



**Royal College of Art**  
Postgraduate Art & Design

# 2023 2024

**Annual Report & Accounts**



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# Council's Annual Report

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## Chair's Introduction

### Sir Peter Bazalgette



**The RCA celebrated a remarkable ten years as the world's number one art and design university – an achievement about which all of our staff, students and alumni can be rightfully proud.**

This has been a year both of change and celebration at the Royal College of Art (RCA). We said farewell to our Vice-Chancellor of 14 years, Dr Paul Thompson, and our long-standing Deputy Vice-Chancellor, Professor Naren Barfield. Following a global search, we welcomed our new President & Vice-Chancellor, Professor Christoph Lindner. We also celebrated a remarkable ten years as the world's number one art and design university – an achievement about which all of our staff, students and alumni can be rightfully proud.

Along with other members of Council, I regularly see the impact of our graduates, both on the UK's creative industries and also globally.

This year saw the return of the Terra Carta Design Lab, supported by our Chancellor Sir Jony Ive and the Sustainable Markets Initiative. The Royal College of Art's finalists showcased a wide breadth of innovations and solutions to help address climate change and biodiversity loss, including an innovative, low-cost wildfire detection system and a highly efficient planting method to restore seagrass beds. The first ever Hyundai Awards for Excellence in Sustainability and Creative Practice saw winning students create ideas to re-evaluate our view on waste and our reliance on traditional raw materials within the design industry; and create future farms based on a recycling system of permaculture.

## Chair's Introduction

Many of these ideas will become part of InnovationRCA, our start-up hub which has so far created over 80 businesses and supported over 850 jobs. This year, we were particularly delighted to be able to achieve the first close of our RCA Design & Innovation S/EIS Investment Fund, and make investments to support the growth strategies of two InnovationRCA start-ups – BlueNose Technologies, an innovative climate-tech business in the maritime sector, and Revive Innovations +, a med-tech business developing a new compact class of auto injectors.

The achievements of our alumni throughout the year also served to underscore the positive impact our graduates have once they leave. Jeffrey Gibson (MA Painting, 1998) became the first Native American artist to represent the USA with a solo show at the Venice Biennale 2024. Peter Copping (MA Fashion, 1991) was named as the new Artistic Director of Lanvin, having previously worked as Creative Director of Oscar de la Renta, Nina Ricci and Marc Jacobs.

PhD alumna, Dr Despina Zacharopoulou, won the British Council Alumni Awards 2024 in the Culture and Creativity category, showcasing the impact of studying in the UK. I am also delighted that we hosted more alumni receptions than ever before this year, meeting over 500 alumni across the world.

The dedication of the RCA staff to developing student talent and pursuing groundbreaking research is always remarkable, and I would like to thank them for all of their hard work. I am deeply grateful to the RCA's Council for their support – in particular Jennifer Duvalier, Patrick Plant and Dr Sigrid Rausing, whose time as members of the Council ended this year. I was also delighted to welcome Mary Boakye, Suzy Black and Saba Shaukat (who joins us as a Board Fellow) to Council this year, and look forward to working with them going forward.

In addition, I would like to extend particular thanks to His Majesty King Charles III, who confirmed this year that he will continue to be the RCA's Royal Visitor. His Majesty's support for the College has been extremely important for the College since his initial appointment as Royal Visitor as the then Prince of Wales in 2018; and we greatly look forward to continuing our relationship.

Finally, I would like to once again express my gratitude to Dr Paul Thompson and Professor Naren Barfield and to wholeheartedly welcome Professor Christoph Lindner as our new President & Vice-Chancellor, who we were delighted to appoint to the role. He has brought a wealth of experience from his previous leadership positions, in the UK and internationally. I look forward to continuing to work with Professor Lindner and his leadership team on the RCA's continued success.

**Sir Peter Bazalgette**

Pro-Chancellor and Chair  
Royal College of Art

## President & Vice-Chancellor's Introduction

### Professor Christoph Lindner



Photo: Aisha Seriki

**I strongly believe that, as a global leader in art and design, the RCA is uniquely positioned to mobilise the transformative power of creativity and interdisciplinary practice to address society's most pressing challenges.**

As a place of boundless imagination and bold experimentation, the Royal College of Art is home to one of the most creative communities anywhere in the world. I was deeply honoured to take up the position of President & Vice-Chancellor of the RCA in April 2024, to work with students, staff, and the whole RCA community, including alumni and supporters, on realising their ambitions. I strongly believe that, as a global leader in art and design, the RCA is uniquely positioned to mobilise the transformative power of creativity and interdisciplinary practice to address society's most pressing challenges.

Having joined mid-way through an academic year, I must of course start by thanking my predecessor, Dr Paul Thompson, for his transformational leadership of the RCA during the previous 14 years. He has left an exciting legacy on which I am looking forward to build in collaboration with the RCA community.

2023/24 has been the first full year under our new academic model, with almost all MAs now programmed for 45 weeks over the course of one year. This change increases the accessibility of our MAs to a wider range of students whilst ensuring academic rigour and

## President & Vice-Chancellor's Introduction

relevance to the sectors in which our graduates go on to work. The result of many years of planning, it has been impressive to see the exceptional standard of work produced under the new academic model, especially during our RCA2024 series of exhibitions and events.

This push towards access and diversity has also been supported by continuing work to increase the affordability of the RCA. Throughout the year, we made over £6m available for scholarships, bursaries and financial aid (including fee waivers) – a 5% increase on the previous year. We continue to receive generous support from a number of donors, for example through the Märit Rausing Scholarship in Ceramics & Glass, Eranda Rothschild, Max Mara and The Rothschild Foundation Scholarship pathways.

Our research is also an area where external funders and generous donors make a significant impact. The CLIMAVORE x Jameel at RCA research project in our School of Architecture delivered fascinating insights into how communities can work with regenerative agriculture methods and diminish the negative impact of human activity upon our biosphere. The CLIMAVORE x Jameel at RCA 2024 Food Action Awards were a particular highlight, with winning projects looking at issues as diverse as syntropic farming in Palestine and the disappearance of yak herding wetlands in Tibet.

The RCA was also the recipient of a number of notable research awards throughout the year, including being one of eight partners for VOICE, a project to shape the future of sustainability through the synergy of art, tech and society funded by the European Commission's Horizon Europe programme; and receiving a National Lottery Heritage Fund award for an exciting heritage project, 'Custom House, Our House: Intergenerational Voices on the Impact of Community-led Regeneration'. Our Intelligent Mobility Design Centre was announced as the research partner on the groundbreaking INFUZE study, a multi-million pound project to encourage people in Leeds to design and try alternatives to private vehicle ownership. Our Academic Lead for Robotics also received UKRI funding for a three-year project 'Circular Robot 5.0: Industry-Wide Data-Driven Circular Economy of Industrial Robots'.

In the third iteration of Research England's Knowledge Exchange Framework (KEF3), the RCA achieved an outstanding set of results, building on previous strong performances. Once again we achieved the highest level of engagement in Continuing Professional Development and Public and Community Engagement whilst adding the area of IP and Commercialisation to the College's highest engagement scores. We consistently remained above the Arts cluster average in the areas of Research Partnership, Working with Businesses and Working with the Public Sector.

None of this would have been achievable without the hard work and dedication of the RCA's staff. I would like to thank them for ensuring I felt welcome and supported in my early months in the role. We were also fortunate to be able to welcome and promote new talent this year, with Rebecca Preston joining us as Director of Advancement & Alumni; Dr Kamini Vellodi joining as our new Head of Programme for MA Painting; and Dr Samantha Moore and Dr Qian Sun being appointed as Heads of Programme for MA Animation and MA Service Design, respectively.

As we look ahead now to the 2024/25 academic year, I know I have joined the RCA at a time of tremendous potential, both for the College and the creative sector as a whole. I look forward to continuing to work with our staff, students, alumni and supporters to ensure the College reaches this potential – opening up to a more diverse range of students than ever, continuing to improve our student experience and estate, and championing academic and research excellence.



**Professor Christoph Lindner**  
President & Vice-Chancellor  
Royal College of Art

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## Progress Against the Strategic Plan

This year we delivered the second year of our five-year Strategic Plan 2022–27.

# Goals >>>

## > Goal 1

Goal 1 of the Strategic Plan focuses on research and the value of new knowledge and insights created by the RCA to address diverse global challenges ranging from mobility and urbanism, the circular economy, the climate crisis and de-carbonisation to ageing populations and inclusivity. And how, in turn, these new research findings will rapidly become translated into new units of study in our taught programmes.

## >> Goal 2

Goal 2 puts teaching excellence and student experience at the heart of the institution, with a new MA framework that will broaden access and align with the world of lifelong learning.

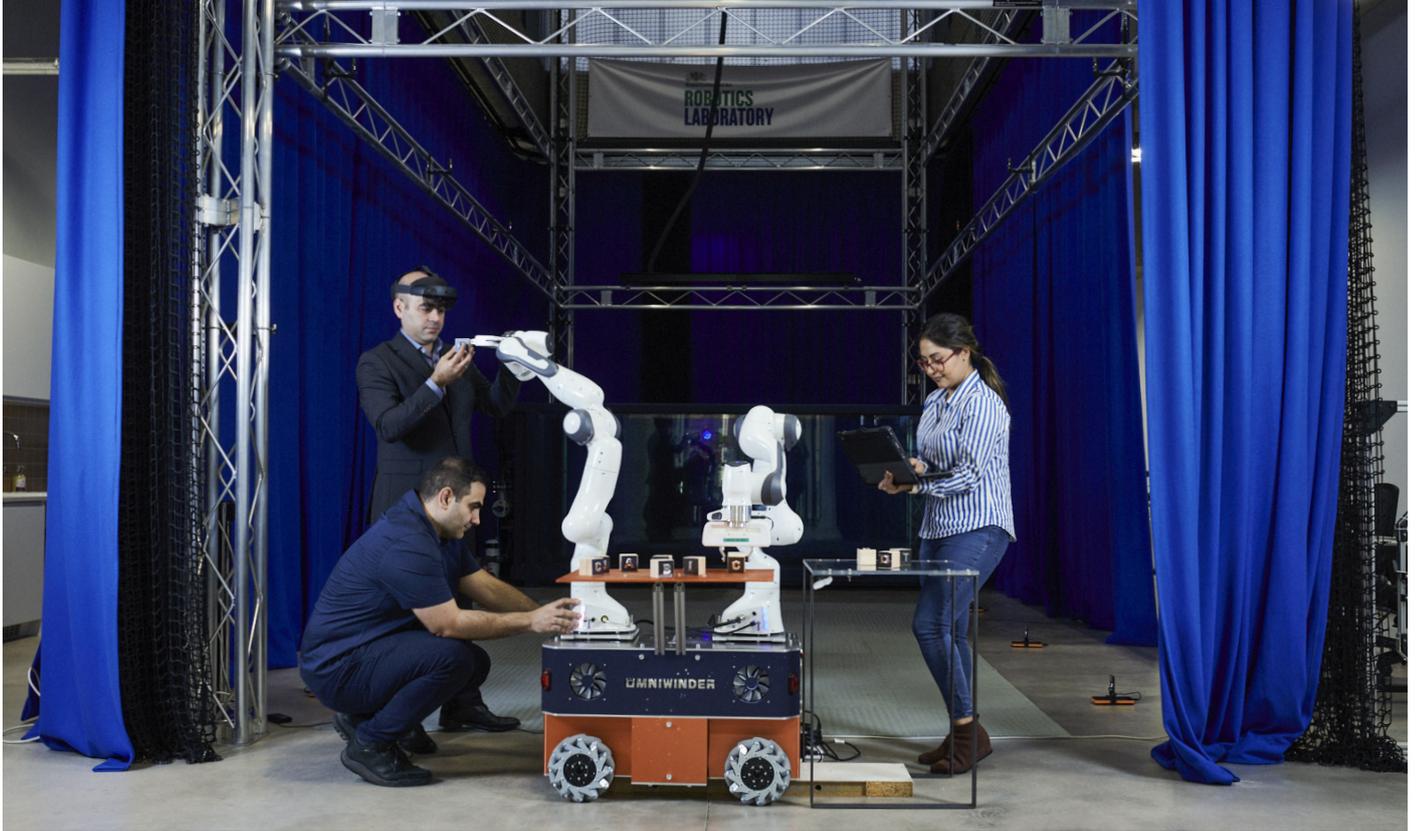
## >>> Goal 3

Goal 3 outlines how the RCA works in partnership with industry and how we contribute as a civic university to the social, economic, and cultural fabric of society, in particular our role in UK innovation strategy and creative entrepreneurship.

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A number of ‘enablers’ will help the RCA deliver these goals:

- **Our Values.**
- **Our People & Culture**, including our anti-racism action plan.
- **Our Advocacy.**
- **Our Finance & Investment.**
- **Our Infrastructures.**



# > Goal 1

## Research

**Research funding awarded in 2023/24 totalled £3.8m, made up of 15 research grants.**

The research funding awarded included two large UKRI awards of over £1m each, one to the Intelligent Mobility Design Centre team for a five-year project working with local communities in Leeds to co-design viable and attractive alternatives to car use. The other was awarded to the RCA Robotics Lab, for a three-year project to develop more sustainable, circular use of industrial robots in manufacturing.

Other research grant successes included funding awarded by AHRC, ESRC and the Heritage Lottery Fund (School of Communication, for an intergenerational, community-led regeneration project), and the welcome return of access for UK researchers to European research funding from 1 January 2024 (School of Communication, for a project exploring artist-led innovation through citizen engagement).

**Top images:** Research funding awarded to the RCA Robotics Lab.

**Bottom images:** Research funding awarded to the 'Infuze' study (Inspiring Futures for Zero Carbon Mobility).





## >> Goal 2

### Teaching Excellence

**2023/24 marked the first full year of the one-year MA framework across the majority of our programmes, with over 2,500 new students.**

The one-year MA model has reduced the overall cost of study at the RCA, opening our postgraduate programmes up to more people. In 2023/24 the RCA welcomed over 140 new students on new MFA, MDes, MArch and MEd programmes.

Our focus on academic excellence and innovation was celebrated when we were named the world's leading art and design university for the 10th consecutive year in the QS Universities Ranking.

A number of new initiatives also enhanced the student experience, shining a spotlight on community connections and developing our dedicated resources for health, wellbeing, and inclusion:

- A new, first-of-its-kind partnership with Imperial College Health Centre to provide all students access to a comprehensive, student-focused GP service.
- A new Student Disability Policy, Support to Study Policy and Suicide Prevention Strategy.
- A partnership with Consent Collective to bring alive relationships and consent awareness education to our students.

**1**   
**10 YEARS**  
as the world's N°1  
University for Art & Design

- Staff becoming trained as Sexual Violence Liaison Officers.
- The recruitment of specialist advisory roles, including a Careers Adviser and Complaints and Conduct Manager.
- The development of a robust single point of referral for staff to report student wellbeing concerns, supporting early intervention to address emerging mental health issues.
- Staff cohort trained in Mental Health First Aid.
- Establishing the Community Fund initiative with the Students' Union to enable connection-making in the context of cost of living increases that have diminished opportunities for meaningful social engagement.
- Continued provision of free period care products for all students.
- A partnership with Estates colleagues to commission AccessAble to advance physical accessibility on our campus spaces.



## >>> Goal 3

### Knowledge Exchange and Innovation

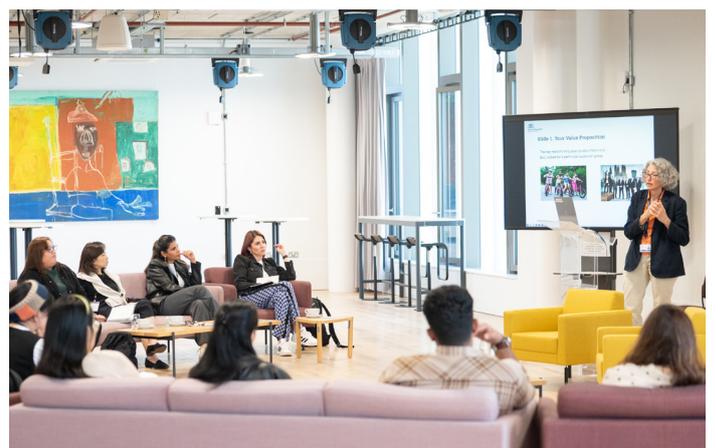
The College was awarded 14 Knowledge Exchange contracts in 2023/24 worth £865,280.

A highlight of our Knowledge Exchange (KE) funding in 2023/24 was our success in Innovate UK's new Accelerated Knowledge Transfer (AKT) programme, supporting rapid innovation partnerships between universities and businesses. Funding was awarded to RCA collaborations with the Young Vic Theatre, Monsoon Accessorize, Lloyds Bank, and the RCA start-up Resting Reef.

Furthermore, the College was invited by Research England to participate as a case study as part of the HEIF Evaluation for 2008–20. We launched the RKE Academy as part of the RCA Knowledge Exchange Concordat Priority Actions delivering monthly training sessions which were attended by 200 researchers.

In what was a challenging environment for investors, the InnovationRCA team reached the first close on the new RCA Design & Innovation S/EIS investment fund at £1.5m. The fund's Investment Committee agreed investment into three RCA start-up companies at its first meeting.

InnovationRCA has now supported 84 start-ups, creating over 850 UK jobs since its creation 20 years ago.



RCA staff delivered 37 Executive Education courses in 2023/24, generating income of £1.3m. These were made up of 19 custom courses for commercial clients, and 18 open courses, delivering a total of over 9,000 learner days across the year.

**Top:** Executive Education Chanel Next Prize Winners, October 2023. Photo: Jason Schmidt.

**Centre:** Resting Reef project.

**Bottom:** Creative Business session. Photo: Jo Ezzidin.

## Our Enablers

*Our five key enablers supported us in this work:*

### Our Values

Our values of *Integrity, Inclusion, Collaboration and Curiosity* were launched to the wider organisation, supported through the roll-out of a Management Training Programme and included as part of candidate job packs and induction processes.



**Integrity**



**Inclusion**



**Collaboration**



**Curiosity**

### Our People & Culture, including our equity, diversity and inclusion (EDI) activities

- This year we have supported changes to the senior leadership structure of the College, and begun work on new academic progression and promotion processes.
- We have strengthened our support of staff through new mental health and wellbeing initiatives, including a commitment to gain the University Mental Health Charter.
- Work continues on embedding our College values throughout the employee lifecycle, with integration into appraisal objectives and being reflected in our Staff Awards categories.
- Our management development programme has now trained over 100 of our line managers.
- Our EDI work continues with progress towards the AdvanceHE Race Equality Charter (REC) mark. Self-assessment teams (SATs) have been formed and have begun meeting. We have carried out a pulse survey to provide baseline data for our submission.
- Our Report & Support system provides a route for staff and students to raise issues either as a named or anonymous report.

### Our Advocacy

A new overarching Communications & Marketing Strategy was developed and rolled out, including attending Party Conferences for the first time to support Government engagement.

Over 1,500 items of media coverage were generated over the course of the year.

Internally, our engagement increased by 10% (email open rates, intranet visitors and face-to-face activities). We engaged staff and students with a campaign to introduce the new President & Vice-Chancellor and supported this with an ongoing media campaign.

