

2018
2019



Royal College of Art
Postgraduate Art & Design

ANNUAL REPORT & ACCOUNTS

ANNUAL REPORT

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VICE- CHANCELLOR'S FOREWORD



Dr Paul Thompson

RCA faculty and students are the leaders in the field to whom we turn for creative insights into the way we live and should live in the designed world.

Welcome to our review of 2018/19, designed by alumni Scott Doran and Ian Vickers of Eureka!

The RCA is the voice of authority for art and design internationally. As I look back over the past year, it's evident that our staff, students and alumni have enacted bold, authoritative steps in the fields of architecture, innovation design engineering, digital direction and fine and applied arts. RCA faculty and students are the leaders in the field to whom we turn for creative insights into the way we live and should live in the designed world.

Combining cutting-edge technologies with ancient disciplines is embedded in our academic ethos. And as I walk around our three campuses, I see students taking their practice to new levels, with the interactions of the humanities, art and design working across different canvases: science, technology, engineering and social sciences. Experiments from this year show how transformative this approach can be, from Information Experience Design students working with astrophysicists in Grizedale Forest, Cumbria, to MRes students showcasing their visions for the future of Artificial Intelligence at an exhibition in the Barbican Centre, London. Furthermore, industry projects have enabled our students to test their ideas and respond to real-world challenges in partnerships such as the Grand Challenge with CERN, the European Laboratory for Particle Physics.

In the past year we have continued to create new knowledge and insights through research and scholarship, which in turn, have informed and shaped our taught MA programmes. We continue to foster innovation and help our students commercialise their projects through our business incubator, InnovationRCA, which won the Accelerator of the Year, at the UKBAA Angel Investment Awards 2019: a huge accomplishment. InnovationRCA is now spinning out

20 new start-up companies a year – this is one of the targets we committed to deliver to Government, when we secured a £54m grant from HM Treasury in 2016. These companies span a broad range of sectors, from finance, agritech and education, to new materials and handwoven luxury textiles.

The new Battersea campus, designed by architects Herzog & de Meuron, began construction in 2018. It will be a radical, new crucible in which to experiment with these collaborative approaches to teaching, research and knowledge exchange. We are building a new factory for ideas, creative experimentation and exploration, providing space for taught and research programmes in the Schools of Design and Arts & Humanities. There will be two new industry-facing labs – in visualisation and in the future of modelling and manufacturing; and a home for the Helen Hamlyn Centre for Design, the Intelligent Mobility Design Centre, the Robotics Research Group, the Burberry Material Futures Research Group, and a computer science research group which will be established in 2019/20.

Despite the continued uncertainty around Brexit, and with new challenges emerging in Higher Education, we remain committed to a wholly international perspective and have worked to ensure our EU staff are fully supported in their applications for settled status. With some 20% of our student body coming from the EU, we remain steadfast in our commitment to maintaining the rich cultural and intellectual insights that our European students and staff bring to this institution.

As ever, we aim to provide the best possible student experience for our diverse and international body. This year we appointed a Mental Health Coordinator as part of the student support team and continued to develop scholarship opportunities to support future generations of exceptional talent from all backgrounds at the College.

Creativity, research and pedagogy are as strong as ever at the RCA...

We remain committed to providing the best experience for our students, the talented artists and designers whom we know will go on to shape the world.

For the first time, the College held two convocation ceremonies, with a record 1,015 students from 77 nationalities graduating across PhD, MPhil, MRes, MA and Graduate Diploma programmes, and honorary doctorates conferred on Professor Sonia Boyce OBE, Irma Boom and Alison Britton OBE. Graduands included the first cohorts from our Graduate Diploma programme and our 15-month Master's in Digital Direction, City Design and Environmental Architecture.

Our hugely talented faculty underpins everything we do. In addition to new appointments (see p. 95), the Professorial Board awarded professorships to Felicity Aylieff and Dr Jo-Anne Bichard; and readerships to Dr Eleanor Dare and Dr Sina Sareh. This year we bade farewell to Professor Juan Cruz, who has made a huge contribution to the College since he joined in 2014 as Dean of the School of Arts & Humanities; we look forward to welcoming his successor, Professor Ken Neil, who will join the College in early 2020 from the Glasgow School of Art.

We are extremely grateful to all of our donors whose support has enabled us to achieve 87% of the Battersea campus target and 56% of the overall £100m GenerationRCA campaign goal. The College received the single largest philanthropic gift in its history, with a landmark £15m gift from the Sigrid Rausing Trust, for which we are truly grateful to Dr Rausing and her trustees. We are also grateful for the support of the Garfield Weston Foundation, which donated £5m, and to members of the Chancellor's Circle and all of our donors who have expressed their faith and support in our academic vision.

We ended 2018/19 in a good financial position, with a 6% core operating surplus which will enable us to invest in student support, estates and digital infrastructure upgrades in 2019/20 (see Treasurer's Report p. 104).

I would like to thank our Council, in particular the Chancellor, Sir Jony Ive KBE RDI, the Pro-Chancellor and Chair, Baroness Rebuck DBE, and the Treasurer, Caragh Merrick, whose consistent dedication and support are much appreciated; the outgoing presidents of the Students' Union, who have brought energy, enthusiasm and wise insights to the governance of the institution, and our funding and regulatory body, the Office for Students.

Ten years after joining as Vice-Chancellor, I cannot fail to note how different the Higher Education landscape is today from 2009, but creativity, research and pedagogy are as strong as ever at the RCA. We were recently described by the *Harvard Business Review* as one of a very few organisations to sustain such high performance over centuries – a 'radically traditional' centennial. We remain committed to providing the best experience for our students, the talented artists and designers whom we know will go on to shape the world.

I hope you enjoy this snapshot of the College's year, and find much to provoke, fascinate and inspire in equal measure.

Dr Paul Thompson
Vice-Chancellor

4 SCHOOLS

28 PROGRAMMES

41.6%

41.6% INCREASE IN
INSTAGRAM FOLLOWERS

1,000

NO. 1 IN THE WORLD FOR ART AND DESIGN
(2019 QS WORLD UNIVERSITY SUBJECT RANKINGS)

