on 20 October 2021, 29 June and 10 October 2022. The Committee reports its business to the Governing Body and presents an annual report which forms the basis of the Senior Staff Remuneration Report in the financial statements.

The Principal's contract was renewed during the period and extended to 2026 and will be considered for extension again in 2028. Information about the Principal's remuneration is published on page 52.

Approach to Senior Staff Remuneration

The Academy is recognised as a world-class institution, welcoming students from over 50 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. We are dedicated to offering the very best education to students from all over the world; we train versatile and resourceful musicians with the skills they need in the continually changing profession and to enable them to become independent and creative musicians. We foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we aim to recruit and retain the very best, supporting them with professional development opportunities. The Academy also relies on an infrastructure of talented and committed professional services staff.

A number of factors will be considered when determining reward for senior staff:

- The finite number of specialist musical educators and leaders in the UK and globally.
- A key facet of the Academy's mission is to widen access to music education.
- We are committed to equality and diversity in employment and all our activities.
- Benchmarking against comparative UK conservatoires.
- Complexity, scale and scope of the Senior Management Team positions and impact of the role, on students, staff, visitors, donors, research, resources and finances, the Academy and the conservatoire sector.
- Discretion, level of accountability, degree of autonomy and decision-making authority.

- Reputation and academic or professional credibility.
- Performance in support of the Academy strategic objectives.
- Management and leadership of staff.
- Strategic partnerships and external relations internationally and nationally.
- The HE Senior Staff Remuneration Code.
- The Academy's annual Gender Pay Gap Report.
- Value for money, affordability, and the Academy's financial sustainability.

Sources of data for the Remuneration Committee

Sources of comparative data include:

- a. Higher Education Statistics Agency (HESA) data.
- b. The Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey.
- c. The CUC Vice-Chancellor Salary Survey.
- d. Reports and reviews from external experts commissioned by the Committee.
- e. Internal analysis of salary distributions and the Higher Education Role Analysis (HERA) system.

Non-Senior Management Team remuneration

For non-Senior Management Team roles, the Academy subscribes to the HERA system, through which all roles are evaluated and assessed to determine the pay grade and salary range against the national pay scales, based on transparent criteria and to ensure pay equity and the elimination of discrimination.

The Academy subscribes to UCEA, which negotiates the nationally agreed annual cost-of-living pay award with unions, on behalf of its members. Once agreed, the cost-of-living pay award is applied to all staff.

Market forces supplements may be applied, where necessary, to attract and retain staff, upon provision of evidence of external market rates.

Additional staff pay awards, including incremental awards and one-off payments for exceptional work are evaluated on a termly basis by the Salary Review Group and its recommendations are scrutinised by the Senior Management Team.

All staff are automatically enrolled into a pension scheme according to pensions' enrolment criteria.

Pay Multiples

The pay multiple of the HoI basic salary against the median of all staff is 5.65 for 2021/22 (5.07 2020/21).

External appointments

The Academy has some of the world's finest teachers who provide inspiring tuition to our students and we encourage and support staff to continue their professional performance careers and to develop links with other institutions through flexible working arrangements. If staff have visiting professorships or fellowships this raises the profile of the Academy and is a useful means of identifying and sharing good practice elsewhere in the sector. In addition, a significant number of our staff work as Special External Assessors and External Examiners at other institutions which benefits the Academy by adding an extra layer of externality in our ongoing monitoring and review of the quality and standards of our principal study disciplines, programmes and awards. This externality is also valuable in providing reassurance in respect of standards across the conservatoire sector. We do not therefore have a policy on the retention of income generated from external bodies but ask staff to inform us of any potential conflict of interest.

Expenses

All staff are expected to adhere to principles of seeking value for money, in hospitality, business travel, accommodation or otherwise. Expenses are expected to be reasonable and not excessive.

The expenses of the Principal are authorised by the Chair of the Governing Body. The expenses of the Director of Finance are authorised by the Principal. All other staff expenses are authorised by the Director of Finance.

INDEPENDENT AUDITORS' REPORT TO THE ACADEMY'S GOVERNING BODY

Opinion

We have audited the financial statements of Royal Academy of Music (the 'Academy') and its subsidiaries ('the Group') for the year ended 31 July 2022 which comprise the Consolidated and Academy Statement of Comprehensive Income and Expenditure, Consolidation and Academy Statement of Changes in Reserves, Consolidated and Academy Balance Sheets, Consolidated Cash Flow Statement and the related notes, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

- give a true and fair view of the state of the Academy's affairs as at 31 July 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governing Body'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 Group's and Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governing Body are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Governing Body

As explained more fully in the Statement of the Governing Body, the Governing Body are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Governing Body 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 Governing Body are responsible for assessing the Group and Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Report on other legal and regulatory

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

In our opinion, in all material respects:

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

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

Use of our report

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

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Statutory Auditor
London, United Kingdom

Date: 22 December 2022

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

CONSOLIDATED AND ACADEMY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Income					
Tuition fees	1	11,208	11,208	10,803	10,803
OfS & funding council grants	2	5,539	5,539	4,876	4,876
Research grants and contracts	3	18	18	18	18
Other income	4	1,311	1,311	664	664
Investment income	5	834	834	947	947
Total income before donations and endowments		18,910	18,910	17,308	17,308
Donations and endowments	6	13,674	13,674	12,765	12,765
Total income		32,584	32,584	30,073	30,073
Expenditure					
Staff costs	7	13,528	13,528	13,044	13,044
Other operating expenses		11,149	11,149	9,647	9,647
Depreciation	10	1,744	1,714	1,766	1,736
Interest and other finance costs	8	63	63	73	73
Total expenditure	9	26,484	26,454	24,530	24,500
Operating surplus before other gains or losses		6,100	6,130	5,543	5,573
Gain on disposal of fixed assets		-	-	3	3
Gain on investments		589	589	7,596	7,596
Surplus for the year		6,689	6,719	13,142	13,172
Unrealised surplus on revaluation of tangible assets		-	-	24,300	24,300
Actuarial gain in respect of RAM1967 Pension Scheme		2,171	2,171	799	799
Total comprehensive income for the year		8,860	8,890	38,241	38,271
Represented by:					
Endowment comprehensive income for the year		4,236	4,236	12,372	12,372
Restricted comprehensive income for the year		1,399	1,399	1,241	1,241
Unrestricted comprehensive income for the year		2,958	2,988	(1,649)	(1,619)
Revaluation reserve comprehensive income for the year		267	267	26,277	26,277
		8,860	8,890	38,241	38,271

Since the introduction of the SORP 2015, capital donations for the new theatre are required to be included as income, producing a surplus of £13,119,000 in 2017/18. Work is now complete but the depreciation charges associated with the capital expenditure lead to a much smaller surplus, as is to be expected, in 2021/22.

The consolidated operating surplus, after exclusion of these restricted donations and exclusion of the proportion of theatre depreciation that is funded by donations received in prior years, is shown below.

	2022 £000	2021 £000
Total comprehensive income for the year from above	8,860	38,241
Exclude endowment comprehensive income (generally restricted in use)	(4,236)	(12,372)
Exclude restricted comprehensive income (always restricted in use)	(1,399)	(1,241)
Exclude revaluation Reserve comprehensive income (notional sum)	(267)	(26,277)
Exclude actuarial gain on RAM1967 Pension Scheme for the year	(2,171)	(799)
Exclude depreciation re externally funded proportion of theatre project	747	747
Operating surplus/(deficit) after adjustments	1,534	(1,701)

The Notes on pages 51 to 67 form part of these financial statements.

All items of income and expenditure arise from continuing operations.

CONSOLIDATED AND ACADEMY STATEMENT OF CHANGES IN RESERVES

Consolidated	INCOME AND EXPENDITURE ACCOUNT			Revaluation reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
Balance at 1 August 2020	36,410	2,376	129,100	895	168,781
Surplus/(deficit) from the income and expenditure statement	12,372	1,241	(1,649)	26,277	38,241
Release of restricted capital funds spent in year	-	(123)	(123)	-	-
Balance at 1 August 2021	48,782	3,494	127,574	27,172	207,022
Surplus from the income and expenditure statement	4,236	1,399	2,958	267	8,860
Transfer between endowment and restricted reserves	(17)	17	-	-	-
Release of restricted capital funds spent in year	-	(213)	213	-	-
Balance at 31 July 2022	53,001	4,697	130,745	27,439	215,882

Academy	INCOME AND EXPENDITURE ACCOUNT			Revaluation reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
Balance at 1 August 2020	36,410	2,376	128,410	895	168,091
Surplus/(deficit) from the income and expenditure statement	12,372	1,241	(1,619)	26,277	38,271
Release of restricted capital funds spent in year	-	(123)	123	-	-
Balance at 1 August 2021	48,782	3,494	126,914	27,172	206,362
Surplus from the income and expenditure statement	4,236	1,399	2,988	267	8,890
Transfer between endowment and restricted reserves	(17)	17	-	-	-
Release of restricted capital funds spent in year	-	(213)	213	-	-
Balance at 31 July 2022	53,001	4,697	130,115	27,439	215,252

CONSOLIDATED AND ACADEMY STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Non-current assets					
Fixed assets:					
Heritage	10a	91,250	90,620	91,303	90,643
Operational	10a	52,736	52,736	53,615	53,615
		143,986	143,356	144,918	144,258
Non-current investments	11	51,269	51,269	49,495	49,495
		195,255	194,625	194,413	193,753
Current assets					
Stock		-	-	5	5
Trade and other receivables	12	1,029	1,029	661	661
Current investments	13	3,038	3,038	3,024	3,024
Cash and cash equivalents		22,196	22,196	17,519	17,519
		26,263	26,263	21,209	21,209
Creditors: Amounts falling due within one year	14	(3,424)	(3,424)	(4,311)	(4,311)
Net current assets		22,839	22,839	16,898	16,898
Total assets less current liabilities		218,094	217,464	211,311	210,651
Provisions					
Pension provisions	15	(1,870)	(1,870)	(4,044)	(4,044)
Other provisions	15	(342)	(342)	(245)	(245)
Total net assets		215,882	215,252	207,022	206,362
Restricted reserves					
Income and expenditure reserve - endowment	16	53,001	53,001	48,782	48,782
Income and expenditure reserve - restricted	17	4,697	4,697	3,494	3,494
		57,698	57,698	52,276	52,276
Unrestricted reserves					
Income and expenditure reserve - unrestricted		130,745	130,115	127,574	126,914
Revaluation reserve		27,439	27,439	27,172	27,172
		158,184	157,554	154,746	154,086
Total funds		215,882	215,252	207,022	206,362

The Notes on pages 51 to 67 form part of these Financial Statements.

The Financial Statements were approved by the Governing Body and authorised for issue on 22 November 2022.



Dame Jenny Abramsky
Chair of Governing Body



Professor Jonathan Freeman-Attwood
Principal

CONSOLIDATED CASH FLOW STATEMENT

	Note	2022 £000	2021 £000
Cash flow from operating activities			
Surplus for the year		6,689	13,142
Adjustments for non-cash items			
Depreciation/impairment of fixed assets	10a	1,744	1,766
Gain on investments	11	(589)	(7,596)
Decrease in stocks		5	103
(Decrease)/increase in debtors	12	(368)	464
(Increase)/decrease in creditors	14	(887)	1,348
Decrease in pension provisions	15	(3)	(318)
Increase/(decrease) in other provisions	15	97	(14)
Receipt of donated equipment	6	(178)	-
Adjustment for investing or financing activities			
Investment income	5	(834)	(947)
New endowments	16	(4,220)	(7,031)
(Profit) on sale of fixed assets		-	(3)
Capital grant income		(163)	(57)
Net cash inflow from operating activities		<u>1,294</u>	<u>857</u>
Cash flows from investing activities			
Proceeds from sale of operational tangible assets		-	3
Capital grant receipts		163	57
Disposal of non-current asset investments		5,772	22,518
Withdrawal of current asset investments deposits		-	2,030
Investment income		834	947
Purchase of operational tangible fixed assets		(635)	(430)
New non-current asset investments		(6,957)	(22,426)
New current asset investment deposits		(14)	(2,025)
		<u>(837)</u>	<u>674</u>
Cash flows from financing activities			
New endowments received	16	4,220	7,031
Bonus shares		-	(3)
Repayments of amounts borrowed		-	(93)
		<u>4,220</u>	<u>6,935</u>
Increase in cash and cash equivalents in the year		<u>4,677</u>	<u>8,466</u>
Cash and cash equivalents at 1 August		17,519	9,053
Cash and cash equivalents at 31 July		22,196	17,519

The Group has not included an analysis of movement in net debt table as it did not have any net debt during the year.

STATEMENT OF ACCOUNTING POLICIES

FRS 102 is the single comprehensive Financial Reporting Standard and SORP 2019 is the education sector's interpretation of FRS 102.

1. Accounting Convention

The Financial Statements have been prepared under the historical cost convention, modified for the revaluation of the Academy's listed investments, in accordance with applicable Accounting Standards and the Statement of Recommended Practice: 'Accounting for Further and Higher Education' (SORP), published in October 2018. The institution is a public benefit entity and has therefore applied the relevant public benefit requirement of the applicable accounting standards.

The Governing Body has reviewed the financial position of the Academy and its plans for the future as set out in the Operating and Financial review, outturn in 2021/22 as set out in the planned operation and activities of the Academy, and is satisfied that it has adequate resources to continue in operation for the foreseeable future.

The Governing Body reviews the annual budgets and plans which the Academy prepares as part of its annual planning cycle; these reflect the aims and objectives of its 2019 to 2024 strategic plan and feed into the five-year forecast. The budgets, plans and forecasts show that the Academy is expected to be able to continue to meet its working capital requirements from cash and liquid investments. The budgets and forecasts consider the impact of key external factors including the impact of Brexit on student recruitment as well as possible changes in government funding. The management team and governing body consider the impact of changes in assumptions in these key areas before approving budgets and forecasts.

For this reason, the Governing Body feels that the Academy has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the Academy from continuing as a going concern. These financial statements have therefore been prepared on a going concern basis.

2. Basis of Consolidation

The consolidated Financial Statements comprise the Academy's activities and those of its charitable subsidiary undertaking, the RAM Collections Trust. RAM Development Company Limited was dormant during the year. The consolidated Financial Statements do not include those of the Students' Union because the Academy does not control those activities as it is a separate entity. Intra-group transactions are eliminated on consolidation.

3. Recognition of Income

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

Fee income is credited to income over the period in which students are studying. Bursaries funded from external donations or endowment income are omitted from expenditure and fee income and recognised as donations or interest receivable accordingly. Bursaries funded from general or designated funds are included within bursary expenditure and fee income.

Funds the Academy receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure where the Academy is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grants and Donations

A Performance Related Condition (PRC) is a condition that requires the performance of a particular level of service or units of output to be delivered with payment of, or entitlement to, the resources conditional on that performance.

Grants and donations without PRC or any other type of restriction are recognised in full within the Consolidated Statement of Comprehensive Income and Expenditure on entitlement to the income. This includes donations of assets.

Government and non-government grants with PRCs include annual grants such as OfS or UKRI teaching and research grants and bursary grants where the academic year and/or students to whom the grants relate are stipulated. They may also include grants for specific research projects to fund academic posts over a number of years. These grants are deferred on the balance sheet until the PRC has been met, at which point the grant is released to income.

Where no PRC attaches to a government or non-government grant but there are nevertheless restrictions imposed on the use of funds, the grant income is recognised in full when the Academy is entitled to the income. It is retained within a restricted reserve until being used in line with the restriction, at which point a reserve transfer is made to release the reserve to general funds.

Capital grants are treated in the same way as revenue grants.

Endowments

An endowment fund is a form of charitable trust retained for the benefit of the Academy for the long-term and is subdivided into a capital and accumulated income element. A donation to establish an endowment fund which prohibits conversion of capital to income creates a 'permanent' endowment fund and such funds must generally be held indefinitely. If the Academy has power to use the capital then the endowment fund is 'expendable' although the Academy would be unlikely to use this power in the short-term.

The investment income from permanent endowment funds may be restricted or unrestricted in use depending on the requirements of the donor whereas investment income from expendable endowment funds will always be restricted in use.

New endowment funds are credited to the Consolidated Statement of Comprehensive Income and Expenditure on entitlement and then transferred to an endowment fund within the Balance Sheet. Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure and, if restricted, reserved within the endowment fund for future spend in accordance with restrictions. Expenditure against the restricted endowment fund is debited to the Consolidated Statement of Comprehensive Income and Expenditure and charged to the endowment fund.

Appreciation/depreciation of endowment investments is recorded within the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the capital element of the endowment funds.

Other Investment Income

Other investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis. Appreciation/depreciation of investments is credited/debited to the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the General Fund or Endowment funds, as appropriate.

4. Accounting for Retirement Benefits

The Academy contributes to four different pension schemes for current employees: the TPS; a GPPS; the NEST; and the USS. The TPS and USS are defined benefit schemes and each fund is valued every three years by professionally qualified independent actuaries. The GPPS and NEST are defined contribution schemes.

The assets of the TPS are held in separate trustee-administered funds. Because of the nature of the Scheme, the Scheme's assets are not hypothecated to individual institutions and Scheme-wide contributions are set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. Therefore, it accounts for the Scheme as if it were a

defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the Scheme in respect of the accounting period.

The USS is a multi-employer hybrid scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Academy therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the Scheme. Since the Academy has entered into an agreement (the recovery plan) that determines how each employer within the Scheme will fund the overall deficit, a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. The Academy had nine members in the USS at the end of 2021/22.

The Academy also operates a defined benefit pension scheme, The Royal Academy of Music Pension Scheme 1967 (RAM1967), which is closed to new members, and which provides retirement benefits based on the length of service and final pensionable salary for certain employees. The operating and financing costs of the Scheme are recognised separately in the income and expenditure account. Service costs are spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions are recognised in the Statement of Comprehensive Income and Expenditure. The Academy's net obligation in respect of the RAM1967 Scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods: that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted.

5. Employment Benefits

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

6. Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the term of the lease. Any lease premiums or incentives are spread over the lease term.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where components of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Musical Instrument Collection assets which were revalued to fair value prior to 1 August 2014, the date of transition to the revised SORP, are measured on the basis of deemed cost, being the revalued amount at the transition date.

Impairment reviews are carried out if changes in conditions or events indicate the carrying amount of a fixed asset may not be recoverable.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet.

Donations received towards the cost of buildings or other assets are released to income on entitlement or when PRCs, if they exist, have been met (refer to income recognition policy for further details). The income is then transferred to a restricted reserve to fund remaining asset purchase costs.

Land and Buildings

Expenditure that adds value to the main Academy property is capitalised and depreciated over 40 years on a straight line basis.

Academy buildings are being depreciated over 90 years, in line with the length of the lease.

A componentisation approach has been applied to the recently completed Susie Sainsbury Theatre and Angela Burgess Recital Hall. The structures are being depreciated over 50 years but other components are being depreciated over between 10 and 25 years.

The York Gate building was acquired with the aid of a specific grant from the Heritage Lottery Fund and was subsequently refurbished. The refurbishment costs of the York Gate building and the cost of the David Josefowitz Recital Hall have also been capitalised and are being depreciated over 71 and 28 years respectively. Fit-out costs for York Gate are being depreciated over 13 years. The depreciation for the York Gate buildings was recalculated on transfer of the assets to the Academy in 2013.

The fit-out costs of the Cross Keys practice rooms are being depreciated over 10 years, this being the length of the lease.

Buildings under construction within the Academy are accounted for at cost based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Equipment and Collection of Musical Instruments

Expenditure on the purchase of equipment and other items is depreciated on a straight line basis as follows:

- Equipment/working instruments/artefacts: Between 5 and 40 years or not depreciated
- Collection of Prestigious Musical Instruments: Not depreciated as their long economic life and high residual value mean depreciation is not material
- Assets in excess of £10,000 and refurbishments in excess of £25,000 are capitalised. All other equipment is written off in the year of acquisition.

Donated Assets

Donated fixed assets are capitalised on donation and included in the balance sheet at fair value, this being insurance value of the cost to the donor.

8. Heritage Assets

Since its foundation in 1822, the Academy has acquired important collections of instruments, manuscripts, paintings, photographs, busts, drawings, teaching aids and artefacts, batons, furnishings, memorabilia and other objects which have been bought or donated over the years. The majority of the instruments have been valued and are recorded in the Balance Sheet, most as working assets but a few, primarily stringed instruments made by Stradivari and Amati, are considered to be of such international importance that they are not generally used for educational or musical purposes but are on display in the Academy's Museum, which is open to the public. Consequently they fall to be treated as heritage assets as they are held primarily for their contribution to knowledge and culture. The Spencer Collection and the Menuhin Collection were both purchased by the Academy and are also included in the Balance Sheet as heritage assets. The other items of the type described above are numerous and many have relatively low intrinsic values, however many of them have unique associations with their original owner or with the Academy. These assets are not considered to be of a heritage nature but are nevertheless an important part of the Academy's history

and assist in preserving its reputation and attraction to current and potential students and teachers. Full details of the collections, which are fully catalogued and include both heritage and non-heritage assets, together with opening times for the Museum and access policy, are given on the Academy's website at www.ram.ac.uk/Museum.

The key stringed instruments that are held as heritage assets) are included in the Balance Sheet at fair value as at 1 August 2014, the date of transition to SORP, and are no longer generally revalued. The ten most valuable instruments were revalued in 2020/21, as they account for 95% of the heritage assets. The carrying amounts are reviewed annually for impairment. Donated heritage assets are not depreciated as, given their long economic life and high residual value, depreciation would not be material. Heritage assets purchased by the Academy are included in the Financial Statements at cost and are depreciated over 40 years. Costs in connection with the preservation and conservation of heritage assets are charged to the Income and Expenditure Account as they are incurred.