We publicised our QS number 1 ranking for the tenth consecutive year and developed a data-led strategy to maximise stakeholder engagement.

We have supported a range of cross-College collaborations and initiatives, including the Terra Carta Design Lab, and work with Outernet, CLIMAVORE x Jameel at RCA, Snap, Ecological Citizens and Pokémon, to name a few.

### Our Finance & Investment

Following the College's adoption of a new Responsible Investment Policy last year, which enabled us to align our investments with our strategy and values, the College redefined the risk mix for its endowment investments to enhance the yield from the investments and protect the funds capital for future generations.

Our endowments continued to provide vital support for scholarships and awards, enabling students to excel in their academic and creative pursuits. This year, we successfully introduced several new scholarships and remain committed to expanding support for our student community. In addition, we secured funding to advance research projects, enhance teaching initiatives, and foster outreach and partnership activities. Overall, philanthropic pledges and contributions totaled £5.7 million, reflecting the generosity and commitment of our supporters.

### Our Infrastructures

Work continued to rationalise our estate's footprint with an exit from Ransome's Dock. Asset registers and our long-term maintenance plan were brought up to date to aid future planning. In addition to the completion and opening of the ArtBar and the DesignBar, work was also completed on the third floor of the Darwin Building, bringing it back into use.

Technical infrastructure was enhanced by the continued rollout of Case Management and Service Management best practice, supported by a donation from Bloomberg Philanthropies. We introduced an improved payment experience for students in partnership with Flywire and developed a new application and admissions system in partnership with EY to make it easier for students to apply for a place at the RCA.

# Sustainability

## Environmental Sustainability Strategy

**In 2023/24, the RCA developed its first Environmental Sustainability Strategy. This celebrates existing sustainability work across the College and highlights the priority areas in which we need to take action in the coming years to achieve our sustainability vision.**

The Environmental Sustainability Strategy supports the three goals and five enablers set out in the RCA's Strategic Plan 2022–27. Four pillars have been identified to focus our work on climate change and sustainability:

**Net Zero** Achieve Net Zero by 2035 by reducing scope 1, 2 and 3 greenhouse gas emissions by 90% from a 2022/23 baseline and building resilience to the effects of climate change.

**Sustainable Resource Use** Reduce our draw on natural resources and work towards becoming a circular institution.

**Teaching & Learning** Embed environmental sustainability in all forms of teaching and learning, so that students can contribute to and work within a more sustainable future.

**Research & Knowledge Exchange** Develop solutions to global sustainability challenges through research and innovation.

### Progress in 2023/24

In addition to the development of our Environmental Sustainability Strategy, we have undertaken a range of activities to improve our environmental performance at the College:

- Established the Environmental Sustainability Committee in September 2023, with representation from across the College including trade union and student representatives.
- Increased our People & Planet ranking from 'Failed' to '3rd Class', rising 19 places from 2022/23 and 29 from 2021/22.
- Developed an Operational Risk Register to identify and manage climate risks.
- Calculated our first carbon footprint covering full scope 1, 2 and 3 which is our baseline for achieving

our net zero target, allowing us to identify hotspots and establish plans to address these emissions. 2023/24 will be available in early 2025.

- Progressed against targets set out in our Sustainable Food Policy, including the removal of beef and single-use plastic bottles from sale in our catering outlets.
- Adopted a Responsible Procurement Policy and began embedding sustainability in tenders, including the Integrated Facilities Management contract.
- Completed the HESA Estates Management Record for the first time since 2019/20.
- Increased engagement with staff and students through communications and awareness activities, including our first Sustainability Survey.
- Participated in external networks locally and nationally, including South Ken ZEN+, London Higher and EAUC.

### Energy and Greenhouse Gas Emissions 2023/24

Following the development of our first carbon footprint for the 2022/23 academic year, we will report on our greenhouse gas (GHG) emissions annually. Full scope 1, 2 and 3 emissions will be available in early 2025. Scope 1, 2 and Scope 3 mileage is included in this report to align with the Streamlined Energy and Carbon Reporting guidance.

The methodology used to calculate our GHG emissions is the Standardised Carbon Emissions Framework for Further and Higher Education, which is based on the Greenhouse Gas Protocol. GHG emissions for 2023/24 are calculated using DESNZ's UK Government Conversion Factors 2024.

## Greenhouse gas emissions data for 2023/24

		2023/24	2022/23 (baseline year)	
	Energy use	GHG Emissions (tCO <sub>2</sub> e)	Energy use	GHG Emissions (tCO <sub>2</sub> e)
<b>Scope 1</b>				
Natural gas (kWh)	4,481,435	820	4,886,823	894
Propane (tonnes)	0.1	0.4	2.2	7
Refrigerant (kg)	25	33	0	0
<b>Scope 2</b>				
Electricity (kWh) Location based*	4,912,239	1,017	4,761,384	986
Electricity (kWh) Market based*	4,912,239	985	4,761,384	602
Heating & Cooling (kWh) Location based*	843,633	152	1,121,690	202
Heating & Cooling (kWh) Market based*	843,633	328	1,121,690	410
<b>Scope 3</b>				
Mileage (GBP)**	3,310	14	1,837	8
<b>Total emissions</b>				
Location based (tCO <sub>2</sub> e)		2,003		2,096
Market based (tCO <sub>2</sub> e)		2,147		1,920
<b>Intensity ratio</b>				
Location based: tCO <sub>2</sub> e per m <sup>2</sup>		0.039		0.041
Market based: tCO <sub>2</sub> e per m <sup>2</sup>		0.042		0.038

\* Electricity, heating and cooling data for the White City campus has been estimated for July 2024 through direct comparison with the previous year, as data is not available at time of writing.

\*\*Mileage has been estimated for 2023/24 and 2022/23 based on expenditure and emissions are calculated using HESCET V3.9.



### Energy efficiency

Energy efficiency activities in 2023/24 included:

- Replacing inefficient cast iron radiators with fully controllable fan coil units.
- Replacing fluorescent lighting with LED lighting and introducing presence detection.
- Improving lighting controls through separation of LED lighting groups.
- Introducing a fair use policy in the ceramics and glass workshop to support efficient use of kilns.

During the reporting year, photovoltaic panels on our Studio Building generated

# 35,823 kWh

The electricity purchased for our White City campus is renewable, totalling

# 1,033,749 kWh

Photos: Richard Haughton.

## Advancement & Alumni

**To our donors, we extend our deepest thanks for supporting our bold and ambitious vision for postgraduate art and design education. Your contributions have not only enhanced the student experience and broadened access to education, but have also nurtured a culture of enquiry and excellence that touches every aspect of the College.**

We are enormously grateful to the individuals, trusts, foundations, corporations and alumni who donated and pledged over £5.7 million in philanthropic support to the RCA during the financial year 2023/24. Thank you, to our community of supporters who have continued to champion and support the creativity and innovation of RCA students, staff and alumni.

Among the year's many highlights were the launch of the inaugural Märit Rausing Scholarship in Ceramics & Glass, alongside continued support from scholarship donors including the Eranda Rothschild Foundation, Max Mara, Rothschild Foundation and Pokémon With You Foundation, amongst many more. We also celebrated the continuation of our multi-year partnership with Outernet London, the landmark research of the CLIMAVORE x Jameel at RCA partnership, our global partnership with Hyundai Kia and our transformative outreach work with Snap.

The accomplishments of our alumni in 2023/24 have been truly remarkable, spanning disciplines as diverse as fine and applied arts, fashion, intelligent mobility and computer science.

Dame Tracey Emin (MA Painting, 1989), was recognised in the King's Birthday Honours for her services to art; Jasleen Kaur (MA Goldsmithing, Silversmithing, Metal & Jewellery 2010), was nominated for this year's Turner Prize; Dr Lawrence Lek (PhD Communication, 2022), was announced as the winner of Frieze's London 2024 Artist Award; and Bianca Saunders (MA Fashion Menswear, 2017), won 'New Establishment Menswear Designer' at The 2023 British Fashion Awards, and received the 2024 British Fashion Council/GQ Designer Fashion Fund, which includes £100,000 in funding.

To our donors, we extend our deepest thanks for supporting our bold and ambitious vision for postgraduate art and design education. Your generosity enables integrated research, teaching, and knowledge exchange while fostering partnerships and collaborations on national and international levels. Your contributions have not only enhanced the student experience and broadened access to education, but have also nurtured a culture of enquiry and excellence that touches every aspect of the College.

As we look ahead to the future, we do so with optimism and excitement, knowing that with your continued support, there are no limits to what we can accomplish together.

## Advancement & Alumni Support for Students



The RCA is committed to art and design training – celebrating diversity, eliminating discrimination and promoting equality of access for all.

In the 2023/24 academic year more than 100 students enrolled at the RCA with donor-funded support. This year saw the first Märit Rausing, Eranda Rothschild, Max Mara and The Rothschild Foundation scholars enrolling at the RCA, all supported by scholarship funds established in the 2022/23 academic year. New initiatives to broaden access to education are outlined below.

### Scholarship Support

This academic year, new initiatives have been developed and will begin supporting students on their academic journeys in 2024/25 and 2025/26. **The Aziz Foundation Scholarship** will award a full-fee scholarship to a British Muslim student studying any MA programme with home-fee status. **The Althafen Foundation Scholarship** will grant a full-fee scholarship to a student with international or home-fee status. **The Radcliffe Trust Craft Scholarship** will support a student and **The South Square Trust** will make an award to a student studying MA Jewellery & Metal. **The Virgil Abloh Scholarship** will offer a full-fee scholarship, including maintenance support, to a talented, Black British student on any programme in the School of Design.

#### Ali H. Alkazzi Scholarship

Recipient Jin Fang (MA Painting, 2024)

## Support for Students

The Eranda Rothschild Foundation made a gift in support of **The Eranda Rothschild Scholarships** programme. This support has been renewed and awards scholarships to UK-fee status students studying MA Architecture, MA Writing, MA Animation and MA Design Products programmes. **The Zuzsi Roboz Scholarship – Chelsea Arts Club Trust** awards a full-fee scholarship to a student studying in the MA Painting programme with home-fee status. **The Leathersellers' Foundation Bursary** awards three partial-fee scholarships each academic year. **The Haberdashers' Textile Scholarship** awards one scholarship each academic year. **The Coats Foundation Bursary** awards eight bursaries for students studying on the MA Textiles programme and **The Behrens Foundation Bursary** awards three bursaries to students studying on the MA Jewellery & Metal working in silversmithing with home-fee status. Thank you to our loyal donors for continuing to support our talented students.

We were proud to announce the winners of the sixth Pokémon Scholarship in December 2023 – MA/MSc Innovation Design Engineering student, Lucie Legrandois, and MA Sculpture student, Betty Fan. The unique scholarship supports pioneering RCA students who demonstrate the potential for breaking new ground with their creative forces in the visual arts, design and communications.



### **The Pokémon Scholarship 2023/24**

was awarded to MA/MSc Innovation Design Engineering student, Lucie Legrandois (above) and Betty Fan.



### **Top image**

Sophie Longwill, recipient of the Märít Rausing Scholarship in Ceramics & Glass.

### **Image above**

Ian Griffiths (MA Fashion, 1987) Creative Director, Max Mara received an Honorary Doctorate from the RCA in September 2024. Pictured above with the Max Mara Scholars, Holly Mills-Zivanovic and Annie May Purdy.

### **Annual Prizes**

The College has a number of annual donor-supported prizes that are awarded for academic merit.

The **Jury Prize for Best Expanded Practice – Jewellery** was awarded to Hewaida Ramly (MA Jewellery & Metal).

**The Chelsea Arts Club Trust MA Materials and Research Award** was awarded to Charis Entwisle for outstanding practice in MA Painting. **The Robin and Lucienne Day Foundation Prize** was awarded to Shannon Swinburn for outstanding practice in MA Textiles. **The HIGH Prize with Interfashion SpA** transferred from the School of Arts & Humanities to the MRes Programme in 2024 and was awarded over summer 2024.

# Advancement & Alumni Partnerships & Events

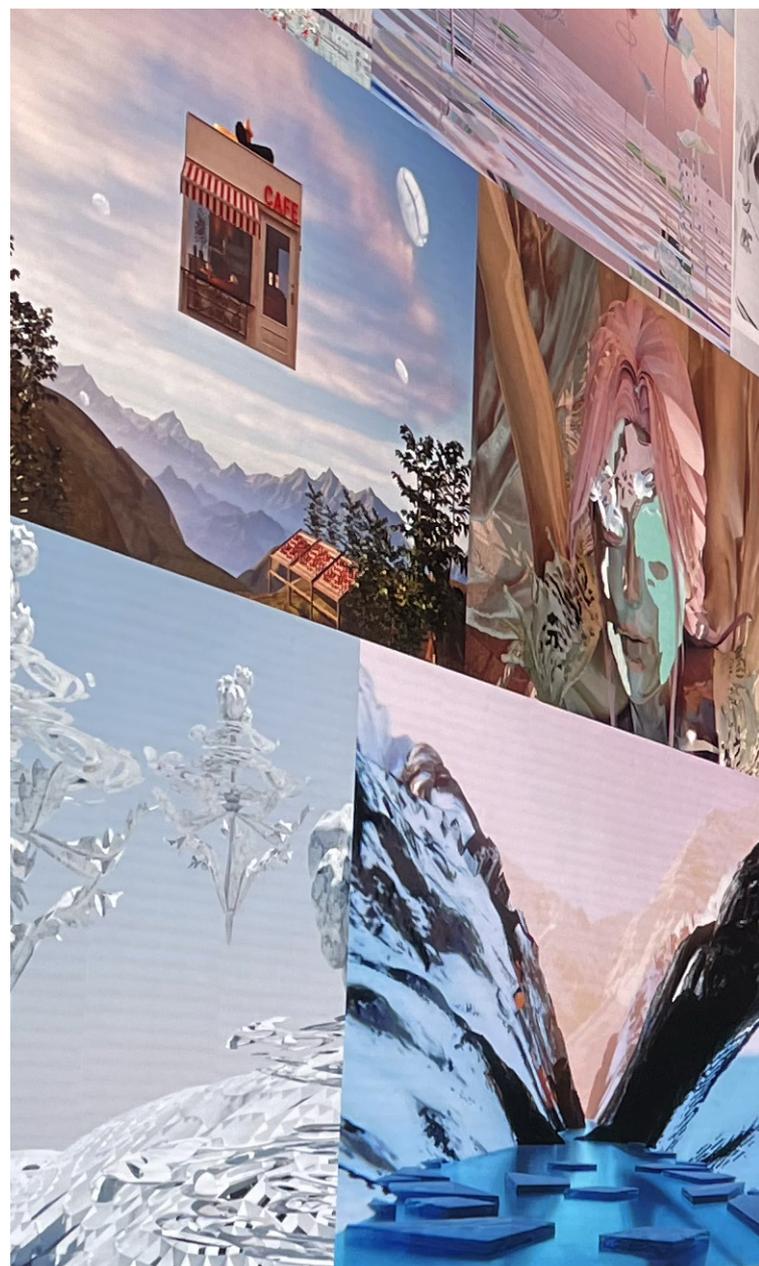
2023/24 saw the RCA and partners continue several initiatives, reimagining the world around us and creating environments conducive to producing new knowledge and solutions to address global challenges.



## Continued partnership with Outernet London

As part of the College's multi-year partnership with Outernet London, the media and culture district in central London, a VIP Private View of the **RCA Digital Direction showcase** was held in July. Featuring work created by students on the MA Digital Direction programme, the exhibition addressed the urgent need for inclusive and relevant storytelling using new technologies.

Photo credit: Adam Zafar.

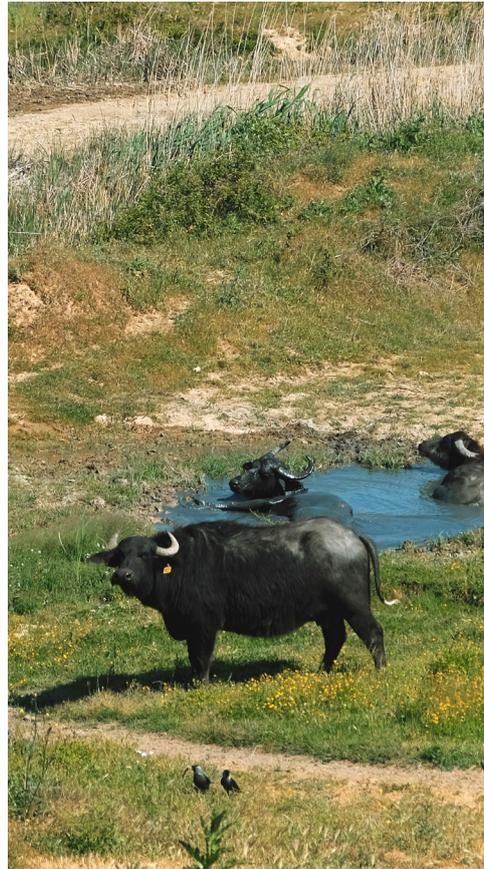


## Projection detail at Outernet London

VIP Private View of the RCA Digital Direction showcase, July 2024.



## Advancement & Alumni Partnerships & Events



### CLIMAVORE x Jameel at RCA

Dedicated to reimagining foodways for drylands and wetlands in the climate crisis, this important partnership advances ecological networks to produce new knowledge and action towards spatial justice. This academic year two research projects took place in Türkiye and Italy. It has been a year filled with an outstanding number of high quality, meaningful and impactful activities and public engagement, which include the first **Food Action Awards**.

### Images

Çamuralem Yoghurt produced for CLIMAVORE x Jameel at RCA Water Buffalo Commons 2024.

Photos: Deniz Sabuncu and Ek Biç Ye İç.





### Sir Jony Ive at the Chancellor's Circle Dinner

Photo: Shaun James Cox.

### Chancellor's Circle Dinner

Taking place in September, the Chancellor's Circle 2023 welcomed more than 100 guests to the Hangar in Battersea. Before sitting down to dinner, guests were invited to explore a curated selection of paintings from RCA2023 and the College's own collection. Hosted by Chancellor Sir Jony Ive, the dinner was a celebration of philanthropy at the RCA and a chance to especially thank the newest Chancellor's Circle members, Bloomberg Philanthropies and Community Jameel, for their incredible generosity.



### Alumni events

London, South Korea, Japan, Italy and USA.

### Scholar Afternoon Tea Reception

The Advancement team held its second annual Scholar Afternoon Tea in October 2023, providing a key touchpoint in the academic year for donors to meet their scholars. The reception was held in the newly refurbished DesignBar at Battersea and offered scholars a chance to meet their donors and each other in a relaxed atmosphere. Donors and representatives from the Cass Art Scholarship, Heveningham Concours Scholarship and Burberry Design Scholarship also met with their scholars for the first time at the event.

### Scholar Socials

Two opportunities for scholars to network were held at the ArtBar in Kensington in the spring and summer terms. This was part of a scholarship stewardship programme which offers scholars points across the year for meaningful collaborations and networking.

### Alumni Events in South Korea, Japan, Italy and USA

The RCA hosted its first ever Alumni events in Seoul and Tokyo. Programming also included events at Milan Design Week and New York Design Week.