70%

OVER 1,000
VISITING LECTURERS

70% INCREASE IN GROWTH OF YOUTUBE
SUBSCRIBERS VS LAST YEAR'S GROWTH

2,296

2,296 STUDENTS

1.08m

1.08 MILLION WEBSITE VISITORS

1 RESEARCH
GROUP

77

77 NATIONALITIES

4 RESEARCH
CENTRES

£87m

£87M TURNOVER GENERATED BY RCA
SPIN-OUTS IN THE LAST 10 YEARS



1
Albania



3
Argentina



15
Australia



10
Austria



1
Bangladesh



1
Barbados



2
Belarus



7
Belgium



8
Brazil



7
Bulgaria



25
Canada



10
Chile



555
China



5
Colombia



2
Croatia



1
Cuba



9
Cyprus



6
Czech
Republic



18
Denmark



2
Ecuador



2
Egypt



4
Estonia



15
Finland



74
France



79
Germany



36
Greece



28
Hong Kong



6
Hungary



1
Iceland



60
India



7
Indonesia



6
Iran



24
Ireland



9
Israel



78
Italy



14
Japan



1
Jersey



3
Jordan



1
Latvia



5
Lebanon



9
Lithuania



2
Macao



7
Malaysia



3
Malta



6
Mexico



1
Morocco



26
Netherlands



1
New
Zealand



1
Nigeria



3
Norway



3
Pakistan



2
Peru



2
Philippines



26
Poland



19
Portugal



3
Romania



9
Russian
Federation



4
Saudi
Arabia



11
Singapore



4
Slovakia



2
Slovenia



5
South
Africa



98
South
Korea



37
Spain



3
Sri Lanka



24
Sweden



11
Switzerland



3
Syria



63
Taiwan



15
Thailand



11
Turkey



3
United
Arab
Emirates



625
United
Kingdom



110
United
States of
America



1
Venezuela



1
Vietnam

Programmes	Number of Applicants 2018/19	Students Enrolled 2018/19	Number of Students 2018/19*
School of Architecture			
MA Architecture	348	85	158
MA City Design	59	11	17
MA Environmental Architecture	50	13	19
MA Interior Design	328	50	84
MRes RCA: Architecture Pathway	15	5	5
Postgraduate Research (MPhil/PhD)	27	7	19
School Total	827	171	302
School of Arts & Humanities			
MA Ceramics & Glass	57	28	46
MA Contemporary Art Practice	243	47	109
MA Curating Contemporary Art	98	34	61
MA History of Design	72	27	50
MA Jewellery & Metal	193	36	61
MA Painting	364	59	105
MA Photography	193	48	94
MA Print	94	31	69
MA Sculpture	191	45	102
MA Writing	47	21	30
MRes RCA: Fine Art & Humanities	41	14	15
Postgraduate Research (MPhil/PhD)	99	20	109
School Total	1,692	410	851
School of Communication			
MA Animation	94	35	71
MA Digital Direction	67	24	41
MA Information Experience Design	149	50	89
MA Visual Communication	585	58	114
MRes RCA: Communication Design Pathway	17	9	9
Postgraduate Research (MPhil/PhD)	23	6	26
School Total	935	182	350
School of Design			
MA Design Products	342	68	115
MA Fashion	583	52	102
MA RCA/ICL Global Innovation Design	168	29	47
MA RCA/ICL Innovation Design Engineering	268	54	95
MA Service Design	205	64	102
MA Textiles	230	64	118
MRes Healthcare & Design	12	6	9
MRes RCA: Design Pathway	18	10	10
Postgraduate Research (MPhil/PhD)	39	11	41
School Total	1,865	358	639
Research Centres			
MA Intelligent Mobility	74	36	56
Postgraduate Research MPhil/PhD Intelligent Mobility	18	2	2
Postgraduate Research MPhil/PhD Materials Science	3	1	1
School Total	95	39	59
College-wide Programme			
Graduate Diploma in Art & Design	606	93	95
TOTAL	6,020	1,253	2,296

* Total headcount



Highlights from a year that has seen the launch of high-profile industry and academic partnerships, alongside major achievements from students, alumni and staff that evidence our ambition to be recognised as the world's most influential art and design college.



There was much excitement at the College when newly appointed Royal Visitor, His Royal Highness Prince of Wales, paid his first visit. The Prince of Wales spent time with students, technicians and teaching staff on a tour of the Ceramics & Glass workshops, which several students demonstrated in action.

In the Wolfson Printmaking Hall, The Prince of Wales saw different types of printing press including the John Haddon Etching Press, which dates from 1851 and was displayed at the Great Exhibition. The press is also known fondly as the 'Hockney press', as alumnus David Hockney used it to create his *A Rake's Progress* etchings in 1961 when he couldn't afford to buy more paint.

The Prince of Wales participated in a demonstration of the renowned press, using it to produce an aquatint created by MA Print alumna Kristina Chan. The featured design was a drawing of the press to mark the occasion of The Prince of Wales's 70th birthday and his first visit to the RCA.

365 DAYS

REVIEW OF THE YEAR 2018/19

AUGUST

London Arts & Humanities Partnership

The RCA joined the London Arts & Humanities Partnership (LAHP), a doctoral training partnership funded by the Arts & Humanities Research Council, enabling RCA research students to join a community of researchers and providing opportunities to apply knowledge, expertise and practice through links with cultural institutions.



SEPTEMBER

Intelligent Mobility Collaborates with Bentley

Soundscapes, luxury stratospheric transportation and sophisticated driverless elegance all featured in diverse design visions from Intelligent Mobility students in response to the question: 'What will British luxury mean in 2050?', a brief set in collaboration with Bentley Motors, the most sought-after luxury car brand in the world.

MRes RCA Graduate Exhibition

The first cohort of Master of Research (MRes) RCA graduates presented their projects in a public exhibition and symposium. Through installations, performances, lectures and discussions, 26 students across the programme's four pathways shared their practice-based and practice-led research.



Design and Research at London Design Festival

From solutions for sustainable living to the future of housing, dynamic RCA design was showcased across London through interactive and thought-provoking talks, open studios, workshops and exhibitions. This included the public launch of the College's two newest research centres, the Intelligent Mobility Design Centre and the Burberry Material Futures Research Group, with the exhibition *Design <> Research* at Battersea Power Station.



Exhibition at Theo Fennell

Three MA Jewellery & Metal graduates showcased work at the British luxury jewellery brand's flagship store. Their unique pieces breached the boundaries of jewellery and sculpture to explore ideas of femininity, fragility and the body.



Kathleen Reilly, *The Kitchen is in the Gallery, the Gallery is in the Kitchen*,
Theo Fennell x RCA Exhibition



OCTOBER

Graduate Diploma Art & Design Work-in-progress Show

Work in progress from the first cohort of RCA Graduate Diploma Art & Design students was exhibited at the College's White City campus. The exhibition celebrated the work of 48 students from over 16 different nations, with a wealth of prior experiences and backgrounds including creative education, creative industries, law, science and commerce.



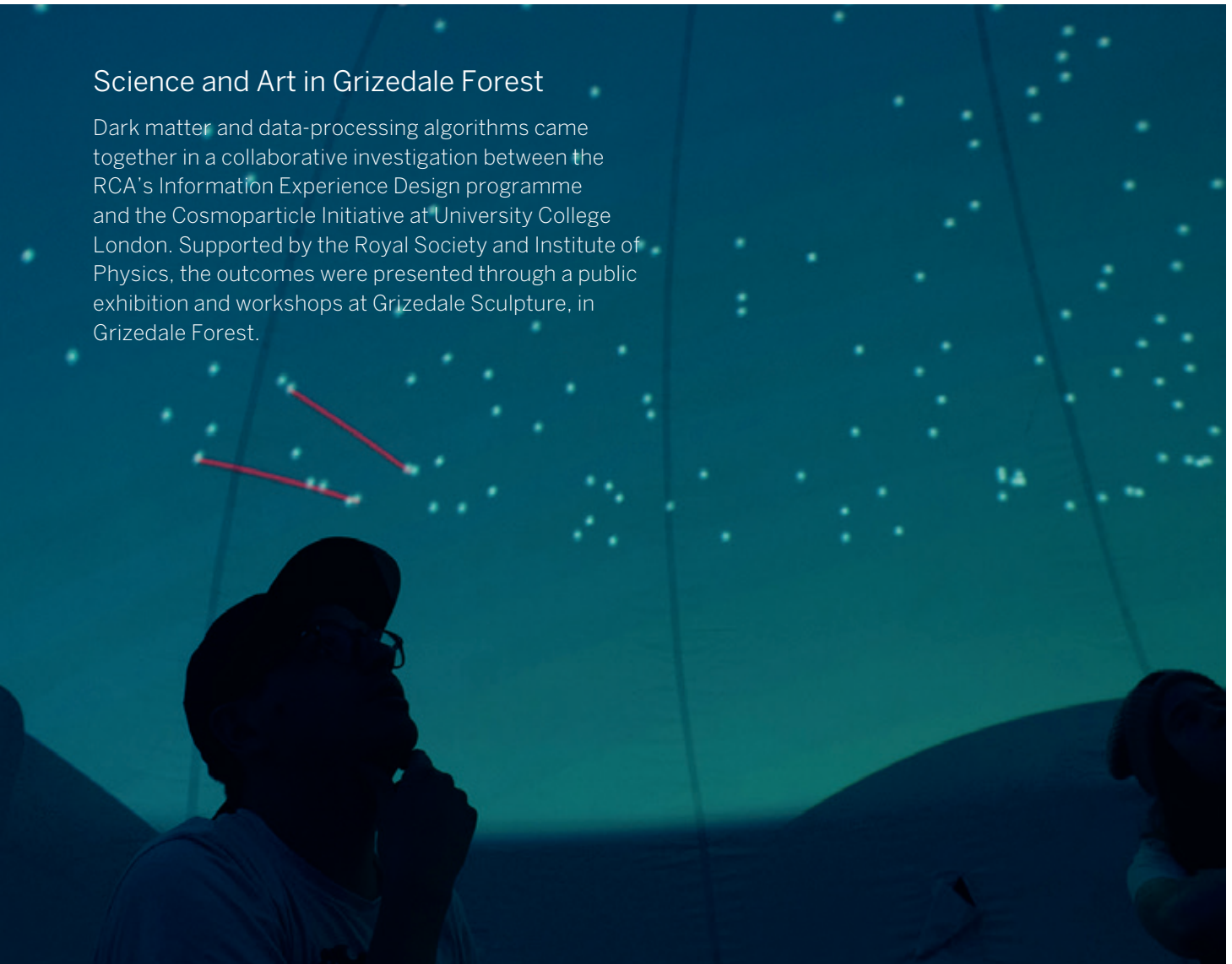


Student Fellowship at Yale Center for British Art

Current PhD student Rosie Ram took part in a three-month fellowship at the Yale Center for British Art with the support of an award from the Arts & Humanities Research Council (AHRC) International Placement Scheme. Her research at the centre will contribute towards a chapter of her PhD and inform a Spotlight display she is co-curating at Tate Britain.