9. Investments

Listed investments held within Non-Current investments are stated at fair value at the Balance Sheet date. Gains or losses are attributed to the appropriate fund.

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are continuously measured at fair value with changes recognised in 'net gains/(losses) on investments' in the Statement of Financial Activities, if the shares are publicly traded or their fair value can otherwise be measured reliably. As investments are continuously revalued there are no realised gains or losses recorded.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. They include bank and building society deposits with a deposit term greater than 90 days.

10. Financial Instruments

The Academy has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other.' The Academy only has financial assets and liabilities of a kind that qualify as basic financial instruments. The financial assets and financial liabilities of the Academy are as follows:

- Debtors – trade and other receivables (including accrued income) are financial instruments and are debt instruments measured at amortised cost as detailed in Note 11. Prepayments are not financial instruments.
- Cash at bank – is classified as a basic financial instrument and is measured at face value.
- Liabilities – trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in Note 13. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver services rather than cash or another financial instrument.

11. Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and cash deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include building society deposits with a deposit term less than 90 days and no material penalty for early withdrawal.

12. Stock

The majority of the stock held used to relate to the Academy Chimes music shop with minor amounts for canteen and bar stock. Stock is stated at the lower of cost and net realisable value.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when:

- a. The Academy has a present legal or constructive obligation as a result of a past event.
- b. It is probable that an outflow of economic benefits will be required to settle the obligation.
- c. A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Academy a possible obligation whose existence will only be confirmed by the occurrence of otherwise uncertain future events not wholly within the control of the Academy. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Academy a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

Maintenance of Premises

The Academy has a provision for the maintenance of its buildings which it is required to carry out in accordance with the terms of its lease. This is based on a 15 year maintenance plan which is reviewed on an annual basis. The provision represents the estimated cost, at the Balance Sheet date, of maintenance work falling due within the cyclical programme under the lease.

The cost of routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

14. Taxation Status

As a registered charity the Academy is exempt from taxation in respect of income received within categories covered by Part II of the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes. The Academy is partially exempt in respect of Value Added Tax (VAT) so it can only recover a minor element of VAT charged on its inputs.

15. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include endowments (see Note 16) and non-endowment funds which the donor has designated for a specific purpose.

16. Significant Estimates and Accounting Judgements

In the preparation of the 2022 consolidated Financial Statements, it is the responsibility of management to make informed judgements and estimates that affect the reported values for assets, liabilities, income and expenditure.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date of 31 July 2022, are listed as follows:

Deferred Benefit Scheme Pension Provision

The Academy is the sole member of the RAM1967 Pension Scheme which is a defined benefit scheme, and for which a provision is recorded within the balance sheet. The recognised liability is based on the valuation provided by professionally qualified independent actuaries which is based on a number of assumptions. These include the future cash flows of the Scheme, the discount rate used (which is based on average AA rated UK corporate bond rates that reflect the duration of our liability), the pensionable salary growth going forward and proposed price inflation (which is based on the RPI). Further details can be found in Note 18.

The net interest expense is based on the interest rates of AA rated corporate bonds and the deficit position.

Management review the assumptions made to derive the provisions recorded within the Balance Sheet to ensure that they are reasonable.

17. Post Balance Sheet Events

There are no post balance sheet events to report.

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
1. Tuition fees				
Full-time UK and EU gross	5,573	5,573	6,157	6,157
Less bursaries	(724)	(724)	(891)	(891)
Full-time UK and EU net	4,849	4,849	5,266	5,266
Full-time international gross	6,455	6,455	5,296	5,296
Less bursaries	(994)	(994)	(584)	(584)
Full-time international net	5,461	5,461	4,712	4,712
Junior and intermediate	898	898	825	825
	<u>11,208</u>	<u>11,208</u>	<u>10,803</u>	<u>10,803</u>

2. OfS and funding council grants

Recurrent teaching grant	4,400	4,400	4,223	4,223
Recurrent research grant	933	933	378	378
Other special funding	164	164	164	164
Capital grant	30	30	111	111
Other grants	12	12	-	-
	<u>5,539</u>	<u>5,539</u>	<u>4,876</u>	<u>4,876</u>

We are satisfied that we meet the performance conditions set out in the grants above.

3. Research grants and contracts

Research councils	18	18	18	18
	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>

The source of grant and fee income, included in Notes 1 to 3 is as follows:

Grant and fee income

Grant income from the OfS	4,442	4,442	4,348	4,348
Grant income from other bodies	1,115	1,115	546	546
Fee income for research awards (exclusive of VAT)	207	207	185	185
Fee income from non-qualifying courses (exclusive of VAT)	898	898	825	825
Fee income for taught awards (exclusive of VAT)	10,103	10,103	9,793	9,793
	<u>16,765</u>	<u>16,765</u>	<u>15,697</u>	<u>15,697</u>

4. Other income

Residences and catering	415	415	60	60
Revenue grant (CJRS government)	1	1	135	135
Other operating income	895	895	469	469
	<u>1,311</u>	<u>1,311</u>	<u>664</u>	<u>664</u>

5. Investment income

Investment income	789	789	924	924
Other interest receivable	45	45	23	23
	<u>834</u>	<u>834</u>	<u>947</u>	<u>947</u>

6. Donations and endowments

New endowments	4,220	4,220	7,013	7,013
Performance Related Condition income utilised	1,188	1,188	1,242	1,242
Restricted donations	3,357	3,357	2,185	2,185
Unrestricted donations	4,731	4,731	2,307	2,307
Donation of assets (non-cash)	178	178	-	-
	<u>13,674</u>	<u>13,674</u>	<u>12,765</u>	<u>12,765</u>

7. Staff

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Staff costs				
Wages and salaries	10,836	10,836	10,722	10,722
Social Security costs	992	992	925	925
Change in USS pension provision parameters	345	345	1	1
Other pension costs	1,355	1,355	1,396	1,396
	<u>13,528</u>	<u>13,528</u>	<u>13,044</u>	<u>13,044</u>

Members of Governing Body do not receive remuneration for their work as Trustees.

Principal's emoluments	£	£
Salary*	193,696	190,684
Benefits	3,993	3,849
Pension contributions and pay in lieu of pension contributions	34,130	34,130
Compensation for change in tax treatment of accommodation**	17,025	28,568
Accommodation – taxable	<u>22,000</u>	<u>17,225</u>
	<u>270,844</u>	<u>274,456</u>

*The Principal agreed a reduction in salary of £10,000 pa in 2020/21.

**Compensation to reflect changes in tax treatment of accommodation, provided to enable him to perform his role, recognising the contractual obligations arising from changes in HMRC regulations.

The Principal is not part of a pension scheme therefore his salary contains a pension equivalent, now rolled into a single sum. This is shown separately above.

The Principal is required as part of his contract to live on the Academy premises. The premises are an integral part of the main Academy building and the apportioned costs associated with the Principal's use of the residence are £22,000 (£17,225 2021). The space is also used by chamber groups for rehearsal and coaching, for visiting performers, for cataloguing by the Library staff and for quiet working.

The Principal's remuneration is set by the Remuneration Committee after consideration of his performance over time, his success in meeting strategic objectives, and of salaries at other comparable Higher Education institutions, nationally and internationally. This includes particular reference to other conservatoires and specialist institutions. He has led the Academy over a very significant period of change, increasing the quality of students of staff, developing artistic and educational excellence, and attracting significant philanthropic income. He has also generated an international profile, as reflected in the Sir Elton John Global Exchange Programme. The salary does not reflect a corporate-world equivalent but rather takes into account the skills required to run a high-level and complex institution, with long working hours. The Principal's contract and remuneration were reviewed in 2022.

The Principal's basic salary is 5.65 times (5.07 times 2020/21) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Academy to its staff.

The Principal's total remuneration is 6.62 times (6.35 times 2020/21) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Academy to its staff.

Severance payments of £53k were made to three members of staff in 2021/22 (25 members of staff £448k 2020/21). The majority of this related to a limited restructuring programme in 2020/21 in light of the Academy's financial forecasts.

The Academy adheres to the CUC Higher Education Senior Staff Remuneration Code.

There were two members of staff, excluding the Principal, who received emoluments (including taxable benefits but excluding employer's pension contributions) in excess of £100,000.

The number of staff who received emoluments (including taxable benefits but excluding employers pension contributions in excess of £100,000 in the following ranges was:

Range	2022	2021
£105,000-£109,000	1	1
£125,000-£125,999	1	-
£215,000-£219,999	-	1
£240,000-£244,999	1	-

The average number of persons employed by the Academy and the Group during the year, expressed as full-time equivalents (FTE), are shown in the table below:

Staff numbers	2022 FTE	2021 FTE
Teaching*	130	131
Support	10	8
Other academic services	12	12
Central administration and services	44	44
General education	18	18
Student/staff facilities	7	5
Premises	20	20
Catering and residence	1	5
	242	243

*The figures above include the following Junior Academy teaching staff 17 16

Key Management Personnel

Key Management Personnel comprises the Senior Management Team, including the Principal, being those persons having authority and responsibility for planning, directing and controlling the activities of the Academy.

	2022 £000	2021 £000
Key management personnel compensation	924	825
Headcount	7	6

Access and Participation	2022 £000	2021 £000
Access investment	155	123
Disability support (excluding expenditure included in the category above)	61	49
Research and evaluation	6	2
	222	174

8. Interest and other finance costs

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Net charge on pension schemes	63	63	73	73

9. Total expenditure by activity

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Teaching	9,227	9,227	8,747	8,747
Support	468	468	485	485
Other academic services	694	694	592	592
Central administration and services	4,579	4,579	3,403	3,403
General education	5,040	5,040	4,324	4,324
Student/staff facilities	347	347	385	385
Premises	5,236	5,206	5,920	5,890
Long-term maintenance	100	100	122	122
Catering and Residence	712	712	461	461
Research grants and contracts	18	18	18	18
Other expenses	63	63	73	73
	26,484	26,454	24,530	24,500

Other operating expenses include:

External auditors' remuneration in respect of audit services	60	56
Internal auditors' remuneration	5	24
Land and buildings	945	1,171
Other	15	18

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Access and Participation				
Access investment	225	225	168	168
Financial support	561	565	502	502
Disability support (excluding expenditure included in the two categories above)	61	61	52	52
Research and evaluation	6	6	2	2
	853	853	724	724

£222,000 (£174,000 2020/21) of these costs are already included in the overall staff costs figures included in the financial statements, see Note 7.

Link to the Academy's access and participation plan: <https://www.ram.ac.uk/about-us/policies-and-procedures/access-and-participation-plan>.

10. Fixed assets

a) Consolidated

Cost or valuation	OPERATIONAL				HERITAGE			TOTAL	
	Long leasehold land and buildings	Assets in the course of construction	Equipment	Instrument collection	Operational	Heritage instrument collection	Spencer collections	Subtotal	Grand total
					assets			Heritage assets	
					Valuation			Cost	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 August 2021	54,437	-	9,389	7,418	71,244	90,145	2,103	92,248	163,492
Additions	225	300	190	97	812	-	-	-	812
At 31 July 2022	54,662	300	9,579	7,515	72,056	90,145	2,103	92,248	164,304
Depreciation									
As at 1 August 2021	13,017	-	4,612	-	17,629	-	945	945	18,574
Charge for the year	1,385	-	306	-	1,691	-	53	53	1,744
At 31 July 2022	14,402	-	4,918	-	19,320	-	998	998	20,318
Net book value									
At 31 July 2022	40,260	300	4,661	7,515	52,736	90,145	1,105	91,250	143,986
At 31 July 2021	41,420	-	4,777	7,418	53,615	90,145	1,158	91,303	144,918

99% of the value of instruments held as heritage assets is represented by 22 stringed instruments including 7 made by Antonio Stradivari.

b) Academy

Cost or valuation	OPERATIONAL				HERITAGE			TOTAL	
	Long leasehold land and buildings	Assets in the course of construction	Equipment	Instrument collection	Operational	Heritage instrument collection	Spencer collections	Subtotal	Grand total
					assets			Heritage assets	
					Valuation			Cost	
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 August 2021	51,665	-	9,389	7,418	68,472	90,145	905	91,050	159,522
Additions	225	300	190	97	812	-	-	-	812
At 31 July 2022	51,890	300	9,579	7,515	69,284	90,145	905	91,050	160,334
Depreciation									
At 1 August 2021	10,245	-	4,612	-	14,857	-	407	407	15,264
Charge for the year	1,385	-	306	-	1,691	-	23	23	1,714
At 31 July 2022	11,630	-	4,918	-	16,548	-	430	430	16,978
Net book value									
At 31 July 2022	40,260	300	4,661	7,515	52,736	90,145	475	90,620	143,356
At 31 July 2021	41,420	-	4,777	7,418	53,615	90,145	498	90,643	144,258

11. Non-Current Investments

Consolidated and Academy total investments

At market value	£000
At 1 August 2021	49,495
Purchases of investments	6,957
Proceeds from sales of investments	(5,772)
Gains on disposal/revaluation	589
At 31 July 2022	51,269
Represented by:	
Equities	36,360
Fixed interest stocks	2,448
Property	12,461
	51,269

12. Trade and other receivables

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Amounts falling due within one year:				
Trade debtors	329	329	239	239
Prepayments and accrued income	700	700	422	422
	1,029	1,029	661	661

13. Current Investments

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Short-term deposits	3,038	3,038	3,024	3,024

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months' maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit on placement.

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 0.95% pa and the remaining weighted average period for which the interest rate was fixed was 89 days. The fair value of the deposits was not materially different from book value.

14. Creditors

	Consolidated 2022 £000	Academy 2022 £000	Consolidated 2021 £000	Academy 2021 £000
Amounts falling due within one year:				
Trade creditors	124	124	-	-
Fees in advance	1,158	1,158	1,754	1,754
Deferred revenue (Performance Related Conditions)	680	680	710	710
Taxation and social security	340	340	24	24
Other creditors and accruals	1,122	1,122	1,823	1,823
	3,424	3,424	4,311	4,311

Deferred revenue includes the following items of income which are deferred until specific performance related conditions are met:

Teaching grants	660	660	663	663
Research grants	-	-	27	27
Other grants	20	20	20	20
	680	680	710	710

15. Provisions

	CONSOLIDATED AND ACADEMY			
	USS deficit	RAM1967	Total	Other
	funding	defined	pension	provisions -
	obligation	benefit	provisions	leasehold
	£000	£000	£000	dilapidations
	£000	£000	£000	£000
At 1 August 2021	263	3,781	4,044	245
Transfer from income and expenditure account	347	(2,110)	(1,763)	100
Utilised in year	(16)	(395)	(411)	(3)
At 31 July 2022	594	1,276	1,870	342

USS deficit funding obligation: the provision represents agreed contributions payable to satisfy the Academy's net liabilities based on the 2018 valuation.

RAM1967 defined benefit obligation: the provision represent contributions from the Academy to fund the deficit in the RAM1967 pension scheme, based on the 2018 valuation.

Other provisions – leasehold dilapidations: the provision is held to fund essential leasehold maintenance obligations.

16. Endowment Reserve

	CONSOLIDATED AND ACADEMY					2021
	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	Grand total £000
Capital						
At 1 August 2021	8,047	30,676	38,723	9,128	47,851	35,352
Reclassification of funds on 1 August 2021	(1,894)	(1,441)	(3,335)	3,129	(206)	-
Transfer to restricted reserves (Note 17)	-	(16)	(16)	-	(16)	-
Increase/(decrease) in market value of investment	(16)	(78)	(94)	396	302	5,468
New endowments received	-	978	978	3,242	4,220	7,028
Bonus issue	-	-	-	-	-	3
At 31 July 2022	6,137	30,119	36,256	15,895	52,151	47,851
Accumulated Income						
At 1 August 2021	-	594	594	337	931	1,058
Reclassification of funds on 1 August 2021	-	152	152	54	206	-
Transfer to restricted reserves (Note 17)	-	-	-	-	-	-
Investment income	117	565	682	71	753	815
Expenditure	(117)	(799)	(916)	(123)	(1,039)	(942)
Net income accumulated/(utilised) in current year	-	(234)	(234)	(52)	(286)	(127)
At 31 July 2022	-	512	511	339	850	931
Total Funds						
At 1 August 2021	8,047	31,270	39,317	9,465	48,782	36,410
At 31 July 2022	6,137	30,630	36,767	16,234	53,001	48,782
Analysis by fund-type						
Bursary and prize funds	1,265	24,004	25,269	5,069	30,338	29,611
Teaching and masterclass funds	-	6,626	6,626	6,675	13,301	9,908
Development funds	4,862	-	4,862	-	4,862	4,874
Other funds	10	-	10	4,490	4,500	4,389
	6,137	30,630	36,767	16,234	53,001	48,782
Analysis by asset						
Investments					42,155	38,658
Cash					4,722	4,693
Other current assets/liabilities					6,124	5,431
					53,001	48,782

There are no deficit balances on any endowment fund.

CONSOLIDATED AND ACADEMY PRIOR YEAR

	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	2020 Grand total £000
Capital						
At 1 August 2020	6,243	21,714	27,957	7,395	35,352	37,069
Increase/(decrease) in market value of investments	779	2,959	3,738	1,730	5,468	(2,429)
New endowments received	1,025	6,000	7,025	3	7,028	764
Bonus issue	-	3	3	-	3	-
Capital applied for distribution	-	-	-	-	-	(52)
At 31 July 2021	8,047	30,676	38,723	9,128	47,851	35,352
Accumulated income						
At 1 August 2020	-	699	699	359	1,058	988
Capital applied for distribution	-	-	-	-	-	52
Investment income	169	551	720	95	815	1,118
Expenditure	(169)	(656)	(825)	(117)	(942)	(1,100)
Net income accumulated/(utilised) in current year	-	(105)	(105)	(22)	(127)	18
At 31 July 2021	-	594	594	337	931	1,058
Total funds						
At 1 August 2020	6,243	22,413	28,656	7,754	36,410	38,057
At 31 July 2021	8,047	31,270	39,317	9,465	48,782	36,410
Analysis by fund-type						
Bursary and prize funds	1,269	24,626	25,895	3,716	29,611	26,648
Teaching and masterclass funds	1,894	6,644	8,538	1,370	9,908	1,801
Development funds	4,874	-	4,874	-	4,874	4,403
Other funds	10	-	10	4,379	4,389	3,558
	8,047	31,270	39,317	9,465	48,782	36,410
Analysis by asset						
Investments					38,658	33,443
Cash					4,693	3,855
Other current assets/liabilities					5,431	(888)
					48,782	36,410

Endowment Funds – Consolidated and Academy

Details of the major funds (income or balances over £500,000) are as follows:

Fund Name	Fund type	Fund purpose	At 1 August 2021 £000	Gain/ (loss) on investment £000	Income £000	Expenditur e £000	At 31 July 2022 £000
Hogwood, Christopher Scholarship Development Fund	Unrestricted permanent	Income designated for postgraduate student awards	1,269	(3)	46	(19)	1,292
Butler, Derek Scholarship	Unrestricted permanent	In support of general operations	4,875	(13)	76	(76)	4,862
John, Elton Scholarship (Senior Academy fund)	Restricted permanent	To supply scholarships for students	613	(2)	21	(11)	622
Robson, Sir Lawrence Award	Restricted permanent	A scholarship fund for UK students	1,706	(4)	60	(35)	1,726
Rowley, Alec Memorial Fund	Restricted permanent	To supply awards for students of exceptional merit or in financial need	-	744	3	-	747
Academy Permanent Endowment Awards	Restricted permanent	To supply awards for students intending to pursue a career in classical music	550	(1)	19	(11)	556
Academy Permanent Endowment Bursary	Restricted permanent	To support deserving Academy students	6,554	(3)	303	(209)	6,644
Academy Permanent Endowment	Restricted permanent	To support Academy students in financial need	5,333	(14)	112	(35)	5,396
Scholarship San Martino Trust	Restricted permanent	To make awards to Academy students for exceptional merit	3,607	108	251	(195)	3,771
The Gatsby Chair of Musical Theatre Academy	Restricted permanent	To provide scholarships for musical education	865	(2)	29	(13)	879
Expendable Endowment Awards	Restricted permanent	To support the Gatsby Chair of Musical Theatre	6,643	(17)	104	(104)	6,626
Expendable Endowment Junior Academy awards	Restricted expendable	To supply awards for deserving Academy students	1,704	44	54	(47)	1,754
Alexander Technique Fund	Restricted expendable	To supply awards for Junior Academy students	820	21	16	-	857
Junior Academy Fund	Restricted expendable	To support operational costs of the Alexander Technique department	513	13	2	(2)	526
York Gate Fund	Restricted expendable	To support operational costs of the Junior Academy department	1,075	27	252	(4)	1,351
Endowed strings & chamber music fund	Restricted expendable	To support the running costs of the York Gate estate	4,355	111	18	(18)	4,467
Dame Myra Hess Chair of Piano	Restricted expendable	To support the Chair of Chamber Music and Head of Strings	-	2,154	3	-	2,156
		To support the Chair of Piano	1,894	792	9	(9)	2,686
			42,375	3,954	1,379	(791)	46,917

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

17. Restricted Reserves

	CONSOLIDATED AND ACADEMY		2022 Total £000	2021 Total £000
	Unspent capital grants £000	Other restricted funds £000		
At 1 August 2021	457	3,037	3,494	2,376
*Transfer from endowments (Note 16)	-	17	17	-
Donations	163	3,400	3,563	2,460
Investment income	-	4	4	6
Appreciation of restricted investments	-	20	20	151
Capital grants utilised	(213)	-	(213)	(123)
Expenditure	-	(2,188)	(2,188)	(1,376)
At 31 July 2022	407	4,290	4,697	3,494

Analysis of other restricted funds by type of purpose:

Bursary and prize funds	1,822	1,740
Teaching funds	326	625
Other funds	2,142	672
	<u>4,290</u>	<u>3,037</u>

* On 13 December 2020, we obtained formal agreement to release £17,298 permanent endowment funds from the 'Franz and Margaret Reizenstein Prize Fund' to the Academy's Buildings Renewal Fund within its restricted reserves.