### Alumni Art Bar Nights of Nostalgia

The Alumni team invited alumni and friends of the College to gather for nostalgia, memories and anecdotes about College life and shared experiences at a series of events in the ArtBar. The series culminated with a BBQ to celebrate the 50th anniversary of the ArtBar.

## Advancement & Alumni Partnerships & Events

### Sotheby's Breakfast Preview

We were delighted to be included in the exhibition of *London: An Artistic Crossroads* which was held in June for donors and friends of the College at Sotheby's New Bond Street. The RCA loaned Lucian Freud's portrait of painter John Minton, from the RCA collection, for the exhibition.

### R. B. Kitaj Private View

In January a private view of **R. B. Kitaj: London to Los Angeles** was held at Piano Nobile. This was a fantastic chance for donors and friends of the College to gather at this exhibition of an RCA Alumnus' work.

### RCA2024

The Advancement & Alumni team hosted **previews at Battersea in support of RCA2024**. This event celebrated the work of graduating students from the School of Arts & Humanities and offered the College's supporters an exclusive opportunity to tour the show before its public opening. Alumni receptions at the School of Arts & Humanities, and School of Architecture exhibitions were also held as part of RCA2024.



**RCA2024** Work by MA Ceramics & Glass and MA Jewellery & Metal students  
Photo: Shaun James Cox.



Images above

**John Minton (1952) by Lucian Freud**

### Sotheby's showstoppers

The RCA loaned Lucian Freud's portrait of painter John Minton, from the RCA collection, for the exhibition featured on *The Evening Standard*.  
Photo: Charlotte Hadden. Courtesy Sotheby's.

## Advancement & Alumni Partnerships & Events



**RCA2024** Work by  
*Clockwise from top left*  
 Myles Igwebiuke (MA Design Products).  
 Work by SoA students. Photo: Aisha Seriki  
 Serena Maria Dicks (MA Ceramic & Glass).  
 Work by MA Sculpture students.  
 Resinero by Hugo F. Garcia  
 (MA MSc Innovation Design Engineering)  
 Solus by Richard Alexandre  
 (MA Innovation Design Engineering).  
 SoA Aisha Seriki. Photo: Aisha Seriki  
 Hot Girls Hike, Annie Purdy (MA Fashion).  
 Shiyong Carlos Ma (MA Fashion).  
 Eleanor Rose (MA Fashion).  
 E Gathering, Hanna Fastrich (MA Ceramics Glass).  
 Outward, Yunlong Xu (MA Photography)  
 The Thresholds, Yuze Wu  
 (MA Visual Communication). Photo: Xize Xu  
 Work by MA Design Products students.  
 Photos: Shaun James Cox, unless otherwise stated.



# Advancement & Alumni Alumni

We are continuing to build our alumni communities worldwide, enabling graduates to make connections with each other and to access networks, resources and insights. This network will ensure that the RCA can amplify the positive change we make in the world. With active alumni communities worldwide, the RCA regularly reaches out to alumni residing in more than 80 countries.

Over the year a number of alumni continued to share their experiences and life lessons through *My GenerationRCA Stories*. These highlight RCA alumni who continue to play an instrumental role in defining art and design as we know it, including Jennifer Kidd, Rodrigo García González, Pierre-Yves Paslier, Kathryn Ferguson, Aarushi Kalra and Timi Oyedeji.

A selection of truly inspiring alumni highlights from the 2023/24 year include:

As part of this year's Wimbledon Championships, **Notpla** seaweed-coated sustainable and biodegradable boxes were used. Wimbledon strawberries and cream were seen in Notpla boxes designed by Rodrigo García González and Pierre-Yves Paslier (MA/MSc Innovation Design Engineering, 2014).

## Images right: The Notpla project at Centre court

Seaweed-coated sustainable and biodegradable boxes were used at Wimbledon to savour delicious strawberries and cream. The liquid packaging revolution is where it all began for Notpla.





Rong Bao's (MA Sculpture, 2023) debut solo exhibition, 'RONG BAO IS ME' marked the **first solo show at the Saatchi Gallery** dedicated to a female Chinese artist. Image above.

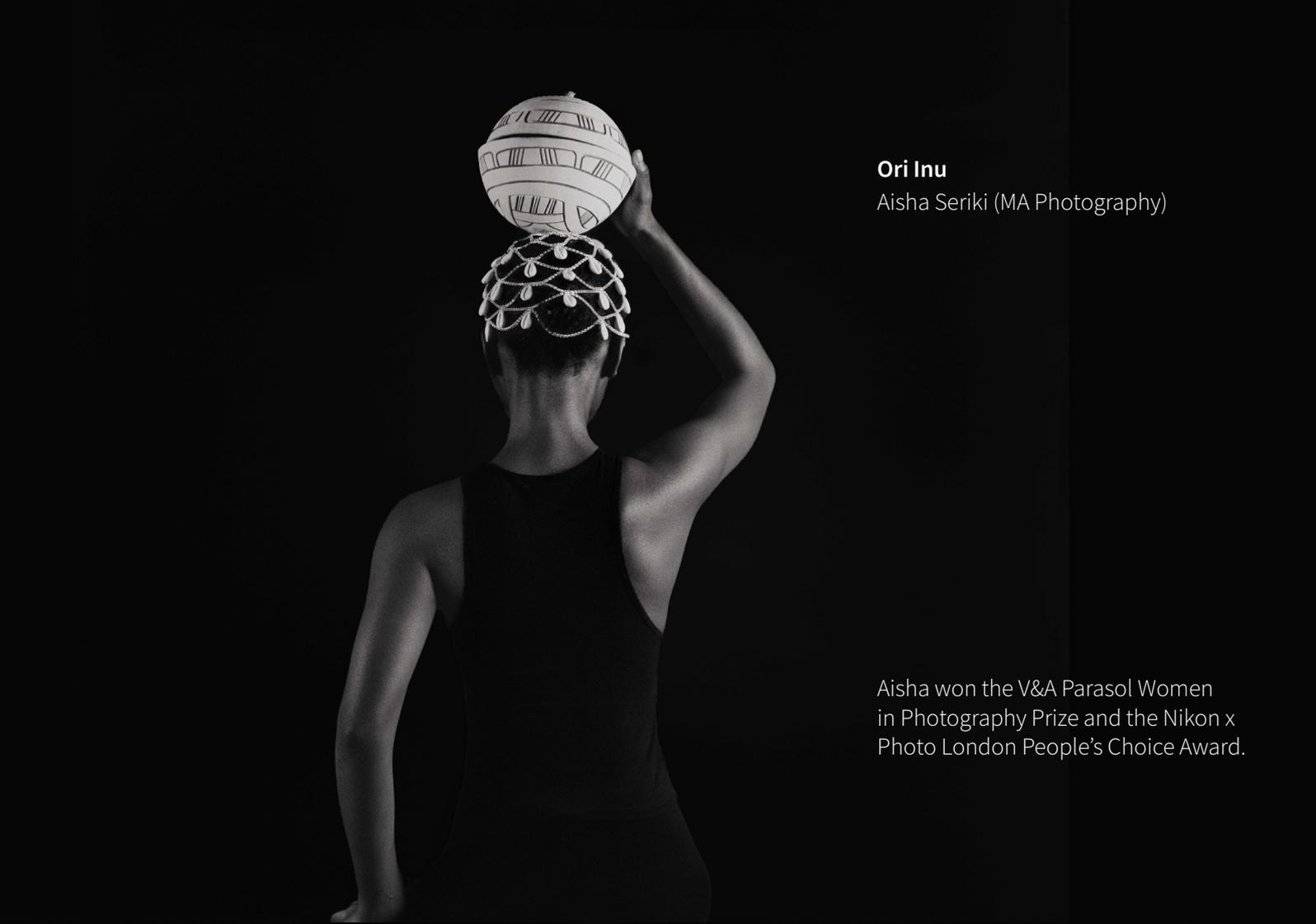


**Frameless**, London launched its exciting new **Blank Canvas residency 'Samsara'** supported by the Royal College of Art. The new thought-provoking, three-part audio-visual experience saw three of the RCA's best-emerging alumni, Olesea Bortniac, Shahwali Shayan and Tao Xie (all MA Digital Direction, 2023) take part.



Graeme Smith (MA Ceramics & Glass, 2023) image above and Remi Kuforiji (MA Architecture, 2021) image above right were selected as the **inaugural artists on the RCA BLK and Yinka Shonibare Foundation** (UK) artist residency programme in Lagos, Nigeria.

Graeme Smith photo: Ais.



**Ori Inu**  
Aisha Seriki (MA Photography)

Aisha won the V&A Parasol Women in Photography Prize and the Nikon x Photo London People's Choice Award.





**'Landscape' by Pauline Boty**  
(ARCA Diploma Stained Glass, 1961)

# Alumni Council

The RCA's Alumni Council is a network established to support the College and its students, including profile raising and US gift management.

## Francesca Amfitheatrof

(MA Jewellery & Silversmithing, 1993)

## Christopher Bailey CBE

(MA Fashion Womenswear, 1994)

## Tim Brown CBE

(MA Industrial Design, 1987)

## David Constantine MBE

(MDES Computer Related Design, 1990)

## Sir James Dyson CBE, OM

(MDes Furniture, 1971)

## Dame Tracey Emin CBE

(MA Painting, 1989)

## Lady Hamlyn

(DesRCA Diploma Fashion, 1955)

## Thomas Heatherwick CBE

(MA Furniture, 1994)

## David Hockney OM CH RA

(ARCA Diploma Class I Painting, 1962)

## Alison Jackson

(MA Photography, 1999)

## Asif Kapadia

(MA Film & Television, 1997)

## Orla Kiely OBE

(MA Knitted Textiles, 1992)

## Professor Gerry McGovern OBE

(MA Vehicle Design, 1978)

## Professor Dame Magdalene

### Odundo DBE

(MA Ceramics & Glass, 1982)

## Dame Zandra Rhodes DBE

(DesRCA Diploma Class in Textile Design, 1965)

## Peter Schreyer

(MA Vehicle Design, 1980)

## Sir Ridley Scott

(ARCA Diploma Graphic Design, 1961)

## Emma J Shipley

(MA Textiles, 2011)

## Clare Waight Keller

(MA Fashion Knitwear, 1993)

# RCA USA

With the support of RCA students, alumni and supporters in the US – RCA USA helps achieve international standards of excellence in postgraduate education for artists and designers which closely aligns with the RCA and its long history.

The board is committed to a range of activity throughout the year including hosting RCA and RCA USA alumni events on the East Coast and the West Coast, and arranging meetings between RCA staff, student and prominent alumni when travelling across the USA.

## Chair & President

Peter Russell-Clarke

(MA Industrial Design, 1993)

## Deputy Chair

Lady Grainge

## Treasurer & Secretary

Helen Protheroe

## Director

Francesca Amfitheatrof

(MA Jewellery & Silversmithing, 1993)

## Director

Alastair Curtis

(MA Industrial Design Engineering, 1992)

## Director

Vice-Chancellor of the

Royal College of Art

Dr Paul Thompson

(Resigned April 2024)

## Director

President & Vice-Chancellor

of the Royal College of Art

Professor Christoph Lindner

(Appointed May 2024)

## Executive Director

Associate Director of Advancement

& Alumni

Shaun Fradd

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Jaakko T Tuomivaara  
Max F Wehebrink  
Christine Westwood-Davis  
Alexander W Young

£104.9m

Total income

£98m Unrestricted income

12%

from Funding Council grants

£5.7m

Donations and Endowments (cash received) in year

£1.3m

Unrestricted operating margin

1%

of unrestricted income

£ **8.4** m

Net cash inflow from  
operating activities

**8%**  
of income

£ **7.4** m Capital investment

£ **7.5** m &  
of cash

£ **8** m  
of borrowing  
at year end

# Financial Review

**During 2023/24, the RCA has continued to operate in an uncertain environment. Although there have been improvements in the UK's economic outlook, universities, including the RCA, continue to face numerous sector-wide challenges, such as rising operating costs, the impact of changes to international student visa policies, increasing competition and the ongoing need to demonstrate value-for-money to our students. Despite this, we managed to maintain a stable financial position, delivering a modest operating margin and net operating cash flow, in line with the goals in our five-year financial plan.**

September 2023 marked the second year of our new one-year MAs and the launch of our new MFA, MDes, MEd, MArch and revamped MRes programmes. Alongside this, we continued to make substantial investments in enhancing the student experience. Over the last two years, we have seen a 30% increase in overall academic and related expenditure, including the recruitment of additional academic and technical staff and increased spending on student events and exhibitions.

With the move to a majority one-year MA model, investment in student recruitment was further increased during the year. Our financial sustainability is highly sensitive to our student numbers, therefore we continue to invest in the development of new academic offers that reflect the flexibility of how students may choose to learn in the future.

The year continued to pose a significant cost-of-living challenge for both our students and staff. In response, the College increased its commitment to student financial support with expanded bursaries, scholarships and student welfare initiatives, worth over £6m, 6% of the College's annual operating expenditure – further details can be found on page 37. Following previous commitments, the College also implemented further increases of the London Weighting Allowance (LWA) to ensure a match to the UCEA inner LWA median by August 2024.

Research continues to be at the core of our teaching ethos. Alongside the award of new grants and contracts, as outlined in the Strategic Review, this year the College recognised the highest level of annual research income in its history, linked to the delivery of projects such as those outlined on page 8.

The past year saw a winding down of our hugely successful Battersea fundraising campaign, which raised £45m in total. As a result, income from donations and endowments reduced, however thanks to the continued generosity of our donors we received £5.7m of funding, including £1.3m of scholarship and bursary funding.

Following the completion of our new Battersea buildings in 2022, capital spending has reduced this year while we develop plans to revitalise our Kensington campus and bring our community of students and staff back together to two campuses. These works will include investment to replace an area of Reinforced Autoclaved Aerated Concrete (RAAC), which has been identified in a small section of the Darwin Building. Protection works have been completed with these areas having been taken out of use until the structure can be replaced.

Alongside expenditure on our campuses, investment this year has included spending on the first phase of a new network plus technology to support improved Customer Management (ServiceNow), thanks to a major grant from Bloomberg Philanthropies, Research Management (PURE) and Financial forecasting & planning (Workday). These and other investments are aimed at increasing resilience alongside the delivery of service improvements and greater efficiencies in our support services that will help us demonstrate improved value for money for our students.

The external funding landscape for UK educational institutions remains challenging concerning the teaching subsidies needed to support the high cost of teaching in a specialist institution. Income from Government grants is crucial to our teaching funding and the College continued to receive funding of £5.2m in 2023/24, including £4.5m of World Leading Specialist Funding.

Looking ahead, to support the sustainable development and growth ambitions of the College, an important part of our current and future financial strategy will be to preserve and continue to build on our surpluses and operating cash flow, to ensure we have funding to remain agile and responsive to change, and to invest accordingly. New complexities and challenges will always emerge, so although we remain confident in our plans, we will continue to assess different scenarios, such as fluctuations in student numbers, changes to government funding levels, and variations in our operational costs and capital investment plans. We will do this in a way that maintains our ongoing commitment to workforce development, digital transformation, and estate management. Prudent financial management will continue to be important as we navigate uncertainties, with scenario planning and frequent re-forecasting playing crucial roles in ensuring the College's long-term sustainability.

## Overview of the year

	2021/22	2022/23	2023/24
<b>Performance</b>			
Earnings before interest, tax and amortisation (EBITDA)* (£m)	19.9	15.8	12.6
% of total income	22 %	16 %	12 %
Unrestricted operating margin (£m)	0.5	0.7	1.3
% of Unrestricted income	1 %	1 %	1 %
Net cash inflow from operating activities (£m)	18.4	15.5	8.4
% of total income	21 %	15 %	8 %
<b>Investment</b>			
Capital investment (£m)	23.1	13.4	7.4
<b>Liquidity and Debt</b>			
Cash and cash equivalents (£m)	17.9	21.2	7.5
Borrowings (£m)	20.0	18.0	8.0
<b>Financial Strength</b>			
Net assets at year end (£m)	186	193	201

\* Adjusted to exclude deferred government grants

Despite the challenging external operating environment, the College generated an Unrestricted Operating Margin of £1.3m, 1% of unrestricted income (2022/23: £0.7m, 1%). Performance was slightly ahead of prior year, despite the inclusion of £0.5m of remedial expenditure linked to the identification of reinforced autoclaved aerated concrete (RAAC) and £0.9m of staff restructuring costs. Underlying performance showed an 11% increase in tuition fees offset by an 11% uplift in academic, technical and other staff costs, plus increased bursary and other student-facing spending.

To ensure the continuing financial sustainability of the College, the focus has remained on cash management alongside operational efficiency. Earnings before interest, tax depreciation and amortisation (EBITDA) was £12.6m in 2023/24 (12% of total income), which is slightly lower than prior year (2022/23: £15.8m, 16%) due to a reduction in income from donations and endowments.

Cash generation is an important part of the RCA's financial strategy, as the College looks to continue its investment in extending and enhancing its physical, digital and technical services infrastructure. Net cash inflow from operating activities of £8.4m (8% of income) was lower than prior year (£15.5m, 15% of income), due to a reduction in creditors following the completion of our new Battersea buildings. The College ended the year with £7.5m of cash and £8m of borrowing from the revolving credit facility (RCF) with HSBC. As such, total debt was well within covenant thresholds (total debt to net assets not more than 50%, and interest cover not less than 3.5), and cash held is sufficient to meet the College's current obligations whilst maintaining an appropriate level of working capital.

## Total income

**Total income of £104.9m was 4% higher than last year (2022/23: £100.8m) and included £5.7m of cash from donations and endowments (2022/23: £10.6m).**

### Unrestricted income

Unrestricted income of £98.0m was 9% higher than last year (2022/23: £89.6m).