Science and Art in Grizedale Forest

Dark matter and data-processing algorithms came together in a collaborative investigation between the RCA's Information Experience Design programme and the Cosmoparticle Initiative at University College London. Supported by the Royal Society and Institute of Physics, the outcomes were presented through a public exhibition and workshops at Grizedale Sculpture, in Grizedale Forest.



Jordan Baseman Marks Spanish Flu Centenary

An ambitious 365-day audio work by Jordan Baseman, RCA Reader in Time-based Media and Senior Tutor/Pathway Leader Moving Image, was commissioned by the Wellcome Trust to mark the centenary of the 1918 influenza pandemic (see Research, Knowledge Exchange & Innovation, p. 61).

Dubai Design Week Showcase

Twelve innovative RCA projects that address contemporary global challenges and technologies were among the inventions exhibited in the Global Grad Show at Dubai Design Week. They were chosen from more than 1,000 entries and were shown alongside work from 100 global universities, including Harvard and MIT.



AcrossRCA 2018

AcrossRCA featured 37 projects, as well as several shorter drop-in sessions, offering an extensive range of opportunities for participation. Sustainability was the focus for several projects that considered how design can disrupt and innovate for change, while having real-world impact.



A Royal Visit

His Royal Highness The Prince of Wales met Ceramics & Glass and Print students, staff and start-up design innovators on his first visit to the College since taking up the role of Royal Visitor.





Rethinking Urban Mobility with Porsche

A three-month brief in collaboration with Porsche challenged Intelligent Mobility and Fashion students to imagine the future of urban mobility, by envisioning future products and exclusive services that fuse fashion and functionality to seamlessly manage the last mile of commuters' journeys in London (see Research, Knowledge Exchange & Innovation, p. 68).

RCA Secret

Jeremy Deller, Maggi Hambling, Magdalene Odundo, Grayson Perry, Bob and Roberta Smith, Paul Smith and Sir Ridley Scott – all contributed to RCA Secret, the College's regular fundraising event, which featured over 1,800 postcard-sized original artworks. It raised almost £50,000 to support the RCA scholarship fund.





GenerationRCA

The launch of GenerationRCA marked the start of an ambitious five-year campaign that will propel the RCA's radical new academic vision by focusing on three key pillars: places, projects and people. The launch included a screening of a film created in collaboration with RCA alumnus Sir Ridley Scott, and supported by Ridley Scott Associates (see Development & Alumni Relations, p. 83).



Pokémon Scholarships Support Innovative Creativity

The Pokémon Company awarded a significant grant to establish two full-fee scholarships for second-year MA students studying in the School of Design and the School of Communication (see Development & Alumni Relations, p. 87).

Work-in-progress Shows

A showcase of work from across the College offered visitors the chance to gain insight into the processes of experimentation, research and risk taking through which students develop work at the RCA. The shows also included graduate work from MA City Design.

FEBRUARY

Winter Convocation

The first Winter Convocation took place at the Royal Geographic Society. Degrees were conferred upon 181 students from 36 countries, including the first cohorts from MA City Design, Digital Direction, Environmental Architecture, Intelligent Mobility and the Graduate Diploma. Professor Sonia Boyce OBE RA, meanwhile, joined the ranks of RCA honorary doctors.



Digital Direction and Intelligent Mobility Graduate Projects

The first cohort of students to graduate from the MA Digital Direction and Intelligent Mobility programmes showcased work exploring storytelling and media in the digital age, and the future of mobility.





A Solution to Tube Pollution

An innovative solution to the high levels of pollution on the London Underground, proposed by Timi Oyedeji, Nicole Stjernswärd, Kate Strudwick and Alex Facey, RCA/Imperial College London Innovation Design Engineering students, was featured in the *Evening Standard*. The speculative design tackles the urgent crisis around air quality, using the principle of bioremediation to propose a new air filtration system that takes in urban air and breathes out clean, purified air.

Number One Ranking

The RCA was named the world's number one for art and design for the fifth consecutive year. The College again led the table of 200 for the study of art and design in the QS World University Rankings by Subject, ahead of much larger institutions around the globe (see *Embodying the RCA's Values*, p. 42).



World's First AI-Powered Design Laboratory

The RCA and Hong Kong Polytechnic University signed a Memorandum of Understanding to confirm their intention to establish the PolyU|RCA Artificial Intelligence Design Laboratory (AiDLab). The Laboratory will be the world's first research facility to champion the integration of Artificial Intelligence (AI) into the design of products and services.



Students Transform Toxic Waste into Pottery

Innovation Design Engineering students transformed the toxic waste material 'red mud' – a by-product of refining bauxite ore into alumina to make aluminium – into a range of glazed pottery, resulting in hues from bright terra cotta through to browns and blacks. The innovation was reported in *Dezeen*, *Curbed* and *Fast Company*.



InnovationRCA First50 Start-up Companies

InnovationRCA launched First50, a scale-up programme to connect start-ups with industry mentors and help them reach greater heights. This marked a significant milestone for the centre, which has helped 82 graduates launch more than 50 spin-outs, collectively creating more than 650 UK jobs and generating more than £87m turnover in the last ten years.



Grand Challenge with CERN

The RCA's Grand Challenge in collaboration with CERN, the European Laboratory for Particle Physics, demonstrated how innovative and disruptive technologies can address the world's most intractable challenges (see *Embodying the RCA's Values*, p. 40).



Women in Innovation Awards

The success of two RCA alumni were celebrated by Innovate UK's Women in Innovation awards. Sheana Yu (MA/MSc Global Innovation Design, 2015) and Daniela Paredes Fuentes (MA/MSc Innovation Design Engineering, 2014) were awarded £50,000 in business funding and a package of bespoke support to help grow their businesses, as part of a campaign to boost diversity in innovation.



APRIL

Milan Design Week

Design Products students presented prototypes at Ventura Future as part of Milan Design Week. From devices that allow users to take control of their data and privacy, to soft robotics that support meditative breathing for the visually impaired, their designs addressed real-world challenges through balancing high levels of creativity and technical capability with contextual insight and empathy for people.



Tai Shani, *Dark Continent: Semiramis*, 2018 Glasgow.
 Courtesy the artist.
 Photo: Keith Hunter



Turner Prize Shortlist

Three of the four shortlisted artists for the 2019 Turner Prize were RCA staff or alumni: Contemporary Art Practice tutor Tai Shani, alumna and visiting tutor Helen Cammock (MA Photography, 2011), and alumnus Oscar Murillo (MA Painting, 2012).

Future Human–Robot Collaboration in the Workplace

MRes RCA Design Pathway students showcased two prototypes at the Barbican, as part of a season exploring what it means to be human when technology is changing everything. HEXIS Touch is a robotic glove that enables the wearer to feel the movements, dexterity and pressures of a classically trained pianist, while Pando is a robotic plant for your desk that grows new leaves and blossoms as you learn new skills, encouraging lifelong learning in the workplace.



CCA Graduate Projects

Working in collaboration with leading UK arts organisations – Nottingham Contemporary, The Photographers' Gallery, Gasworks and Pump House Gallery – this year's graduating Curating Contemporary Art students produced four distinct projects. The third year of the partnership-based projects marked an important expansion of the programme's commitment to working with and developing new regional and online audiences.



Sam Jacob Studio, *Fragmented Follies*, CCA Graduate Show 2019
 with The Pump House Gallery. Photo: Thierry Bal



Venice Biennale 2019

RCA staff and alumni were celebrated at the Venice Biennale, with alumni Lina Lapelyté (MA Sculpture, 2013) and Hans Epaminonda (MA Print, 2003) winning the Golden Lion and Silver Lion awards respectively, while exhibitions were curated by current staff and recent alumni.

All at Once

At the Cork Street Galleries in Mayfair, graduating Fashion students showcased their avant-garde visions through performance, promenades, presentations and installations. Students working across Menswear, Womenswear, Knitwear, Footwear, Accessories and Millinery showcased their work, which engaged new technologies and applied traditional ones in innovative ways to affect radical currents in society.