	CONSOLIDATED AND ACADEMY		2021 Total £000	2020 Total £000
	Unspent capital grants £000	Other restricted funds £000		
At 1 August 2020	523	1,853	2,376	1,272
Donations	57	2,403	2,460	3,227
Investment income	-	6	6	8
Appreciation of restricted investments	-	151	151	1
Capital grants utilised	(123)	-	(123)	(819)
Expenditure	-	(1,376)	(1,376)	(1,313)
At 31 July 2021	457	3,037	3,494	2,376

Analysis of other restricted funds by type of purpose:

Bursary and prize funds	1,740	1,128
Teaching funds	625	377
Other funds	672	348
	<u>3,037</u>	<u>1,853</u>

18. Pension Scheme Costs

Superannuation contributions are paid to the Teachers' Pension Scheme (TPS) for teaching staff, to the Universities Superannuation Scheme (USS) for a small number of staff, to a Group Personal Pension Scheme (GPPS) for administrative staff or to the National Employment Savings Trust (NEST) for those not eligible for other schemes. The assets of these schemes are held separately from the assets of the Academy in independently administered funds. The Royal Academy of Music Pension Scheme 1967 (RAM1967) for administrative staff was closed to future accruals of pension benefit on 31 March 2005, however the Scheme continues to be operated by the Prudential Assurance Company and the Academy is undertaking deficit funding.

	2022 £000	2021 £000
Total pension cost for the year was:		
TPS: employer's contributions paid	950	803
GPPS: employer's contributions paid	249	336
USS (<i>gross including deficit recovery portion</i>)	148	132
NEST: employer's contributions paid	24	18
Total pension cost	1,371	1,289

TEACHERS' PENSION SCHEME

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These Regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the TPS took place in 2019, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers pay an increased contribution rate of 23.68% including the administration levy of 0.8%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at the following location <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>.

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of the Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of the public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject to age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

UNIVERSITIES SUPERANNUATION SCHEME

The USS is a contributory, defined benefit scheme. At the end of the year the Academy had nine members.

The Scheme is a multi-employer scheme and given the mutual nature of the scheme, is unable to identify individual employers' shares of assets and liabilities. Consequently, individual employers are unable to apply defined benefit accounting. Section 28 of FRS 102 states that if sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit arrangement, an entity shall account for the plan as if it was a defined contribution arrangement.

The total cost charged to the profit and loss account is £148,000 (£132,000 2021) as shown above.

Deficit recovery contributions due within one year for the institution are £16,447 (£12,619 2021).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

	As at 31 March 2022	As at 31 March 2021
Discount rate	3.31%	0.87%
Pensionable salary growth	2.84%	2.84%

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% Post retirement: 1.00%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	As at 31 July 2022	As at 31 July 2021
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	23.90	24.60
Females currently aged 65 (years)	25.50	26.10
Males currently aged 45 (years)	25.90	26.60
Females currently aged 45 (years)	27.30	27.90
	As at 31 July 2022	As at 31 July 2021
Scheme assets	£66.5bn	£63.7bn
Total scheme liabilities	£80.6bn	£67.3bn
FRS 102 total scheme deficit	£14.1bn	£3.6bn
FRS 102 total funding level	83.00%	95.00%

ROYAL ACADEMY OF MUSIC PENSION SCHEME 1967

The Academy operates a funded defined benefit scheme which is managed by the Prudential Assurance Company Ltd and was closed to future accruals of pension benefit on 31 March 2005. The Academy is funding the scheme deficit with contributions of £355k per annum with effect from 1 August 2019 and increased by 4.2% per annum from 1 January 2020. Additional contributions of £474k were made during 2018/19. Scheme liabilities have been valued using the projected unit method. A full actuarial valuation was carried out at 31 December 2018 and the results of that valuation have been projected to 31 July 2019 for FRS102 purposes. Liabilities have been increased by 1.5% as an estimate of the costs of GMP Equalisation. There is an ongoing actuarial valuation as at 31 December 2021.

	As at 31 July 2022	As at 31 July 2021
Main assumptions used to value RAM1967 Scheme liabilities under FRS 102:		
Discount rate	3.50%	1.70%
Inflation assumption – RPI pre 2030	3.35%	3.40%
Inflation assumption – CPI post 2030	3.15%	3.20%
Rate of increase in salaries	n/a	n/a
Increases to deferred pensions in excess of GMP before retirement	n/a	n/a
Increases to pensions in payment for all members in respect of service up to 31 December 2003	5%*	5%*
Increase to pension in payment for all members in respect of service after 1 January 2004 pre 2030	3.35%*	3.40%*
Increase to pension in payment for all members in respect of service after 1 January 2004 post 2030	3.15%	3.20%
Proportion of employees opting for early retirement	0.00%	0.00%
Proportion of employees commuting pension for cash	0.00%	0.00%
*Fixed rates in rules of scheme		

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The expected age at death on retirement at age 65 are:

		As at 31 July 2022	As at 31 July 2021
Retiring today	Males	86.90	86.60
	Females	89.30	88.60
Retiring in 20 years	Males	88.20	87.90
	Females	90.70	90.10

The total current service cost represents the expenses incurred in running the Scheme.

	2022 £000	2021 £000
Analysis of amount credited/(charged) to other finance income		
Expected return on pension scheme assets	206	179
Interest on pension scheme liabilities	(267)	(250)
Net charge to other finance income (Note 8)	(61)	(71)
Analysis of other comprehensive income/(loss)		
Actual return less expected return on pension scheme assets	(1,752)	-
Experience gains and losses arising on scheme liabilities	3,023	799
Total other comprehensive income/(loss)	2,171	799
Amounts recognised in the statement of financial position		
Present value of scheme liabilities	(11,831)	(15,933)
Fair value of scheme assets	10,555	12,152
Deficit in scheme - net pension liability	(1,276)	(3,781)

	2022			2021		
	Assets £000	Liabilities £000	Net £000	Assets £000	Liabilities £000	Net £000
Reconciliation of scheme assets and liabilities						
Deficit in scheme at beginning of the year	12,152	(15,933)	(3,781)	11,923	(16,811)	(4,888)
Movement in year:						
Contributions	395	-	395	379	-	379
Other finance income/(charge)	206	(267)	(61)	179	(250)	(71)
Benefits paid	(466)	466	-	(329)	329	-
Actuarial gain/(loss)	(1,752)	3,923	2,171	-	799	799
Deficit in scheme at end of the year	10,535	(11,811)	(1,276)	12,152	(15,933)	(3,781)

	2022 £000	2021 £000
Actual return on scheme assets		
Expected return on pension scheme assets	206	179
Actuarial gain/(loss)	(1,752)	-
Actual return on scheme assets	(1,546)	179

	Long term ROR expected (incl annuities)	Long term ROR expected (incl annuities)
Analysis of scheme assets		
Equities	1,190	1,182
Bonds	4,666	5,545
Property	300	264
Cash	73	90
Total market value of invested assets	6,229	7,081
Secured pensions in payment	4,326	5,071
	10,555	12,152

	Long term ROR expected (incl annuities)	Long term ROR expected (incl annuities)
Analysis of scheme assets		
Equities	1,182	987
Bonds	5,545	5,117
Property	264	262
Cash	90	37
Total market value of invested assets	7,081	6,403
Secured pensions in payment	5,071	5,520
	12,152	11,923
Long term ROR expected (excluding Annuities)	1.70%	1.50%

History of experience gains and losses	2022	2021	2020	2019	2018
Experience adjustments on scheme assets					
Amount (£000)	(1,752)	0	826	1,216	(1,091)
Percentage of scheme assets	-16.6%	0.0%	6.9%	11.2%	-11.0%
Experience adjustments on scheme liabilities					
Amount (£000)	(3,923)	(799)	2,788	1,338	(1,232)
Percentage of scheme liabilities	33.2%	5.0%	-16.6%	-9.5%	9.1%
Actuarial gain/(loss) recognised in other comprehensive income					
Amount (£000)	2,171	799	(1,962)	(122)	141
Percentage of scheme liabilities	-18.4%	-5.0%	11.7%	0.9%	-1.0%
Cumulative actuarial loss recognised in other comprehensive income	(5,690)	(7,861)	(8,660)	(6,698)	(6,576)
History of defined benefit scheme					
Present value of defined benefit obligation	(11,831)	(15,933)	(16,811)	(14,030)	(13,516)
Fair value of scheme assets	10,555	12,152	11,923	10,815	9,880
Deficit arising in the scheme	(1,276)	(3,781)	(4,888)	(3,215)	(3,636)

GROUP PERSONAL PENSION SCHEME

A GPPS was started on 1 April 2005 for all administrative staff. This Scheme is a defined contribution scheme with employee and employer contributions based on length of service. £38,900 of contributions were outstanding at the balance sheet date and the amount of employer contributions paid during the year was £423k (£456k 2021).

19. Lease Obligations

Total rentals payable under operating leases:

	Land and buildings £000	Plant and machinery £000	2022 Total £000	2021 Total £000
Payable during the year	945	15	960	1,189
Future minimum lease payments due:				
Not later than 1 year	928	9	937	912
Later than 1 year and not later than 5 years	2,814	39	2,853	2,579
Later than 5 years	30,303	2	30,305	30,303
Total lease payments due	34,990	65	35,055	34,983

20. Contingent Asset

The Academy was notified of four legacies during the year, the value being £642k which have not been recognised as income during the year on the basis that the amounts actually received could vary from those detailed in the wills.

21. Contingent Liability

There are no contingent liabilities to report.

22. Related Party Transactions

The Independent Members of the Academy's Governing Body and the staff and student representative members are the Trustees for charitable purposes. Due to the nature of the Academy's operations and the members of the Governing Body being drawn from large public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries. The Register of Interests has been reviewed by the Director of Finance and is published on the Academy's website. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the Academy's Financial Regulations and usual procurement procedures.

No Trustee (member of the Governing Body) received any remuneration or reimbursement of expenses during the year. On occasions Trustees may make donations for specific purposes but they receive nothing in exchange.

The RAM Student Union is a separate entity which is classed as a related party for the purposes of these financial statements. A grant of £42,600 (£42,600 2020/21) was paid to the RAM SU for their work in supporting students during the year.

There were no other related party transactions.

Accounts

ANNUAL REVIEW AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

18 NOVEMBER 2021

The Royal Academy of Music moves music forward by inspiring successive generations of musicians to connect, collaborate and create.

Charity number 310007

Company registration number RC000438

MARYLEBONE ROAD, LONDON NW1 5HT
RAM.AC.UK



**UNIVERSITY
OF LONDON**

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FOREWORD FROM THE PRINCIPAL



IMAGE ©CHRIS CHRISTODOULOU

The Academy's status as one of the world's leading conservatoires stems from our unswerving focus on musical excellence, with immensely gifted young performers and composers from over 50 countries taught by outstanding staff and a close-knit group of visiting professors. We measure our success largely by the achievements of our students and alumni who make an important impact on music in the UK and all over the globe.

The dedication of students and staff alike has come into its own in the last year as we have successfully surmounted the challenges of the COVID-19 pandemic. We were delighted to host a visit by the Minister for Higher Education, the Rt Hon Michelle Donelan MP, on the first day after our lockdown was lifted in March 2021. The generosity of leading industry figures enabled us to offer a full range of high-quality artistic projects, concentrated into those parts of the academic year when we were allowed to resume our activities onsite. And the generosity of donors helped support our students through a period of exceptional hardship challenges. It gave us great satisfaction to be one of only a small handful of higher education providers to have in-person graduation ceremonies for both our 2019/20 and 2020/21 cohorts, with guests, in July 2021.

As Britain's oldest conservatoire, we are proud of our rich past and celebrate great musical traditions. Our passion, though, is primarily about reflecting the here and now and anticipating change. We want to inspire innovation and encourage creativity in every single student within a supportive environment; the independent Review of Safeguarding commissioned by our Governing Body has been adopted as a model by Conservatoires UK; during the last year we have reviewed our equality, diversity and inclusion culture and policies; and we are developing our strategy for how we will train our students for the post-pandemic musical world. There are already clear signs of strong recovery in live performance and we are confident that as we enter our third century the Academy and our students will continue to shape and enrich the musical life of the UK and many other countries.

Professor Jonathan Freeman-Attwood CBE
Principal

ABOUT US

The Royal Academy of Music was established in 1822 and granted a Royal Charter in 1830 (Supplemental Charter granted in 1998). The Academy is a registered charity, number 310007, and a company registered with Companies House, number RC000438. The Academy is registered with the Office for Students as a higher education provider, OfS:0135532.

Patron	HM The Queen
President	HRH The Duchess of Gloucester GCVO Hon FRAM
Vice Presidents	Lord Burns GCB Hon FRAM
	Sir Elton John CH CBE Hon RAM, DMus
	Sir David Lumsden MA DPhil, Hon RAM, Hon FRCO
	Sir Curtis Price KBE Hon RAM

GOVERNING BODY

Independent Members of the Governing Body

Chair	Dame Jenny Abramsky DBE Hon RAM
Deputy Chair	Lady Sainsbury of Turville CBE Hon FRAM, FSA
Deputy Chair	The Rt Hon Lord Sumption OBE PC FSA, FRHistS, Hon FRAM
	Lord Blackwell
	John Burgess Hon FRAM
	Robin Butler Hon FRAM
	Lucy Crowe FRAM (resigned January 2020)
	Rehmet Kassim-Lakha
	Luke Lloyd Davies
	Timothy Parker Hon FRAM
	Professor Sir Richard Trainor KBE BA, MA, DPhil, FKC, Hon FRAM
	The Duchess of Wellington OBE
	William de Winton
	Damian Wisniewski BSc (Eng), ACGI, BFP, FCA, LRAM

Academic Staff Representatives

Melanie Ragge MPhil (Cantab), MA (Cantab), LRAM, Dip RCM (retired July 2021)
 Jon Thorne (retired July 2021)
 Barbara Law (appointed September 2021)
 Margaret Faultless (appointed September 2021)

Administrative Staff Representative

Kathryn Adamson MA, Hon FRAM (retired July 2021)
 Safi Schlicht (appointed September 2021)

Student Union President and Student Representative

Stephen Payne (retired July 2021)
 Daniel Latham (appointed September 2021)

Secretary to Governing Body

Sandra Green Hon ARAM

In addition to the Independent Members, the Principal and newly elected Staff and Student Representative members were appointed as trustees with effect from 1 September 2021 as part of the Academy's review of its Charter and commitment to equality.

SENIOR MANAGEMENT TEAM

Principal Professor Jonathan Freeman-Attwood CBE BMus, MPhil, Hon RAM, FKC, FRNCM, FRCM

Deputy Principal Professor Timothy Jones MA, DPhil, LTCL, Hon RAM

Director of Finance Judith Barber BSc, CPFA, Hon ARAM (retired September 2021)

Director of Finance Karen Di Lorenzo MBA, MA Cantab, ACMA (appointed September 2021)

Registrar and Director of Student Operations Catherine Jury Hon ARAM

Dean of Students Professor Elizabeth Kenny MA, FRAM

Deputy Principal (Advancement) Kirsty MacDonald BA, MA Oxon

ADMINISTRATIVE INFORMATION

Registered Office	Marylebone Road, London NW1 5HT
External Auditors	Mazars LLP, Chartered Accountants and Statutory Auditors 90 Victoria Street, Bristol BS1 6DP
Internal Auditors	Azets, Exchange Place 3, Semple Street, Edinburgh EH3 8BL
Bankers	Lloyds Bank plc, 25 Gresham Street, London EC2V 7HN
Investment Fund Managers	Cazenove Capital, 12 Moorgate, London EC2R 6DA Veritas Investment Management LLP, 90 Long Acre, London WC2E 9RA
Legal Advisers	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BS1 4QA

TRUSTEE COMMITTEE MEMBERSHIP

Audit Committee	Chair Damian Wisniewski Robin Butler Lady Sainsbury
Finance and General Purposes Committee	Chair Lord Blackwell John Burgess Timothy Parker William de Winton
Gift Acceptance Committee	Chair Dame Jenny Abramsky The Rt Hon Lord Sumption Professor Sir Richard Trainor
Honours and Awards Committee	Chair Dame Jenny Abramsky
Nominations Committee	Chair Dame Jenny Abramsky Lady Sainsbury The Rt Hon Lord Sumption Duchess of Wellington
Remuneration Committee	Chair Lord Blackwell Dame Jenny Abramsky Rehmet Kassim-Lakha

HONORARY TRUSTEES

The title of Honorary Trustee is awarded to retired Independent Members of the Governing Body to recognise their distinguished service to the Academy.

Sir Rodric Braithwaite GCMG Hon FRAM
 The Rt Hon Lord Carnwath Kt CVO PC Hon FRAM
 Sir Howard Davies Hon FRAM
 Matthew Ferrey Hon FRAM
 Lesley Garrett CBE FRAM
 Sam Gordon Clark CBE Hon FRAM
 Lady Heywood
 Professor Sir Barry Ife CBE FKC FBbk, Hon FRAM, FRCM, FGS
 Steven Isserlis CBE Hon RAM
 The Rt Hon The Lord Lloyd of Berwick PC DL Hon FRAM
 Dame Felicity Lott DBE FRAM, FRCM
 George Nissen CBE Hon FRAM
 William Robert C Ogden Hon FRAM
 Professor Roger Parker Hon FRAM
 Laurel Powers-Freeling Hon FRAM
 Christopher Purvis CBE
 Sir John Ritblat Hon FRAM
 Sir Simon Robey Hon FRAM
 Lady Elise Becket Smith OBE Hon FRAM
 Sir Martin Smith Hon FRAM
 Nicholas Snowman OBE Hon FRAM
 John Suchet Hon FRAM
 Anthony Travis Hon FRAM
 John Willan FRAM FRSA FCA
 Julia Yorke Hon FRAM

OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDING 31 JULY 2021

The Governors and Trustees of the Royal Academy of Music present their Annual Review and audited Financial Statements for the year ended 31 July 2021 and confirm that they comply with the requirements of the Charities Act 2011, the Academy's Royal Charter and the Statement of Recommended Practice 'Accounting for Further and Higher Education' (SORP 2019).

MISSION

The Academy's mission is to provide pre-professional, undergraduate and postgraduate musical training of the highest national and international standards and to enrich musical culture by training and educating the most talented musicians.

VISION AND VALUES

Our vision is for the Academy to be the conservatoire of choice for top global talent aspiring to a successful, creative, professional career.

Quality and equality are at the core of our values, underpinning all of our activities. The Academy operates in a spirit of professionalism, collaboration and openness, and promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. We support students and staff in challenging and removing any form of prejudice or discrimination, and in promoting equality, diversity and inclusion, which in turn enriches the teaching, learning, artistic and social environment.

PUBLIC BENEFIT

The Academy operates under the terms of its Royal Charter, granted in 1830, and its Objects are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with general instruction all persons desirous of acquiring a knowledge thereof'.

The Academy makes a significant contribution to the public benefit via its teaching, research, performances and other activities, in terms of:

- The advancement of education.
- The advancement of the arts, culture and heritage.
- Its commitment to access and participation.

THE ADVANCEMENT OF EDUCATION

The Academy contributes to the advancement of education through its programmes of study; its calendar of publicly accessible performances and research events; its outreach events designed to encourage learners from traditionally low-participation sectors of the community to participate in music education and higher education; and the conservation, display, interpretation, and practical use of its collections to educational ends.

We are committed to providing a range of long-term outreach activities targeted at groups that are under-represented in higher education. This includes working collaboratively to raise aspirations to make music more accessible, through our recruitment at all levels and the wide-ranging activities of our students, both in the UK and internationally. By taking music out into the community and providing high level musical tuition to children and young people, our Open

Academy and Junior Academy departments reach ever further, raising aspirations, making connections and challenging preconceptions via a range of projects delivered with partner schools and organisations.

THE ADVANCEMENT OF ARTS, CULTURE AND HERITAGE

Our core activities advance arts, culture and heritage by finding the most promising British and international musical talent and nurturing it through the delivery of world-class education and vocational training, producing exceptional artists who will shape the future of music in this country and beyond. We support the UK's cultural infrastructure, generate development in the cultural industries, and provide international leadership in music:

- By collaborating with leading venues and ensembles, supporting musical research, commissioning new music and bringing before the public new and unfamiliar work, the Academy enriches the UK's musical culture.
- Through the preservation, display and use of its collection of musical artefacts, the Academy contributes to the advancement of the UK's musical heritage.

With restrictions on face-to-face teaching and performances with audiences in place during much of the academic year, many shows and concerts were streamed. This allowed us to continue our engagement with the public, offering events free of charge, even when our doors were closed to visitors. Further details of our response to the pandemic are provided on page 10.

The Academy aims to enrich musical culture by:

- Educating and training the most talented students to the highest standards in performance, composition and other music-related disciplines. We offer full-time programmes of study at undergraduate and postgraduate level and ambitious student-centred artistic programmes. In addition, our Junior Academy is a fundamental and integral part of the Academy and continues to provide music education of the highest quality through its First Strings and First Guitar Experience, Primary Academy and Junior Academy programmes to those aged 4 to 18.
- Enabling public engagement through a wide range of public performances, research events and outreach activities designed to enhance pre-tertiary music educational opportunities and encourage wider access to higher education.
- Promoting the creation of new music, original research and scholarship in music through publications, conference and study days, programmes of symposia, recordings and public performances.
- Conserving significant and globally renowned heritage collections in the field of music that support our educational purposes. The Academy's Museum collections catalogue is available for consultation by researchers from outside the Academy.