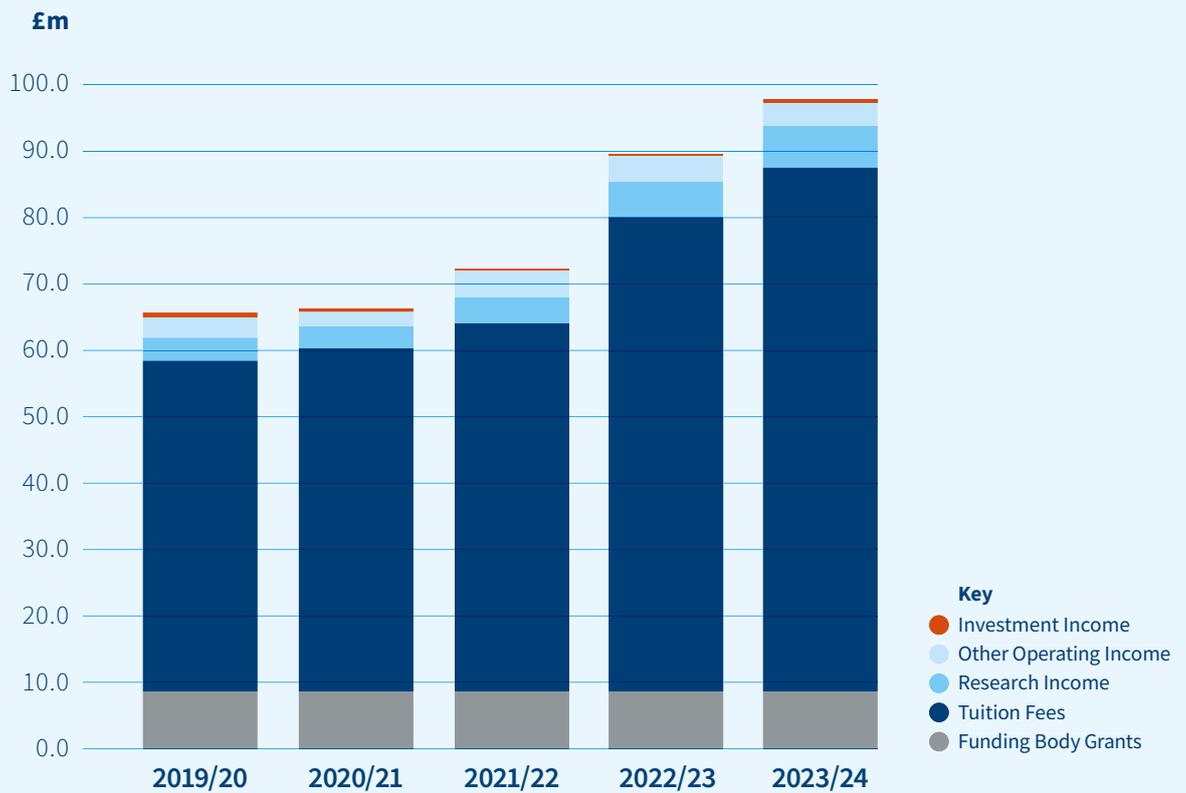
Income from tuition fees grew 11% to £76.0m (2022/23: £68.4m), representing 78% of the College's unrestricted income. Total Full-Time Equivalent (FTE) student numbers were 2,797 (2022/23: 2,772). The College continues to develop its postgraduate taught programmes, with 2,607 FTE students registering in 2023/24 (excluding Graduate Diploma), 75% of whom were from outside the UK (2022/23: 2,638 FTE, 71% from outside the UK). 190 Graduate Diploma students were enrolled during the year (2022/23: 134).

Income from funding body grants was £11.5m in 2023/24, a decrease of £0.2m versus the prior year (2022/23: £11.7m).

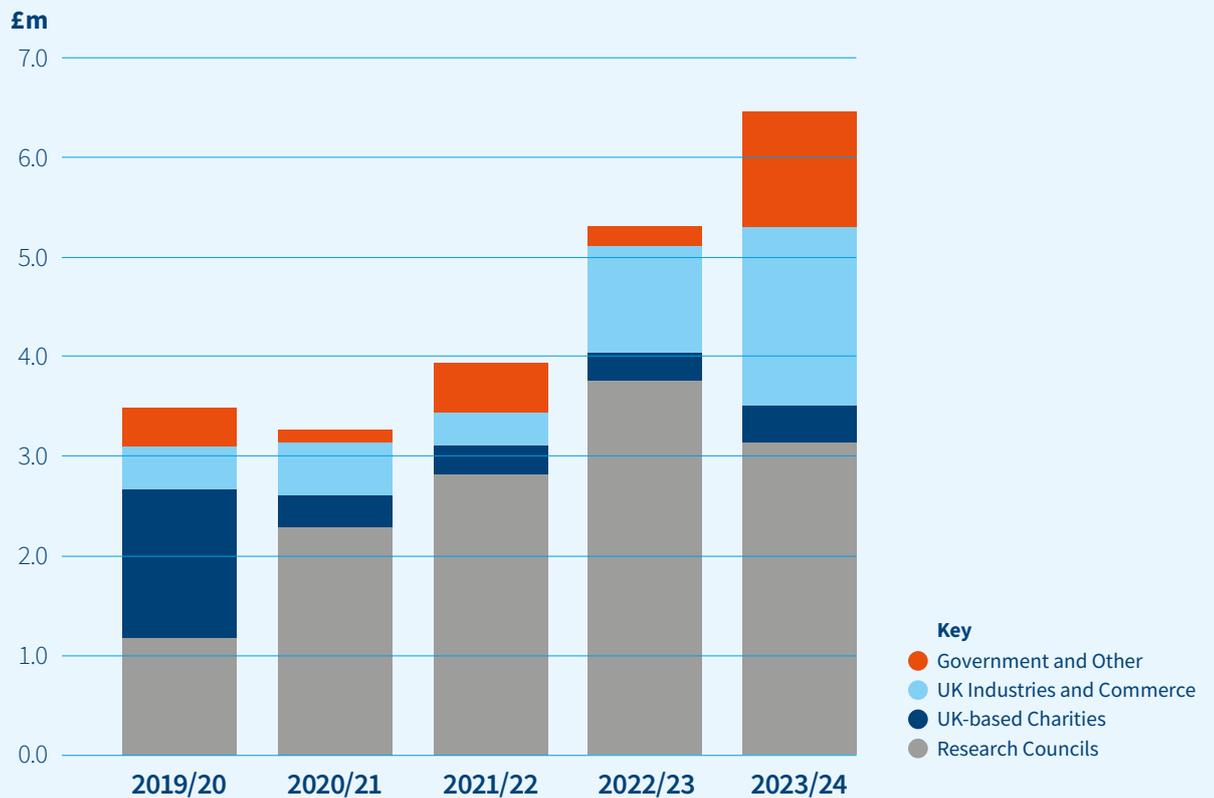
Income generated from high-quality research and knowledge exchange reached £7.8m in 2023/24 (2022/23: £6.3m). Of this, £6.5m related to research grants and contracts (2022/23: £5.3m). The College continues to work on high-profile projects, such as those in the Helen Hamlyn Centre for Design, the Design Age Institute, and the Textiles Circularity Centre, as well as international collaborations, such as the Laboratory for Artificial Intelligence in Design (AiDLab).

Income from executive education totalled £1.3m (2022/23: £1m), an increase of £0.3m/36%. During the year, the Executive Education team ran 39 online and on-campus courses, with custom executive education projects increasing to 60% of total income (2022/23: 38 courses).

## Unrestricted income



## Research Grants and Contracts Income



## Total expenditure

Total expenditure increased by 8% to £100.0m (2022/23: £92.3m).

Direct spending on teaching and research (including technicians and library) of £45.5m (47% of the total expenditure) was £5.1m, i.e. 14% higher than prior year (2022/23: £40.4m, 44% of total expenditure).

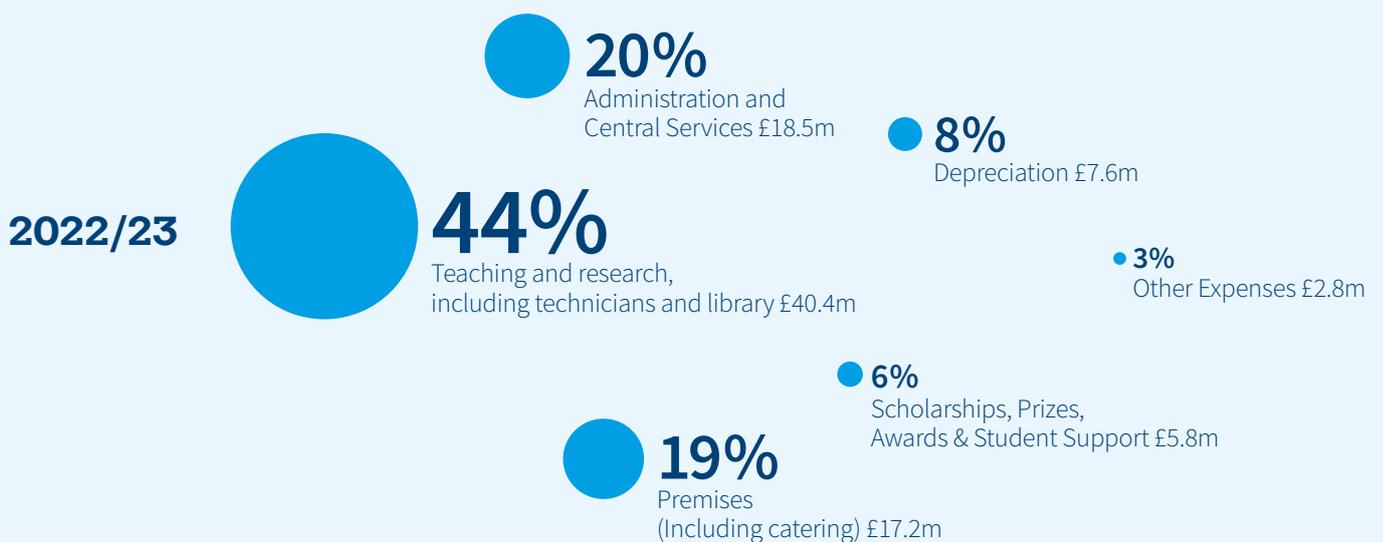
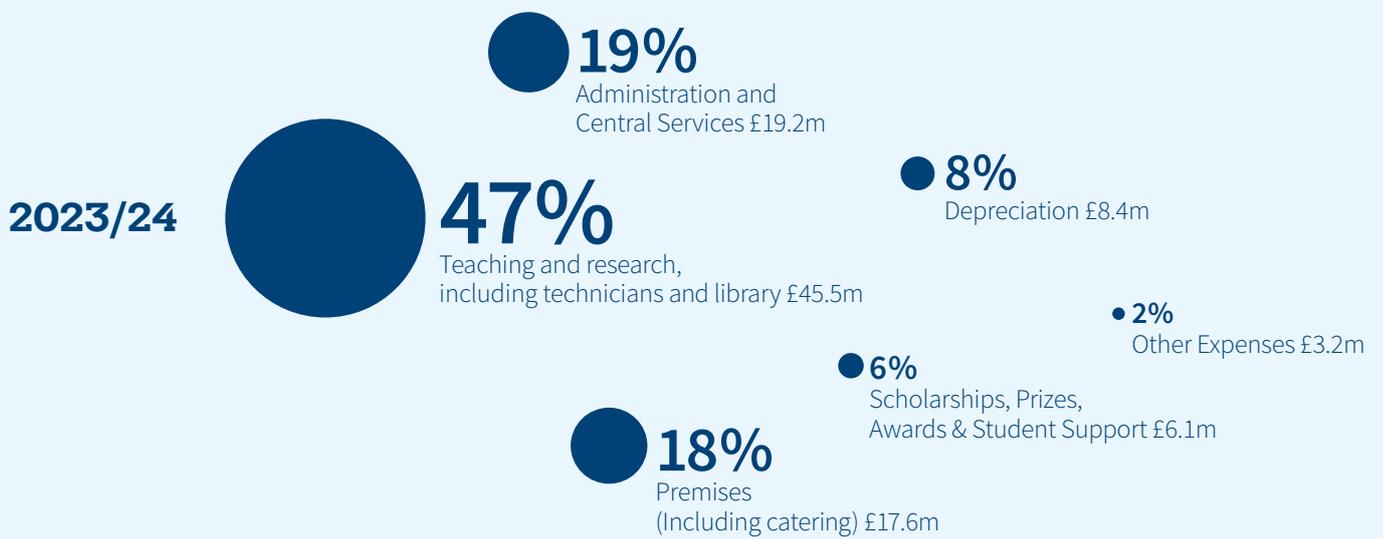
Spending on scholarships, prizes, awards, and student support rose by 5% to £6.1m (2022/23: £5.8m, increase of £0.3m) as the College looks to deliver its 2022–27 Strategic Plan target of increasing spending from 4% to 8% by 2027.

Premises costs (including catering) of £17.6m were £0.4m, i.e. 2% above prior year despite high inflation, energy and material prices (2023/24: £17.2m).

Spending on administration and centrally-managed services of £19.2m made up 19% of the total cost in the year (2022/23: £18.5m, 20% of total costs). Of this, £14.3m was linked to the delivery of the College's support functions such as the Research Office, Student Support, Registry, Communications & Marketing, Technology, People & Culture and Finance, whilst £4.9m related to centrally managed College-wide costs including card fees linked to payment of tuition fees, student recruitment marketing, staff recruitment and staff development. In total spending on administration and centrally-managed services is £0.7m lower than last year; this includes lower spend on staff recruitment, offset by higher technology costs due to above-inflation software costs and investing in new customer management and financial planning software.

Depreciation and amortisation charges increased to £8.4m (2022/23: £7.6m) following investment in IT systems, digital and technical equipment and the estate. This included investment in the White City Network, Technical Services equipment, and new software to assist the College's planning and support future cost efficiencies.

# Total expenditure



## Bursaries and scholarships

During 2023/24, the College distributed £6.1m of funding (representing c. 6% of total expenditure). This included £5.6m to provide more than 430 scholarships and prizes to RCA students, plus additional fee discounts and funding to Research students (including those studying via part-funded studentship programmes). A further £0.5m was spent on other student support, including funding the student union and improving the student experience.

The £5.6m of scholarships and prizes included the College dispersing £0.4m to enrolled students to help support those in financial difficulty to complete their studies. A dedicated Continuation Fund was in place to support students struggling with their programme fees, moving into their second year of studies. Students could apply through the Financial Assistance Fund to help with essential living and course materials costs to support their studies throughout 2023/24, and we provided dedicated funding for disabled students who required additional specialist support and resources, enabling academic engagement. The College worked with RCASU to administer £90k of supermarket vouchers to students. We also provided free sanitary products across all campuses throughout the year and funding to support student community building.

The College's Sir Frank Bowling Scholarship Fund awarded £700k to 34 Home students from Black African and Caribbean diaspora heritage, or mixed Black African and Caribbean diaspora heritage. In the third year of the fund, support for Graduate Diploma students was also piloted.

Learnings from 2023/24 have informed a refined 2024/25 offer to enable support for:

- A combination of incentive scholarships (merit-based awards sent with programme offers) and needs-based scholarships (to be applied for and awarded in recognition of financial need or in support of under-represented groups in higher education).
- A defined and strategic Graduate Diploma offer.
- The launch of a Sir Frank Bowling PhD Studentship.
- Match funding relationships with the British Council and Inlaks Foundation.

## Capital investment

The RCA's capital investment programme has continued with over £138m invested across the last five years in the development of its estate and other infrastructure improvements, which is part of the College's ambition to provide world-class campuses, teaching, innovation and research facilities. Over the next five years, a further c. £100m is planned as we continue to work on the refurbishment of our Kensington campus and move back to two campuses in the 2026/27 academic year, alongside improvements to our digital infrastructure.

In 2023/24, the College spent a total of £7.4m on capital additions (2022/23: £13.4m). £4.4m was invested in buildings and campus development (2022/23: £9.1m), including Kensington buildings and Battersea-related expenditure.

Additionally, the College invested over £3m in IT hardware and software, security and network infrastructure, as well as further funding for digital learning tools (2022/23: £4.3m).

## Indicators of financial strength

### Operating margin

Unrestricted Operating Margin was £1.3m, 1% of unrestricted income (2022/23: £0.7m, 1%). As in previous years, cash from surpluses has immediately been reinvested in new digital IT infrastructure, technical equipment, and ongoing building maintenance.

### Cash flow from operating activities

Net cash inflow from operating activities was £8.4m (8% of total income) in 2023/24, compared to £15.5m in 2022/23 (15% of total income). The year-on-year change is due to a reduction in the level of creditors following the completion of our new Battersea buildings.

### Borrowings/cash and cash equivalents

At the end of the year, the College held cash of £7.5m (2022/23 £21.2m) and had total borrowings of £8m in a revolving credit facility (2022/23 £18m).

The College has access to a £45m revolving credit facility (RCF) with HSBC. The purpose of the facility is to cover i) outstanding debt on the RCA's new Battersea campus development, alongside ii) funding to enable the delivery of academic, estate and technology investments outlined in the College's 2022–27 strategic plan. As at 31 July 2024, the College had drawn £8m of this facility. The loan drawdown is subject to quarterly interest rate repayments. There is no charge over the RCA's assets for either of the loan facilities.

The College's policy is to hold a minimum of 14 liquidity days of cash (two weeks), which is expected to be equivalent to c. £4m. This level of cash is considered to be adequate as the College has immediate or same day access to cash from its RCF and the College maintains a detailed cash flow that provides the information needed to monitor and manage the cash cycle. This approach to managing cash aims to minimise the amount of debt funded cash held and, during periods when the College has excess cash, maximise the amount that can be placed on deposit. This should minimise interest payable and maximise interest receivable.

### Net assets

The RCA's Balance Sheet remains strong: net assets have increased to £201m (2022/23: £193m). The main reason for the movement was an increase of c. £10m in the College's current and non-current investments due to an increase in endowments including a £2m increase in market value.

### Current ratio

The ratio of Current Assets to Current Liabilities measures an organisation's ability to pay its short-term creditors. The College's ratio went from 0.7 to 0.5 during the year as prior year cash included an endowment gift, which was invested during the year. The current ratio is below 1 as the RCA's cash policy is to use cash reserves to minimise debt, meaning the College can draw debt from the revolving credit facility to fund the finalisation of works associated with the new Battersea buildings if required. Therefore cash/current asset levels can be increased when needed.

The RCA remains fully committed to the prompt payment of its suppliers' invoices, and aims to pay in accordance with contracted conditions, or where no such conditions exist, within 30 days of receipt of invoice or of the goods or services concerned.

### Endowment assets

The RCA's investments are overseen by the Investment Committee (a subcommittee of the Planning & Resources Committee), which is charged with setting investment policies for the College's endowments and cash reserves, and monitoring their implementation.

### Responsible investment policy

The College recognises that the investments it makes should reflect the values of the College, its staff and student body, alumni and supporters and therefore adopts a socially responsible approach to investment, allowing ethical considerations to be taken into account whilst ensuring there is no significant detrimental impact on the investment return.

The College has a Responsible Investment Policy, which can be found on the College's website. All investments are in funds with a fossil fuel exclusion policy.

### **Endowment performance**

As at 31 July 2024, Close Brothers, the College's Investment Managers, were managing £38.5m on behalf of the RCA. Investment performance during the year was significantly improved over recent years, with dividends received into the funds amounting to £727k and capital appreciation (net of fees) increasing the capital value of the funds by £2.3m. The latter helping to ensure the endowments' purchasing power is sustained. Furthermore, during the year the College received generous new capital gifts from donors worth £2.1m to augment the endowment capital held and provide further student support.

## **Risks**

The RCA has a strategic risk register and operational risk registers for Schools and Directorates. The Strategic risk register is reviewed at the Audit & Risk Committee three times a year. Operational risk registers are scheduled monthly to present to the Executive Board to discuss local risks and possible escalation.

Geo-diversification of the student body remains a significant risk, alongside the mitigation of current and future geopolitical risks. The RCA's strategic plans on internationalisation, new models of flexible learning (and degree choices), the strengthening of recruitment activities outside the UK, and the modernisation of the College's support services include future year changes aimed at mitigating these risks. Specifically, the geo-diversification risk is being addressed by a multi-year mitigation plan, an international student recruitment strategy, and geo-targeted marketing.

Financial sustainability continues to be a key risk across the Higher Education sector due to geopolitical and economic instability and financial pressures related to Government policy and macroeconomic issues such as inflation and growing international competition. The financial implications of these risks crystallising have been part of comprehensive stress-testing to ensure the College has the ability to take mitigating actions and continue as a going concern. The College has a number of levers it can use to mitigate the impact of potential downside risks such as a reduction in the levels of planned operating and capital investment, use of the College's unrestricted investment fund (£7.5m) and increased borrowing (within its pre-agreed £45m loan facility).

