

ROYAL
ACADEMY
OF
MUSIC



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

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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

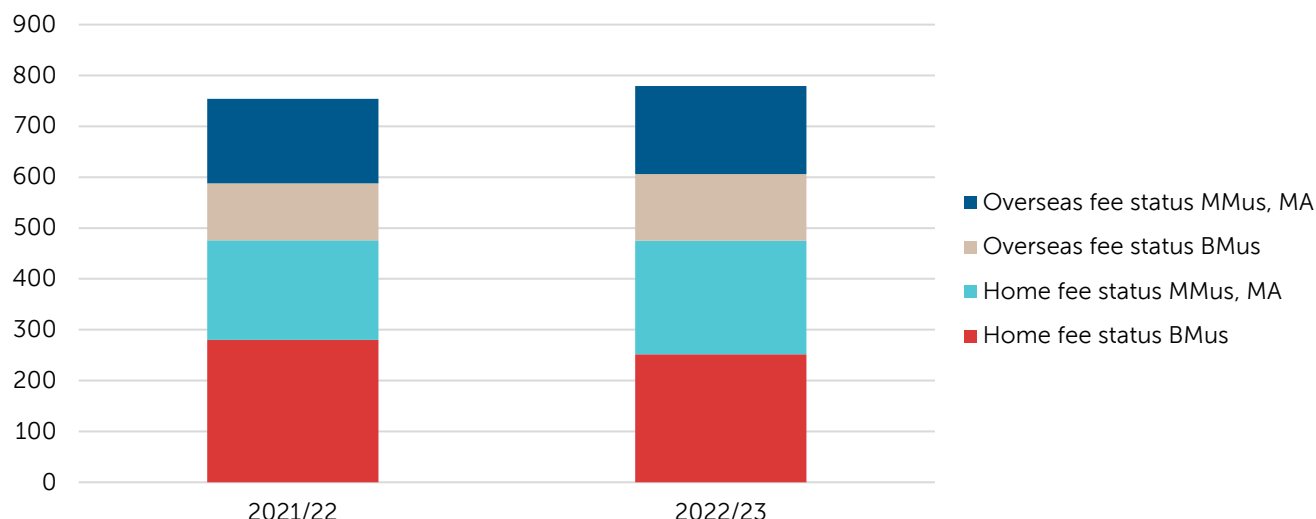
Entrance standards to our programmes are at a level of international excellence which enables us to train and educate our students intensively to reach professional levels of achievement by the end of their programme. The combination of world-leading talent, outstanding teachers, and globally significant 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 Stuckenbruck. 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 out 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 creative 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.

Summary of income and expenditure	2022/23 £000	2021/22 £000
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.

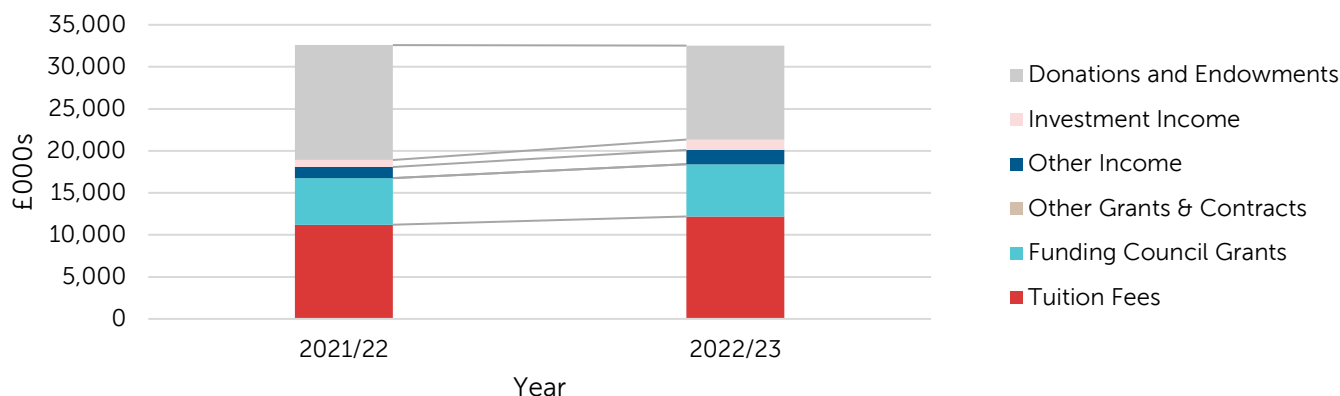
To understand the underlying operational financial outturn, the table below excludes these specific purpose income streams, as well as the unrealised income amounts, since these cannot be used for general purposes. It also excludes the element of depreciation costs which are funded from previous donations. 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.

Breakdown of unrestricted comprehensive income for the year	2022/23 £000	2021/22 £000
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

Consolidated	INCOME AND EXPENDITURE ACCOUNT			Revaluation reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £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

Academy	INCOME AND EXPENDITURE ACCOUNT			Revaluation Reserve £000	Total £000
	Endowment £000	Restricted £000	Unrestricted £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		(1,937)	1,294
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)
		(14,539)	(837)
Cash flows from financing activities			
New endowments received	16	4,442	4,220
		4,442	4,220
(Decrease)/increase in cash and cash equivalents in the year		(12,034)	4,677
Cash and cash equivalents at 1 August 2022		22,196	17,519
Cash and cash equivalents at 31 July 2023		10,162	22,196

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
	<u>15,240</u>	<u>15,240</u>	<u>13,528</u>	<u>13,528</u>

* 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
	<u>279,750</u>	<u>270,844</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 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:

Staff numbers	2023 FTE	2022 FTE
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

17 17

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
	<u>29,472</u>	<u>29,442</u>	<u>26,484</u>	<u>26,454</u>

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
	<u>1,000</u>	<u>1,000</u>	<u>853</u>	<u>853</u>

£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	Operational			Subtotal	Grand total
					Operational assets	Heritage instrument collection	Spencer collections	Heritage assets	
					Valuation	Valuation	Cost	£000	
£000	£000	£000	£000	£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	Operational			Subtotal	Grand total
					Operational assets	Heritage instrument collection	Spencer collections	Heritage assets	
					Valuation	Valuation	Cost	£000	
£000	£000	£000	£000	£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						
	Unrestricted permanent £000	Restricted permanent £000	Subtotal permanent £000	Restricted expendable £000	Grand total £000	2021 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			
	Unspent capital grants £000	Other restricted funds £000	2023 Total £000	2022 Total £000
	At 1 August 2022	407	4,290	4,697
*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			
	Unspent capital grants £000	Other restricted funds £000	2022 Total £000	2021 Total £000
	At 1 August 2021	457	3,037	3,494
*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	2022
	£000	£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.

Main assumptions used to value RAM1967 Scheme liabilities under FRS 102:	As at 31 July 2023	As at 31 July 2022
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%

Demographic assumptions:	As at 31 July 2023	As at 31 July 2022
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)

Reconciliation of scheme assets and liabilities	2023				2022		
	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.