Great Exhibition Road Festival

The spirit of the *Great Exhibition* of 1851 was recreated for the twenty-first century by the RCA and its neighbouring leading cultural venues, including the Royal Albert Hall, the Natural History Museum, the Science Museum and Imperial College London, at the Great Exhibition Road Festival. Recent graduates Lewis Hornby and Cristina Carbajo showcased their innovative food-related designs at the V&A's Museum of Food, while students, staff and alumni from across the College took part in talks and discussions.

JULY

Helen Hamlyn Design Awards

From ground-breaking patent-pending technology that could radically improve the lives of Parkinson's patients to tackling air quality in polluted cities, the six winners of the Helen Hamlyn Design Awards 2019 were announced.



Visions for Future Cities

The Intelligent Mobility Design Centre hosted the research symposium Transformation – Arts <> Cities <> Mobility <> Products <> Services <> Technology. Guest industry speakers, including RCA alumnus and Head of Design for Tata Motors Pratap Bose, RCA researchers, designers and practitioners explored the complex challenges of future urban mobility from a range of disciplinary perspectives.



Show 2019

The College's graduate exhibition took place across three sites, offering a unique opportunity to experience the very best of emerging contemporary art and design practice. Over 800 art and design postgraduate students presented work of exceptional quality, imagination and technical skill.



InnovationRCA Named Accelerator of the Year

The College's incubator, InnovationRCA, won Accelerator of the Year at the UKBAA Angel Investment Awards, which recognises the most dynamic programme of support for start-ups and early-stage entrepreneurs during the past year (see Research, Knowledge Exchange & Innovation, p. 76).



Writing Student Wins £25,000 Economics Prize

Bertie Wnek was announced as the winner of one of the biggest cash prizes in world economics. Assessing the digital economy and how its fruits could be used to improve life through the reduction of working hours, his paper won the under-25 category of the Institute for Public Policy Research (IPPR) Economics Prize.





British Airways Flight of the Future

From advanced jet propulsion, automation and AI, to modular transport, sustainability and health, a collaboration with British Airways explored the next 100 years of aviation (see *Embodying the RCA's Values*, p. 44).



‘I believe that the Royal College of Art is a truly unique community; a vital, creative environment where the nature of ideas is explored and nurtured; where the cross-pollination and collaboration of different disciplines are encouraged, uniting diverse groups in pursuit of discovery, and feeding and supporting the momentum which encourages an acceptance of the challenges associated with doing hard things, encouraging the curiosity, openness and care that are at the heart of innovation.

‘I remain completely in awe and completely enchanted by the creative process, so I’m particularly proud to have the chance to represent and help guide this extraordinary institution as Chancellor, as we enter one of the most exciting times in its history.’

Sir Jony Ive KBE RDI
Chancellor, Royal College of Art



The RCA x CERN Grand Challenge saw over 350 students from the School of Design collaborate in interdisciplinary teams to find solutions to some of the most pressing international challenges. Inspired and supported by scientists from CERN, these RCA designers applied innovative technologies and human-centred design methods to create workable solutions across healthcare, energy, digital disruption and social and economic inequality. Four winning teams were selected to visit CERN where they met scientists and engineers, viewed the Large Hadron Collider and presented their ideas.

From electromagnetics to superconductivity and cryogenics, the Grand Challenge introduced students to scientific developments that inspired new ways of addressing key social and environmental issues. In turn, scientists from CERN witnessed the power of design to explore and develop innovative applications for technologies through disruptive models of interdisciplinary innovation.

‘Being at CERN was a fantastic opportunity to connect with the passionate physicists and entrepreneurs who helped bring the Grand Challenge to life. Additionally, presenting at IdeaSquares gave my team the chance to present outside of the RCA to a new audience with unique insights.’

Helene Benz, MA Service Design

‘The Grand Challenge is the largest multidisciplinary project CERN has ever conducted. We have so much to learn from each other.’

Professor Paul Anderson, Dean, School of Design

‘We at CERN are very interested in the differences and similarities between scientists and designers, and how working together can create new knowledge.’

Dr Markus Nordberg, Head of Resources Development, CERN

WORLD LEADER

EMBODYING THE RCA'S VALUES

WORLD- LEADING

The RCA continues to lead in its field as a specialist research-intensive postgraduate college. For the fifth consecutive year, we were named number one in the world for art and design by QS World University Rankings, ahead of 200 of the world's top universities for the study of art and design.

The QS University Rankings assesses the best international universities based on three assessment areas: academic reputation, employer reputation and research impact. As a small, specialist research-intensive postgraduate college in the heart of London, this accolade is testament to the quality and commitment of our staff and the enormous talent of our students who are ranked as the best in the world.

Part of our continued success stems from the ability to evolve, by continuing to support world-class art and design, but also embracing new areas of expertise and innovation from robotics and AI to computing and materials science.

Our Academic Vision

The RCA's academic vision transforms the accepted paradigm of an art and design college, by injecting key scientific disciplines into the mix of creative disciplines traditionally offered. The College will continue along its recent path of introducing exciting and provocative new programmes such as Environmental Architecture and Digital Direction; with future programmes centred on nano and soft robotics, computer science and machine learning, materials science and the circular economy.

Through these developments the College continues to apply creative insights to evidence-based science in order to address pressing global challenges.

The past year has seen the fruits of this vision. We've partnered extensively with industry, leading interdisciplinary teams of students across the College on collaborative projects addressing important global issues from sustainability and the climate crisis to social and economic disparity.

Murder on the Yokai Line, Tongzhou Yu
(MA Digital Direction, 2019)





CureScan, Yaqiu Cheng, Pinja Piipponen, Frederick Phua and Cristiane Chaves, Grand Challenge

Snap Design Academy

The School of Communication partnered with Snap – the American technology and camera company behind Snapchat, Spectacles and Bitmoji – to deliver the Snap Design Academy, a hands-on, six-week academy for 20 students from Los Angeles community colleges. Three students and two tutors from the RCA Visual Communication MA programme spent a week at the academy actively working with the students on their projects, offering feedback and facilitating debate (see Development & Alumni Relations, p. 88).

British Airways Flight of the Future

Students from across the Schools of Design and Architecture collaborated with British Airways to explore the future of aviation and present diverse visions for how we might live in 100 years' time. Over 40 MA, MRes and PhD students spent three months developing concepts based on insights from the *BA 2119: Flight of the Future* report, which was carried out by the leading data-led trends agency Foresight Factory to mark the airline's centenary. The students' projects were showcased at the Saatchi Gallery, London, in an exhibition that put forward imaginative ideas taking into consideration advanced jet propulsion, hyper-personalisation, automation, AI, modular transport, sustainability, health and entertainment.

'This is a really exciting way to mark our centenary, which has seen us remember the past, celebrate the present and predict the future in collaboration with fantastic partners from across industry and academia.'

Alex Cruz, British Airways,
Chairman and Chief Executive



British Airways Flight of the Future, Saatchi Gallery



Retail of the Future, British Land Project

British Land

For three consecutive years, the RCA's partnership with British Land has challenged MA Architecture students to find creative solutions to development opportunities across British Land's portfolio. For London Design Festival 2018, three thought-provoking installations explored the future of residential, lobby and retail space in and around Sheldon Square in London's Paddington basin.

The Residential Build of the Future was an experimental and innovative housing pavilion in the form of a 1:1 mock-up of an interlocking one-bedroom maisonette designed for domestic and collective life. *The Future of Lobby Spaces* was an installation that offered insights into how art and cultural content can change perceptions of lobby spaces. Building on students' ongoing research into the implications of artificial intelligence and automation, *The Retail of the Future* explored how emerging technology will affect retail spaces and drive shifts in politics, economics and human behaviour.



The Residential Build of the Future, British Land Project

A TRANSFORMATIONAL EXPERIENCE

‘You get a really diverse range of opportunities and resources between both institutions, meaning you can really follow the path that interests you the most. Having the resources at the V&A available, and simply being immersed in the museum environment, gave me really important insights and tips into carrying out historical and object-based research.’

Connie Karol Burks

We attract students from a range of academic backgrounds, who go on to demonstrate the impact that art, design and creative thinking can have on the widest range of industries and professional circumstances. These students bring knowledge and expertise from previous careers, and find new, creative applications and solutions through studying at the College.

The opportunities for students to apply art and design research methods to real-life challenges, or fuse haptic and theoretical lines of enquiry, creates a model for the future that will enable our graduates to lead in their chosen professions and to shape and employ talent in future creative landscapes.