Other significant risks include the impact of recent and anticipated changes in UK legislation in employment and company law and legal migration rules. The College's ambition on environmental sustainability continues as climate change incidents affecting operations continuity increase. In technology, cybersecurity risk coupled with more sophisticated AI poses challenges. Maintaining and enhancing a high-quality student experience is a key focus for the Executive Board during a period of transition and change, as well as ensuring continued focus on greater diversity of talent (students and staff).

Action is being taken to mitigate these and other risks identified in the College's strategic risk register, and both Council and the Executive Board will continue to monitor the position closely.

## Going Concern

The financial statements have been prepared on a going concern basis which the College's governing body, Council, and Executive Board consider to be appropriate for the following reasons.

The College has prepared cash flow forecasts for a period of 2 years from the date of these financial statements. After reviewing these forecasts, Council is of the opinion that, taking account of severe but plausible downsides, the College will have sufficient funds to meet its liabilities as they fall due over the going concern assessment period.

### **Council has considered the following points in reaching its conclusion:**

- The 2024/25 student numbers and fees are below original targets in the 5-year financial plan, however the College has recently completed a reforecast exercise, which has identified a number of measures to mitigate the financial gap and ensure the College remains on track to deliver an Operating Margin (surplus).
- A number of cost contingencies have been included in projections to reflect any uncertainty of the 2024/25 year ahead. These include reductions in UK government funding and ongoing geopolitical risks across the world and how they might generate a greater risk of higher and prolonged levels of inflation.
- The College has a number of levers it can use to mitigate the impact of potential downside risks, such as a reduction in the levels of planned operating and capital investment, drawdown of the College's general purpose Revolving Credit Facility (RCF) and use of the unrestricted investment fund (£7.5m).
- During a review of the College's forecasts, cash flow projections have been considered alongside an assessment of the College's two bank loan covenants [i) Total debt to total Net Assets must remain <50%, and ii) Interest Cover must be more than 3.5:1]. No potential breach of these covenants is expected in 2024/25.

Consequently, Council is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Scope of the Financial Statements

The RCA is an exempt charity which operates under the terms of a Royal Charter. The College has no shareholders and it does not distribute profits. Any surpluses which arise on its income and expenditure are reinvested in the RCA's infrastructure, teaching and research activities.

The trustees of the charity are the current Council members (see p. 50). The current Charter was granted in 1967, although the RCA was originally founded in 1837 – at that time it was called the Government School of Design.

The RCA has governance arrangements similar to those of most pre-1992 English universities. It is regulated by the Office for Students (OfS), which also acts as the College's regulator under the terms of the Charities Act 2011. The College's accounts are required to follow the format laid down in the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP).

The objectives of the RCA are set out in its Charter: to advance learning, knowledge and professional competence, particularly in the field of fine art, in the principles and practice of art and design in their relation to industrial and commercial processes and social developments and other subjects relating thereto through teaching, research and collaboration with industry and commerce.

# Public Benefit Statement

The Royal College of Art is an exempt charity under the terms of the Charities Act 2011. As regulator the Office for Students (OfS) requires the exempt charities which it regulates to publish an annual public benefit statement having regard to relevant Charity Commission guidance.

## Education

The RCA provides postgraduate programmes in art and design on a non-profit-making basis. Fees charged to UK students do not cover all the costs of teaching those students; some of these costs are subsidised by OfS grants. Fees charged to non-UK domiciled students are set at a full cost level. As noted in previous sections of this report, the College provides bursaries and hardship grants to some of its students, which widen participation and help students of limited means to study at the College. The College continues to review its offer of taught programmes and to develop more flexible options to widen access and ensure that the most talented students continue to benefit from its specialist, high-quality programmes.

The College's vision is to be the world's most influential art and design university, training the world's most prominent artists and leading designers and developing them more than any other higher education institution. The College offers a transformative experience to students who go on to transform the world, and many graduates hold prominent positions in the arts and creative industries.

## Research

The RCA undertakes world-leading research in art and design, which advances knowledge and understanding in our disciplines. Research undertaken in our Schools and Research Centres addresses some of the major challenges facing society today: a healthy ageing society, the climate crisis, sustainability and the circular economy; future mobility and communities; and design-led AI and robotics. Much of the research carried out at the College is funded by UK and international public research funders and charities, including UK Research & Innovation (UKRI).

Collaborative research projects are also delivered in partnership with business and industry partners, and these are conducted on the basis of full cost recovery, with any surplus remaining when the direct and indirect costs of this work have been met being reinvested in the College's infrastructure, teaching and research activities. Our research insights are also shared through consultancy projects and Executive Education short courses, which are delivered for business, industry, public sector and third sector clients internationally, which are similarly priced for full cost recovery and to generate surplus for reinvestment.

## Other Activities

The RCA organises public exhibitions, seminars, lectures and conferences which enable students to show their work and also enable the public to engage with the work of the College. All College exhibitions and lectures are free of charge to members of the public and any charge which might be made for conferences or seminars is designed primarily to cover costs. The College also operates a significant and well-regarded community engagement programme, which runs workshops, exhibitions and other opportunities for our local communities, schools and young people to work with RCA staff and students. In addition, the College runs collaborative projects with partners, including importantly the local communities around its campuses in Battersea, White City and Kensington.

## Policies and Operations

The RCA has adopted policies on environmental and ethical issues and makes every effort to operate in a sustainable and responsible way. These policies are available on the College's website.

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# Corporate Governance and Internal Controls

## Corporate Governance Statement

The College is a higher education corporation whose legal status derives from a Royal Charter granted in 1967. It is an exempt charity under Schedule 3 of the Charities Act 2011 and is regulated by the Office for Students (OfS). Its objects, powers and framework of governance are set out in its Charter and Statutes.

The following statement, covering the period of these financial statements and up to the day of their approval, provides information about the College's governance procedures and its purpose is to enable the reader of the financial statements to better understand the governance and legal structure of the College. The RCA is committed to best practice in all aspects of corporate governance and we ensure transparency in our corporate governance arrangements:

- a) by our adoption of the CUC Higher Education Code of Governance (2020).
- b) by regular monitoring of the RCA's adherence to OfS Public Interest Governance Principles as well as compliance with the ongoing conditions of registration stipulated by the OfS and the requirements of Research England.
- c) in accordance with the principles of the Nolan Committee on standards in public life (selflessness; integrity; objectivity; accountability; openness; honesty; leadership).

The Charter and Statutes provide for and empower 'authoritative bodies' within the College, the Council and the Senate, each of which has a clearly defined role to play in its structure of governance.

### OfS Regulatory Framework

In 2018, the RCA was successful in its application to join the Office for Students' (OfS) register of English higher education providers. As part of this application, the College explained how it met the conditions of registration, including how it has in place adequate and effective management and governance arrangements to deliver, in practice, the public interest governance principles set out by the OfS. The Council is responsible for ensuring that the College complies with the OfS's ongoing conditions of registration and receives monitoring reports on all these matters.

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## The College's Governance Structure

### The Council

The Council is the College's supreme governing body and carries the ultimate responsibility for the College's overall strategic directions and for its finances, property and general affairs, including the employment arrangements for its staff. Council members are also the College's trustees. All members are appointed under the College's Statutes. The Council is made up principally of external members from whom its Chair and Deputy Chair are elected. Also included in its membership are College staff members and the President and Vice-President of the Students' Union as student governors. No members are remunerated for their work on the Council.

The Council is responsible for the determination of the educational character and mission of the College and for oversight of its activities, including the strategic direction of the College; the effective and efficient use of resources; approval of annual estimates of income and expenditure; ensuring the solvency of the College and safeguarding of assets; the setting of a framework for the pay and conditions of staff; and more specifically the appointment and dismissal of the President & Vice-Chancellor and the College Secretary. The Council is also responsible for appointing Council members, including the Chair and Deputy Chair of the governing body.

The Council normally meets four times per year and delegates most of its detailed business to its committees. Three of these committees are statutory and include the Audit & Risk Committee, Remuneration Committee and Nominations Committee. Other committees, such as the Planning & Resources Committee, play a key role in supporting Council to fulfil its responsibilities under the regulatory framework and demonstrate good governance in accordance with the CUC Code and OfS Public Interest Governance Principles. All Council committees are formally constituted, with terms of reference agreed by the Council.

## Corporate Governance and Internal Controls

A significant proportion of the committees' members are independent, selected for their expertise and knowledge and each committee reports regularly to the Council. Further details of the Council, its members, its committees and core policies and procedures are published on the College's website.

In line with the CUC Code of Governance, the Council carries out an effectiveness review every three years on the way it conducts its business. Such a review was undertaken by an external adviser and completed its most recent review in February 2024. The review concluded that the Council's governance measured up well with the fundamental structures of governance having been significantly strengthened in recent years. The requirements set out in the CUC Code of Governance, with areas of good practice. Compliance with the Office for Students' regulatory framework were well-minded and attended to, with robust controls and oversight. The report made recommendations in relation to the impact of the Council, particularly in relation to its strategic role and academic assurance. The Council agreed to a number of actions in response to the recommendations.

In addition to considering strategy, risk, compliance and regulatory matters, the Council receives briefings and presentations at its regular meetings to provide members with an understanding of various College undertakings, projects and strategic matters. The most recent briefings have been on the work of the Development and Alumni Unit and College activity on and around AI.

### The Senate

The Senate is the academic authority of the College and draws membership mainly from the academic staff and has student representation. It has delegated authority from Council and is responsible for promoting and validating the academic work of the College both in teaching and research and regulates the education, welfare and discipline of the students. It recommends major, strategic academic proposals to the Council and provides assurance to Council with respect to quality of academic programming. Senate meets three times a year.

### Planning & Resources Committee

The Planning & Resources Committee is responsible for monitoring long-term, medium-term and short-term planning to ensure the alignment of all aspects of the College's strategy and planning. It has financial, estates and people oversight – ensuring the alignment of all aspects of the College's strategy and planning, in relation to academic, financial, physical, digital and human resource planning. It oversees the performance monitoring and monitors progress towards achievement of institutional targets via agreed KPIs. The Committee meets four times a year.

### Audit & Risk Committee

The Audit & Risk Committee is responsible for monitoring the College's arrangements for internal control, risk management, the performance of the College's auditors, considering audit reports and recommendations for the improvement of the College's systems of internal control, together with management's response and implementation plans. The Audit & Risk Committee also receives and considers assurance and internal control reports from the OfS and other funders, and monitors adherence to regulatory and funding requirements. The Committee meets three times a year.

The Committee pays particularly close attention to the implementation of recommendations by management and follow-up to audit exercises. It receives and considers reports from OfS as they affect the College's business and receives reports from other statutory, regulatory or funding agencies concerning the College's compliance with relevant legislation and standards. It also reviews accounting policies and any major changes to the College's accounting principles and practice that are brought to its attention by the external auditor, internal audit or management.

The Committee reviews its own effectiveness via its annual report to Council and via the self assessments it carries out from time to time. The Committee monitors the College's strategic risks and mitigating measures via the receipt of regular reports and presentations.

## Corporate Governance and Internal Controls

The Committee reports annually to Council and to the OfS on the operation of the College's internal control procedures, and other relevant matters. The Committee regularly reviews its terms of reference and constitution against the CUC Higher Education Audit Code of Practice.

While Executive Board members attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee. At each meeting, the Committee offers the internal and external auditors the opportunity of private meetings with the Committee members without officers present.

### Nominations Committee

The Nominations Committee keeps under regular review, composition and membership of Council and Council Committees, making recommendations for appointment and reappointments. The Nominations Committee ensures robust succession planning and skills analysis. A key consideration for the Nominations Committee is ensuring gender balance and ethnic diversity on Council and its Committees.

The Committee advertises external governor vacancies when they arise on the College's website and external websites. Search agencies have been used for particular roles where the Council is seeking specialist knowledge and expertise.

### Remuneration Committee

The Remuneration Committee meets twice a year to consider pay structures and to determine the remuneration of the President & Vice-Chancellor and senior staff. The College follows the guidelines laid out in the Committee of University Chairs Higher Education Remuneration Code. The Committee is chaired by an independent member of Council, and includes the Chair of Council and Deputy Chair of Council. The President & Vice-Chancellor is not a member of the committee and is not present for any discussion regarding their own remuneration and conditions.

Further information about the work of the Remuneration Committee is set out within the Annual Remuneration Statement on page 71. An annual report on the Remuneration Committee's work during the year, together with outcomes, will be presented to Council at its meeting in November.

### Executive Board

The Executive Board recommends the College's annual revenue and capital budgets to the Planning & Resources Committee. It also advises Council on the College's overall objectives and priorities, and the strategies and policies required to achieve them.

The principal academic and executive officer of the RCA is the President & Vice-Chancellor, who has a general responsibility to the Council for ensuring that the objects of the College are fulfilled and for maintaining and promoting the efficiency, discipline and good order of the College. The President & Vice-Chancellor is also, under the OfS Terms and Conditions of Funding, the designated Accountable Officer of the College.

### Register of Interests

The RCA maintains a Register of Interests completed by Council members and senior managers and these declared interests are updated annually. Additionally, agendas at all meetings of Council and its committees have 'declaration of interests' as the first substantive item. Members and officers are asked to declare any interest in business to be considered by the meeting.

# Corporate Governance and Internal Controls

## Statement on Internal Control

The Council, as the governing body of the College, has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which the Council is responsible, in accordance with the responsibilities assigned to the governing body in the Charter and Statutes and the OfS Terms and Conditions of Funding for Higher Education Institutions.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it 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 was in place for the year ended 31 July 2024 and up to the date of the approval of the financial statements. It accords with the OfS Conditions of Registration.

The Council has responsibility for reviewing the effectiveness of the system of internal control and the following processes have been established:

- a) The Council considers the plans and strategic direction of the College on an annual basis.
- b) The Audit & Risk Committee independently reviews the effectiveness of internal control systems and the risk management process.
- c) Consideration of all types of risks (business, operational, compliance and financial) and associated control mechanisms are a standing item on the agendas of the Audit and Risk Committee and other committees, such as the Planning & Resources Committee, where the risks are relevant to them. The Audit and Risk Committee's role in this area is to ensure a high-level review of the arrangements for internal control.
- d) The College Executive Board has overall responsibility for Risk Management in the College and is supported in this task by the Head of Risk and Business Planning who coordinates the processes which underpin risk management, including the production of a Corporate Risk Register and balanced scorecards for each key risk

e) The Audit & Risk Committee reports to Council its findings in respect of the effectiveness of the risk-management process and submits an audit annual report to the Council at its November meeting. In addition, the Committee has the opportunity to discuss specific risk management topics with senior managers with at least one area being selected for focus at every meeting.

f) The College has developed a suite of key performance indicators (KPIs), allowing the Council to monitor progress towards the achievement of strategic objectives.

g) The Council receives an annual report from the Audit & Risk Committee which contains an opinion that includes an assessment of the effectiveness and adequacy of the overall system of internal control and the management of risk.

The Audit & Risk Committee, on behalf of Council, has reviewed the effectiveness of the College's system of internal control. Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss. The maintenance and integrity of the RCA's website is the responsibility of the Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

A professional internal audit team has an annual risk-based programme which is approved by the Audit & Risk Committee. The College's arrangement for risk management control and governance, and economy, efficiency and effectiveness are adequate and effective. This does not mean that all aspects are adequate and effective, but there are no indications of a material weakness in them. A material weakness is defined as one that could lead to a significant impact on the business, operations or standing of the College.

The College has anti-bribery, anti-money laundering and counter-fraud policies in place. These were reviewed by management and approved by the Audit & Risk Committee in 2021 and are kept under regular review.

# Statement of Council Responsibilities

## Financial Statements

In accordance with the College's Royal Charter, the Council is responsible for the administration and management of the affairs of the College.

The Council is responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

The Council is required to prepare and publish financial statements for each financial year. The Council is required prepare the financial statements in accordance with the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In addition, the Council is required to prepare the financial statements in accordance with OfS Regulatory advice 9: Accounts direction (issued October 2019) (the 'OfS Accounts direction'), the OfS Terms and Conditions of funding for higher education institutions (issued July 2023), any requirements of UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education and other financial reporting regulations relating to the constitution and activities of the College which are relevant to its financial affairs.

Under applicable law, the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the College for that year.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the College's Charter and Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 edition, Accounts Direction issued by the Office for Students (OfS) and other relevant accounting standards.

The Council is required to prepare and publish financial statements for each financial year which give a true and fair view of the state of affairs of the College as at 31 July 2024 and of College's income and expenditure, gains and losses, changes in reserves and of the College's cash flows for that year.

**In preparing the financial statements, the Council is required to:**

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The members of the Council have taken reasonable steps to:**

- Ensure that funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- Ensure that funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2023), the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education, and any other terms and conditions attached to them;
- Ensure that the College has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- Ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- Plan and manage the College's activities to remain sustainable and financially viable;
- Ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the College and the OfS;
- Ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
- Ensure an effective framework – overseen by the College's Council, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards;

- Consider and act on the OfS' assessment of the College's risks specifically in relation to these funding purposes; and
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and those from other sources.

**The Council confirms that:**

- So far as each Member is aware, there is no relevant audit information of which the auditor is unaware; and
- The Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## Additional responsibilities

1. To approve the mission and strategic vision of the RCA, the Strategic Plan (including long-term academic and business plans and key performance indicators), and to ensure that these meet the interests of stakeholders;
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the College against the Strategic Plan and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions;
3. To delegate authority to the President & Vice-Chancellor, as Chief Executive for the academic, corporate, financial, estate and human resource management of the institution within the terms of the Strategic Plan and the budget as agreed by Council. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the President & Vice-Chancellor;
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and procedures for handling internal grievances and for managing conflicts of interest;
5. To establish processes to monitor and evaluate the performance and effectiveness of Council itself;
6. To conduct its business in accordance with best practice in Higher Education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life;
7. To safeguard and promote the good name and values of the College;
8. To appoint and remove the President & Vice-Chancellor as Chief Executive, and to put in place suitable arrangements for monitoring his/her performance;
9. To appoint and remove the Chancellor, the Pro-Chancellor and Chair of Council, the Vice-Chair of Council and other senior appointments as determined by Council currently and in the future;
10. To appoint and remove a College Secretary and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability;
11. To be the employing authority for all staff in the institution and to be responsible for oversight of the human resources strategy;
12. To be the principal financial and business authority of the College, to ensure compliance with the OfS terms and conditions of funding for Higher Education institutions, that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the College's assets, property and estate;
13. To be the College's legal authority and, as such, to ensure that systems are in place for meeting all the College's legal obligations, including those arising from contracts, legal commitments made in the College's name and legal obligations in relation to charity law, equality and diversity and health and safety;

14. To receive assurance that adequate provision has been made to uphold the quality of the student experience;
15. To receive assurance that academic governance is effective;
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the College;
17. To ensure that the Students' Union operates in a fair, democratic, accountable and financially sustainable manner;
18. To ensure that the RCA's Charter, Statutes and Ordinances are followed at all times and that appropriate.