ACCESS AND PARTICIPATION

The Academy is committed to making our educational programmes, facilities and expertise available to the widest possible constituency. Like all conservatoires in the UK, our undergraduate and postgraduate programmes are only accessible to applicants who have already achieved a very high standard in their instrumental discipline or show clear promise of doing so. Places are awarded on our programmes through open competition, demand is high, standards are high, and entry is exceptionally competitive. This means that most applicants who have not had the advantage of high-quality individual tuition over a period of many years prior to application are disadvantaged. Nevertheless, we remain committed to widening participation on our full-time programmes of study, and for the purposes of improving access for young people.

Our strategic measures to increase the pool of talented applicants from under-represented groups fall into three broad initiatives:

1. **Junior Academy** which provides sustained high-level training for talented musicians of all backgrounds between the ages of 12 and 18.
2. **Open Academy** which gives children and adults from under-represented groups the opportunity to participate in artistic and educational musical projects side-by-side with current Academy students.
3. **Your Academy** within which individual departments carry out projects to identify talented musicians aged 14 to 17 from under-represented groups with the aim of familiarising them with the Academy and its undergraduate programmes, and – where appropriate – working with them and their families on a training strategy that will make them competitive applicants to the Academy or other UK conservatoires.

Junior Academy provides an opportunity for young musicians from all backgrounds to be challenged and inspired through their music-making and operates a range of targeted initiatives to encourage participation from children from underrepresented groups to engage with this. The Academy has invested heavily in and seen a significant expansion of our widening participation and community-focused activity in recent years. Our main challenge, and key strategic priority for the Academy, is in relation to access. Our continual aim is to identify and implement effective ways to enable potential candidates from underrepresented groups with significant natural talent, to regard the Academy as an obvious place in which they can study and to put provision and support in place to enable them to gain entry.

Open Academy is a department within the Academy which enables participants from schools, local authorities and a variety of community groups to work creatively alongside our students and world-class artists, making music at the highest level. Open Academy aims to raise aspirations, to make connections, challenge preconceptions, and create new possibilities through a range of activities delivered with partner schools and organisations.

Your Academy is the umbrella under which Widening Participation projects complement access and participation work. These projects:

- Identify talented individuals from state schools, low-participation neighbourhoods, low-income backgrounds and black, Asian and minority-ethnic backgrounds and challenge their perceptions about music studies in higher education.
- Engage talented individuals from under-represented groups throughout the UK in tasters of HE music studies.
- Provide support and mentorship for talented individuals from under-represented groups who would otherwise not have access to information, advice and guidance about undergraduate programmes in music, with a view to making them viable applicants for programmes at the Academy and other conservatoires.

Three projects were launched as part of this plan to inspire, encourage, and support talented young students to progress to higher education. Academy Clubs provide opportunities for state-educated secondary school pupils to study with our teachers and students over a series of weekends. Jazz and Composers' Clubs include teaching jazz, composition, percussion, theory and musicianship, with more instrumental disciplines planned for 2022. These free workshops have been designed to increase access to the Academy's high-quality teaching, providing an opportunity for students to find out more about conservatoire study at junior and degree level. Since the Clubs began last year, students have progressed to our Junior Jazz, Junior Academy and undergraduate composition programmes.

In August 2021 the Academy ran the first Springboard to Grade 5 Theory and Beyond summer school. Participants learnt key skills for their Associated Board of the Royal Schools of Music (ABRSM) exam and worked together to produce and perform their own group composition, with many composing for the first time. The beginning of our summer school programme paves the way for longer and larger courses in 2022.

Widening Participation Activity is generously funded by supporters, with this philanthropy further advancing the Academy's aims of supporting the development of young musicians and increasing access at conservatoire level.

The Academy is aware of the need to ensure that people from all backgrounds can benefit from our activities and that those in financial hardship are not excluded. As a joint proprietor of the ABRSM, the Academy is both strategically and financially committed to providing bursaries at both junior and senior levels, as well as co-contributing to regional schemes to identify and support young musicians from underrepresented areas. We acknowledge that, in relation to HESA benchmark figures, the Academy recruits too few students from Low Participation Neighbourhoods and from state schools. Financial barriers encountered at pre-HE stage are the main explanation for this: students from low-income family backgrounds are unlikely to have the benefit of sustained, high quality one-to-one vocal or instrumental tuition, or the opportunity to join elite youth music ensembles.

The OfS requires the Academy to have an Access and Participation Plan, published on our [website](#). Details of expenditure under this plan are included in Notes 7 and 9 of the financial statements. Successful projects including Chance to Play (whereby bursaries and additional classes are offered to our First Strings Experience), schools interventions via Open Academy, bursaries for and the management of Primary and Junior Academy continue, along with a number of school open days and holiday workshops arranged by the Museum.

The Dean of Students and Access and Participation Manager have enabled the strategic development of relationships with schools and music hubs, as direct channels for creating greater access to the Academy.

CORONAVIRUS PANDEMIC

During 2020/21, in response to the pandemic and in line with the advice from the Department for Education, the Department for Culture, Media and Sport and the OfS, the Academy continued to offer a blended learning provision. At the start of the Autumn term students were welcomed back on site for principal study tuition and other instrumental sessions. Large cohort academic teaching remained online. Social distancing, face coverings and hand washing were all a key part of the phased return. The Business Continuity Group continued to meet weekly to monitor progress and ensure individual areas could be isolated if there were cases of COVID-19 affecting specific groups of students or staff.

With the country returning to lockdown in December and the Academy unable to reopen in January 2021, all teaching had to be undertaken remotely and the scheduled programme of chamber music and orchestral projects had to be postponed. We adopted a set of emergency regulations which enabled us to deliver our programmes of study in full to our students before the end of the academic year. We were grateful that the Minister of State for Education allowed us to resume activities in our main site from 8 March 2021 and re-open for in-person teaching and orchestral and ensemble rehearsals. By the end of the academic year we had been able to deliver safely three full operatic productions and 33 orchestral projects, which were livestreamed to the general public. The Examinations Boards took into account the disruptions that the

lockdowns had caused to our students and their learning experience over the course of the year, but all students had the opportunity to progress or graduate as normal. The Musical Theatre end of year production was presented to a small, invited audience in August.

In-person graduation ceremonies for both 2019/20 and 2020/21 graduands took place in front of an invited audience during July, and Musical Theatre in October, and we were able to wrap up the academic year before the start of 2021/22.

Like all other institutions there were some cases of COVID-19 over the course of the year. We are pleased that the safety measures we took prevented a large outbreak and there were no deaths within 28 days of a positive test for COVID-19.

STRATEGIC PLAN

A Strategic Plan was created over the course of 2019 setting out priorities over the five-year period 2019 to 2024. The Deputy Principal (Advancement) led this exercise in consultation with members of the Senior Management Team (SMT), senior academics and professional services staff, and was approved by the Governing Body.

In drawing up our Strategic Plan the Governing Body has had due regard to the Charity Commission's public benefit guidance in considering our objectives and activities. Each department has set out their own plans to support the delivery of the strategy, and progress is reviewed annually. The Strategic Plan will be reviewed in 2024.

In summer 2020, the SMT reviewed the Strategic Plan in the light of the coronavirus pandemic and considered that it remains appropriate and fit for purpose, despite the financial and other challenges. Implementation of a number of previously agreed actions, particularly around reducing expenditure and achieving efficiencies in educational delivery, has been speeded up to ensure the Academy's educational and financial sustainability to 2024 and beyond.

EQUALITY, DIVERSITY, INCLUSION AND BELONGING

We want our students, staff and visitors to value not only what we have in common, but also what makes us different. We want the Academy to be a place where everyone feels they belong and this is summed up by the term Diversity, Equity, Inclusion and Belonging.

The Academy promotes an inclusive learning and working environment in which all students, staff and visitors are welcomed. Everyone working and studying at the Academy is selected, taught, trained, assessed, appraised, promoted and otherwise treated solely on merit and ability. Equality is at the core of our values, underpinning all our activities.

Our Equality, Diversity and Inclusion Policy sets out the Academy's values and the framework under which we operate. It also highlights the individual roles we have to play in ensuring the Academy is an inclusive and harmonious place to study and work. We take pride in being welcoming, friendly and most importantly an inclusive environment for all.

We adhere to the Equality Act 2010, which aims to eliminate discrimination, harassment and victimisation. We believe everyone at the Academy is responsible for:

- Understanding and committing to equality.
- Helping to remove barriers, enabling all to fulfil their potential.
- Challenging or reporting discrimination and harassment, should it occur.

The Academy's primary objectives are to:

- Continue to improve access to our buildings and services.
- Continue to develop our widening participation initiatives (we have regular Widening Participation Committee meetings to address any equality issues and monitor our progress against our objectives).
- Promote equality and diversity in our procurement procedures and third-party relationships.

We are committed to creating the Academy as a place:

- Which seeks actively to recruit new members who are ethnically and culturally diverse.
- Where students and staff of colour are treated fairly and respectfully at all times.
- Where all students are taught by regular and visiting staff from a range of backgrounds, including BAME musicians of high professional distinction.
- With which BAME alumni are proud to remain associated throughout their lives, long after graduation.

In 2020/21 the Blueprint For All consultancy conducted in-depth interviews with members of the Academy's Governing Body, staff and students in order to inform a new Equality, Diversity and Inclusion action plan, now being implemented. The SHM Foundation began design work on a new, interview-based evaluation framework intended to capture the benefits of involvement with the Academy from Junior Academy onwards, which often but not always includes progression to Senior Academy. These two narrative investigations, both ongoing, will produce evidence allowing the Academy to test and if necessary refine its current theory of change: that class and closely related economic determinants make some types of student much more likely than others to choose to career in music and apply for entry to the Academy. Promising students in under-represented groups need identifying, and need targeted financial support to help them overcome barriers to progression.

MEASURING AND REPORTING PROGRESS

We are presenting our review based on the three themes of our Strategic Plan:

1. **Education:** Through our commitment to providing a world-class educational experience, we will continue to equip outstanding young musicians with the skills, artistry, intellectual curiosity, rigour and resilience they will need to contribute to music making at the highest levels.
2. **People and Resources:** By attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources, we will secure the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.
3. **Engagement** In our role as custodians of the future of music, we recognise the importance of encouraging participation at every level. We are committed to enabling students from underrepresented backgrounds to access conservatoire training, expanding our relationships with the wider community and engaging with artistic and educational partners from around the world.

Although many activities support more than one strand of our strategic themes and could be included within two or three of them, we have tried to capture them within the most relevant area to avoid repetition.

1. Education

The Academy was founded in 1822, and ever since has trained versatile and resourceful musicians with the skills they need in the continually changing music profession.

We continue to refine our programmes to ensure that students acquire the craft, skills, knowledge and experience to enable them to become independent, creative musicians who can make a significant impact. Alongside that, we foster a research environment that encourages collaboration between students and staff, promoting innovative creative work in all our taught and research degree programmes. Both of these rely heavily on the quality of our teachers, and we will continue to recruit and retain the very best, supporting them with professional development opportunities.

We welcome students from over 50 countries, which contributes to a vibrant and cosmopolitan learning environment, and reflects the global music profession. By continuing to raise our international profile, improving our student recruitment marketing and building on our relationships with like-minded institutions worldwide, we aim to be the conservatoire of choice for the most talented young musicians. Financial support in the form of bursaries and merit-based scholarships is provided to enable the very best students to study at the Academy, regardless of their background. It is hoped that this support will not only continue but expand after Brexit as the mixture of students from different countries is a vital contribution to the experience and training that the Academy offers.

A key part of the student experience at the Academy is the range and quality of artistic projects in which our students work intensively with leading professionals. Our roster of visiting professors and visiting artists continues to be expanded and refined to enrich our students' education and to ensure that our graduates leave with experience of the professional realities of a high-level career in music. In addition, the range of both side-by-side opportunities for our students to work with leading international ensembles, and opportunities for our student composers to participate in external collaborative projects, is being increased.

The pandemic-related world-wide lockdown has had a severe effect on music industries and we recognise that we need to respond to the post-pandemic music world and the way we train our students. The Academy has long had an enhancement-led approach to its curriculum and its delivery, so we have mechanisms in place to remain highly responsive to the changing demands and intensive high-level training in music, and the professional realities with which we need to equip our students.

THE STUDENT EXPERIENCE DURING THE PANDEMIC

Students experienced extra pressures and the challenge of adapting their learning, which are as important as our challenges in adapting teaching. We know that lots of our students and their families have faced increasing financial pressures due to the financial situation and isolation. These have been mitigated by the Response Fund and by the strenuous efforts made by the Academy to ensure that the bespoke aspect of one-to-one and small group activity was maintained online.

Both students and staff recognise that there were some positive aspects of the experience, for example most students had more regular time for reflection and intensive practice, and so much performance material is available online that our fears that students would miss access to core library resources was largely unfounded.

We were delighted that many students could make full use of our world-leading collection of musical instruments during lockdown, and we acknowledge the difficulties of some students in accessing high-quality instruments in some disciplines, particularly piano and percussion. We took steps to mitigate this as far as we reasonably could, providing access to instruments elsewhere.

Institutional feedback and the results of the NSS shows that our students felt supported during this difficult period.

STUDENT WELLBEING

Pastoral care is built into the fabric of a conservatoire and must respond to the evolving needs of students. A series of student wellbeing sessions have been introduced for Years 1 and 2 undergraduates which includes mental and physical health, performance-related issues, drugs, alcohol, and sexual consent. This is in addition to the Artist Development programme which concentrates on developing skills to develop future careers. The postgraduate provision is organised around themes and issues, in collaboration with the Students' Union. Sessions include negotiating contracts and relationships with promoters and sponsors, sexual harassment, alcohol, etc.

A Question Time forum with the Dean of Students, Heads of Undergraduate and Postgraduate Studies and Students' Union was instituted during lockdown and this successful forum will be continued. This provided a valuable platform for student views and questions, to discuss issues such as finance, online teaching, academic and recital requirements, and discussing ways to maintain the Academy sense of community.

We were able to continue with plans to improve our capacity to work with students with mental health challenges. The Counselling team is working with students online and by telephone, which is especially valuable for students in isolation or in challenging home situations, and for keeping international students supported.

Many students rely on income from professional engagements and other work to support their studies. The Development team launched a fundraising campaign, the Response Fund, during 2019/20, which continues to distribute funds to students experiencing financial hardship.

Since 2007 the Academy has been working with the London South Bank University on a long-term project to address concerns about students' hearing which involves hearing tests and instrument-specific advice on hearing protection. This work has been broadened to incorporate staff. The Academy provides earplugs free of charge to students and factors sound exposure and noise issues into room scheduling.

In 2020, an independent review of the Academy's safeguarding policies and procedures was carried out. We are pleased to report that despite the pandemic, we are implementing its recommendations in full in order to ensure a zero-tolerance approach to bullying, harassment and discrimination.

- Students are required to complete three on-line training modules as a condition of enrolment and a code of practice has been agreed for students that lays out the standards expected of everyone.
- For staff, the Academy's Ethics and Conduct Policy and the ISM MU Industry Code of Practice form part of their induction.

- The Report + Support portal went live on 15 March 2021. In addition to providing students and staff with a mechanism to report incidents and concerns, Report + Support has been become a valuable tool in enabling staff to report and record wellbeing concerns about their students, seek support in managing concerns, and initiate discussions with internal and external safeguarding and support staff and parents.

STUDENT UNION

Our Student Union supports all our students, offering advice and representation and maintaining the inclusive social atmosphere for which the Academy is known. The Governing Body approved further amendments to the Students' Union Constitution during the year to appoint a non-sabbatical Equality and Diversity Representative rather than a Welfare Representative, to better represent the needs of the student body.

The President of the Students' Union is a member of the Business Continuity Group and played a vital role in communications and management during the pandemic.

JUNIOR ACADEMY

On Saturdays the Royal Academy of Music transforms into its Junior Academy, occupying all areas of the building to create one of the most unique musical learning atmosphere available to young musicians. Individual lessons, a variety of performance opportunities, specialist classes and excellent teaching staff all add to the musical vibrancy of Junior Academy.

Junior Academy teachers are leading professional musicians who combine active performing careers with the challenge of helping young players, singers and composers to fulfil their potential and musical ambitions. Many also teach on the undergraduate and postgraduate programmes at the Academy, and bring enormous experience of teaching and performance to their Junior Academy students.

Applications for places continues to be strong and the academic year began with 209 Junior Academy students.

We offered 34 bursaries for 2020/21 (54: 2019/20), in addition to our 35 Music and Dance Scheme Government funded places. We are grateful for the continuing support of the Wolfson Foundation, Leverhulme Trust, Sir Elton John Trust and a number of individual benefactors.

In the summer term we gradually introduced live lessons for almost all junior students, adjacent to the ensemble provision every other Saturday. The term ended with the production of over 40 performance recordings, highlighting the continuing dedication of staff and students.

SENIOR ACADEMY

Recruitment to all the Academy's programmes continues to be strong, with a far larger number of high-quality applicants than there are places on offer. Entrance is via a combination of competitive auditions (performers and conductors) or interview/portfolio submission (composers) and the fulfilment of relevant academic entry requirements. Although our admissions procedures are highly competitive, at undergraduate level we audition every candidate who applies without exception. Offer-making decisions are undertaken by experienced and suitably trained professionals who understand and are invested in our institutional strategy regarding access and participation.

Open days and auditions were both held online in the autumn of 2020, and the success of these has led to a desire to continue with at least some level of online provision, to make them more accessible to a range of potential applicants.

Our programmes remain effective in training our students for a fulfilling and sustainable life in music.

STUDENT NUMBERS

Applications to study at the Academy and acceptance of places was again strong for the year.

Entrance standards to our programmes are at a level of international excellence which enables us to train and educate our students intensively to reach professional levels of achievement by the end of their programme. The combination of world-leading talent, outstanding teachers, and globally significant resources is reflected in the standards achieved by our students at the end of the programme and the classification of the awards that we make. To assure ourselves that we are setting appropriate standards on our programmes, we have a double system of external scrutiny: external examiners who oversee the standards and operations of the assessment processes as a whole, and specialist external assessors who sit on final assessment panels to scrutinise the quality and standards of students' playing, singing or composition. Additionally, all written work is blind double-marked.

The Academy attracts students from over 50 countries with roughly 50% from the UK, 25% from the rest of the EU and 25% from non-EU countries. Applications and recruitment remain strong in spite of the uncertainties around Brexit.

RESULTS FOR 2020/21

Our academic, tutorial, professorial, professional services and estates colleagues worked tirelessly over the summer to draw the 2019/20 year to a successful close and plan for 2020/21 within the new educational landscape. Unlike 2019/20, most Final Recitals were given live at the Academy in 2020/21 and because we were not able to have audiences in the building, recitals were livestreamed so that family and friends could hear them wherever they were in the world.

Results for the year are very good: interim results are shown below as some awards have yet to be agreed by Examination Boards. Students have benefited from more time to practice and prepare for their final recitals during lockdown, which reinforces that the implementation of the recommendations from the Periodic Programme Review – to modernise the programmes, reduce workloads and the number of assessments – will be of significant benefit to students.

	2020/21		2019/20			2020/21		2019/20	
BMus Awards	No	(%)	No	(%)	MA/Mus Awards	No	(%)	No	(%)
First Class	80	(73)	58	66	Distinction	129	(76)	155	80
Upper Second	27	(25)	28	32	Merit	32	(21)	30	15
Lower Second	2	(0)	2	2	Pass	5	(3)	9	5
Third/Pass	0	(0)	0	(0)					
Pending	2					23			

Results for 2019/20 have been restated because some final results for MA/MMus students are not available when the financial statements are prepared in November.

Under the powers of the Academy's Royal Charter, the Examinations Board may award a Dip RAM to any postgraduate student who particularly excelled in their final recital.

(Conventionally the award has been made to the elite cohort who achieve a mark of 80% or above in their recital.) This year 68 such awards were made (62: 2020). Post Masters awards were also made by the Examinations Board, including Advanced Diplomas and Professional Diplomas.

2. People and Resources

Attracting and retaining outstanding teaching and professional services staff, developing our world-class facilities, embracing new technologies and carefully managing our financial resources secures the future of the Academy, ensuring it thrives in an ever-evolving cultural and social landscape.

Plans to improve the estate were interrupted by the further lockdowns and the Estates Team's focus has been on maintaining the buildings and keeping them secure, along with ensuring a COVID-secure environment for the phased return of staff and students. As the buildings re-opened in March attention turned to space usage and a comprehensive review got underway with the aim of consolidating and using all areas as effectively as possible. The lease on Aybrook Street came to an end in July 2021 and all staff and teaching returned to the main site from September. The lease on Aybrook Street was originally signed during the theatre build project, to allow for decanting of staff away from the works. The Academy retains practice rooms at Cross Keys and uses St Marks Church, mainly for recording and rehearsals.

During the summer of 2021 work was carried out to prepare for the return of more staff and students in September. A number of rooms were re-organised to maximise teaching and practice space. With the closure of the Academy Chimes shop, the space vacated on the ground floor of York Gate was being transformed into three new teaching rooms.

Two other significant estates projects were started during the year; certification under the 18th Edition Wiring Regulations and the external redecoration of the exterior of the main building, in line with our lease requirements. Both of these are five-yearly tasks.