Dr Tibor Balint, *Cybernetic Astronaut Chair*. Photo: Andor Ivan

When **Dr Tibor Balint** completed his PhD in ICL/RCA Innovation Design Engineering at the College in 2016, he was already working as Senior Technical Advisor at NASA Headquarters under the Space Technology Mission Directorate. His research at the RCA explored the role of second-order cybernetics in creating new perspectives, broadening paradigms and fostering design conversations through boundary objects. Through a number of case studies he demonstrated how designerly and artistic modes of operation might enhance NASA's capability to innovate beyond its predominantly engineering environment.



Clothing detail. Photo: Connie Karol Burks

Connie Karol Burks graduated from V&A/RCA History of Design in 2016 and now works at the Victoria and Albert Museum (V&A), where she was assistant curator for the exhibition *Christian Dior: Designer of Dreams*. While at the RCA, she was awarded the Clive Wainwright Memorial Prize for outstanding studentship and her essay exploring technological change in the Harris Tweed industry was awarded the Gillian Naylor Essay Prize. The College's partnership with the V&A enabled her to focus on object-based learning, while also gaining experience working with collections at the world's leading museum of art and design.

'I was always interested in design and art, and was searching for a programme that would allow me to broaden my knowledge in these fields, but without leaving my technical side behind. The RCA's Innovation Design Engineering (IDE) programme aligned with this goal, providing a bridge between the three topics: innovation, design and engineering.'

Dr Tibor Balint

Graduate Outcomes

The RCA experience has proven invaluable to thousands of our alumni. In 2019, we partnered with QS Enrolment Solutions to conduct an independent survey of RCA graduates from 2003 onwards, to find out how their RCA experience equipped them with the skills they needed to succeed in their chosen careers.

- **90%** of alumni felt that the RCA has had a positive impact on their career – they say this is down to the reputation of the College, the creative skills fostered here and access to a network of contacts
- Two-thirds **64%** of graduates from 2003 onwards said they use the skills learnt at the RCA every day in their current role
- Over **40%** of graduates have gone on to launch their own businesses or to become independent professionals

‘I am leading large cross-functional teams, developing products that actually get to market.’

‘Together with another RCA graduate, I’ve built a two-person studio into an arts group that is represented worldwide by Pace Gallery and employs 30 staff in two large studios in London and Berlin.’

‘I am a senior member of the company, with input and authority to shape the direction of the gallery as well as the careers of the artists we represent.’

Source: Research undertaken by QS Enrolment Solutions, April – May 2019. Data collected through online, quantitative survey. Respondents were asked about their current job and how they feel the RCA has impacted their career progression. The research focused on RCA alumni who graduated between three periods from 2003: 2003–7, 2008–12 and 2013–17.



Assemble, the Turner Prize-winning multidisciplinary collective in their studio.
Photo: Robin Friend

GLOBAL INFLUENCE

Oscar Murillo, installation view of
Collective Conscience, 2019,
Turner Prize 2019 at Turner Contemporary.
Photo: David Levene



Throughout 2018/19, the College's influence was demonstrated in continued advocacy for the future of creative education, a sustained profile in the global and trade press, and prominence in international art and design awards.

Vice-Chancellor Dr Paul Thompson was featured in *University Business*, discussing what the future of creative Higher Education might look like – from the importance of business incubation to discussing 'STEM to STEAM' – and advocating for the creative industries, the fastest growing sector of the UK economy.

British Airways *Business Life* magazine published an extended feature on InnovationRCA, the College's incubator, in its publication available in all classes on European flights and in business class on international flights. Five InnovationRCA founders were interviewed for the feature: Nettekoken, ZELP, AEROPOWDER, Jiva Materials and Olombria.

The launch of GenerationRCA, which included the screening of a film created in collaboration with RCA alumnus Sir Ridley Scott, supported by Ridley Scott Associates and directed by Juriaan Booij (MA Visual Communication, 2009), received excellent media coverage. Highlights included an interview with Dr Paul Thompson on Radio 4's *Today* programme alongside second-year Architecture student Dan Hawkins, and coverage in the *The Times*, *Evening Standard* and *Wallpaper**. The social media campaign had a total reach of more than 2.5 million people – the highest engagement for an RCA campaign to date.

Our graduate exhibitions achieved unprecedented interest from both international and specialist media. This year's Fashion Show inspired write-ups in the *Daily Mail* and the *Evening Standard* among others, with a strong focus on the themes of sustainability championed by the graduating cohort. Highlights of Show 2019 coverage included a feature on a redesign of the EpiPen in the *Evening Standard*; a piece in *The Telegraph* on Contemporary Art Practice student Name Surname; a photo story published by *Vogue Italia*; and stories in *Dezeen* on projects for an eco-crematorium, and an Arctic thermal bath powered by cruise ships. Alongside coverage by traditional media, graduate work was showcased in a series of student 'takeovers' on our Instagram account: these behind-the-scenes glimpses received some 75,000 digital impacts.

The 2019 Turner Prize nominations feature two RCA alumni – Helen Cammock (MA Photography, 2011) and Oscar Murillo (MA Painting, 2012) – alongside current Contemporary Art Practice tutor Tai Shani. Cammock, who is also a visiting lecturer on the MA Print programme, was praised for the timely and urgent quality of her work, which explores social histories through film, photography, print, text and performance. Murillo's work incorporates a variety of techniques and media, and reflects on his experience of displacement and the social fallout of globalisation. The compelling nature of Shani's ongoing project *Dark Continent*, meanwhile, was noted by the jury for its ability to combine historical texts with contemporary references and issues.

In the design world, Petit Pli, a wearable technology company founded in 2017 by alumnus Ryan Mario Yasin during his Master's in Global Innovation Design, won both a Red Dot award and a Dezeen award.



Helen Cammock, *Shouting in Whispers*, 2017, Turner Prize 2019 at Turner Contemporary. Photo: David Levene

BUILDING THE FUTURE



To support its ambitions, the College is building a new campus at Battersea – designed by world-renowned architects Herzog & de Meuron – with our academic vision at its heart. Construction of the building is underway, and we look forward to opening our doors to students in autumn 2021.

Designed by Pritzker Prize-winning architects Herzog & de Meuron, our new, state-of-the-art building will sit alongside the RCA's existing Battersea campus on the south bank of the River Thames.

The striking new building represents the most significant development of our campus since 1961. It is designed as two separate but interconnected spaces that provide approximately 15,500 square metres of distinct, flexible areas for teaching and research.

– **The Studio Building** has three floors of naturally lit and ventilated studios located above a complex of sophisticated workshops – from handcraft to robotics – which will form the creative hub of the campus.

– **The Rausing Research & Innovation Building** hosts material science and intelligent mobility, which form part of the new vision for the RCA in 2021. The building will also house the Helen Hamlyn Centre for Design and the College's expanded incubator programme, InnovationRCA, which will see an increase in the number of start-up businesses supported (see p. 80 for more on the landmark donation to GenerationRCA by the Sigrid Rausing Trust).

– **A double-height hangar** will allow students to assemble, prototype or display large-scale artworks or inventions, providing opportunities to open up the RCA campus to the public and support an enhanced cultural programme.



Simone Mudde, *Ariadne Project* installation view
Photo: Eleonora Agostini



Timeline 2018/19

Autumn 2018: Preparation of land around the site and pile matting completed

January: Piling commenced

March – April: The first tower crane was installed on site on 23 March, and the second arrived in early April

May: Pile capping completed

July: The first 'above-ground' columns were installed and construction of the structural frame commenced

Full construction completion is planned for the end of September 2020, with fitting out and moves into the new building following through to full occupation and operation at the start of the 2021/22 academic year.

Chris Skidmore MP, Minister for Universities, Science, Research and Innovation, visited the RCA for a tour of the Battersea campus. His visit featured heavily on his Twitter feed.



Stewart Ross Hardle, *Garage*, 2018

An exhibition of work by Rut Blees Luxemburg, students and recent alumni entitled *Ariadne Project* was on display in the Dyson Gallery from 22–27 September 2018. The project is the first in a series of public events in which RCA students and graduates respond to the development of the new Battersea campus. The private view on 23 September was extremely well attended by alumni, local residents and local media from Wandsworth.

‘Our design is rooted in the surrounding townscape – it is simple, robust and flexible, and delivers a formula for the transforming dynamic of the RCA.’