**Council are also responsible for ensuring that:**

- Funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- Ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- Securing the economical, efficient and effective management of the College's resources and expenditure.

**Sir Peter Bazalgette**

Pro-Chancellor and Chair of Council  
Royal College of Art

27 November 2024

# Council & Committee Members

The following served as members of Council during the year:

## Ex-officio Members

### Chair and Pro-Chancellor

Sir Peter Bazalgette

### President & Vice-Chancellor

Professor Christoph Lindner (from 8 April 2024)

### Vice-Chancellor

Dr Paul Thompson (until 31 July 2024)

### Deputy-Chair of Council

Fields Wicker-Miurin OBE

### Deputy Vice-Chancellor and Provost

Professor Naren Barfield (until 17 June 2024)

### Chief Financial Officer

Amanda White

### President of the Students' Union

Kimberley Burrows, President of the Students' Union (from 1 August 2023 until 31 August 2024)

Lening Huang, President of the Students' Union (from 1 August 2024)

### Independent Members

Michael Birshan

Mary Boakye (from 8 December 2023)

Suzy Black (from 1 April 2024)

Professor Rachel Cooper OBE

Jennifer Duvalier (until 10 July 2024)

Mike Forster

John Gibbs

Dr Tristram Hunt

Dr Anne-Marie Imafidon MBE

Alan Leibowitz

Patrick Plant (until 31 December 2023)

Dr Sigrid Rausing (until 31 March 2024)

Sudhir Singh

Fields Wicker-Miurin OBE

Ed Williams

## Members appointed by the Senate

Kerry Curtis

Rama Gheerawo

Professor Ken Neil

Dr Anne Toomey

## One Student elected by the Students

Thomas Cury, Vice-President of the Students' Union (from 1 August 2023 until 31 July 2024)

Janmejay Singh, Vice-President of the Students' Union (from 1 August 2024)

## Board Fellow

Saba Shaukat (from 1 September 2024)

## Audit & Risk Committee

Sudhir Singh, Chair

Mary Boakye (from 1 June 2024)

Professor Rachel Cooper

Mike Forster (from 1 January 2024)

Patrick Plant (until 31 December 2023)

## Remuneration Committee

Jennifer Duvalier, Chair (until 10 July 2024)

Suzy Black, Chair (member 1 April 2024, Chair from 11 July 2024)

Sir Peter Bazalgette

Judy Roberts, Co-opted member

Fields Wicker-Miurin OBE

## Nominations Committee

Sir Peter Bazalgette, Chair

Professor Christoph Lindner (from 8 April 2024)

Dr Paul Thompson (until 31 July 2024)

Fields Wicker-Miurin OBE

Michael Birshan

Ed Williams

# Senior Officers & Advisers

## Senior Officers

### President & Vice-Chancellor

Professor Christoph Lindner (from 8 April 2024)

### Vice-Chancellor

Dr Paul Thompson (until 31 July 2024)

### Pro-Vice-Chancellor, Academic Strategy

Professor Ken Neil (from 1 September 2024)

### Pro-Vice-Chancellor, Research & Innovation

Dr Emma Wakelin (from 1 September 2024)

### Pro-Vice-Chancellor, Education & Student Experience

Corinne Smith (from 1 September 2024)

### Deputy Vice-Chancellor and Provost

Professor Naren Barfield (until 17 June 2024)

### Chief Operating Officer

Heather Akif

### Chief Financial Officer

Amanda White

### College Secretary

Zioge Smith

## Bankers

HSBC Bank plc  
71 Queen Victoria Street  
London EC4V 4AY

National Westminster Bank plc  
1st Floor  
440 Strand  
London WC2R 0QS

## Solicitors

Stephenson Harwood  
1 Finsbury Circus  
London EC2M 7SH

## Insurers

UM Association Ltd  
Hasilwood House  
60 Bishopsgate  
London EC2N 4AW

## External Auditors

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2A 1AG

## Internal Auditors

PwC UK  
1 Embankment Place  
London WC2N 6RH

## Investment Managers

Close Brothers Asset Management  
10 Crown Place  
London EC2A 4FT

# Independent Auditor's Report to the Council of Royal College of Art

## Opinion

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

### In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and the parent College's affairs as at 31 July 2024 and of the group's and the parent College's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

## Basis for opinion

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

## Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent College to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's and the parent College's business model including effects arising from macro-economic uncertainties such as the impact of inflation and current geopolitical unrest, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's and the parent College's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.**

## Opinion on other matters prescribed by the Office for Students ('OfS') Accounts direction (issued October 2019) (the 'OfS Accounts direction')

**In our opinion, in all material respects:**

- Funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance the OfS Terms and Conditions of funding for higher education institutions (issued July 2023) the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education, and any other terms and conditions attached to them; and

- The requirements of the OfS Accounts direction have been met.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS Accounts direction requires us to report to you where:

- The parent College's grant and fee income, as disclosed in notes 1 and 2 to the financial statements, has been materially misstated; or
- The parent College's expenditure on access and participation activities for the financial year has been materially misstated.

## Responsibilities of Council

As explained more fully in the Statement of responsibilities of the Council set out on page 46, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the group's and the parent College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group or the parent College or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the group and parent College, and the sector in which it operates. We determined the following laws and regulations were most significant:
  - The Royal Charter by which the College is incorporated;
    - Financial reporting legislation and regulation (including the application of the Further and Higher Education SORP 2019 and FRS102); and
    - The regulatory environment (OfS Framework and Accounts Direction);
  - The engagement team remained alert to indications of fraud and non-compliance with laws and regulations throughout the audit;
  - We obtained an understanding of how the College is complying with these legal and regulatory frameworks by reviewing internal audit reports and making inquiries of management, and those charged with governance as to whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our inquiries through our review of board minutes and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
  - The group and parent College’s operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
  - The group and parent College’s control environment including the adequacy of procedures and the authorisation of transactions.
- We assessed the susceptibility of the group and parent College’s financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - Challenging assumptions and judgements made by management in its significant accounting estimates; and
  - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the group and parent College operates and its understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the College's Council, as a body, in accordance with the Royal Charter and statutes of the College. Our audit work has been undertaken so that we might state to the College's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Council as a body, for our audit work, for this report, or for the opinions we have formed.

### Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants  
London

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# Financial Statements

## Consolidated Statement of Comprehensive Income and Expenditure

For the Year ended 31 July 2024

		<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b> Restated (Note 30)
	Notes	<b>Group</b> £'000	<b>Group</b> £'000
<b>Income</b>			
Tuition Fees and Education Contracts	1	75,965	68,432
Funding Body Grants	2	11,530	11,654
Research Grants and Contracts	3	6,450	5,310
Other Income	5	3,776	3,865
Investment Income	6	1,525	1,014
Donations and Endowments	7	5,652	10,562
<b>Total Income</b>		<b>104,898</b>	<b>100,837</b>
<b>Expenditure</b>			
Staff Costs	8	48,536	42,911
Other Operating Expenses		42,779	41,196
Depreciation and Amortisation	11/12	8,378	7,568
Interest and Other Finance Costs	9	351	588
<b>Total Expenditure</b>	10	<b>100,044</b>	<b>92,263</b>
<b>Surplus Before Other Gains/(Losses)</b>		4,854	8,574
Gain/(Loss) on Investments	14	2,760	(1,939)
<b>Surplus for the Year</b>		<b>7,614</b>	<b>6,635</b>
Unrealised surplus on revaluation of tangible assets	12/13	740	–
<b>Total Comprehensive Income for the Year</b>		<b>8,354</b>	<b>6,635</b>
<b>Represented by:</b>			
Endowment Comprehensive Income for the Year		4,505	5,534
Restricted Comprehensive Income for the Year		1,365	880
Unrestricted Comprehensive Income for the Year		1,297	746
Revaluation Reserve Comprehensive Income for the Year		1,187	(525)
		<b>8,354</b>	<b>6,635</b>

All items of income and expenditure relate to continuing activities.  
The appended notes form part of the accounts.

## Consolidated Balance Sheet

as at 31 July 2024

		<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	Notes	<b>Group</b>	<b>Group</b>
		£'000	£'000
<b>Non-current Assets</b>			
Intangible Assets	11	2,400	2,211
Fixed Assets	12	232,047	235,250
Heritage Assets	13	17,784	16,071
Investments	14	36,212	31,155
		<b>288,443</b>	<b>284,687</b>
<b>Current Assets</b>			
Stock	15	246	224
Debtors	16	4,297	4,944
Investments	14	5,399	570
Cash and Cash Equivalents	22	7,456	21,226
		<b>17,398</b>	<b>26,964</b>
Less: Creditors: Amounts Falling Due Within One Year	17	(35,633)	(38,930)
<b>Net Current Liabilities</b>		<b>(18,235)</b>	<b>(11,966)</b>
<b>Total Assets Less Current Liabilities</b>		<b>270,208</b>	<b>272,721</b>
Creditors: Amounts Falling Due After More Than One Year	18	(54,388)	(65,325)
Obligations Under Finance Leases	25	(14,732)	(14,662)
<b>Total Net Assets</b>		<b>201,088</b>	<b>192,734</b>
<b>Restricted Reserves</b>			
Income and Expenditure Reserve - Endowment Reserve	20	38,517	34,012
Income and Expenditure Reserve - Restricted Reserve	21	5,278	3,913
<b>Unrestricted Reserves</b>			
Income and Expenditure Reserve - Unrestricted		107,199	105,902
Revaluation Reserve		50,094	48,907
<b>Total Reserves</b>		<b>201,088</b>	<b>192,734</b>

The financial statements on pages 57 to 89 were approved by the Council on 27 November 2024 and were signed on its behalf by:

**Professor Christoph Lindner**  
President & Vice-Chancellor

**Amanda White**  
Chief Financial Officer

**Sir Peter Bazalgette**  
Chair of Council and Pro-Chancellor

## Consolidated Statement of Cash Flows

For the Year ended 31 July 2024

		<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b> Restated (Note 30)
	Notes	<b>Group</b> £'000	<b>Group</b> £'000
<b>Cash Flow from Operating Activities</b>			
Surplus for the Year		7,614	6,635
<b>Adjustment for Non-cash Items</b>			
Depreciation	12	7,527	6,880
Amortisation of Intangibles	11	851	688
Asset Write Offs	11/12	1,078	–
(Gain)/Loss on investments	14	(2,760)	1,939
(Increase)/Decrease in Stock	15	(22)	(47)
(Increase)/Decrease in Debtors	16	647	(1,496)
Increase/(Decrease) in Creditors	17/18	(4,164)	7,583
<b>Adjustment for Investing or Financing Activities</b>			
Endowment Income	7	(1,851)	(6,916)
Investment Income	6	(1,525)	(1,014)
Interest Payable	9	351	588
Finance Lease Payable	25	700	686
<b>Net Cash Inflow from Operating Activities</b>		<b>8,446</b>	<b>15,526</b>
<b>Cash Flows from Investing Activities</b>			
Disposal of Non-current Asset Investments	14	13,516	21,650
Withdrawal/(payments) to short term deposits	14	(4,829)	1,864
Investment Income	6	1,525	1,014
Payments Made to Acquire Fixed Assets	12/13	(6,250)	(11,797)
Payments Made to Acquire Intangible Assets	11	(1,165)	(1,579)
New Non-current Asset Investments	14	(15,813)	(26,972)
Endowment Income	7	1,851	6,916
		<b>(11,165)</b>	<b>(8,904)</b>
<b>Cash Flows from Financing Activities</b>			
Interest Paid	9	(351)	(588)
Finance Lease Payable	25	(700)	(686)
Repayments of Amounts Borrowed	18	(10,000)	(2,000)
		<b>(11,051)</b>	<b>(3,274)</b>
<b>(Decrease)/Increase in Cash and Cash Equivalents in the Year</b>		<b>(13,770)</b>	<b>3,348</b>
Cash and Cash Equivalents at Beginning of the Year	22	21,226	17,878
Cash and Cash Equivalents at End of the Year	22	7,456	21,226

## Consolidated Statement of Changes in Reserves

For the Year Ended 31 July 2024

	Income and Expenditure Account			Revaluation Reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
<b>Balance at 1 August 2023</b>	<b>34,012</b>	<b>3,913</b>	<b>106,729</b>	<b>48,907</b>	<b>193,561</b>
Prior Period Adjustment	–	–	(827)	–	(827)
<b>Balance at 1 August 2023</b> Restated (Note 30)	<b>34,012</b>	<b>3,913</b>	<b>105,902</b>	<b>48,907</b>	<b>192,734</b>
Surplus/(Deficit) from the Income and Expenditure Statement	4,505	1,365	1,297	1,187	8,354
Release of Restricted Funds Spent in Year	–	–	–	–	–
	<b>4,505</b>	<b>1,365</b>	<b>1,297</b>	<b>1,187</b>	<b>8,354</b>
<b>Balance at 31 July 2024</b>	<b>38,517</b>	<b>5,278</b>	<b>107,199</b>	<b>50,094</b>	<b>201,088</b>
<b>Balance at 1 August 2022</b>	<b>28,478</b>	<b>3,033</b>	<b>105,156</b>	<b>49,432</b>	<b>186,099</b>
Surplus/(Deficit) from the Income and Expenditure Statement	5,534	880	1,573	525	7,462
Release of Restricted Funds Spent in Year	–	–	–	–	–
	<b>5,534</b>	<b>880</b>	<b>1,573</b>	<b>525</b>	<b>7,462</b>
<b>Balance at 31 July 2023</b>	<b>34,012</b>	<b>3,913</b>	<b>106,729</b>	<b>48,907</b>	<b>193,561</b>

# Statement of Accounting Policies

## General information

The Royal College of Art is registered with the Office for Students in England. The address of the College's registered office is Kensington Gore, South Kensington, London SW7 2EU.

## Statement of compliance

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the OfS and the Terms and Conditions of Research England grant.

The RCA is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

## Basis of preparation

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments).

## Going concern

The College's activities, together with the factors likely to affect its future development, performance and position, are set out in the Financial Review. The Financial Review also describes the financial position of the College, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the College's governing body, Council, and Executive Board consider to be appropriate for the following reasons.

The College has prepared cash flow forecasts for a period of 2 years from the date of these financial statements. After reviewing these forecasts, Council is of the opinion that, taking account of severe but plausible downsides, the College will have sufficient funds to meet its liabilities as they fall due over the going concern assessment period.

## Council has considered the following points in reaching its conclusion:

- The 2024/25 student numbers and fees are below original targets in the 5-year financial plan, however the College has recently completed a reforecast exercise, which has identified a number of measures to mitigate the financial gap and ensure the College remains on track to deliver an Operating Margin (surplus).
- A number of cost contingencies have been included in projections to reflect any uncertainty of the 2024/25 year ahead. These include reductions in UK government funding and ongoing geopolitical risks across the world and how they might generate a greater risk of higher and prolonged levels of inflation.
- The College has a number of levers it can use to mitigate the impact of potential downside risks, such as a reduction in the levels of planned operating and capital investment, drawdown of the College's general purpose Revolving Credit Facility (RCF) and use of the unrestricted investment fund (£7.5m).
- During a review of the College's forecasts, cash flow projections have been considered alongside an assessment of the College's two bank loan covenants [i) Total debt to total Net Assets must remain <50%, and ii) Interest Cover must be more than 3.5:1]. No potential breach of these covenants is expected in 2024/25.

Consequently, Council is confident that the College will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Basis of consolidation

The financial statements include the College and active subsidiary IRCA Enterprise Limited (company number 1390574, of which the College is the sole shareholder). Separate information for the College and the Group is not provided because the College's financial statements are materially the same as the Group. IRCA Enterprise Limited is exempt from audit requirements under Section 479A of the Companies Act 2006. The College, however, has elected that the Company prepares audited accounts and will not provide a parental guarantee. IRCA Enterprise Limited was set up to be an Appointed Representative of Infinity Asset Management LLP who are authorised and regulated by the Financial Conduct Authority. It was set up to advise and enable the College to invest in eligible start-up businesses.

The College has the following dormant 100% owned subsidiaries, which were not consolidated in 2023/24: RCA Angel Investor Club Ltd, to promote commercial activity by connecting incubator companies with angel investors; IPRCA Commercialisation Ltd, to advance the commercialisation and development of RCA Intellectual Property created by staff members; and Battersea North Nominee Limited which was set up to aid the future purchase of land at the end of a 40-year lease period.

The financial statements do not include the income and expenditure of the Students' Union, as the College does not exercise control or dominant influence over policy decisions.

## Income recognition

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

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount.

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the College is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met. Investment income is credited to the statement of income and expenditure on a receivable basis. Note that the College applies judgement when estimating doubtful debts, these estimates are based on historical information and the College's own expertise.

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

## Grant funding

Government revenue grants, including funding council block grant and research grants, are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the RCA is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

## Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the RCA is entitled to the funds. Income is retained within the restricted reserve until it is utilised in line with such restrictions at which point the income is released to general reserves by a reserve transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

#### **There are four main types of donations and endowments identified within reserves:**

- 1. Restricted donations** – the donor has specified that the donation must be used for a particular objective.
- 2. Unrestricted permanent endowments** – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
- 3. Restricted expendable endowments** – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the College has the power to use the capital.
- 4. Restricted permanent endowments** – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

#### **Other income**

Income from the sale of goods or services is credited to the 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 (please see Note 5 for details).

#### **Investment income**

Investment income is credited to the Statement of Income and Expenditure on a receivable basis.

#### **Capital grants**

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

#### **Accounting for retirement benefits**

The College participates in the Superannuation Arrangements of the University of London (SAUL), which is a centralised defined benefit scheme within the UK and was contracted-out of the second State Pension (prior to April 2016). SAUL is an independently managed pension scheme of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings (“CARE”) basis. From 1 April 2023, SAUL introduced a new defined contribution scheme, which members enrolling for the first time will join for their first three years of membership. The College is not expected to be liable to SAUL for any other current participating employer’s obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL’s statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL’s benefits as they fall due (the ‘Technical Provisions’). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members’ accrued pension rights to be met. The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2024 and are due to be reviewed at SAUL's next formal valuation in 2026. At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions. As SAUL was in surplus on its Technical Provisions basis, no deficit contributions were required. However, as per an agreement between the Trustee and the Employers, the ongoing Employers' contributions will fall from a rate of 21% of CARE Salaries to 19% of CARE Salaries from 1 September 2024.

The Royal College of Art is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2023 was £3,096 million representing 105% of the liabilities. It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The Royal College of Art's accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102. As there was a Technical Provisions surplus at 31 March 2023, no deficit contributions were required following the 2023 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Royal College of Art.

## Employment benefits

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

## Termination benefits/loss of office

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

## Finance leases

Leases in which the RCA assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## Operating leases

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

## Foreign currency

The functional currency of the College is pounds Sterling. Transactions denominated in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure for the financial year. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

## Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The College's buildings that had been revalued to fair value on the date of transition to the Statement of Recommended Practice (SORP) are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where capital expenditure relates to a leased asset the item is depreciated over the lesser of the useful life of the asset or the length of the lease. Where an item of equipment comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

## Land and buildings

Land and buildings are measured at cost. Chartered quantity surveyors carried out a revaluation as at July 2014. Under FRS 102 the College has opted to use this revaluation as the deemed cost of the College's buildings in the College's Balance Sheet and not to make regular revaluations. The College also adopted the remaining useful economic lives of the buildings according to the valuation.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected lives of up to 100 years.