Since September our catering provision has been supported by Bartlett Mitchell who assisted the team in responding to the requirements of the pandemic. However, the bar remained closed throughout the 2020/21 financial year. We reopened both the canteen and the bar at the start of the new 2021/22 academic year.

Business systems and processes are under review to ensure we are working as effectively as possible in the new world. At the same time we are developing a new digital strategy to ensure a coherent approach to technology in the future. Technology touches all aspects of Academy life and plays a vital role in the increasingly interdependent activities of the organisation. Its importance has been even more apparent whilst the buildings were closed and continues to be so as we offer a mixture of online and in-person teaching, and while some professional services staff have continued to work from home.

New developments in the past year have included a new Library catalogue system, built online to improve student and staff self-service. The intranet was replaced with SharePoint to improve the navigation and better integrate it with the Academy's Microsoft tools. Online activity was supported by rolling out Teams and Zoom to students and staff which were used for practical lessons, blended in-person/online classes along with committees and day-to-day meetings. Finance processes such as purchase orders and payment requisitions have been the focus of process improvement, eliminating their reliance on paper and streamlining the digital steps to reduce their burden. The importance of security for digital services is more critical than ever which is why Multi-Factor Authentication was enabled for all users and rolled out across

Office 365, VPN, and other remote systems as well as enhancing the protection on any online services protected by Microsoft 365.

Students are at the heart of all we do, meaning that the Registry and its systems are a key part of the organisation. During 2018/19 work started on the implementation of a new student database system and this project will be completed during 2021/22. Difficulties with links to UCAS Conservatoires meant that the work paused during 2019/20 but recommenced during 2020/21 and went live for enrolment in September 2021. The exams and assessments, HESA, and finance modules will be implemented during the autumn term, and the admissions module will go live in January 2022. The new system is expected to bring significant benefits to students, Registry staff, teaching staff and the Finance team, through simplifying processes and holding more data in one place.

A project has also started to purchase a new combined HR/Payroll system to allow part-time staff to enter their own timesheets, permit staff to update personal data themselves, enable data to be entered only once, streamline workflows and minimise the movement of paper. An immense amount of work has gone into reviewing processes and harmonising pay rates so that the new system will operate more simply and effectively. The new system will go live in 2022 and should benefit all staff, not only the HR and Payroll teams.

Streaming of performances has taken place in the past and there was a substantial increase in the offering for 2020/21, with many recordings available via our website. During the year the ICT team supported a number of live audio video events, including over 130 public concerts, in excess of 200 private final recital streams along with Digital Open Days and Online Auditions to welcome potential new students.

The Academy undertook a thorough review of its finances early on in the pandemic and determined to reduce costs and increase income. A number of reductions were made to non-staff budgets, particularly around printing and stationery, which were facilitated by the move to more online working. At the same time staffing structures were examined and a voluntary redundancy scheme was introduced, something which has not been necessary for over 20 years. Under the voluntary redundancy scheme and associated restructuring 23 people left the Academy from a range of departments and included both teaching and professional services staff. The changes to teaching staff were as a result of improving assessment and associated activities, with no direct impact on the amount or quality of teaching.

3. Engagement

Reaching the level of musicianship required for conservatoire entry takes years of hard work and, in most cases, significant financial commitment. Although we already offer millions of pounds in financial support for students every year, we are aware that this does not redress inequalities in earlier education.

Live streaming provides an opportunity to disseminate our work to broader constituencies, especially highly popular events. Apart from audiences, live streaming of performances and masterclasses allows international communities of potential students to see the quality and range of our work, and this is supported by sections of the stream which are then put on the website for other marketing purposes.

Two key aspects of the Academy's identity are our global reach and our strong connections with the music industry. Collaborations with educational and musical institutions across the world range from high-profile creative projects to student and staff exchange schemes and

teaching/research projects between individual members of staff. During 2020/21 there were 16 research students (19: 2019/20) and 3 PhDs were awarded (1: 2019/20).

OPEN ACADEMY

Open Academy is the Academy's Learning, Participation and Community initiative, usually working with around 6,000 people beyond our enrolled students and staff each year. As the importance of participatory music programmes in areas including education, health and wellbeing continues to grow, it is crucial that our students have the opportunity to obtain skills and experience in this exciting and expanding area of work.

Open Academy works closely with artistic and community partners to produce creative projects in which our students and project participants can explore making music together in a wide range of contexts. These include workshops with children and young people in mainstream schools and special educational needs and disability (SEND) settings, people receiving treatment in hospitals, residents and staff of care homes, and people attending day centres. All of our projects are led and supported by skilled professionals, ensuring the quality of the experience for everyone involved.

As a result of the coronavirus pandemic all of our projects took place remotely using video conferencing platforms (Zoom, Microsoft Teams). While these remote projects were worthwhile, it became clear that video conferencing software can work well for small groups and for one-to-one work but not for large scale projects, and this is reflected in the reduction in participant numbers for this year. In addition, the number of projects we were able to deliver was affected as many of our partners were not able to engage with us due to staff being furloughed. However the pandemic provided an opportunity to reach more participants outside our immediate geographical area and in future we will continue to deliver projects both in person and online.

Open Academy Fellows produced two series of podcasts, one for schools that was shared with schools that are part of Camden Music Education Hub, and one for care home residents living with dementia which was distributed through the Culture Box research project. Figures for the number of interactions with this material are difficult to track.

In the 2020/21 academic year our students worked alongside:

Early years	175
Primary school pupils	1,184
Secondary school pupils	36
Young people outside school time	77
Vulnerable adults	12
People with special needs	16
Hospital patients	38
Talks for staff and students	81
People living with dementia	190
Other	191
Total	<u>2,000</u>

ALUMNI

The Academy's alumni community permeates all areas of the music profession and is an integral part of the Academy family. We tell our alumni stories to inspire the next generation of musicians, alongside actively engaging our wider alumni community through focused communications and content. We continue to develop a programme of engagement opportunities and access points to support our mission to provide lifelong value to our alumni, while in turn cultivating their ongoing support for the Academy and its strategic aims.

MUSEUM AND COLLECTIONS

The mission of the Museum is to support the work of the Academy and to advertise it to the wider public, highlighting the potential of music to inspire, unite and stimulate through performance, displays and research. We actively promote the ethos that music is a vital part of life.

The strategic aims of the Museum are:

1. To increase awareness, understanding and enjoyment of our collection of musical instruments, art, photographs, scores, manuscripts and other objects in the galleries and the wider Academy through lively and innovative displays, interpretation, outreach and programming.
2. To support the culture of musical research and practice in the Academy and beyond through displays, events, collaboration and access to the collections.
3. To provide access to the collections, and information about them, for users within the Academy and the wider public, using digital means as well as traditional methods.
4. To enable active use of the collections today while responsibly preserving them for tomorrow.

The collections of instruments, art, photography, manuscripts and scores offer valuable insights into the creative processes of great musicians. Items on display include stringed instruments by Stradivari and the Amati family, wind instruments such as Dennis Brain's horn, historic keyboards by Broadwood, Pleyel and Erard, composers' manuscripts including Purcell's *The Fairy Queen* and Vaughan Williams's *Fantasia on a Theme by Thomas Tallis*, and scores and memorabilia that belonged to significant figures from the world of music. In recent years we have been building up the unique Calleva Collection, commissioning stringed and other instruments from today's finest luthiers and makers. Students may be offered the use of many of these instruments, providing an important boost to their musical development. The extensive archives offer students, staff and members of the public unique insights into the creative processes of great musicians, as well as informing our knowledge of performance practice.

The Museum is an integral part of Academy life. Engaging stories are told through its permanent galleries and programme of changing temporary displays. The Museum regularly holds lecture-recitals, seminars, workshops, special events and family activities, all open to the public for free. There are practice spaces in the gallery, giving students an opportunity to rehearse with an informal audience, try out new repertoire and interact with visitors.

The Museum opened in 2001, supported by a grant from the Heritage Lottery Fund. Many of its collections have Designated status and the Museum itself is Accredited – both chartermarks of quality, awarded and administered by Arts Council England (ACE). Work is continuing towards reaccreditation in April 2022 and will be overseen by a new Head of Collections.

The Museum closed on 20 March 2020 as a result of the coronavirus pandemic and will reopen to the public in January 2022, with opening times linked to the programme of events. In the meantime, many of the objects on display can be viewed on our website at www.ram.ac.uk/museum/about/.

FINANCIAL OVERVIEW

The Academy has been fortunate compared to many organisations during the pandemic, in so far as music making has not stopped, and during the lockdowns teaching continued.

For the financial year 2020/21 we are reporting an operating surplus in accounting terms of £5.5m (£1.2m 2019/20), and a comprehensive income surplus of £38.2m. Our balance sheet position also remains strong. However, underlying this very positive position, the Academy generated an operational deficit of £1.7m in year, once we remove unrealised movements in the value of our investment, heritage and pension assets as well as the income from endowment and restricted donations received in the year.

This deficit resulted from expected shortfalls in income as a result of COVID-19 closures, particularly from the ABRSM, from whom we had been used to receiving over £1m annually (2019/20: £1.1, 2018/19: £1.7m, 2017/18: £1.6m). We budgeted for an operational deficit in 2020/21, and undertook an expenditure review early in the year to allow the institution to return to a surplus in 2021/22. The net result of cost saving activity was a year on year reduction in operational costs of £0.4m. Within this, estates costs were higher than planned due to the dilapidations associated with the termination of the lease on Aybrook Street, £0.1m, and the larger than expected costs of the 18th Edition electrical certification works, £0.3m.

Student recruitment held up well but we expect further financial impacts from COVID-19 throughout 2021/22. This may be seen in many areas but most particularly in reductions in income from ticket sales, venue hire and catering, increased technology costs as teaching and performance remains online to a certain extent, and additional estates costs to provide a suitably safe and hygienic environment for everyone attending the Academy.

A number of staff were furloughed during lockdown, in areas such as catering and the Museum, and we claimed £0.1m (£0.3m 2019/20) from the Government under the Coronavirus Job Retention Scheme (CJRS) up to the end of July. Most staff returned from furlough at different stages during the year but a very small number remained on the scheme at the end of July.

The Development team is responsible for raising philanthropic funds primarily from individuals (including alumni), companies and trusts and foundations. Donations were received to fund our students through scholarships and bursaries as well as general funds to offset the high cost of educating students. Philanthropic funds were also raised to support Academy students experiencing financial hardship as a result of the pandemic. Total donations and endowments received during 2020/21 amounted to £12.8m (£7.4m: 2019/20).

	2020/21 £000	2019/20 £000
Summary of Income and Expenditure		
Income before donations and endowments	17,308	18,804
Donations and endowments	12,765	6,735
Theatre donations	0	620
Expenditure	(24,530)	(24,962)
Operating surplus before other gains or losses	5,543	1,197
Gain on disposal of fixed assets	3	42
Gain/(loss) on investments	7,596	(2,366)
Actuarial gain/(loss) in respect of RAM1967 pension scheme	799	(1,962)
Revaluation of instruments	24,300	0
Total comprehensive income	38,241	(3,089)
Represented by:		
Endowment comprehensive income for the year	12,372	(1,647)
Restricted comprehensive income for the year	1,241	1,923
Unrestricted comprehensive income for the year	(1,649)	(3,357)
Revaluation reserve comprehensive income for the year*	26,277	(8)
	38,241	(3,089)

* Revaluation of the fixed asset investment and instruments

The table below sets out a more helpful way to understand the Academy's financial health and sustainability by calculating the underlying operating result, excluding items which can mask core activity. These items include restricted and endowment income, the actuarial loss on the RAM1967 Pension Scheme, and depreciation of fixed assets that were purchased using specific gifts received in previous years. The income from these gifts was recognised in prior years, increasing the surpluses from 2014/15 up to now. After these adjustments, the underlying operating result is a deficit of £1.7m (£0.6m deficit: 2019/20). Although we recorded a deficit, this deficit was an improvement on our budgeted deficit for the year, mainly as a result of increased philanthropic income.

	2020/21 £000	2019/20 £000
Total comprehensive income for the year from above	38,241	(3,089)
Exclude Endowment comprehensive income (generally restricted in use)	(12,372)	1,647
Exclude Restricted comprehensive income	(1,241)	(1,923)
Exclude Revaluation reserve comprehensive income	(26,277)	8
Exclude Actuarial loss on RAM1967 Pension Scheme for the year	(799)	1,962
Exclude Depreciation on externally funded assets (theatre and recital hall)	747	747
Operating (deficit)/surplus after adjustments	(1,701)	(648)
Operating (deficit)/surplus after adjustments as percentage of total income	(2.5%)	1.4%
Revenue donations	5,737	5,971
Capital donations and endowments	7,028	1,384
Total donations and endowments	12,765	7,355

With the introduction of FRS102 there is no longer a requirement for an external valuation of the Musical Instrument Collection every five years. However the Academy is expected to monitor the valuation annually and the condition of the collection is monitored continually to ensure that any deterioration or significant increase in value is recognised. A valuation was undertaken in July 2021 of the 10 most valuable instruments, as these form over 95% of the value of the heritage assets. The result was an increased value of £24.3m.

The teaching of music students in a conservatoire is a high-cost activity; each student has a significant amount of one-to-one teaching, as well as performance and academic classes. Many students will also be orchestra members and will perform regularly. The combination of all these activities leads to costs per student of up to £35k per annum. As a result the specialist funding and philanthropic gifts are crucial in enabling us to continue to offer world-class tuition and to produce musicians of the highest calibre.

LIQUIDITY

The Academy had £20.5m of cash and cash deposits as at 31 July 2021 (£12.1m: 2019/20), which increased partly due to a large endowment gift of £6m received during July which had not yet been transferred to our investment managers. Current assets exceeded current liabilities by £16.9m (£10.3m: 2019/20). Overall liquidity remains healthy although a significant proportion of the cash reserves are designated for specific purposes. The Academy is continuing to invest in the estate and technology facilities, some of which are funded through a mixture of gifts, grants and our own reserves.

ENDOWMENTS

The Academy has a number of endowment assets which form our Legacy Pool. This represents the accumulated capital funds donated or bequeathed to the Academy for various purposes but mainly to provide scholarships, bursaries and prizes for the benefit of students. These investments are managed by external fund managers within strategic guidelines set by the Finance and General Purposes Committee. The market values of the combined endowment and non-current investments were £49.5m at 31 July 2021 compared with £42.0m the year before. No additions were made to the portfolio during the year. The value of the portfolio increased by 14% during the year, reflecting general market conditions.

The non-current investment comprises general unrestricted Academy funds of £10.1m which are not required in the short-term and which are placed with the fund managers to achieve a better rate of return. Total investment income grew during the year and equated to a net yield of 1.7% (2.7%: 2019/20), although this lower rate reflects the decision by the Investment Sub-Committee not to drawdown any funds from the total return portfolio. The Academy will add further money to the portfolio as and when gifts are received.

In August 2018 the portfolio was split to allow the expendable endowment to be managed on a total return basis. Significant work on our permanent endowment was undertaken in the last two years, with a view to moving the majority of our endowment funds to be managed on a total return basis. Approval from the Charity Commission was confirmed in September 2021, enabling changes to the investment mandate and the accounting treatment to be made during 2021/22.

PENSIONS

The accounts reflect the change in liability for pension deficits of the closed RAM1967 Scheme and the USS.

The RAM1967 Scheme has a deficit of £3.8m at the year end (£4.9m: 2019/20). This reduced mainly as a result of the improvement in the stock market generally. The total liabilities include

an allowance of 1.5% to allow for GMP equalisation. The Academy makes deficit contributions to the Scheme amounting to £379k in 2020/21 (£364k: 2019/20).

The Academy's share of the USS deficit reduced slightly to £263k (£273k: 2019/20).

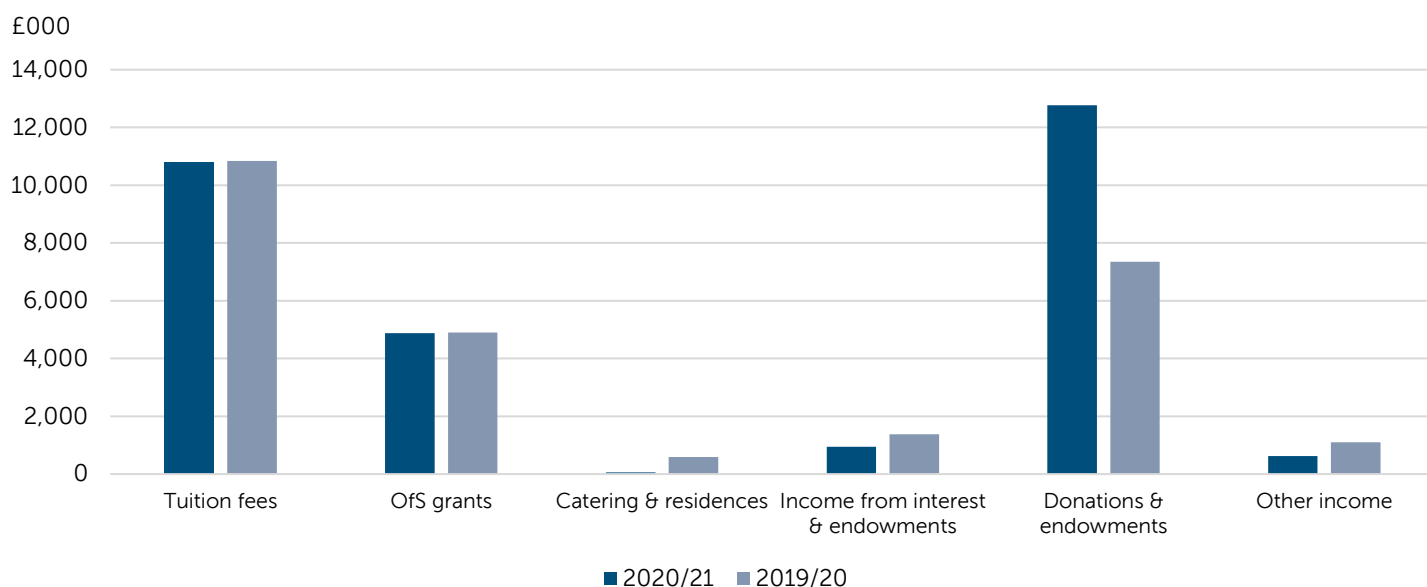
PROCUREMENT

Ongoing expenditure and project costs are monitored carefully to ensure that we achieve value for money. We continue to use dedicated procurement support via a cost-sharing group, Ensemble Purchasing. Work has focused on both seeking efficiencies and mitigating risks and providing particular assistance on the HR/Payroll project, and to the Estates department.

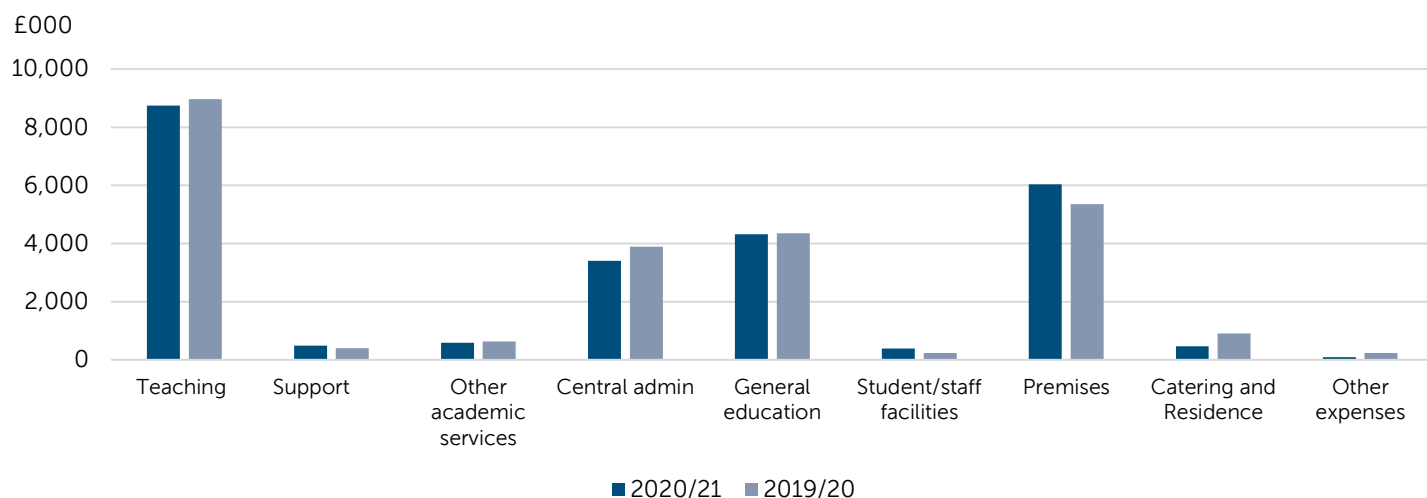
CAPITAL PROJECTS

During the summer of 2021, as a result of the space review, work was undertaken on a number of rooms to create more teaching space and more efficient use of offices. This work was ongoing at the year end in preparation for the start of the new academic year.

Income



Expenditure



CHANGES FROM 2019/20 TO 2020/21

The bar charts above indicate changes in income and expenditure year on year.

Income

- Catering and residences: leases on the student flats were terminated at the end of July 2020 and there was no provision during 2020/21. Bar and catering income reduced as a result of the pandemic.
- Investment income reduced due to the decision not to take a drawdown from capital growth and the continuing low interest rates on cash deposits.
- Donations and endowments: philanthropic income increased by £5.4m compared with the prior year due to continued work by the Development team, including an endowment gift of £6m.