Ascan Mergenthaler

Senior Partner, Herzog & de Meuron

Research, Knowledge Exchange & Innovation at the RCA has seen another year of growth and success. The Intelligent Mobility Design Centre and the Burberry Material Futures Research Group are now well established, each with a growing team of researchers and a growing portfolio of research grants and industry-funded research contracts. The College-wide Robotics lab has had a number of research funding successes this year and has established valuable networks and collaborations with academic and industry partners.

InnovationRCA launched a creative brands accelerator and a scale-up programme to complement its flourishing incubator programme for RCA start-ups. Meanwhile, the number and range of businesses engaging with the College through our knowledge exchange, consultancy and executive education opportunities similarly continues to expand.



Dr Dylan Yamada-Rice, RCA Senior Tutor in the School of Communication, is leading two funded research projects exploring applications of mixed and virtual realities for children. VR and Mixed-Realities Play Kit to Prepare Under 10s for an MRI is a £298,000 Innovate UK-funded project led by digital studio Dubit, incorporating a team from the RCA, University of Sheffield, Glasgow School of Art and Sheffield Children's NHS Foundation Trust. The project applies virtual reality technologies to reduce health risks and save costs associated with MRI scans for children, exploring how gaming technologies can be applied in effective and economic ways to help prepare children for what is often an unsettling experience.

Location-based Virtual Reality (VR) Experiences for Children: Japan-UK Knowledge Exchange Network is a £50,000 ESRC/AHRC funded project. The network brings together academics from across the RCA and researchers from Glasgow School of Art with professionals from the commercial VR sector in both countries who are working in the area of location-based VR experiences for children.

WORK TOGETHER

RESEARCH, KNOWLEDGE EXCHANGE & INNOVATION

Art Fair Innovations

The College received an Arts and Humanities Research Council joint UK-China Creative Industries Partnership Development Grant of £25,000, with the University of Shanghai and the West Bund Art & Design fair. Led by a College-wide team at the RCA, the project will investigate the dynamic and fast-growing contemporary art scene in Shanghai – a fertile location for the application and transfer of arts and curatorial management expertise.

Art Fair Innovations builds on existing professional relationships between academic staff from the RCA, Chinese academics and key members of the cultural and commercial arts sectors in Shanghai. The project also builds on established partnerships between the RCA and Shanghai University, the West Bund Art & Design fair, the International Awards for Art Criticism (IAAC), the John Moores Painting Prize China (JMPPC) and the Minsheng Art Museum.

The project will benefit cultural institutions and commercial organisations, as well as the wider public in both China and the UK. It will increase understanding across national and cultural boundaries, and of countercultural stereotypes of East and West, enhance the creative and cultural economy, and augment business opportunities. Critical academic engagements with the cultural sector in Shanghai and London will increase understanding of cultural dynamics and social responsibility within arts management, curatorial and art practitioner communities.





PhD Candidate Filippo Sanzeni in the RCA Robotics Lab

Multi-Platform Inspection Maintenance & Repair in Extreme Environments

Co-led by Dr Sina Sareh, Academic Leader in Robotics at the RCA, this Innovate UK-funded project introduces a step-change in the operations and maintenance of offshore wind farms by removing humans from the inspection, maintenance and repair of turbine blades. The research aims to significantly reduce the costs and turbine downtime associated with these tasks and reduce the health and safety risks of using rope access technicians.

The project draws on the expertise of the RCA's new Robotics Laboratory, which combines creative techniques, mechanisms and functions from nature and art, and approaches from the experimental sciences, to develop new robotic technologies enhancing access, safety and performance in a wide range of industrial applications.

Radio Influenza Commemorating Centenary of Spanish Flu

This ambitious 365-day audio work by Jordan Baseman, RCA Reader in Time-based Media and Senior Tutor/Pathway Leader Moving Image, marked the centenary of the 1918 influenza pandemic – known colloquially as Spanish Flu. Commissioned by Wellcome Trust, *Radio Influenza* explored and interpreted how news, rumour and health information and disinformation were shared and experienced through newspaper accounts at the time.

Over the course of the year, a daily audio piece was released every morning on radioinfluenza.org capturing the everyday lived experience of the 1918 influenza pandemic, which killed at least 50 million people worldwide. Listeners were able to follow the reports through a dedicated website, a podcast and social media feeds.

POSTGRADUATE STUDENT RESEARCH

In September 2018, we welcomed 100 new postgraduate research students, including 42 MRes students and the first two Hyundai-Kia Scholars in the Intelligent Mobility Design Centre.

Following on from five successful cohorts of AHRC-funded PhD students, through our leadership of the London Doctoral Design Centre, in 2018 the RCA joined the London Arts & Humanities Partnership to win a major award providing funding and innovative doctoral training for the next generation of research students. The College was awarded eight out of the available 95 awards – a huge success, given our concentrated and specialist community of researchers – and is well positioned alongside illustrious partners that include University College London, King's College London, the London School of Economics and Queen Mary University of London.

Selin Zileli 'Designing Movement-based Frameworks for Adaptive Street Environments'

Sponsored by Hyundai-Kia and supervised within the RCA's Intelligent Mobility Design Centre, this doctoral project proposes a set of frameworks to understand and implement future street mobility systems. Selin's research establishes the street as an ecology of interacting systems beyond mere physical and structural properties, and considers the behaviours of all users to generate a better understanding of adaptive systems that will allow for safer, more flexible future spaces. The project draws upon walking behaviours, together with cybernetics, to generate adaptive solutions to these shifting spaces.



Selin Zileli, Designing Movement-Based Frameworks for Adaptive Street Environments



RESEARCH CENTRES

Helen Hamlyn Centre for Design

The Helen Hamlyn Centre for Design (HHCD) held its annual symposium on 17 September 2019, showcasing projects completed in the past year. Over 25 projects were completed with organisations including Tata Consulting Services, the NHS, Oxford University, WSP and the Wellcome Trust. Projects centred on the Centre's two research areas, Age & Diversity and Healthcare, and two impact areas, Inclusive Design for Social Impact and Inclusive Design for Business Impact.

The Centre launched the second edition of *Innovating with People*, first published in 2010 in collaboration with Design and Architecture Norway. This included updated case studies, a new section dedicated to architecture, and an explanation of the Inclusive Design process.

The Centre also celebrated the 25-year anniversary since the term Inclusive Design was defined by Professor Emeritus Roger Coleman, co-founding director of the Centre. Since then, Inclusive Design has become a global movement, with governments, business and the third sector adopting and implementing the concept in policy and practice. The Centre has played a seminal role in incubating, growing and delivering the concept, with over 300 Inclusive Design projects delivered to date with around 200 partners. Continuing this global impact, throughout 2018/19 HHCD staff delivered over 40 keynotes, sat on over 20 advisory boards and contributed to publications, conferences and events worldwide.





Intelligent Mobility Design Centre

The Intelligent Mobility Design Centre continued to collaborate with its major sponsor, Hyundai-Kia, to explore the future of shared mobility. In 2018/19 the Centre completed large-scale projects for two global car manufacturers on automotive desirability in future generations and mobility concepts for the future in China. These projects incorporated creative input from the Intelligent Mobility MA programme, reflecting a strategic aim of the Centre of research-informed teaching and cross-fertilisation from academia to commercial outputs. The Centre also held the RCA cross-College symposium Transformation in July 2019, exploring the future of mobility.

Burberry Material Futures Research Group

In September 2018, the Burberry Material Futures Research Group held its first public exhibition alongside the Intelligent Mobility Design Centre, as part of London Design Festival. Throughout the past year, the Group undertook feasibility research work to identify the focus for its three core themes:

- *Sustainable Future Materials*, which explored food industry by-products and waste as raw material for two natural polymers in the development of circular fibres and flexible materials.
- *Sustainable Future Consumer Experience*, speculating on the introduction of circular materials and products, highlighted the need for design to consider both subjective and objective needs in order to fulfil people's aspirations and trust on their adoption.
- The *Sustainable Future Manufacturing* theme investigated challenges and future scenarios in relation to the availability of circular materials, manufacturing technologies, key actors and supporting infrastructure that would enable a circular economy distributed manufacturing model.



Burberry Material Futures Research Group at London Design Festival

KNOWLEDGE EXCHANGE



Throughout 2018/19, the RCA continued to bring positive impacts to industry and government, at both local and global levels. We responded to the Government's consultations on the Knowledge Exchange Framework (KEF), Knowledge Exchange Concordat (KEC) and the role of London universities in delivering the UK's Industrial Strategy.