Buildings are further apportioned into components: their structure, mechanical and electrical plant and fit-out. Each component is depreciated according to the estimated useful life of that component as follows:

- Mechanical & Electrical 35 years.
- Fit-out 25 years.
- Structure up to 100 years.

- No depreciation is charged on assets under construction.
- Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

## Equipment

Equipment, including computers and software, costing less than £10,000 per individual item or group of related items is expensed in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- Computer Equipment 3 – 5 years.
- Other Equipment 5 years.
- Equipment (new buildings fit out) 10 years.
- Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

## Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

## Borrowing costs

Borrowing costs which fund the acquisition, construction or production of assets are recognised as expenditure in the period in which they are incurred.

## Heritage assets

The College Collection consists mainly of works of art acquired free of charge from former students and artists associated with the College. Most items in the Collection had nil or little value at the date of acquisition as the artists were not well known. All acquisitions are added to the asset register, with any costing/valued at less than £5,000 impaired to £0. The Collection was revalued by an external organisation, Sotheby's, in 2023/24; this provided an estimate of the value of the Collection.

Heritage assets are revalued every three to five years in accordance with the accounting standard. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. An annual impairment review is carried out on the College's heritage assets; impairment may be due to physical deterioration, breakage, new evidence giving rise to doubts as to its authenticity, or other factors.

## Intangible assets

Computer software and the consultancy costs of implementation amounting to less than £10,000 per individual item or group of related items are expensed in the year of acquisition. All other software and related consultancy costs are capitalised. Intangible assets are stated at cost and amortised over their expected useful life of three to five years.

## Investment properties

Investment properties are land and buildings owned by the RCA which are held for capital appreciation or rental income. Any assets held under finance leases would be excluded. Investment properties are held at fair value and are revalued annually with the assistance of qualified external valuers. Any gain or loss is taken to income or expenditure. No depreciation is provided in respect of investment properties.

The leasehold property comprising the Royal College of Art's investment estate was valued as at 31 July 2024 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (October 2023), FRS 102 and the SORP 'Accounting for Further and Higher Education'. The valuation was undertaken on a Fair Value basis.

Under FRS 102, the College has disclosed the retail unit in the Dyson Building as an investment property.

## Investments

Investments consist of endowment asset investments and are included in the Balance Sheet at market value.

## Unquoted investments

The College has holdings in 53 startup companies. The investments are mixed motive investments in companies that have an emphasis on providing social value or creating a return through innovation. In determining the value of those assets recognised in the accounts, the following method has been used:

1. Should the shares that the College holds be quoted in an active market then the bid price of those shares would be used to determine fair value, non of the companies were in that position during the year ended 31 July 2024.
2. When quoted prices are unavailable the investments will be valued using the price of recent share transactions as an initial estimate of fair value.
3. The initial estimate of fair value may be reduced or an alternative method of valuation used if there is objective evidence that valuing the company using recent share or funding transactions does not reflect fair value.

After applying these criteria, companies with a fair value of £0.99m have been recognised on the balance sheet.

## Stock

Stock is held at the lower of cost and net realisable value. Where necessary, provision is made for slow moving or defective stock.

## Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a)** the RCA has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- b)** 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.
- c)** A contingent liability arises from a past event that gives the RCA a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. 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.
- d)** A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

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

## Accounting for jointly controlled operations

The College accounts for its share of transactions from joint operations in the Statement of Comprehensive Income and Expenditure.

## Financial instruments

Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### Financial assets

Basic financial assets include trade and other debtors and cash and cash equivalents. These assets are recognised at transaction price.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

### Financial liabilities

Basic financial liabilities include trade and other creditors and bank loans. These liabilities are recognised at transaction price.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

### Trade creditors

They are obligated to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price. Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

## Taxation

The RCA is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and, accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost. The College's subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

## Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the RCA, are held as a permanent restricted fund which the College must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Transfers are made between unrestricted and restricted reserves to match expenditure incurred on the Battersea construction against donations received and allocated to the project.

## Judgements in applying accounting policies and key sources of estimation of uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The carrying value of the College's IRCA investments at 31 July 2024 was £0.99m. This value includes an assessment of the financial, technical and commercial performance of the individual companies. These investments are early-stage innovation companies which have an inherently uncertain value, so significant changes in the valuation year on year are not uncommon.

The fair value of investment properties at 31 July 2024 was £1.99m. A valuation is carried out by an independent Chartered Surveyor as detailed in the investment properties accounting policy. Key assumptions include an assessment of market value and market rent on the valuation date.

Heritage Assets are revalued by a qualified professional every three to five years. The valuation is provided at the valuation date and takes into account market conditions, the condition of the artwork and its known provenance.

The following judgements have had the most significant effect on the amounts recognised in the financial statements:

- **Deferred Income:** Tuition fees are invoiced in July every year for the following financial year. Invoices unpaid at year end are not included in the debtor balance.
- **Provision for Doubtful Debts:** Due to the low level of debt, each student debtor is assessed individually and a decision is made about whether to treat that debt as doubtful, based on the student's individual circumstances.

## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000
<b>1 Tuition Fees and Education Contracts</b>		
Full-time Home and EU Students	10,231	10,143
Full-time International Students	64,340	57,141
Part-time Students	852	708
Other Short Courses	542	440
	<b>75,965</b>	<b>68,432</b>
<b>2 Funding Body Grants</b>		
<b>Recurrent Grant</b>		
Office for Students	5,194	5,214
Research England	3,025	3,252
Capital Grant	937	937
<b>Specific Grants</b>		
Research England	2,374	2,251
	<b>11,530</b>	<b>11,654</b>
<b>3 Research Grants and Contracts</b>		Restated (Note 30)
Research Councils	3,134	3,772
Research Charities	378	272
Government (UK and Overseas)	1,140	180
Industry and Commerce	1,788	1,072
Other	10	14
	<b>6,450</b>	<b>5,310</b>
<b>4 Grant and fee income</b>		
The source of grant and fee income (exclusive of VAT), included in notes 1 to 3 is as follows:		
Funding body grant income from the Office For Students	5,194	5,214
Funding body grant income from other bodies	5,399	5,503
Research grants and contracts income	6,450	5,310
Fee income for taught awards	71,736	67,211
Fee income for research awards	3,687	3,609
Fee income from non-qualifying courses	542	440
	<b>93,008</b>	<b>87,287</b>



## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000
<b>8 Staff Costs</b>		
Salaries	37,248	33,432
Social Security Costs	3,888	3,536
Pension Costs	6,529	5,796
Compensation for Loss of Office	871	147
<b>Total</b>	<b>48,536</b>	<b>42,911</b>
<b>Compensation for Loss of Office</b>		
No. of Employees	48	26
Amount (£'000)	871	147

Compensation for loss of office includes payments made for redundancy, including where appropriate at the ending of fixed-term contracts.

### Emoluments of the Vice-Chancellor

There was a change in leadership at the Royal College of Art in 2024, with Dr Paul Thompson stepping down, and with Professor Christoph Lindner starting his tenure as President & Vice-Chancellor in April 2024. As is common in senior-level transitions there was a comprehensive handover period to ensure the continued smooth running of the College.

	Professor C. Lindner £	Dr P. Thompson £	£	£
	<b>8 April – 31 July 2024</b>	<b>1 August 2023 – 31 July 2024</b>	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
Salary	97,117	306,000	403,117	264,234
Benefits	–	–	–	–
Pension Contributions to SAUL	4,018	78,441	82,459	67,727
	<b>101,135</b>	<b>384,441</b>	<b>485,576</b>	<b>331,961</b>

No performance related or other bonuses were awarded for the financial year. No sums were paid by way of an expense allowance during the year. No taxable benefits were received during the year.

### 2023/24 Remuneration Statement

The pay level for the incoming President & Vice-Chancellor was determined by the Remuneration Committee, which meets at least annually and comprises independent members of Council, including the Chair and Deputy Chair. The Committee's decision was informed by data provided by the Chief Operating Officer, the Director of People & Culture and appropriate sector benchmarking. The Committee has a duty to ensure that the President & Vice-Chancellor's remuneration is appropriate to attract and retain the required calibre of individual. Pay increases to senior College staff, including at President & Vice-Chancellor level, are governed by the Senior Staff Remuneration Policy.

2023/24 was another year of high performance, first under the leadership of Dr Thompson, then the leadership of Professor Lindner. In September 2023 the College welcomed a cohort of over 2,800 students from over 80 countries around the world, the majority of whom were studying the one year MA, as well as the new MFA, MDes, MArch and MEd. It was also the month in which the RCA announced a strong performance in the third Knowledge Exchange Framework (KEF), performing consistently above arts cluster average in areas of research partnerships, working with businesses and working with the public sector.

## Notes to the Accounts

For the Year ended 31 July 2024

The RCA was delighted to mark 10 years as the world's number one art and design university according to the QS World University Rankings by subject in April. The College continued its commitment to innovation, particularly in the field of sustainability, with the launch of the second wave of the Terra Carta Design Lab competition and the shortlisting of 10 UK winners in May; and the first two investments from the RCA Design & Innovation Investment Fund in June. Finally, the academic year culminated with over 2,200 students exhibiting at the RCA2024 series of exhibitions and events in the summer.

### Pay Ratios

	Year ended 31 July 2024 <sup>1</sup>	Year ended 31 July 2023
Basic Pay Ratio	5.8	5.6
Total Remuneration Ratio	5.5	5.9

In 2023/24 the President & Vice-Chancellor's basic salary was 5.8 times the median pay for all College staff, compared to 5.6 in the prior year. It compared favourably with the median Higher Education Institution (HEI) sector ratio of 7.14<sup>2</sup>. During the year, the College implemented the 2023/24 UCEA pay awards, which saw staff on lower salaries receiving higher inflationary increases.

The President & Vice-Chancellor's total remuneration was 5.5 times the median total remuneration, a reduction compared to a prior year multiple of 5.9.

The RCA has prepared its median pay disclosure for 2023/24 in accordance with the OfS 2023/24 Accounts Direction definition. This includes permanent staff, but excludes non payroll agency staff.

### Remuneration of other higher paid staff, excluding bonuses, employer's National Insurance and pension contributions:

	Year ended 31 July 2024	Year ended 31 July 2023
	No.	No.
£100,000 to £104,999	1	0
£105,000 to £109,999	2	5
£110,000 to £114,999	2	0
£115,000 to £119,999	2	0
£120,000 to £124,999	1	1
£125,000 to £129,999	3	1
£130,000 to £134,999	0	2
£135,999 to £139,999	0	1
£140,000 to £144,999	3	0
£145,000 to £149,999	1	0
£190,000 to £194,999	0	1
£195,000 to £199,999	1	0
	<b>16</b>	<b>11</b>

The time period covered by this statement includes a restructure of senior staff roles at the College, which has temporarily increased the number of staff included on the list, and the full implementation of the Senior Staff Remuneration Policy. No member of the Council receives remuneration in respect of his or her duties.

<sup>1</sup> The pay ratios for the year-ended 31 July 2024 were calculated using the annual full-time equivalent remuneration of the new President & Vice-Chancellor.

<sup>2</sup> January 2024 Survey of Vice-Chancellors' remuneration.

## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	<b>No. (FTE)</b>	<b>No. (FTE)</b>
<b>Average Staff Numbers by Major Category:</b>		
Academic Programmes and Services	367	337
Premises	31	32
Research	59	50
Administrative and Other	173	166
	<b>630</b>	<b>585</b>

Average Full-time Equivalent (FTE) staff numbers in 2023/24 and 2022/23 were calculated by taking an average of actual staff numbers across each of the twelve months.

### Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Staff costs include compensation paid to Key Management Personnel. Compensation consists of salary and benefits and includes employer pension contributions.

The Key Management Personnel at the Royal College of Art are the President & Vice-Chancellor (from April 2024), Vice-Chancellor (until July 2024), Deputy Vice-Chancellor and Provost (until June 2024), the Chief Operating Officer and the Chief Financial Officer.

Following consolidation of the College's Executive Board, the following officers are also disclosed within Key Management Personnel from July 2024: the Pro Vice-Chancellor (Academic), the Pro Vice-Chancellor (Education), the Pro Vice-Chancellor (Research & Innovation), the Dean of the School of Architecture, the Dean of the School of Arts & Humanities, the Dean of the School of Communication, the Dean of the School of Design, the Director of People & Culture, the Director of Advancement & Alumni, the Director of Engagement, Brand & Marketing and the College Secretary.

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000
Key Management Personnel Compensation	1,674	942

In addition to the change in Key Management Personnel during the year, it should also be noted that £611,000 one-off settlement costs were incurred in relation to Key Management Personnel who were leavers during the period.

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000
<b>9 Interest and Other Finance Costs</b>		
Loan Interest	351	588
	<b>351</b>	<b>588</b>

## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000 Restated (Note 30)
<b>10 Analysis of Total Expenditure by Activity</b>		
Academic and Related Expenditure	26,023	24,072
Academic Services	12,707	10,839
Scholarships, Prizes and Awards	6,140	5,848
Sponsored Projects, Exhibitions and Shows	1,858	1,908
Research Grants and Contracts	4,908	3,570
Premises (Including Service Concession Cost)	16,833	16,073
Residences, Catering and Conferences	747	1,119
Administration and Central Services	19,236	18,494
Depreciation	8,377	7,596
Other Expenses	3,215	2,744
	<b>100,044</b>	<b>92,263</b>
Other Operating Expenses Include:		
External Auditors Remuneration in Respect of Audit Services	103	78
External Auditors Remuneration in Respect of Non-audit Services	8	11
Internal Audit	87	110
Operating Lease Rentals – Land and Buildings	2,562	2,562

Expenditure relating to the College's active subsidiary, IRCA Enterprise Limited, is included within Administration and Central Services. This expenditure amounts to £266,692.

<b>11 Intangible Assets</b>	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000 Restated (Note 30)	£'000
<b>Software</b>			
<b>Cost</b>			
Opening Balance	5,354	3,775	3,775
Additions in the Year (including intangible assets under construction)	1,165	1,579	1,381
Write Offs	(125)	–	–
<b>Total Cost</b>	<b>6,394</b>	<b>5,354</b>	<b>5,156</b>
<b>Amortisation</b>			
Opening Balance	(3,143)	(2,455)	(2,455)
Amortisation Charge for the Year	(851)	(688)	(689)
Accumulated Amortisation	<b>(3,994)</b>	<b>(3,143)</b>	<b>(3,144)</b>
<b>Net Book Value 31 July</b>	<b>2,400</b>	<b>2,211</b>	<b>2,012</b>

The additions during the year relate to the acquisition of software.  
The amortisation period is three years.

## Notes to the Accounts

For the Year ended 31 July 2024

<b>12 Fixed Assets</b>	<b>Freehold Land and Buildings</b>	<b>Leasehold Land and Buildings</b>	<b>Fixtures, Fittings and Equipment</b>	<b>Fixed Assets Under Construction</b>	<b>Total</b>
	£'000	£'000	£'000	£'000	£'000
<b>Cost and valuation</b>					
At 1 August 2023	141,416	102,582	19,727	5,909	269,634
Prior period adjustment	–	(445)	424	(562)	(583)
At 1 August 2023 Restated (Note 30)	141,416	102,137	20,151	5,347	269,051
Transfer of completed assets from Assets Under Construction	–	28	16	(44)	–
Additions	–	35	2,484	3,723	6,242
Impairment	–	(965)	–	–	(965)
Write Offs	–	–	–	(954)	(954)
Disposals	–	–	(760)	–	(760)
<b>At 31 July 2024</b>	<b>141,416</b>	<b>101,235</b>	<b>21,891</b>	<b>8,072</b>	<b>272,614</b>
<b>Depreciation</b>					
At 1 August 2023	(1,910)	(20,779)	(11,142)	–	(33,831)
Prior period adjustment	5	23	2	–	30
At 1 August 2023 Restated (Note 30)	(1,905)	(20,756)	(11,140)	–	(33,801)
Charge for the year	(1,643)	(3,164)	(2,720)	–	(7,527)
Disposals	–	–	761	–	761
<b>At 31 July 2024</b>	<b>(3,548)</b>	<b>(23,920)</b>	<b>(13,099)</b>	<b>–</b>	<b>(40,567)</b>
<b>Net Book Value</b>					
<b>At 31 July 2024</b>	<b>137,868</b>	<b>77,315</b>	<b>8,792</b>	<b>8,072</b>	<b>232,047</b>
At 31 July 2023	139,506	81,803	8,585	5,909	235,803
Prior period adjustment	5	(422)	426	(562)	(553)
At 31 July 2023 (Restated)	<b>139,511</b>	<b>81,381</b>	<b>9,011</b>	<b>5,347</b>	<b>235,250</b>

A full valuation of academic, office, ancillary and support buildings was carried out on 31 July 2014 by Gerald Eve LLP. This revaluation was applied as deemed cost on transition to FRS 102.

## Notes to the Accounts

For the Year ended 31 July 2024

### 13 Heritage Assets

The College has an art collection which consists mainly of works of art acquired free of charge from former students and artists associated with the College. Most items in the collection had nil or little value at the date of acquisition as the artists were not well known. Over time some items in the collection have appreciated in value. At 31 July 2024 there were over 1,300 in the collection.

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	£'000	£'000	£'000	£'000	£'000
<b>Opening Balance</b>	16,071	16,056	16,034	16,034	16,031
Additions:					
Total Cost of Acquisitions Purchased	8	15	22	–	3
Total Acquisitions Capitalised	8	15	22	–	3
Revaluation	1,705	–	–	–	–
<b>Closing balance</b>	<b>17,784</b>	<b>16,071</b>	<b>16,056</b>	<b>16,034</b>	<b>16,034</b>

The RCA's heritage assets were revalued by Sotheby's in April 2024, in accordance with the College's accounting policy.

## Notes to the Accounts

For the Year ended 31 July 2024

<b>14 Investments</b>	<b>Endowment Assets</b>	<b>Investment Property</b>	<b>Other Investments</b>	<b>Total Non-Current Investments</b>	<b>Current Investments</b>	<b>Total Investments</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 August 2023</b>	<b>28,610</b>	<b>2,545</b>	–	<b>31,155</b>	<b>570</b>	<b>31,725</b>
Additions	15,813	–	–	15,813	4,829	20,642
Disposals	(13,516)	–	–	(13,516)	–	(13,516)
Increase/(Decrease) in Market Value of Investments	2,313	(550)	997	2,760	–	2,760
<b>as at 31 July 2024</b>	<b>33,220</b>	<b>1,995</b>	<b>997</b>	<b>36,212</b>	<b>5,399</b>	<b>41,611</b>

The non-current investments have been valued at market value. For the breakdown of Endowment Assets by Investment Class, refer to Note 20. The current investments represent cash balances held within the College's endowment portfolio. The in year increase results from an addition to the portfolio late in July 2024, which had not been invested by the balance sheet date.