Expenditure

- Teaching: costs have reduced slightly as a result of the restructuring.
- Other academic services: the closure of the Museum since lockdown led to reductions in exhibition costs.
- Central administration: costs reduced as a result of the restructuring.
- Student/staff facilities: the Academy increased investment in the provision of additional counselling and other learning support.
- Premises: costs have increased due to major expenditure on the electrical certification of the estate, and dilapidations on terminating the lease of Aybrook Street.
- Catering and residences: catering costs are lower due to the closure of the canteen during lockdown. The student flat leases ended towards the end of 2019/20 and were not renewed.

FUNDING

During 2020/21 there was no change to the Office for Students funding formula, although this will be reviewed in future. The revised formula for specialist institutions funding (RISTA), which resulted in a significant increase in grant from 2016/17, has been maintained, with an increase confirmed for 2021/22. The Academy's total recurrent grant from the OfS for 2020/21 (Teaching, Research and Higher Education Innovation Fund grant) decreased by £22k.

Fundraising priorities include Awards (scholarships and bursaries), which provide vital support to ensure that no prospective student with the appropriate talent and potential is denied the chance of studying at the Academy.

The majority of philanthropic income continues to come from trusts and individuals and modest income from companies. Legacies are increasing, with many alumni and friends choosing to include the Academy in their estate plans. Many of these bequests are expendable or permanent endowments and therefore add to the Academy's endowed funds. Work continues to encourage lifetime endowment gifts.

Following an exceptional return on investment during the capital campaign, the team is now delivering a return above the sector average of 7:1 (6:1: 2019/20), excluding the significant endowment donation of £6m.

THE FUTURE

We believe that the recent reviews of the Academy's activities and associated expenditure will enable us to remain fit for purpose as we approach our Bicentenary in 2022. Nevertheless, there remain many challenges in the higher education landscape including the COVID-19 pandemic, Brexit, the Augar Review, increased pension costs and scheme deficits. However, with our Strategic Plan in place and an enthusiastic staff, we have clear plans to continue to enhance the student experience and maintain our position of excellence.

To enable a wide range of students to attend the Academy based on their talent and potential rather than their financial capability, our priority is to increase funds raised to support students, through annual donations and endowed gifts. This continues to be one of the key planks in ensuring that the Academy can remain at the forefront of music education globally.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement and Statement on Internal Control and Risks relate to the financial year 1 August 2020 to 31 July 2021, and up to 18 November 2021 when the Annual Report and end-of-year Financial Statements were approved by the Governing Body.

The powers, duties and responsibilities of the Governing Body are laid down by the Royal Charter and its Bye-Laws. The Governing Body is also required, where appropriate, to conduct its business in line with the Statutes and Ordinances of the University of London of which the Academy is a member and, in their capacity as trustees, with the Academy's charitable objects.

The Academy is a higher education institution, part funded by the OfS and subject to its Terms and conditions of funding for higher education institutions. The Governing Body confirms that due regard has been given to the OfS public interest governance principles in respect of:

- I. Academic freedom
- II. Accountability
- III. Student engagement
- IV. Academic governance
- V. Risk management
- VI. Value for money
- VII. Freedom of speech
- VIII. The size, composition, diversity, skills mix and terms of office of Governing Body
- IX. The appointment of fit and proper persons as members of the Governing Body and Senior Management Team
- X. Records
- XI. Independent members of the Governing Body
- XII. Regularity, propriety and value for money

The Academy endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and complies with the guidance provided by the Committee of University of Chairs (CUC) in The Higher Education Code of Governance. The Governing Body has had regard to the Charity Governance Code and adopted the CUC Higher Education Senior Staff Remuneration Code.

The Objects of the Academy are 'to promote the Cultivation of the Science of Music and to afford facilities for attaining perfection in it by assisting with the general instruction of all persons wanting to acquire knowledge thereof'.

Under the terms of the Supplemental Charter dated 1998 and its Bye-Laws, the direction of the Academy is the responsibility of the Governing Body, which makes rules, orders and regulations deemed useful and necessary for the regulation and management of the institution. The Charter is under review, informal comments have been received from the Privy Council and an internal consultation process has begun.

The Academy registered with the Fundraising Regulator in October 2017, displaying the badge to demonstrate adherence to the Code. The Academy is a member of the Council for the Advancement and Support of Education (CASE) and benchmarks its fundraising activities against UK universities and specialist institutions. The Academy published its Annual Report for 2019/20 in August 2020 and its Awards Impact Report for 2020/21 in September 2021. The Academy works sensitively to protect vulnerable people and members of the public to ensure that no undue pressure is placed on a person to give money or other property.

The **Governing Body** is responsible for overseeing and managing the general business, finances and investments of the Academy, safeguarding its assets, setting its general strategic direction and determining its educational character and mission. It is also responsible for ensuring that academic governance is operating effectively, encouraging student engagement in academic governance; that Academy students receive a high-quality education, value for money, and that adequate provision has been made for their welfare and wellbeing.

The Governing Body comprises the President, 10 to 15 independent members from whom its Chair and Deputy Chairs are drawn, and up to five representative members elected by the staff and students.

None of the independent members receive any payment for work they do for the Academy. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries.

The Governing Body meets four times each academic year and much of its detailed work is delegated to senior committees, in particular the Finance and General Purposes Committee, Audit Committee, Nominations Committee, Remuneration Committee, Gift Acceptance Committee and Academic Board, which are formally constituted as Committees of the Governing Body with written terms of reference and reporting structures. In addition, working groups are constituted as required. With the exception of the Academic Board, membership of these Committees includes a significant proportion of independent members of the Governing Body, from whom the chair is selected.

Members of the Governing Body meet with the Principal and Senior Management Team at least annually to review the Academy's strategic direction and measure progress against strategic aims.

Corporate Governance arrangements are reviewed annually and amended as the Governing Body sees fit. In March 2020, members agreed that, in order for Governing Body, Committee and business operations to continue during the coronavirus pandemic, virtual meetings should take place by telephone/digital communications.

GOVERNANCE AND BUSINESS CONTINUITY

During the period March 2020 to March 2021, day-to-day operational matters were managed by the Business Continuity Group (BCG). This Group ensured that the Academy could continue to offer the best-quality educational experience to students throughout the pandemic, and that business processes could continue to operate effectively and efficiently while staff worked remotely. The BCG was also responsible for monitoring and adhering to Government guidance in preparing the Academy to reopen, and minimising risks to students and staff.

The **Finance and General Purposes Committee** oversees the management and control of the financial and general affairs of the Academy to ensure its short- and long-term viability. It recommends to the Governing Body the annual budget and elements of the end-of-year Financial Statements, advises on financial strategy, monitors financial performance and ensures that systems are in place for the effective and efficient management of resources and financial operations.

The **Audit Committee** is responsible for overseeing internal controls, risk management and compliance. The Committee meets with the external auditors to discuss audit findings, and with the internal auditors to consider internal audit reports and recommendations for the improvement of the Academy's systems of internal control, together with management's

response and implementation plans. The Committee receives reports from the OfS and monitors adherence with regulatory requirements. It provides the Governing Body and the Principal with an Annual Report on its key activities and an opinion on arrangements for risk management, safeguarding, GDPR, value for money and data integrity, among others.

The Audit Committee has benefited from the appointment of an independent external member, Linda Peka, Deputy Registrar and Chief College Operations Officer at Exeter University, since September 2016, to provide additional expertise and scrutiny of the Academy's operations. This appointment has been renewed for a further three years.

The **Nominations Committee** is responsible for identifying fit and proper persons for nomination as independent members to ensure that the Governing Body has appropriate expertise to meet its short- and long-term needs. The priorities for recruitment are to widen the diversity of members and enhance the financial, business, professional, and fundraising skills of the Governing Body.

The **Remuneration Committee** is responsible for recommending the terms of employment and remuneration of the Principal, members of the Senior Management Team and other senior staff. The Academy adopted the CUC's Higher Education Senior Staff Remuneration Code, and has prepared an annual report (page 34).

The **Gift Acceptance Committee** is responsible for advising the Governing Body about whether the sources and purposes of prospective donations, fundraising, and other funded activities are ethically acceptable.

The **Academic Board** is the main academic committee of the Governing Body and draws its members from the academic staff and the students of the institution. It is the body responsible for the academic and academic governance work of the Academy in teaching, examining and in research, and recommending and implementing strategic academic, artistic and policy initiatives. It is responsible for the Academy's Quality Assurance procedures which outline the principles, procedures and processes involved in our quality assurance and enhancement activities, which have been developed in accordance with the expectations set out in the UK Quality Code for Higher Education. These procedures are monitored annually to ensure they remain appropriate and robust for a small specialist institution.

The **Principal** is the **Chief Executive Officer** of the Academy, who reports to the Governing Body and is responsible for implementing its decisions and for maintaining and promoting the efficiency and good order of the Academy. Under the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2021, the Principal is the designated Accountable Officer of the Academy.

The **Senior Management Team** is the Principal's advisory group and comprises the Deputy Principal, Director of Finance, Dean of Students, Registrar and Director of Student Operations, and Deputy Principal (Advancement).

STATEMENT OF INTERNAL CONTROL

The Governing Body has, in accordance with its Royal Charter and Bye-Laws and the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2021, responsibility for maintaining a sound system of internal control that supports the achievement of strategic aims and objectives while safeguarding public and other funds and assets for which the Academy is responsible. The system of internal control is designed to manage rather than eliminate risk and can, therefore, only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks, and to manage them efficiently and effectively. This process has been in place for the financial year ended 31 July 2021 and up to the date of approval of the Financial Statements, and accords with OfS guidance.

The following internal control processes have been established:

- The Governing Body considers the plans and strategic direction of the Academy on an annual basis.
- The Governing Body has delegated to the Audit Committee responsibility for reviewing the effectiveness of internal control systems and the risk management process and for ensuring suitable processes are in place for monitoring and managing the risks.
- The Governing Body receives an annual report from the Audit Committee concerning issues of risk, internal controls and their effectiveness, which are informed by reports from the Senior Management Team and internal auditors on the steps being taken to manage risks.
- The Audit Committee receives reports from the internal auditors, which include its independent opinion on the adequacy and the effectiveness of internal controls based on work undertaken in accordance with its approved audit plan.
- The Academy maintains an Academy-wide risk register, which is monitored by the Senior Management Team and reviewed by the Audit Committee. Changes in risk assessments are reported to the Audit Committee. This is reviewed by the Governing Body on an annual basis.
- Our approach to risk management is risk based.
- Heads of departments are required to identify and keep up to date the record of risks facing the Academy. These are discussed on at least an annual basis.

The highest rated risks currently on the register are:

• COVID-19	• Physical security of collections
• The impact of the EU referendum	• Cyber security
• Failure to meet fundraising targets	• Noise protection for staff and students
• Risks around historic issues of safeguarding students and staff	• Failure of key hardware and software
• Pay and pension inequality	• Non-compliance with estates regulations requirements

All risks listed are discussed by the Senior Management Team on a regular basis with mitigating actions in place.

The Academy continues to review data management with external consultation and legal and marketing experts, to minimise the GDPR-related risks in all our activities.

The Academy is subject to review by internal audit which, for 2020/21, was carried out by Azets, who were re-appointed in June 2021 from the Crown Commercial Services framework following a mini-tender exercise. The internal auditors operate to standards defined in the Audit Code of Practice set out in the OfS's Terms and conditions of funding for higher education institutions for the period to 31 July 2021 and report on the adequacy and effectiveness of the Academy's system of internal control, make recommendations for improvement and monitor implementation. No significant weaknesses in internal control were identified during the year.

The Corporate Governance Statement and Statement on Internal Control and Risks was approved by the Governing Body and the Principal on 18 November 2021, and signed on its behalf by

Dame Jenny Abramsky
Chair of Governing Body

Professor Jonathan Freeman-Attwood
Principal

RESPONSIBILITIES OF THE GOVERNING BODY

In accordance with its Royal Charter, the Governing Body is responsible for the administration and management of the Academy's affairs and is required to present an Annual Report and audited Financial Statements each financial year.

The Governing Body oversees the Academy's activities, determines its future direction, and fosters an environment in which the Academy's mission can be achieved.

The Governing Body is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable it to ensure that the Financial Statements are prepared in accordance with the Statement of Recommended Practice: 'Accounting for Further and Higher Education' and other relevant accounting standards. In addition, within the OfS's Terms and conditions of funding for higher education institutions, for the period to 31 July 2021, the Governing Body, through its designated Accountable Officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Academy and of the surplus or deficit and cash flows for that year.

In causing the Financial Statements to be prepared, the Governing Body ensures that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made which are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governing Body is satisfied that the Academy has adequate resources to continue in operation for the foreseeable future despite reporting a loss on Total Comprehensive Income for the year. For this reason, the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Governing Body is also responsible for:

- Ensuring there is a robust and comprehensive system of management, control and corporate governance, including prevention and detection of corruption, fraud, bribery and irregularities, and GDPR compliance.
- Obtaining regular, reliable, timely and adequate information to monitor performance and track the use of public funds.
- Planning and managing activities to remain sustainable and financially viable.
- Informing the OfS of any significant changes in its circumstances and incidents that could impact on the mutual interests of the Academy and the OfS.
- Using public funds for proper purpose and seeking to achieve value for money from public funds.
- Complying with mandatory requirements relating to audit and financial reporting.
- Delivering its charitable purpose for the public benefit:
 - Sending required returns and information to the OfS.
 - Ensuring there are effective arrangements in place for managing and quality assurance of data submitted to funding and regulatory bodies.
 - Ensuring an effective framework to manage the quality of learning and teaching and to maintain academic standards.

- Considering the OfS's assessment of the Academy's risk status and taking action accordingly.

The key elements of the Academy's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments.
- A comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body.
- A treasury management policy.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and General Purposes Committee.
- A professional internal audit provider, whose annual programme is approved by the Audit Committee.
- An ongoing process designed to identify the principal risks (whether business, operational, compliance, financial or educational) to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.
- The existence of committees reporting to the Governing Body, particularly the Academic Board, Finance and General Purposes Committee and Audit Committee.

Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Governing Body is responsible for the oversight and integrity of the Academy's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SENIOR STAFF REMUNERATION ANNUAL REPORT

The Higher Education Senior Staff Remuneration Code

The Academy adopted the Higher Education Senior Staff Remuneration Code (the Code) published by the CUC in June 2018. It advises that there are three key elements to adopt when setting senior staff remuneration:

- A fair, appropriate and justifiable level of remuneration
- Procedural fairness
- Transparency and accountability

The Remuneration Committee

The Remuneration Committee is responsible for matters relating to the remuneration of the Principal as HOI, advises on Senior Management Team salaries, any senior staff with remuneration over £100,000, and any other recommendations regarding institutional remuneration.

The members of the Remuneration Committee, including its Chair, are appointed by the Governing Body. The Committee comprises three Independent Members, one of whom is the Chair of the Governing Body, together with the Director of Human Resources. The Chair of the Governing Body may not be the Chair of the Remuneration Committee. The Principal may not be a member of the Committee.

The Remuneration Committee met three times during the reporting period, on 5 October 2020, 1 June 2021 and 20 October 2021. Members agreed that the Committee would meet twice each year to consider strategic and Academy-wide remuneration matters.

Post holders within the remit of the Remuneration Committee during the academic year 2020/21 were:

- Principal
- Deputy Principal
- Deputy Principal (Advancement)
- Director of Finance
- Dean of Students
- Registrar and Director of Student Operations

The Principal's contract was agreed during the period and extended to 2024, subject to any further renewal at that point. Information about the Principal's remuneration is published on page 53.

There were no changes or requests for changes in respect of the Senior Management Team, other than implementing existing contractual arrangements. A nationally agreed cost of living would usually be applied to all staff including those within the remit of the Committee, however for the academic year 2020/21 there was no award due to the financial challenges posed by the pandemic.

Approach to Senior Staff Remuneration

Factors influencing Senior Remuneration

The Committee considered, and were supportive of, a remuneration strategy that would attract the calibre of individual needed to lead prestigious departments and reflect their value to the Academy. The Committee also received information about strategic plans to rationalise pay rates for part-time hourly paid teaching staff.

A number of factors will be considered by the Remuneration Committee when determining reward for senior post holders:

- The Academy is a specialist institution of international reach, with c800 students and c600 staff.
- The finite number of specialist musical educators and leaders in the UK and globally.
- A key facet of the Academy's mission is to widen access to music education
- Benchmarking against comparative UK conservatoires.
- Complexity, scale and scope of the Senior Management Team positions and impact of the role, on students, staff, visitors, donors, research, resources and finances, the Academy and the conservatoire sector.
- Discretion, level of accountability, degree of autonomy and decision-making authority.
- Reputation and academic or professional credibility.
- Performance in support of the Academy strategic objectives.
- Management and leadership of staff.
- Strategic partnerships and external relations internationally and nationally.

Sources of data for the Remuneration Committee

Sources of comparative data include:

- a. Higher Education Statistics Agency (HESA) data.
- b. The Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey.
- c. The CUC Vice-Chancellor Salary Survey.
- d. Reports and reviews from external experts commissioned by the Committee.
- e. Internal analysis of salary distributions and the Higher Education Role Analysis (HERA) system.

For non-Senior Management Team roles, the Academy subscribes to the HERA system, through which all roles are evaluated and assessed to determine the pay grade and salary range against the national pay scales, based on transparent criteria and to ensure pay equity and the elimination of discrimination.

The Academy subscribes to UCEA, which negotiates the nationally agreed annual cost-of-living pay award with unions, on behalf of its members. Once agreed, the cost-of-living pay award is applied to all staff.

Additional staff pay awards, including incremental awards and one-off payments for exceptional work are evaluated on a termly basis by the Senior Management Team.

All staff are automatically enrolled into a pension scheme according to pensions' enrolment criteria.

Market forces supplements may be applied, where necessary, to attract or retain staff, upon provision of evidence of external market rates.

Pay Multiples

The pay multiple of the HoI basic salary against the median of all staff is 5.07 for 2020/21 (4.76: 2019/20).

Expenses

All staff are expected to adhere to principles of seeking value for money, in hospitality, business travel, accommodation or otherwise. Expenses are expected to be reasonable and not excessive.

The expenses of the Principal are authorised by the Chair of the Governing Body. The expenses of the Director of Finance are authorised by the Principal. All other staff expenses are authorised by the Director of Finance.

PUBLIC SECTOR TRADE UNION FACILITY TIME

The Academy is required to report on the paid time off during working hours for trade union representatives to carry out trade union duties. This data covers the period 1 April 2020 to 31 March 2021.

Total number and FTE of union officials employed	0 no and 0 FTE
Percentage of time spent on facility time	0%
Total cost of facility time	£0
Total pay bill	£12,843,748
Percentage of pay bill spent on facility time	0%
Time spent on paid trade union activities as a percentage of total paid facility hours	0%

INDEPENDENT AUDITORS' REPORT TO THE ACADEMY'S GOVERNING BODY

Opinion

We have audited the financial statements of Royal Academy of Music ('the Academy') and its subsidiaries ('the Group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and Academy Statement of Changes in Reserves, the Consolidated and Academy Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Academy's affairs as at 31 July 2021 and of the Group's and Academy's income and expenditure, gains and losses, changes in reserves and cash flows 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 Statement of Recommended Practice – Accounting for Further and Higher Education.

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 Academy 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 Governing Body'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 Group's and Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual review, other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information contained within the annual review. 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.

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

We have nothing to report in this regard.

Responsibilities of Governing Body

As explained more fully in the Responsibilities of the Governing Body set out on page 32, the Governing Body 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 they 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 Governing Body are responsible for assessing the Group and Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate all or part of the Academy Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Academy Group and its operations, we identified that the principal risks of non-compliance with laws and regulations related to the OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that

have a direct impact on the preparation of the financial statements, such as the OfS Accounts Direction.

We evaluated the Governing Body's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Governing Body and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Governing Body and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the Governing Body as a body in accordance with the Academy's Supplemental Royal Charter and its Schedule of Bye-Laws and the Governing Body's Statement of Primary Responsibilities. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and Academy and the Governing Body as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP

Richard Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street
Bristol
BS1 6DP

25 November 2021

STATEMENT OF ACCOUNTING POLICIES

FRS 102 is the single comprehensive Financial Reporting Standard and SORP 2019 is the education sector's interpretation of FRS 102.

1. Accounting Convention

The Financial Statements have been prepared under the historical cost convention, modified for the revaluation of the Academy's listed investments, in accordance with applicable Accounting Standards and the Statement of Recommended Practice: 'Accounting for Further and Higher Education' (SORP), published in October 2018. The institution is a public benefit entity and has therefore applied the relevant public benefit requirement of the applicable accounting standards.

The Governing Body has reviewed the financial position of the Academy and its plans for the future as set out in the Operating and Financial review, outturn in 2020/21 as set out in the planned operation and activities of the Academy, and is satisfied that it has adequate resources to continue in operation for the foreseeable future.

The Governing Body reviews the annual budgets and plans which the Academy prepares as part of its annual planning cycle; these reflect the aims and objectives of its 2019 to 2024 strategic plan and feed into the five-year forecast. The budgets, plans and forecasts show that the Academy is expected to be able to continue to meet its working capital requirements from cash and liquid investments. The budgets and forecasts consider the impact of key external factors including the impact of Brexit on student recruitment as well as possible changes in government funding. The management team and governing body consider the impact of changes in assumptions in these key areas before approving budgets and forecasts.

For this reason, the Governing Body feels that the Academy has adequate resources to continue in operational existence for the foreseeable future and is not aware of any material uncertainties which would prevent the Academy from continuing as a going concern. These financial statements have therefore been prepared on a going concern accounting basis.