An interview with Deputy Vice-Chancellor and Provost Professor Naren Barfield and Head of Knowledge Exchange Tatiana Schofield featured in the *WORK MILL* Forbes Japan issue on 'The Age of Post-Innovationism'. Tatiana also delivered a keynote on the College's knowledge exchange strategy at the Westminster Higher Education Forum Keynote Seminar, and ran a workshop at the Triple Helix Summit in Dubai.

In July 2019, the Research & Innovation team hosted a delegation from the Department for Business, Energy & Industrial Strategy, Research England and the Treasury. They showcased the RCA's research, knowledge exchange and strategies for business engagement, including large-scale industry-funded collaborations, studio projects and design sprints delivered with Master's students, and the RCA's graduate incubator, InnovationRCA.

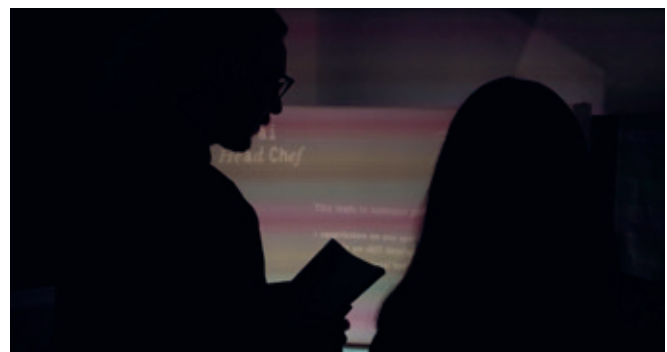
Microsoft Research

Led by Dr Eleanor Dare, Senior Tutor of the Digital Direction MA programme, the College partnered with Microsoft Research to explore how AI will impact the future of our working lives. The research team was interested in 'how might we' questions, using design approaches to explore potential job displacement, positive creative benefits of AI and ethical implications of technology. The research involved ethnographic studies, observation of workers and professionals to help identify and analyse unexpected issues, interviews, role playing, reflective journals, case studies and other design research methodologies. As a result, students developed ten provocative concepts demonstrating how roles might change in some specific professions – including a graphic designer, a chef, a receptionist, a taxi driver, a gig worker, a football coach, a garment machinist and recycling workers.

'These act as provocations to the observer, pushing us to broaden our interpretation of what work looks like, and, critically, to think more deeply about the consequences of the systems we make daily.'

Richard Banks

Principal Design Manager at Microsoft Research



AI: 9-5 Exhibition, RCA Digital Direction and Microsoft Research Project

Porsche Cars Great Britain

In a project led by research staff from the MA Intelligent Mobility and MA Fashion programmes, Porsche Cars partnered with the RCA as part of its Driven Youth challenge to imagine solutions that support commuters in the final mile of their journey.

As a result of a three-month challenge which included tutorials, workshops, research and design activities, RCA students presented their solutions to a judging panel of experts. 'Last mile' solutions included pop-up art installations in neglected London phone boxes; multilingual maps as a way to encourage a dialogue between commuters; innovative shoe-covers; an origami-inspired portable wheel; commuter food to invigorate and calm the senses; and a stylish waterproof cape folding into a cross-body bag.



RCA students present their concepts for the Porsche project

'It is the knowledge, expertise and creativity of future generations that will determine mobility needs in the years ahead. We have seen some great results which will help us as a company. It has been very inspirational.'

Henning Rieseler

Manager of Studio F.A. Porsche, the German carmaker's Berlin lifestyle agency



RCA students present their concepts for the Porsche project

MedTech SuperConnector

The MedTech SuperConnector (MTSC) is a partnership of eight London universities, led by Imperial College London and including the RCA, funded by Research England's Connecting Capability Fund. It brings together research and enterprise expertise across science, engineering, art and design to facilitate the early-stage development of innovative medical technologies and translate medtech discoveries from academic labs into start-up companies.



Caroline Yan Zheng, RCA Information Experience Design doctoral candidate supported by MedTech SuperConnector

‘The accelerator programme is a journey, which involves a series of intensive training, masterclasses, market feasibility studies, coaching and mentoring, networking events and culminates in a public showcase, where each cohort of early career researchers present its results.’

Tatiana Schofield

Head of Knowledge Exchange, RCA

RCA-IIS Tokyo Design Lab

Building on the work of the RCA-IIS Tokyo Design Lab – a partnership between the RCA and University of Tokyo's Institute of Industrial Science (IIS) – in November 2018 the College hosted a delegation from the Japanese Government, including the Director-General of Japan Patent Office, who is a driving force behind the Japan Design Strategy.



RCA-IIS Tokyo Design Lab, Tatsuma Lab, Nanoscale photochemistry: Gold particle concentrations under light and colour change

EXECUTIVE EDUCATION

2018/19 saw Executive Education at the RCA go from strength to strength. The team delivered over 20 courses from May to August 2019, and welcomed 930 delegates from 52 countries.

Custom Courses

Custom courses accounted for 75% of the team's overall income, with courses delivered both at the RCA in London and internationally in locations including Dubai, Shanghai and Singapore. In total, 60% of the organisations we worked with were returning participants, including the National University of Singapore EMBA, Korean Institute of Design Promotion, Panasonic, European Broadcasting Union and Shanghai University. New clients for 2018/19 include Majid al Futtaim, the British Council Mexico and selected organisations from China, bringing cohorts of students on bespoke summer courses.



Architecture Summer School. Photo: Adam Hollingworth



Curating Summer School
 Courtesy of Sir John Soane's Museum
 Photo: Adam Hollingworth

Short Courses

This year we also ran new, open-access courses in Creative Leadership, Designing Services & Products with Artificial Intelligence, Editorial Design, Service Design and Typography. When asked their reason for attending, the most popular responses from delegates included: the opportunity to study at the number one art and design college in the world; notable course leaders and guest speakers; the opportunity to network with international participants; and the chance to gain knowledge and skills to use for their studies or job. More than 50% of all participants expressed an interest in further study at the RCA.



Curating Summer School. Courtesy of Sir John Soane's Museum
 Photo: Adam Hollingworth

Delegates on our short courses came from companies and organisations including: Aviva, the British Council Mexico, the NHS, Capita, Mars, Amazon, Mastercard, Accenture, Google, Equinor UK Ltd, BAE Systems – Applied Intelligence, Shell, Investec Bank, Mitsubishi Corporation International, Volkswagen, Institute for the Future of Work, Willmott Dixon Construction Limited, GSK, RNIB, PricewaterhouseCoopers and Capco Digital.

Notably, the School of Communication had a highly successful first year, delivering three custom courses and two short courses.





INNOVATIONRCA

Olombria



This year InnovationRCA launched two new entrepreneurial programmes of support: First50 and Creative Brand Accelerator. First50 helps InnovationRCA companies that have exited the incubator grow from small to large, and to achieve the status of high-growth 'Scale-up' companies. Included in First50's support package is access to an impressive roster of FTSE 100 C-suite Scale-up Fellows and investment support from InnovationRCA.

Creative Brand Accelerator (CBA) is a six-month accelerator tailored to the needs of graduates launching and building close-to-market businesses such as interiors, fashion and jewellery brands. CBA attracted 40 applications in its first season and culminated in a pop-up retail event in Belgravia that showcased 15 young brands, including EmmaJShipley, 1985 and Olivia Moore Limited.

‘[InnovationRCA is] an exciting and successful example of leadership in the creative industries building successful accelerators, enabling start-ups to build high-growth potential businesses with design-focused applications across a wide range of sectors.’

UK Business Angels (UKBAA) Investment Awards



AEROPOWDER

The addition of these programmes – which run alongside the high-growth incubation and patent support programmes AngelClubRCA and the Venrex-managed InnovationRCA Fund – creates a uniquely comprehensive package of support for students and graduates. It is these initiatives that continue to consolidate the RCA's leadership as an innovator in the field of university entrepreneurship in the UK.

InnovationRCA also welcomed Alex van Someren, Managing Partner of early-stage investments at Amadeus Capital Partners, as Clore Innovation Professor. Alex has inspired entrepreneurship and provided counsel to InnovationRCA. The professorship is generously supported by the Clore Duffield Foundation, which also supported the creation of the Clore Innovation Centre, the home of InnovationRCA.