The College has unquoted investments in 53 start-up companies supported by the InnovationRCA Incubator. The objective of the InnovationRCA is to create new design-led companies that develop products or services which generate sales and profits. This, in turn, will provide new design entrepreneurs and business innovators with development opportunities. Under Other Investments the College has recognised at a fair value those companies supported by the Innovation RCA Incubator which have met the criteria laid out in the College's accounting policies.

## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000
<b>15 Stock</b>	246	224
	<b>246</b>	<b>224</b>

Stock consists of stock from the College Shop, catering supplies and precious metals.

### 16 Debtors

Amounts falling due within one year:

Debtors	1,330	1,485
Accrued Income	614	1,992
Prepayments	2,353	1,467
	<b>4,297</b>	<b>4,944</b>

### 17 Creditors: Amounts Falling Due Within One Year

		Restated (Note 30)
Sundry Creditors	1,836	3,999
Social Security and Other Taxation Payable	1,415	1,321
Accruals and Deferred Income*	31,122	32,740
Staff Annual Leave Accrual	1,260	870
	<b>35,633</b>	<b>38,930</b>

\*Deferred income includes government grants received to fund capital projects. These are released over the life of the related fixed asset.

Deferred income also includes fees related to the 2024/25 academic year received in the 2023/24 financial year.

### Deferred Income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

Research Grants – Government	2,375	3,338
Research Grants – Non-Government	739	1,318
Grant Income	–	226
Other Income	276	272
	<b>3,390</b>	<b>5,154</b>

## Notes to the Accounts

For the Year ended 31 July 2024

### 18 Creditors: Amounts Falling Due After More Than One Year

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000
Deferred Income*	46,388	47,325
Unsecured Loans	8,000	18,000
	<b>54,388</b>	<b>65,325</b>
Analysis of Unsecured Loans:		
<b>Due Within One Year or on Demand (Note 17)</b>	–	–
Due Between One and Two Years	–	–
Due Between Two and Five Years	8,000	18,000
Due in Five Years or More	–	–
<b>Due After More Than One Year</b>	<b>8,000</b>	<b>18,000</b>
<b>Total Unsecured Loans</b>	<b>8,000</b>	<b>18,000</b>

\*Deferred income includes government grants received to fund capital projects. These are released over the life of the related fixed asset.

Following a competitive process in 2023, the College agreed a new 5-year, £45m Revolving Credit Facility with HSBC, with an option to extend for a further 2 years. As at 31 July 2024, the College had drawn £8m of this facility. Loan drawdowns are subject to interest rate repayments, and there is no charge over the RCA's assets.

### 19 Contingent Liabilities

The College has no provisions for contingent liabilities at the year ending 31 July 2024 (2022/23: Nil).

## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Restricted Permanent Endowments</b>	<b>Unrestricted Expendable Endowments</b>	<b>Restricted Expendable Endowments</b>	<b>2024 Total</b>	<b>2023 Total</b>
	£'000	£'000	£'000	£'000	£'000
<b>20 Endowment Reserves</b>					
Restricted net assets relating to endowments are as follows:					
<b>Balance at 1 August 2023</b>					
Capital	19,639	4,666	8,877	33,182	27,680
Accumulated Income	262	1,226	(658)	830	798
	<b>19,901</b>	<b>5,892</b>	<b>8,219</b>	<b>34,012</b>	<b>28,478</b>
New Endowments	1,726	–	394	2,120	6,916
Transfers(Capital)	(6,028)	–	4,687	(1,341)	–
Transfers(Income)	13	–	1,328	1,341	–
Investment Income	292	239	196	727	797
Expenditure	(199)	(26)	(429)	(654)	(765)
	94	213	(233)	73	32
Increase/(Decrease) in Market Value of Investments	1,298	168	846	2,312	(1,414)
<b>At 31 July 2024</b>	<b>17,003</b>	<b>6,273</b>	<b>15,241</b>	<b>38,517</b>	<b>34,012</b>
<b>Represented by:</b>					
Capital	16,635	4,834	14,804	37,615	33,182
Accumulated Income	368	1,439	437	903	830
	<b>17,003</b>	<b>6,273</b>	<b>15,241</b>	<b>38,517</b>	<b>34,012</b>
<b>Analysis by Type of Purpose:</b>					
Scholarships and Bursaries	16,964	–	11,149	28,114	24,043
Research Support	–	–	4,000	4,000	3,497
Prize Funds	–	–	92	92	545
General	39	6,273	–	6,312	5,927
	<b>17,003</b>	<b>6,273</b>	<b>15,241</b>	<b>38,517</b>	<b>34,012</b>
<b>Analysis by Asset:</b>					
Fixed Interest Stocks				10,765	11,296
Equities/Securities				21,738	17,313
Accrued Income				–	–
Cash and Cash Equivalentents (RCA)				257	4,833
Cash and Cash Equivalentents (Investment Fund)				5,757	570
				<b>38,517</b>	<b>34,012</b>

## Notes to the Accounts

For the Year ended 31 July 2024

The endowments held include the following funds:

	Notes	£'000
Endowment Fund	a	5,941
RCA Unrestricted Investment Fund	b	6,273
GenerationRCA Scholarship Fund	c	16,024
Helen Hamlyn Chair	d	3,140
Marit Rausing Scholarships	e	6,279
Other	f	860
		38,517

Fund details

**a Endowment Fund**

The endowment fund is a fund-of-funds, consisting of 60 individual permanent and expendable endowments. The endowments in this fund all fund a combination of Scholarships, prizes and other awards.

**b RCA Unrestricted Investment Fund**

A general purpose expendable endowment. The fund is always held in reserve except in the most challenging circumstances when it might be expended in part or in full.

**c GenerationRCA Scholarship Fund**

A permanent endowment set up to provide scholarships. The fund is restricted to supporting under represented groups so they can access the world leading training at the RCA. Certain supporters of the fund have further stipulated people of colour.

**d Helen Hamlyn Chair**

A permanent restricted endowment, which provides funding towards the salary of the Helen Hamlyn Chair of Design.

**e Marit Rausing Scholarships**

An expendable scholarship endowment, providing three scholarships each in Ceramics & Glass for British students. The scholarships will be provided each year for 26 years.

**f Other**

The remaining funds cover a variety of purposes. The largest single fund within this group is the Genesis Chair of Innovation. This permanent endowment is being built up over a ten year period to contribute towards the salary of a member of faculty whose role is aligned to innovation and technology.

## Notes to the Accounts

For the Year ended 31 July 2024

	<u>Capital</u>	<u>Donations</u>	<u>2024 Total</u>	<u>2023 Total</u>
	£'000	£'000	£'000	£'000
<b>21 Restricted Reserves</b>				
Reserves with Restrictions are as follows:				
<b>Balances at 1 August 2023</b>	136	3,777	3,913	3,033
New Capital Receipts	742	–	742	–
New Donations	–	3,345	3,345	3,569
Expenditure	–	(2,722)	(2,722)	(2,689)
	<u>742</u>	<u>623</u>	<u>1,365</u>	<u>880</u>
<b>At 31 July 2024</b>	<b><u>878</u></b>	<b><u>4,400</u></b>	<b><u>5,278</u></b>	<b><u>3,913</u></b>

	<u>2024 Total</u>	<u>2023 Total</u>
	£'000	£'000
<b>Analysis of Other Restricted Funds/Donations by Type of Purpose:</b>		
Scholarships and Bursaries	1,510	1,432
Capital Grants	879	137
Prize Funds	233	73
General	2,656	2,271
	<b><u>5,278</u></b>	<b><u>3,913</u></b>

	<u>At 1 August 2023</u>	<u>Cash Flows</u>	<u>At 31 July 2024</u>
	£'000	£'000	£'000
<b>22 Cash and Cash Equivalents</b>			
Cash and cash equivalents	21,226	(13,770)	7,456
	<b><u>21,226</u></b>	<b><u>(13,770)</u></b>	<b><u>7,456</u></b>

## Notes to the Accounts

For the Year ended 31 July 2024

	<u>31 July 2024</u>	<u>31 July 2023</u>
	£'000	£'000
<b>23 Reconciliation of net debt</b>		
<b>Net debt 1 August</b>	<b>35,276</b>	<b>41,262</b>
Movement in cash and cash equivalents	13,770	(3,348)
Repayment of unsecured loans	(10,000)	(2,000)
Other non-cash changes	(686)	(638)
<b>Net debt 31 July</b>	<b>38,360</b>	<b>35,276</b>
<b>Change in net debt</b>	<b><u>3,084</u></b>	<b><u>(5,986)</u></b>
<b>Analysis of net debt:</b>		
Cash and cash equivalents	7,456	21,226
<b>Borrowings: amounts falling due within one year</b>		
Obligations under finance leases	700	686
	<u>700</u>	<u>686</u>
<b>Borrowings: amounts falling due after more than one year</b>		
Obligations under finance lease	37,116	37,816
Unsecured loans	8,000	18,000
	<u>45,116</u>	<u>55,816</u>
<b>Net debt</b>	<b><u>38,360</u></b>	<b><u>35,276</u></b>

## Notes to the Accounts

For the Year ended 31 July 2024

### 24 Capital and Other Commitments

	<u>31 July 2024</u>	<u>31 July 2023</u>
	£'000	£'000
Provision has not been made for the following capital commitments:		
Commitments contracted for	1,186	1,342
	<u><b>1,186</b></u>	<u><b>1,342</b></u>

These relate to contracts associated with the College's Battersea South project.

### 25 Lease Obligations

Total rentals payable under operating leases:

	<u>Land and Buildings</u>	
	<u>31 July 2024</u>	<u>31 July 2023</u>
	£'000	£'000
Payable during the year	2,562	2,562
Future Minimum Lease Payments Due:		
Not Later than One Year	2,562	2,562
Later than One Year and Not Later than Five Years	4,600	6,970
Later than Five years	2,075	2,267
<b>Total Lease Payments Due</b>	<u><b>9,237</b></u>	<u><b>11,799</b></u>

	<u>31 July 2024</u>	<u>31 July 2023</u>
	£'000	£'000
Operating lease rentals receivable during the year	181	198
Future Minimum Lease Receipts Due:		
Not Later than One year	181	181
Later than One Year and Not Later than Five years	234	415
Later than Five Years	-	-
<b>Total Rental Income Receipts Due</b>	<u><b>415</b></u>	<u><b>596</b></u>

The College receives rental income under a 15 year lease for letting a ground floor unit of the Dyson building to the Co-operative Group Food Limited.

## Notes to the Accounts

For the Year ended 31 July 2024

	<b>Land and Buildings</b>	
	<b>31 July 2024 Total</b>	<b>31 July 2023 Total</b>
	£'000	£'000
Total rentals payable under Finance leases:		
Payable during the year	700	686
Future Minimum Lease Payments Due:		
Not Later than One Year	714	700
Later than One Year and Not Later than Five Years	3,001	2,942
Later than Five years	33,401	34,174
<b>Total Lease Payments Due</b>	<b>37,116</b>	<b>37,816</b>

### 26 Access and Participation

	<b>31 July 2024 Total</b>	<b>31 July 2023 Total</b>
	£'000	£'000
Access Investment	33	7
Financial Support	162	41
Disability Support	-	-
Research and Evaluation	1	1
	<b>196</b>	<b>49</b>

The College's Access and Participation plan for the period 2023/24 to 2027/28 has been approved by the Office for Students and may be found here:

<https://www.officeforstudents.org.uk/for-providers/regulatory-resources/search-for-access-and-participation-plans/#/AccessPlans/provider/10007777>

The plan focuses on increased access to the College's MA Architecture Part 2 course, as all other programmes are postgraduate. 2023/24 is the first year of the College's Access and Participation Plan. Expenditure on Financial Support far exceeded the £50k target for the year, with 7 recipients of the Sir Frank Bowling Scholarship, which is offered to UK students identifying as Black African and Caribbean diaspora heritage. There were 2 recipients of the Continuation Fund, 22 Admissions bursaries and 21 students received Back on Track funding, all of which supports students from lower socio economic groups. Further details regarding scholarship and bursary funding for students may be found in the Annual Report on page 37.

## Notes to the Accounts

For the Year ended 31 July 2024

### 27 Pension Scheme

#### General Description of the Scheme

The Royal College of Art participates in the Superannuation Arrangements of the University of London (“SAUL”), which is a centralised defined benefit scheme within the United Kingdom and was contracted-out of the Second State Pension (prior to April 2016). SAUL is the only pension scheme in which the RCA enrolls its staff.

SAUL is an independently-managed pension scheme for mainly the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings (“CARE”) basis.

The Royal College of Art is not expected to be liable to SAUL for any other current participating employer’s obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

#### Funding Policy

SAUL’s statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL’s benefits as they fall due (the “Technical Provisions”). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members’ accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL’s position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2024 and are due to be reviewed at SAUL’s next formal valuation in 2026.

At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions. As SAUL was in surplus on its Technical Provisions basis, no deficit contributions were required. However, as per an agreement between the Trustee and the Employers, the ongoing Employers’ contributions will fall from a rate of 21% of CARE Salaries to 19% of CARE Salaries from 1 September 2024.

#### Accounting Policy

The Royal College of Art is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL’s assets at 31 March 2023 was £3,096 million representing 105% of the liabilities.

It is not possible to identify an individual Employer’s share of the underlying assets and liabilities of SAUL. The Royal College of Art accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provisions surplus at 31 March 2023, no deficit contributions were required following the 2023 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Royal College of Art.

## Notes to the Accounts

For the Year ended 31 July 2024

### 28 Related party transactions note

Due to the nature of the College's operations and the composition of its Council and staff, it is inevitable that transactions will take place with external bodies, trusts and organisations with which Council members and/or staff may be associated. The College maintains a Register of Interests in which all such interests are declared, and all transactions are conducted at arm's length and in accordance with the College's financial regulations and usual procurement procedures. £588 of payments were made to Council members for the reimbursement of incidental expenses during the year (2022/23: £132).

During the year, the following transactions took place with companies in which Council or staff members had interests:

The College paid £355,492 to the Victoria and Albert Museum (2022/23: £325,323) primarily for the reimbursement of fees for the History of Design programme (run jointly by the College and the Victoria and Albert Museum).

The College also received £1,182 from the Victoria and Albert Museum relating to a Digital Design Weekend.

Christoph Lindner and Tristram Hunt are members of the College's Council and have interests in the Victoria and Albert Museum.

The College paid £2,288,146 to Imperial College, London (2022/23: £2,093,863) primarily for the reimbursement of fees for the Innovation Design Engineering and Global Innovation Design programmes (run jointly by the College and Imperial College London). Hugh Brady is a member of the College's Council and is President of Imperial College London.

The College paid £367,898 to the RCA student Union (2022/23: £408,819), this was in relation to subvention (from August 2023 to July 2024).

### 29 Jointly controlled operations

Velocity 400 Ltd was incorporated on 2 October 2015 as a private company limited by guarantee for the purpose of providing, among other services, a shared procurement service to enable its members to enjoy economies of scale in the procurement of goods, works and services and to benefit from the expertise of procurement professionals.

In March 2023, the College gave notice of its withdrawal from Velocity 400 Limited, which expired in March 2024.

### 30 Prior period adjustment

During the year, the Financial Accounting team completed a review of the College's financial processes and met with the College's external advisors. As part of their review, the team have identified areas requiring prior year adjustment relating to classification of assets and application of useful economic lives, amounts capitalised as fixed assets, VAT and research grants.

The accounts have been restated to incorporate these prior year adjustments, none of which are material and the net impact of which is £827,000.

	<b>Year ended 31 July 2023</b>	<b>Adjustment</b>	<b>Year ended 31 July 2023</b>
	£'000	£'000	£'000 Restated
Income – Research Grants and Contracts (Note 3)	3,520	432	3,952
Other Operating Expenses (Note 10)	39,908	(1,288)	41,196
Depreciation and amortisation (Note 10/11/12)	7,597	29	7,568
<b>Total Prior Year Adjustment</b>		<b>(827)</b>	

## Notes to the Accounts

For the Year ended 31 July 2024

### 31 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the Royal College of Art is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

#### Primary Reserve Ratio

Page	Line item/related disclosure		<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b> Restated (Note 30)
			£'000	£'000
<b>58</b>	Balance Sheet – Unrestricted income and expenditure reserve	Expendable Net Assets	(81,660)	(86,809)
		Total Expenses and Losses Without Donor Restrictions	96,668	88,809

#### Equity Ratio

			<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
			£'000	£'000
<b>58</b>	Balance Sheet – Unrestricted income and expenditure reserve	Modified Net Assets	201,085	192,732
		Modified Assets	305,838	311,649

#### Net Income Ratio

			<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
			£'000	£'000
<b>60</b>	Statement of Changes in Reserves – total of movement shown for Income & Expenditure Reserve and Revaluation Reserve	Change in Net Assets Without Donor Restrictions	2,484	1,048
		Total Revenues and Gains Without Donor Restrictions	97,964	89,555

## Notes to the Accounts

For the Year ended 31 July 2024

		<b>31 July 2024</b>	<b>31 July 2023</b>
	Notes	£'000	Restated (Note 30) £'000
<b>Expendable Net Assets</b>			
Net Assets Without Donor Restrictions		157,290	154,808
Net Assets With Donor Restrictions	21/22	43,795	37,924
Restricted in Perpetuity	21	(23,278)	(25,793)
Term Endowments	21	(15,239)	(8,218)
Other Intangible Assets	11	(2,400)	(2,211)
Property, Plant and Equipment	12/13	(249,828)	(251,319)
Line of Credit for Long Term Purposes	19	8,000	18,000
Modify for Post Implementation Debt Not Related to Purchase of Assets	19	–	(10,000)
<b>Expendable Net Assets</b>		<b>(81,660)</b>	<b>(86,809)</b>
<b>Total Expenses and Losses Without Donor Restrictions</b>			
Total Operating Expenses less Endowment and Restricted Expenditure	10/21	96,668	88,809
<b>Total Expenses and Losses Without Donor Restrictions</b>		<b>96,668</b>	<b>88,809</b>
<b>Modified Net Assets</b>			
Net Assets Without Donor Restrictions		157,290	154,809
Total Net Assets with Donor Restrictions	21/22	43,795	37,925
<b>Modified Net Assets</b>		<b>201,085</b>	<b>192,734</b>
<b>Modified Assets</b>			
Total Assets	11/12/13/14/15/16/17/23	305,838	311,649
<b>Modified Assets</b>		<b>305,838</b>	<b>311,649</b>
<b>Change in Net Assets Without Donor Restrictions</b>			
Change in Net Assets Without Donor Restrictions		2,484	746
<b>Change in Net Assets Without Donor Restrictions</b>		<b>2,484</b>	<b>746</b>
<b>Total Revenues and Gains Without Donor Restrictions</b>			
Total Operating Revenue and Other Additions	1/2/3/5/7/21/22	99,489	90,569
Investment Return Appropriated for Spending	6	(1,525)	(1,014)
<b>Total Revenues and Gains Without Donor Restrictions</b>		<b>97,964</b>	<b>89,555</b>

# 2023 4

Annual Report & Accounts



## Royal College of Art

Postgraduate Art & Design

### Registered Office

Royal College of Art, Kensington Gore,  
London SW7 2EU

The Royal College of Art is an exempt charity  
under the terms of its Royal Charter  
(Exempt Charities Order 2000).

### Company Number

RC000456