2. Basis of Consolidation

The consolidated Financial Statements comprise the Academy's activities and those of its charitable subsidiary undertaking, the RAM Collections Trust. Academy Chimes Limited ceased trading at the end of 2019/20 and was struck off, whilst RAM Development Company Limited was dormant during the year. The consolidated Financial Statements do not include those of the Students' Union because the Academy does not control those activities as it is a separate entity. Intra-group transactions are eliminated on consolidation.

3. Recognition of Income

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

Fee income is credited to income over the period in which students are studying. Bursaries funded from external donations or endowment income are omitted from expenditure and fee income and recognised as donations or interest receivable accordingly. Bursaries funded from general or designated funds are included within bursary expenditure and fee income.

Funds the Academy receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure where the Academy is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grants and Donations

A Performance Related Condition (PRC) is a condition that requires the performance of a particular level of service or units of output to be delivered with payment of, or entitlement to, the resources conditional on that performance.

Grants and donations without PRC or any other type of restriction are recognised in full within the Consolidated Statement of Comprehensive Income and Expenditure on entitlement to the income. This includes donations of assets.

Government and non-government grants with PRCs include annual grants such as OfS or UKRI teaching and research grants and bursary grants where the academic year and/or students to whom the grants relate are stipulated. They may also include grants for specific research projects to fund academic posts over a number of years. These grants are deferred on the balance sheet until the PRC has been met, at which point the grant is released to income.

Where no PRC attaches to a government or non-government grant but there are nevertheless restrictions imposed on the use of funds, the grant income is recognised in full when the Academy is entitled to the income. It is retained within a restricted reserve until being used in line with the restriction, at which point a reserve transfer is made to release the reserve to general funds.

Capital grants are treated in the same way as revenue grants.

Endowments

An endowment fund is a form of charitable trust retained for the benefit of the Academy for the long-term and is subdivided into a capital and accumulated income element. A donation to establish an endowment fund which prohibits conversion of capital to income creates a 'permanent' endowment fund and such funds must generally be held indefinitely. If the Academy has power to use the capital then the endowment fund is 'expendable' although the Academy would be unlikely to use this power in the short-term.

The investment income from permanent endowment funds may be restricted or unrestricted in use depending on the requirements of the donor whereas investment income from expendable endowment funds will always be restricted in use.

New endowment funds are credited to the Consolidated Statement of Comprehensive Income and Expenditure on entitlement and then transferred to an endowment fund within the Balance Sheet. Investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure and, if restricted, reserved within the endowment fund for future spend in accordance with restrictions. Expenditure against the restricted endowment fund is debited to the Consolidated Statement of Comprehensive Income and Expenditure and charged to the endowment fund.

Appreciation/depreciation of endowment investments is recorded within the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the capital element of the endowment funds.

Other Investment Income

Other investment income is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis. Appreciation/depreciation of investments is credited/debited to the Consolidated Statement of Comprehensive Income and Expenditure and then transferred to the General Fund or Endowment funds, as appropriate.

4. Accounting for Retirement Benefits

The Academy contributes to four different pension schemes for current employees: the TPS; a GPPS; the NEST; and the USS. The TPS and USS are defined benefit schemes and each fund is valued every three years by professionally qualified independent actuaries. The GPPS and NEST are defined contribution schemes.

The assets of the TPS are held in separate trustee-administered funds. Because of the nature of the Scheme, the Scheme's assets are not hypothecated to individual institutions and Scheme-wide contributions are set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. Therefore, it accounts for the Scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the Scheme in respect of the accounting period.

The USS is a multi-employer hybrid scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Academy is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Academy therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the Scheme. Since the Academy has entered into an agreement (the recovery plan) that determines how each employer within the Scheme will fund the overall deficit, a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. The Academy had nine members in the USS at the end of 2020/21.

The Academy also operates a defined benefit pension scheme, The Royal Academy of Music Pension Scheme 1967 (RAM1967), which is closed to new members, and which provides retirement benefits based on the length of service and final pensionable salary for certain employees. The operating and financing costs of the Scheme are recognised separately in the income and expenditure account. Service costs are spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions are recognised in the Statement of Comprehensive Income and Expenditure. The Academy's net obligation in respect of the RAM1967 Scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods: that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted.

5. Employment Benefits

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

6. Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the term of the lease. Any lease premiums or incentives are spread over the lease term.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Musical Instrument Collection assets which were revalued to fair value prior to 1 August 2014, the date of transition to the revised SORP, are measured on the basis of deemed cost, being the revalued amount at the transition date.

Impairment reviews are carried out if changes in conditions or events indicate the carrying amount of a fixed asset may not be recoverable.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet.

Donations received towards the cost of buildings or other assets are released to income on entitlement or when PRCs, if they exist, have been met (refer to income recognition policy for further details). The income is then transferred to a restricted reserve to fund remaining asset purchase costs.

Land and Buildings

Expenditure that adds value to the main Academy property is capitalised and depreciated over 40 years on a straight line basis.

Academy buildings are being depreciated over 90 years, in line with the length of the lease.

A componentisation approach has been applied to the recently completed Susie Sainsbury Theatre and Angela Burgess Recital Hall. The structures are being depreciated over 50 years but other components are being depreciated over 10, 20 or 25 years.

The York Gate building was acquired with the aid of a specific grant from the Heritage Lottery Fund and was subsequently refurbished. The refurbishment costs of the York Gate building and the cost of the David Josefowitz Recital Hall have also been capitalised and are being depreciated over 71 and 28 years respectively. Fit-out costs for York Gate are being depreciated over 13 years. The depreciation for the York Gate buildings was recalculated on transfer of the assets to the Academy in 2013.

The fit-out costs of the Cross Keys practice rooms are being depreciated over 10 years, this being the length of the lease.

Buildings under construction within the Academy are accounted for at cost based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

Equipment and Collection of Musical Instruments

Expenditure on the purchase of equipment and other items is depreciated on a straight line basis as follows:

Equipment/working instruments/artefacts

5, 8, 10, 15, 20, 25 or 40 years or not depreciated

Collection of Prestigious Musical Instruments

Not depreciated as their long economic life and high residual value mean depreciation is not material

Assets in excess of £10,000 and refurbishments in excess of £25,000 are capitalised. All other equipment is written off in the year of acquisition.

8. Heritage Assets

Since its foundation in 1822, the Academy has acquired important collections of instruments, manuscripts, paintings, photographs, busts, drawings, teaching aids and artefacts, batons, furnishings, memorabilia and other objects which have been bought or donated over the years. The majority of the instruments have been valued and are recorded in the Balance Sheet, most as working assets but a few, primarily stringed instruments made by Stradivari and Amati, are considered to be of such international importance that they are not generally used for educational or musical purposes but are on display in the Academy's Museum, which is open to the public. Consequently they fall to be treated as heritage assets as they are held primarily for their contribution to knowledge and culture. The Spencer Collection and the Menuhin Collection were both purchased by the Academy and are also included in the Balance Sheet as heritage assets. The other items of the type described above are numerous and many have relatively low intrinsic values, however many of them have unique associations with their original owner or with the Academy. These assets are not considered to be of a heritage nature but are nevertheless an important part of the Academy's history and assist in preserving its reputation and attraction to current and potential students and teachers. Full details of the collections, which are fully catalogued and include both heritage and non-heritage assets, together with opening times for the Museum and access policy, are given on the Academy's website at www.ram.ac.uk/Museum.

The key stringed instruments that are held as heritage assets (all of which have been donated to the Academy) are included in the Balance Sheet at fair value as at 1 August 2014, the date of transition to SORP, and are no longer generally revalued. The ten most valuable instruments were revalued in 2020/21, as they account for 95% of the heritage assets. The carrying amounts are reviewed annually for impairment. Donated heritage assets are not depreciated as, given their long economic life and high residual value, depreciation would not be material. Heritage assets purchased by the Academy are included in the Financial Statements at cost and are depreciated over 40 years. Costs in connection with the preservation and conservation of heritage assets are charged to the Income and Expenditure Account as they are incurred.

9. Investments

Listed investments held within Non-Current investments are stated at market value at the Balance Sheet date. Gains or losses are attributed to the appropriate fund.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. They include building society deposits with a deposit term greater than 90 days.

10. Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand and cash deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They include building society deposits with a deposit term less than 90 days and no material penalty for early withdrawal.

11. Stock

The majority of the stock held used to relate to the Academy Chimes music shop with minor amounts for canteen and bar stock. Stock is stated at the lower of cost and net realisable value.

12. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when:

- a. The Academy has a present legal or constructive obligation as a result of a past event.
- b. It is probable that an outflow of economic benefits will be required to settle the obligation.
- c. A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Academy a possible obligation whose existence will only be confirmed by the occurrence of otherwise uncertain future events not wholly within the control of the Academy. Contingent liabilities also arise in circumstances where a provision would otherwise be made, but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Academy a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the Notes.

Maintenance of Premises

The Academy has a provision for the maintenance of its buildings which it is required to carry out in accordance with the terms of its lease. This is based on a 15 year maintenance plan which is reviewed on an annual basis. The provision represents the estimated cost, at the Balance Sheet date, of maintenance work falling due within the cyclical programme under the lease.

The cost of routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

13. Taxation Status

As a registered charity the Academy is exempt from taxation in respect of income received within categories covered by Part II of the Corporation Tax Act 2010, to the extent that such income is applied exclusively for charitable purposes. The Academy is partially exempt in respect of Value Added Tax (VAT) so it can only recover a minor element of VAT charged on its inputs.

14. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted reserves include endowments (see Note 16) and non-endowment funds which the donor has designated for a specific purpose.

15. Significant Estimates and Accounting Judgements

In the preparation of the 2021 consolidated Financial Statements, it is the responsibility of management to make informed judgements and estimates that affect the reported values for assets, liabilities, income and expenditure.

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date of 31 July 2021, are listed as follows:

Deferred Benefit Scheme Pension Provision

The Academy is the sole member of the RAM1967 Pension Scheme which is a defined benefit scheme, and for which a provision is recorded within the balance sheet. The recognised liability is based on the valuation provided by professionally qualified independent actuaries which is based on a number of assumptions. These include the future cash flows of the Scheme, the discount rate used (which is based on average AA rated UK corporate bond rates that reflect the duration of our liability), the pensionable salary growth going forward and proposed price inflation (which is based on the RPI). Further details can be found in Note 18.

The net interest expense is based on the interest rates of AA rated corporate bonds and the deficit position.

Management review the assumptions made to derive the provisions recorded within the Balance Sheet to ensure that they are reasonable.

16. Post Balance Sheet Events

The only post-balance sheet event to report is that a revised Schedule of Contributions for the Universities Superannuation Scheme was agreed based on the 2020 valuation, and took effect from 1 October 2021. This has resulted in an increase in employer contribution rate for the nine members of the USS from 21.1% to 21.4% and an increase in the deficit recovery rate from 6.0% to 6.3%, which is effective from 1 April 2022. The impact of this will be reflected in the Financial Statements for the year ending 31 July 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Income					
Tuition Fees	1	10,803	10,803	10,842	10,843
OfS and Funding Council Grants	2	4,876	4,876	4,898	4,898
Research Grants and Contracts	3	18	18	8	8
Other Income	4	664	664	1,683	1,544
Investment Income	5	947	947	1,373	1,373
Total Income before Donations and Endowments		17,308	17,308	18,804	18,666
Donations and Endowments	6	12,765	12,765	6,735	6,735
Theatre donations	6	-	-	620	620
Total Income		30,073	30,073	26,159	26,021
Expenditure					
Staff Costs	7	13,044	13,044	13,038	13,038
Other Operating Expenses		9,647	9,647	10,041	9,902
Depreciation	10	1,766	1,736	1,802	1,772
Interest and Other Finance Costs	8	73	73	81	81
Total Expenditure	9	24,530	24,500	24,962	24,793
Operating Surplus before Other Gains or Losses		5,543	5,573	1,197	1,228
Gain on Disposal of Fixed Assets		3	3	42	42
Gain/(loss) on Investments		7,596	7,596	(2,366)	(2,366)
Surplus for the Year		13,142	13,172	(1,127)	(1,096)
Unrealised surplus on revaluation of tangible assets		24,300	24,300	-	-
Actuarial loss in respect of RAM1967 Pension Scheme		799	799	(1,962)	(1,962)
Total Comprehensive Income for the year		38,241	38,271	(3,089)	(3,058)
Represented by:					
Endowment comprehensive income for the year		12,372	12,372	(1,647)	(1,647)
Restricted comprehensive income for the year		1,241	1,241	1,923	1,923
Unrestricted comprehensive income for the year		(1,649)	(1,619)	(3,357)	(3,326)
Revaluation reserve comprehensive income for the year		26,277	26,277	(8)	(8)
		38,241	38,271	(3,089)	(3,058)

Since the introduction of the SORP 2015 (now SORP 2019), capital donations for the new theatre are required to be included as income, which produced a surplus of £13,119,000 in 2017/18. Work is now complete but the depreciation charges associated with the capital expenditure has led to a much smaller surplus, as was to be expected, in 2020/21.

The operating surplus after exclusion of these restricted donations and exclusion of the proportion of theatre depreciation that is funded by donations received in prior years is shown below.

	2021 £000	2020 £000
Total Comprehensive Income for the year from above	38,241	(3,089)
Exclude Endowment comprehensive income (generally restricted in use)	(12,372)	1,647
Exclude Restricted comprehensive income (mainly theatre donations)	(1,241)	(1,923)
Exclude Revaluation reserve comprehensive income (notional sum)	(26,277)	8
Exclude Actuarial loss on RAM1967 Pension Scheme for the year	(799)	1,962
Exclude Depreciation re externally funded proportion of theatre project	747	747
Operating (deficit)/surplus after adjustments	(1,701)	(648)

The Notes on pages 52 to 66 form part of these financial statements.

All items of income and expenditure arise from continuing operations.

CONSOLIDATED AND ACADEMY STATEMENT OF CHANGES IN RESERVES

Consolidated	INCOME AND EXPENDITURE ACCOUNT			Revaluation Reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
Balance at 1 August 2019	38,057	1,272	131,638	903	171,870
(Deficit)/surplus from the income and expenditure statement	(1,647)	1,923	(3,357)	(8)	(3,089)
Release of restricted capital funds spent in year	-	(819)	819	-	-
Balance at 1 August 2020	36,410	2,376	129,100	895	168,781
Surplus/(deficit) from the income and expenditure statement	12,372	1,241	(1,649)	26,277	38,241
Release of restricted capital funds spent in year	-	(123)	123	-	-
Balance at 31 July 2021	48,782	3,494	127,574	27,172	207,022

Academy	INCOME AND EXPENDITURE ACCOUNT			Revaluation Reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £000		
Balance at 1 August 2019	38,057	1,272	130,917	903	171,149
(Deficit)/surplus from the income and expenditure statement	(1,647)	1,923	(3,326)	(8)	(3,058)
Release of restricted capital funds spent in year	-	(819)	819	-	-
Balance at 1 August 2019	36,410	2,376	128,410	895	168,091
Surplus/(deficit) from the income and expenditure statement	12,372	1,241	(1,619)	26,277	38,271
Release of restricted capital funds spent in year	-	(123)	123	-	-
Balance at 31 July 2021	48,782	3,494	126,914	27,172	206,362

CONSOLIDATED AND ACADEMY BALANCE SHEET

	Note	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Non-Current Assets					
Fixed Assets:					
Heritage	10a	91,303	90,643	67,055	66,365
Operational	10a	53,615	53,615	54,899	54,899
		144,918	144,258	121,954	121,264
Non-Current Investments	11	49,495	49,495	41,988	41,988
		194,413	193,753	163,942	163,252
Current Assets					
Stock		5	5	108	14
Trade and Other Receivables	12	661	661	1,125	1,094
Current Investments	13	3,024	3,024	3,029	3,029
Cash and Cash Equivalents		17,519	17,519	9,053	9,049
		21,209	21,209	13,315	13,186
Creditors: Amounts falling due within one year	14a	(4,311)	(4,311)	(3,056)	(2,927)
Net Current Assets		16,898	16,898	10,259	10,259
Total Assets less Current Liabilities		211,311	210,651	174,201	173,511
Creditors: Amounts falling due after more than one year					
	14b	-	-	-	-
Provisions					
Pension Provisions	15	(4,044)	(4,044)	(5,161)	(5,161)
Other Provisions	15	(245)	(245)	(259)	(259)
Total Net Assets		207,022	206,362	168,781	168,091
Restricted Reserves					
Income and Expenditure Reserve - Endowment	16	48,782	48,782	36,410	36,410
Income and Expenditure Reserve - Restricted	17	3,494	3,494	2,376	2,376
		52,276	52,276	38,786	38,786
Unrestricted Reserves					
Income and Expenditure Reserve - Unrestricted		127,574	126,914	129,100	128,410
Revaluation reserve		27,172	27,172	895	895
		154,746	154,086	129,995	129,305
Total Funds		207,022	206,362	168,781	168,091

The Notes on pages 52 to 66 form part of these Financial Statements

The Financial Statements were approved by the Governing Body and authorised for issue on 18 November 2021.

Dame Jenny Abramsky
Chair of Governing Body

Professor Jonathan Freeman-Attwood
Principal

CONSOLIDATED CASH FLOW STATEMENT

	Note	2021 £000	2020 £000
Cash flow from operating activities			
Surplus/(deficit) for the year		13,142	(1,127)
Adjustments for non-cash items			
Depreciation/Impairment of Fixed Assets	10a	1,766	1,802
(Loss)/gain on investments	11	(7,596)	2,366
Decrease/(increase) in stocks		103	(4)
Increase/(decrease) in debtors	12	464	(231)
Increase/(decrease) in creditors	14	1,348	(1,811)
(Decrease)/increase in pension provisions	15	(318)	(374)
(Decrease)/increase in other provisions	15	(14)	102
Receipt of donated equipment	6	-	(322)
Adjustment for investing or financing activities			
Investment income	5	(947)	(1,373)
New endowments	16	(7,031)	(764)
Profit on sale of fixed assets		(3)	(42)
Capital grant income		(57)	(1,043)
Net cash inflow/(outflow) from operating activities		<u>857</u>	<u>(2,821)</u>
Cash flows from investing activities			
Proceeds from sale of operational tangible assets		3	42
Capital grant receipts		57	1,043
Disposal of non-current asset investments		22,518	18,284
Withdrawal of current asset investments deposits		2,030	3,044
Investment income		947	1,373
Purchase of operational tangible fixed assets		(430)	(468)
New non-current asset investments		(22,426)	(20,996)
New current asset investment deposits		2,025	(2,057)
Net cash inflow from investing activities		<u>674</u>	<u>265</u>
Cash flows from financing activities			
New endowments received	16	7,031	764
Bonus shares		(3)	-
New unsecured loans		-	6
Repayments of amounts borrowed		(93)	-
Net cash inflow from financing activities		<u>6,935</u>	<u>770</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>8,466</u>	<u>(1,786)</u>
Cash and cash equivalents at 1 August 2020		9,053	10,839
Cash and cash equivalents at 31 July 2021		17,519	9,053

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
1. Tuition fees				
Full-time UK and EU	5,266	5,266	5,771	5,772
Full-time International	4,712	4,712	4,189	4,189
Junior and Intermediate	825	825	882	882
	<u>10,803</u>	<u>10,803</u>	<u>10,842</u>	<u>10,843</u>
2. OfS and Funding Council Grants				
Recurrent Teaching grant	4,223	4,223	4,279	4,279
Recurrent Research grant	378	378	371	371
Other Special funding	164	164	150	150
Capital grant	111	111	98	98
	<u>4,876</u>	<u>4,876</u>	<u>4,898</u>	<u>4,898</u>
3. Research Grants and Contracts				
Research Councils	18	18	8	8
	<u>18</u>	<u>18</u>	<u>8</u>	<u>8</u>
The source of grant and fee income, included in notes 1 to 3 is as follows:				
Grant and fee income				
Grant income from the OfS	4,348	4,348	4,377	4,377
Grant income from other bodies	546	546	529	529
Fee income for research awards (exclusive of VAT)	185	185	167	167
Fee income from non-qualifying courses (exclusive of VAT)	825	825	882	882
Fee income for taught awards (exclusive of VAT)	9,793	9,793	9,793	9,794
	<u>15,697</u>	<u>15,697</u>	<u>15,748</u>	<u>15,749</u>
4. Other Income				
Residences and catering	60	60	592	592
Revenue Grant (CJRS government)	135	135	299	299
Other operating income	469	469	792	653
	<u>664</u>	<u>664</u>	<u>1,683</u>	<u>1,544</u>
5. Investment Income				
Investment income	924	924	1,277	1,277
Other interest receivable	23	23	96	96
	<u>947</u>	<u>947</u>	<u>1,373</u>	<u>1,373</u>
6. Donations and Endowments				
New Endowments	7,031	7,031	764	764
PRC income utilised	1,242	1,242	1,306	1,306
Restricted donations	2,185	2,185	2,979	2,979
Unrestricted donations *	2,307	2,307	1,984	1,984
Donation of assets (non-cash)	-	-	322	322
	<u>12,765</u>	<u>12,765</u>	<u>7,355</u>	<u>7,355</u>

* includes donation income of £0 from the ABRSM (£1,050,000: 2020)

7. Staff

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Staff Costs				
Wages and salaries	10,722	10,722	10,781	10,781
Social Security costs	925	925	971	971
Change in USS pension provision parameters	1	1	(81)	(81)
Other pension costs	1,396	1,396	1,367	1,367
	<u>13,044</u>	<u>13,044</u>	<u>13,038</u>	<u>13,038</u>
Principal's Emoluments	£		£	
Salary*	190,684		200,834	
Benefits	3,849		4,075	
Pension contributions & pay in lieu of pension contributions	34,130		34,130	
Compensation for change in tax treatment of accommodation**	28,568		4,983	
Accommodation – taxable	17,225		17,511	
Accommodation – non-taxable	-		-	
	<u>274,456</u>		<u>261,533</u>	

*The Principal took a reduction in salary of £10,000.

**Compensation to reflect changes in tax treatment of accommodation, provided to enable him to perform his role, recognising the contractual obligations arising from changes in HMRC regulations.

The Principal is required as part of his contract to live on the Academy premises. The premises are an integral part of the main Academy building and the apportioned costs associated with the Principal's use of the residence are £17,225 (£17,511: 2020). The space is also used by chamber groups for rehearsal and coaching, for visiting performers, for cataloguing by the Library staff and for quiet working.

The Principal is no longer part of a pension scheme therefore his salary contains a pension equivalent, now rolled into a single sum. This is shown separately above.

The Principal's remuneration is set by the Remuneration Committee (of which the Principal is not a member) after consideration of his performance over time, his success in meeting strategic objectives, and of salaries at other comparable higher education institutions, nationally and internationally. This includes particular reference to other conservatoires and specialist institutions and recognises the status of the Academy as a world-class institution. He has led the Academy in increasing student numbers of exceptional quality and recruiting staff of institutional repute, achieving high rankings in relevant league tables, in maintaining student excellence and in attracting additional philanthropic income. The salary does not reflect a corporate world equivalent but rather takes into account the skills required to run a high-level and complex institution of this kind, with long working hours. The Principal's contract was agreed during November 2020. The Principal's basic salary is 5.07 times (4.76 times: 2019/20) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Academy to its staff.

The Principal's total remuneration is 6.35 times (6.05 times: 2019/20) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Academy to its staff.

Severance payments of £448,000 were made to 25 members of staff in 2020/21 (zero members of staff: 2019/20). The majority of this related to a limited restructuring programme in the light of the Academy's financial forecasts.

The number of staff who received emoluments (including taxable benefits but excluding employer's pension contributions) in excess of £100,000 in the following ranges was:

Range	2021	2020
£105,000-£109,000	1	-
£130,000-£134,999	-	1
£215,000-£219,999	1	-
£225,000-£229,999	0	1

The average number of persons employed by the Academy and the Group during the year, expressed as full-time equivalents (FTE), are shown in the table below:

	2020 FTE	Restated 2019 FTE
Staff numbers		
Teaching *	155	154
Support	8	7
Other academic services	12	16
Central administration and services	44	45
General education	18	19
Student/staff facilities	5	4
Premises	20	21
Catering and residence	5	8
	<u>267</u>	<u>274</u>

* The figures above include the following Junior Academy teaching staff

16 16

Key Management Personnel

Key Management Personnel comprises the Senior Management Team, including the Principal, being those persons having authority and responsibility for planning, directing and controlling the activities of the Academy.

	2021 £000	2020 £000
Key management personnel compensation	825	776
Headcount	<u>6</u>	<u>6</u>

	2021 £000	2020 £000
Access and Participation		
Access Investment	123	102
Financial Support	-	-
Disability Support (excluding expenditure included in the two categories above)	49	14
Research and Evaluation	2	19
	<u>174</u>	<u>135</u>

8. Interest and other finance costs

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Net charge on pension schemes	73	73	81	81

9. Total expenditure by activity

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Teaching	8,747	8,747	8,964	8,964
Support	485	485	402	402
Other academic services	592	592	626	626
Central administration and services	3,403	3,403	3,886	3,886
General education	4,324	4,324	4,351	4,351
Student/staff facilities	385	385	240	240
Premises	5,920	5,890	5,252	5,222
Long-term maintenance	122	122	102	102
Catering and Residence	461	461	909	909
Research grants and contracts	18	18	8	8
Other services rendered - Academy Chimes	-	-	141	2
Other expenses	73	73	81	81
	24,530	24,500	24,962	24,793

Other operating expenses include:

External auditors' remuneration in respect of audit services

56 60

External auditors' remuneration in respect of non-audit services

- 13

Internal auditors' remuneration

24 20

Land and buildings

1,171 1,389

Other

18 30

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Access and Participation				
Access Investment	168	168	141	141
Financial Support	502	502	649	649
Disability Support (excluding expenditure included in the two categories above)	52	52	17	17
Research and Evaluation	2	2	19	19
	724	724	826	826

£135,000 of these costs are already included in the overall staff costs figures included in the financial statements, see Note 7.

Link to the Academy's access and participation plan: <https://www.ram.ac.uk/about-us/policies-and-procedures/access-and-participation-plan>.

10. Tangible fixed assets

a) Consolidated

Cost or valuation	OPERATIONAL			Subtotal	HERITAGE		Subtotal	TOTAL
	Long	Operational	Instrument		Heritage	Spencer		
	Leasehold	Equipment	Collection		Instrument	Collections		
	Land and				Collection			
	Buildings			Operational			Heritage	Grand
	Cost	Cost	Valuation	Assets	Valuation	Cost	Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 August 2020	54,007	9,389	7,418	70,814	65,845	2,103	67,948	138,762
Additions	430	-	-	430	-	-	-	430
Revaluation	-	-	-	-	24,300	-	24,300	24,300
At 31 July 2021	54,437	9,389	7,418	71,244	90,145	2,103	92,248	163,492
Depreciation								
At 1 August 2020	11,637	4,278	-	15,915	-	893	893	16,808
Charge for the year	1,380	334	-	1,714	-	52	52	1,766
At 31 July 2021	13,017	4,612	-	17,629	-	945	945	18,574
Net Book Value								
At 31 July 2021	41,420	4,777	7,418	53,615	90,145	1,158	91,303	144,918
At 31 July 2020	42,370	5,111	7,418	54,899	65,845	1,210	67,055	121,954

95% of the value of instruments held as heritage assets is represented by 22 stringed instruments including 6 made by Antonio Stradivari.

There were no disposals of heritage assets during the year (nil: 2020).

b) Academy

Cost or valuation	OPERATIONAL			Subtotal	HERITAGE		Subtotal	TOTAL
	Long	Operational	Instrument		Heritage	Spencer		
	Leasehold	Equipment	Collection		Instrument	Collections		
	Land and				Collection			
	Buildings			Operational			Heritage	Grand
	Cost	Cost	Valuation	Assets	Valuation	Cost	Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 August 2020	51,235	9,389	7,418	68,042	65,845	905	66,750	134,792
Additions	430	-	-	430	-	-	-	430
Revaluation	-	-	-	-	24,300	-	24,300	24,300
At 31 July 2021	51,665	9,389	7,418	68,472	90,145	905	91,050	159,522
Depreciation								
At 1 August 2020	8,865	4,278	-	13,143	-	385	385	13,528
Charge for the year	1,380	334	-	1,714	-	22	22	1,736
At 31 July 2021	10,245	4,612	-	14,857	-	407	407	15,264
Net Book Value								
At 31 July 2021	41,420	4,777	7,418	53,615	90,145	498	90,643	144,258
At 31 July 2020	42,370	5,111	7,418	54,899	65,845	520	66,365	121,264

11. Non-Current Investments

	Consolidated and Academy Total Investments £000
At Market Value	
At 1 August 2020	41,988
Purchases of investments	22,426
Proceeds from sales of investments	(22,518)
Appreciation/(depreciation) on disposal/revaluation	7,596
Bonus issue	3
At 31 July 2021	49,495
Represented by:	
Equities	36,718
Fixed Interest Stocks	3,252
Property	9,525
Other	-
	49,495

12. Trade and other receivables

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Amounts falling due within one year:				
Trade Debtors	239	239	322	318
Prepayments and accrued income	422	422	803	776
	661	661	1,125	1,094

13. Current Investments

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Short-term deposits	3,024	3,024	3,029	3,029

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months' maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit on placement.

At 31 July 2021 the weighted average interest rate of these fixed rate deposits was 0.11% per annum and the remaining weighted average period for which the interest rate was fixed was 33 days. The fair value of the deposits was not materially different from book value.

14. Creditors

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
a) Amounts falling due within one year:				
Trade Creditors	-	-	2	-
Fees in Advance	1,754	1,754	958	958
Deferred Revenue (Performance Related Conditions)	710	710	827	827
Taxation and social security	24	24	19	19
Loan from Chimes Consultants	-	-	93	-
Other Creditors and Accruals	1,823	1,823	1,157	1,123
	4,311	4,311	3,056	2,927

Deferred Revenue includes the following items of income which are deferred until specific performance related conditions are met:

Teaching grants	663	663	776	776
Research grants	27	27	31	31
Other grants	20	20	20	20
	710	710	827	827

15. Provisions

	CONSOLIDATED AND ACADEMY			
	USS deficit funding obligation £000	RAM1967 defined benefit obligation £000	Total Pension Provisions £000	Other Provisions - Leasehold Dilapidations £000
At 1 August 2020	273	4,888	5,161	259
Transfer from Income and Expenditure Account	3	(728)	(725)	122
Utilised in year	(13)	(379)	(392)	(136)
At 31 July 2021	263	3,781	4,044	245

16. Endowment Reserve

CONSOLIDATED AND ACADEMY						2020
	Unrestricted Permanent £000	Restricted Permanent £000	Subtotal Permanent £000	Restricted Expendable £000	Grand Total £000	Grand Total £000
Capital						
At 1 August 2020	6,243	21,714	27,957	7,395	35,352	37,069
Decrease in market value of investments	779	2,959	3,738	1,730	5,468	(2,429)
New endowments received	1,025	6,000	7,025	3	7,028	764
Bonus issue	-	3	3	-	3	-
Capital applied for distribution	-	-	-	-	-	(52)
At 31 July 2021	8,047	30,676	38,723	9,128	47,851	35,352
Accumulated Income						
At 1 August 2020	-	699	699	359	1,058	988
Capital applied for distribution	-	-	-	-	-	52
Investment income	169	551	720	95	815	1,118
Expenditure	(169)	(656)	(825)	(117)	(942)	(1,100)
Net income accumulated/(utilised) in current year	-	(105)	(105)	(22)	(127)	18
At 31 July 2021	-	594	594	337	931	1,058
Total Funds						
At 1 August 2020	6,243	22,413	28,656	7,754	36,410	38,057
At 31 July 2021	8,047	31,270	39,317	9,465	48,782	36,410
Analysis by fund-type						
Bursary and prize funds	1,269	24,626	25,895	3,716	29,611	26,648
Teaching and masterclass funds	1,894	6,644	8,538	1,370	9,908	1,801
Development funds	4,874	-	4,874	-	4,874	4,403
Other funds	10	-	10	4,379	4,389	3,558
	8,047	31,270	39,317	9,465	48,782	36,410
Analysis by asset						
Investments					38,658	33,443
Cash					4,693	3,855
Other current assets/liabilities					5,431	(888)
					48,782	36,410

There are no deficit balances on any endowment fund.

17. Restricted Reserves

	CONSOLIDATED AND ACADEMY			
	Unspent Capital Grants £000	Other Restricted Funds £000	2021 Total £000	2020 Total £000
At 1 August 2020	523	1,853	2,376	1,272
Donations	57	2,403	2,460	3,227
Investment income		6	6	8
Appreciation of restricted investments		151	151	1
Capital Grants utilised	(123)		(123)	(819)
Expenditure		(1,376)	(1,376)	(1,313)
At 31 July 2021	457	3,037	3,494	2,376

Analysis of Other Restricted Funds by type of purpose:

Bursary and prize funds	1740	1,128
Teaching funds	625	377
Other funds	672	348
	<u>3,037</u>	<u>1,853</u>

18. Pension Scheme Costs

Superannuation contributions are paid to the Teachers' Pension Scheme (TPS) for teaching staff, to the Universities Superannuation Scheme (USS) for a small number of staff, to a Group Personal Pension Scheme (GPPS) for administrative staff or to the National Employment Savings Trust (NEST) for those not eligible for other schemes. The assets of these schemes are held separately from the assets of the Academy in independently administered funds. The Royal Academy of Music Pension Scheme 1967 (RAM1967) for administrative staff was closed to future accruals of pension benefit on 31 March 2005, however the Scheme continues to be operated by the Prudential Assurance Company and the Academy is undertaking deficit funding.

	2021 £000	2020 £000
Total pension cost for the year was:		
TPS: employer's contributions paid	803	833
GPPS: employer's contributions paid	456	404
USS: (gross including deficit recovery portion)	132	120
NEST: employer's contributions paid	18	19
Total pension cost	<u>1,409</u>	<u>1,376</u>

TEACHERS' PENSION SCHEME

The TPS is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These Regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Services Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members,

along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pension Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the TPS took place in 2019, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation, TPS employers pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation was to align its introduction with employers' budget planning cycles. Until then employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website at the following location <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>.

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of the Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of the public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject to age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

UNIVERSITIES SUPERANNUATION SCHEME

The USS is a contributory, defined benefit scheme. At the end of the year the Academy had nine members.

The Scheme is a multi-employer scheme and given the mutual nature of the scheme, is unable to identify individual employers' shares of assets and liabilities. Consequently, individual employers are unable to apply defined benefit accounting. Section 28 of FRS 102 states that if sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit arrangement, an entity shall account for the plan as if it was a defined contribution arrangement.

The total cost charged to the profit and loss account is £132k (£120k: 2020/21) as shown above.

Deficit recovery contributions due within one year for the institution are £12,619 (£12,432: 2020).

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is as at 31 March 2018 ('the valuation date') which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the Scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7bn and the value of the Scheme's technical provisions was £67.3bn indicating a shortfall of £3.6bn and a funding ratio of 95%.

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions.

	As at 31 March 2021	As at 31 March 2020
Discount rate	0.87%	0.73%
Pensionable salary growth	2.84%	3.38%

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the fixed interest and index linked yield curves, less 1.3%pa
Discount rate (forward rates)	Years 1-10: CPI +0.14% reducing linearly to CPI -0.73% Years 11-20: CPI +2.52% reducing linearly to CPI +1.55% by year 21 Years 21+: CPI +1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2018 valuation Pre-retirement 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	As at 31 July 2021	As at 31 July 2020
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	24.60	24.40
Females currently aged 65 (years)	26.10	25.90
Males currently aged 45 (years)	26.60	26.30
Females currently aged 45 (years)	27.90	27.70

	As at 31 July 2021	As at 31 July 2020
Scheme assets	£63.7bn	£63.7bn
Total scheme liabilities	£67.3bn	£67.3bn
FRS 102 total scheme deficit	£3.6bn	£3.6bn
FRS 102 total funding level	95.00%	95.00%

ROYAL ACADEMY OF MUSIC PENSION SCHEME 1967

The Academy operates a funded defined benefit scheme which is managed by the Prudential Assurance Company Ltd and was closed to future accruals of pension benefit on 31 March 2005. The Academy is funding the scheme deficit with contributions of £355k per annum with effect from 1 August 2019 and increasing by 4.2% per annum from 1 January 2020. Additional contributions of £474k were made during 2018/19. Scheme liabilities have been valued using the projected unit method. A full actuarial valuation was carried out at 31 December 2018 and the results of that valuation have been projected to 31 July 2019 for FRS102 purposes. Liabilities have been increased by 1.5% as an estimate of the costs of GMP Equalisation.

Main assumptions used to value RAM1967 Scheme liabilities under FRS 102:	As at 31 July 2021	As at 31 July 2020
Discount rate	1.70%	1.50%
Inflation assumption – RPI	3.40%	3.00%
Inflation assumption – CPI	3.20%	3.00%
Rate of increase in salaries	n/a	n/a
Increases to deferred pensions in excess of GMP before retirement	n/a	n/a
Increases to pensions in payment for all members in respect of service up to 31 December 2003	5%*	5%*
Increase to Pension in payment for all members in respect of service after 1 January 2004	5%*	5%*
Proportion of employees opting for early retirement	3.40%	3.00%
Proportion of employees commuting pension for cash	3.20%	3.00%
*Fixed rates in rules of scheme		

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The expected age at death on retirement at age 65 are:

		As at 31 July 2021	As at 31 July 2020
Retiring today	Males	86.60	86.60
	Females	88.60	88.50
Retiring in 20 years	Males	87.90	87.90
	Females	90.10	90.10
		2021	2020
Analysis of amount charged to operating profit		£000	£000
Past service cost/GMP Equalisation		-	-
Total operating charge		-	-

The total current service cost represents the expenses incurred in running the Scheme.

	2021 £000	2020 £000
Analysis of amount credited/(charged) to other finance income		
Expected return on pension scheme assets	179	271
Interest on pension scheme liabilities	(250)	(346)
Net charge to other finance income (Note 8)	(71)	(75)
Analysis of other comprehensive income/(loss)		
Actual return less expected return on pension scheme assets	-	826
Experience gains and losses arising on scheme liabilities	799	(2,788)
Total other comprehensive income/(loss)	799	(1,962)
Amounts recognised in the statement of financial position		
Present value of scheme liabilities	(15,933)	(16,811)
Fair value of scheme assets	12,152	11,923
Deficit in scheme - net pension liability	(3,781)	(4,888)

	2021			2020		
	Assets £000	Liabilities £000	Net £000	Assets £000	Liabilities £000	Net £000
Reconciliation of Scheme assets and liabilities						
Deficit in scheme at beginning of the year	11,923	(16,811)	(4,888)	10,815	(14,030)	(3,215)
Movement in year:						
Contributions	379	-	379	364	-	364
Past service cost	-	-	-	-	-	-
Other finance income/(charge)	179	(250)	(71)	271	(346)	(75)
Benefits paid	(329)	329	-	(353)	353	-
Actuarial gain/(loss)	-	799	799	826	(2,788)	(1,962)
Deficit in scheme at end of the year	12,152	(15,933)	(3,781)	11,923	(16,811)	(4,888)

	2021 £000	2020 £000
Actual return on scheme assets		
Expected return on pension scheme assets	179	271
Actuarial gain	-	826
Actual return on scheme assets	1,79	1,097

	Long term ROR expected (incl annuities)	Long term ROR expected (incl annuities)
Analysis of Scheme Assets		
Equities	1,182	987
Bonds	5,545	5,117
Property	264	262
Cash	90	37
Total market value of invested assets	7,081	6,403
Secured pensions in payment	5,071	5,520
	12,152	11,923

Long term ROR expected (excluding Annuities)	1.70%	1.50%

	2021	2020	2019	2018	2017
History of experience gains and losses					
Experience adjustments on scheme assets					
Amount (£000)	0	826	1,216	(1,091)	(747)
Percentage of scheme assets	0.0%	6.9%	11.2%	-11.0%	-7.0%

Experience adjustments on scheme liabilities					
Amount (£000)	(799)	2,788	1,338	(1,232)	(3,216)
Percentage of scheme liabilities	5.0%	-16.6%	-9.5%	9.1%	21.8%

Actuarial gain/(loss) recognised in other comprehensive income					
Amount (£000)	799	(1,962)	(122)	141	2,469
Percentage of scheme liabilities	-5.0%	11.7%	0.9%	-1.0%	-16.8%
Cumulative actuarial loss recognised in other comprehensive income	(7,861)	(8,660)	(6,698)	(6,576)	(6,717)

History of Defined Benefit Scheme					
Present Value of Defined Benefit Obligation	(15,933)	(16,811)	(14,030)	(13,516)	(14,723)
Fair Value of Scheme Assets	12,152	11,923	10,815	9,880	10,610
Deficit arising in the scheme	(3,781)	(4,888)	(3,215)	(3,636)	(4,113)

GROUP PERSONAL PENSION SCHEME

A GPPS was started on 1 April 2005 for all administrative staff. This Scheme is a defined contribution scheme with employee and employer contributions based on length of service. £36,900 of contributions were outstanding at the balance sheet date and the amount of employer contributions paid during the year was £456k (£404k: 2020).

19. Capital Commitments

Provision has not been made for the following capital commitments at 31 July 2021:

	Consolidated 2021 £000	Academy 2021 £000	Consolidated 2020 £000	Academy 2020 £000
Capital Commitments contracted for	-	-	-	-

20. Lease Obligations

Total rentals payable under operating leases:

	Land and Buildings £000	Plant and Machinery £000	2021 Total £000	2020 Total £000
Payable during the year	1,171	18	1,189	1,419
Future minimum lease payments due:				
Not later than 1 year	909	3	912	1,240
Later than 1 year and not later than 5 years	2,579	-	2,579	2,860
Later than 5 years	30,303	-	30,303	30,931
Total lease payments due	34,962	21	34,983	36,450

21. Related Party Transactions

The Independent Members of the Academy's Governing Body are the Trustees for charitable purposes. Due to the nature of the Academy's operations and the members of the Governing Body being drawn from large public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. A Register of Interests is maintained for members of the Governing Body, senior officers of the Academy and directors of fully owned subsidiaries. The Register of Interests has been reviewed by the Director of Finance and is published on the Academy's website. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the Academy's Financial Regulations and usual procurement procedures.

No Trustee (member of the Governing Body) received any remuneration or reimbursement of expenses during the year. On occasions Trustees may make donations for specific purposes but they receive nothing in exchange.

The RAM Student Union is a separate entity which is classed as a related party for the purposes of these financial statements. A grant of £42,600 (£42,600: 2019/20) was paid to the RAM SU for their work in supporting students during the year.

The Associated Board of the Royal Schools of Music is a registered charity (no 292182) and a company limited by guarantee (no 1926395), established by four Royal Schools of Music for the benefit of music education. The ABRSM makes an annual donation which is divided equally between the four Schools. The Board of the ABRSM includes members of the Governing Body of

the Royal Academy of Music. The value of the donation from the ABRSM to the Academy was nil (£1,050,000: 2020).

There were no other related party transactions.