Plumis

The year culminated in InnovationRCA winning the prestigious award of 'Accelerator of the Year' at the UK Business Angels (UKBAA) Investment Awards 2019, in recognition of a dynamic programme of support for its cohort of start-up and early-stage entrepreneurs. InnovationRCA won against a shortlist of esteemed competition: Barclays Accelerator Powered by Techstars, Bethnal Green Ventures, Geovation, Hangar 51, HS Ventures, Machine Intelligence Garage, Seraphim Space Camp, SETSquared Bristol and TDAP by the Advanced Propulsion Centre.

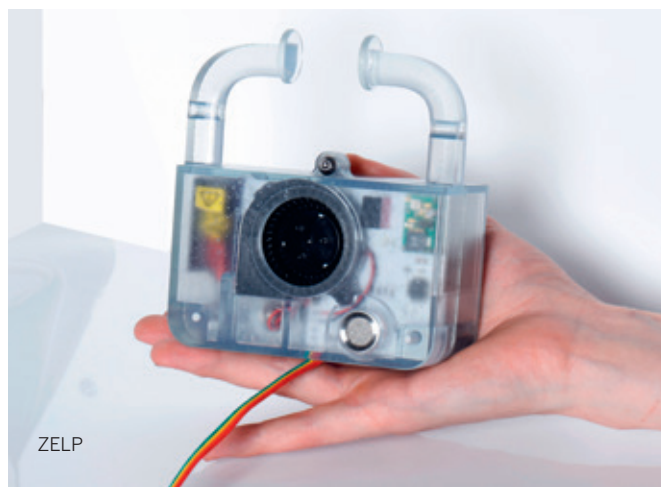
Start-up Successes

Petit Pli

A patent-based company set up by Ryan Mario Yasin (MA Global Innovation Design, 2017), Petit Pli develops children's clothing that grows through multiple sizes based on a patent-pending invention. The company had a very successful first year of sales and, in addition to raising investment and winning InnovateUK grant funding, has won several sustainable fashion awards.



Petit Pli



ZELP

Founded by Francisco Norris (MA Information Experience Design, 2017), ZELP is an agritech company set up to reduce the environmental impact of dairy and beef products. The company is developing wearable smart devices for cattle that neutralise methane emissions. Early testing has demonstrated the potential of the technology and resulted in the company securing \$1m in investment from leading dairy and beef producers to advance the company.



Concrete Canvas



IKAWA

Thank you

The College would like to express its appreciation to all those individuals, trusts, foundations, corporations and alumni who have donated and pledged £27m in philanthropic support to the GenerationRCA campaign during 2018/19.

This campaign will help us to secure the future of the College and enable our students, researchers and academics to pursue creative excellence, innovation and entrepreneurship. None of which would be possible without the RCA's generous supporters.



In January 2019 the College celebrated the news that GenerationRCA had reached some 70% of its philanthropic goal for the Battersea campus, thanks to a £15m gift from the Sigrid Rausing Trust. This landmark donation is the single largest philanthropic gift in the history of the RCA and underpins the College's transformation. The gift is being recognised through the naming of the Rausing Research & Innovation Building at Battersea.

When announcing the gift, Dr Rausing commented: 'The Royal College of Art has an impressive record of teaching, innovation and interdisciplinary collaboration, with ambitious plans for the future. I am delighted to make this gift, which will help the College build the infrastructure it needs to enable a new generation of students to develop creative ideas and concepts within the public sector.'

A Lay Member of RCA Council, Dr Rausing is the publisher of Granta Publications and the editor of *Granta* magazine. She has a PhD in Social Anthropology from University College London and was the joint winner of the International Service Human Rights Award in 2004, in the Global Human Rights Defender category. She has won a significant number of awards for philanthropy and serves on numerous boards, including the international board of Human Rights Watch.

The RCA is delighted to have Dr Rausing as part of its community.

GENERATION RCA

DEVELOPMENT & ALUMNI RELATIONS



2018/19 has been a remarkable year for philanthropy at the RCA. GenerationRCA, an ambitious five-year campaign programme representing the most significant development in the College's history since its founding in 1837, was publicly launched to great success in January 2019.

GenerationRCA will secure the future of the College: a vision rooted in our historic identity, founded on a research-intensive academic framework and embodied in the expansion of our campus in Battersea and the revitalisation of our iconic Kensington home. It will support new investigations – embedding cutting-edge practices that make us who we are.

To mark the launch, the College unveiled a new film created in collaboration with RCA alumnus Sir Ridley Scott, and supported by Ridley Scott Associates. The film celebrates every past, present and future generation of RCA students and staff. Creative giants including Tracey Emin, David Hockney, Thomas Heatherwick and Asif Kapadia welcomed RSA into their studios to offer a rare glimpse into their creative worlds.

The following highlights show ways our community has generously supported GenerationRCA over the past year, demonstrating its continued belief in the importance of creative endeavours.

Helen Protheroe

Director, Development & Alumni Relations



Just some of the alumni contributors to our GenerationRCA film : [clockwise from top left] Asif Kapadia; David Hockney OM CH RA; Tracey Emin CBE; Sir James Dyson CBE, OM; Sir Ridley Scott and Thomas Heatherwick CBE.

Places

Donation from the Garfield Weston Foundation for New Battersea Campus

The Garfield Weston Foundation, the family-founded grant-making Trust, donated £5m to the GenerationRCA campaign in 2019. The funds will be used towards the creation of the RCA's new flagship Battersea campus, set to open in 2021.

The Foundation has a long relationship with the RCA, having supported the College for over 30 years. Making multiple and generous gifts in the past, Garfield Weston's legacy at the RCA has enhanced the library, Battersea campus and refurbishment of the Darwin Building in Kensington.

The Garfield Weston Foundation supports a wide range of causes across the UK, donating over £70m annually. It was established in 1958 by the Weston family and is one of the largest, most respected charitable institutions in the UK, and has donated over £1bn in total. The trustees are descendants of the founder and the Weston family continues to take a highly active and hands-on approach in all grant-making decisions.



Building progress on our new Battersea campus

‘The Royal College of Art is the world’s leading art and design university and in recognition of its excellence the Trustees were delighted to support the College to build the infrastructure to educate the next generation of leading design engineers, architects, car designers and artists.’

Philippa Charles

Director of the Garfield Weston Foundation



People

Scholarships play a significant role in the lives of students at the RCA, ensuring that the best and brightest students receive critical support throughout the course of their studies, regardless of financial means.

Pokémon Establishes Scholarships to Support Innovative Creativity at the RCA

Pokémon and the RCA were delighted to announce this partnership in 2018, which supports two full-fee scholarships for second-year MA students from the School of Design and the School of Communication.

The Pokémon Scholarship has been established to support pioneering students who demonstrate the potential for breaking new ground with their creative forces in the visual arts, design and communication – and includes a trip to Japan for the scholars to visit the Pokémon studios. The inaugural Pokémon Scholarships were awarded to Amir Afshar (MA Innovation Design Engineering) and Jesse Cahn-Thompson (MA Information Experience Design).



Scholarship for an Outstanding Fashion MA Student

Lady Ritblat OBE has been a long-term friend and supporter of the RCA and in 2018 she established a Scholarship for an Outstanding Fashion MA Student. The inaugural recipient, Fi Grew, successfully completed her first year of study on the MA Fashion Womenswear programme in the summer of 2019.

Lady Ritblat and her family were early supporters of notable RCA alumna Tracey Emin CBE RA (MA Painting, 1989), generously providing Tracey with a travel bursary during her time at the College.

Kildare Village Fashion Scholarship

In keeping with the company's interest in social responsibility and sustainable business practices in fashion, Kildare Village established its scholarship in order to promote a burgeoning interest in contemporary Irish fashion – to foster not only the aspirations, but also support the practical needs of young Irish designers.

The 2018 recipient of the Kildare Village Fashion Scholarship, Andrew Bell, graduated in July 2019 from the MA Fashion Womenswear programme. Andrew's graduate collection focused on the development of a future tailoring direction, defined by sonic welding and taping technology.

Rebecca Armstrong, MA Fashion Womenswear, started at the College in September 2019 as the latest Kildare Village Scholar.

Projects

RCA X Snap Design Academy

The Snap Design Academy provides 20 students from community colleges across Los Angeles, California with the opportunity to flourish in their practice, confidence and growth during a six-week academy.

As a hands-on opportunity, students participate in creative workshops, as well as networking and mentorship from Snap employees and artists. The RCA was invited to participate in delivering the 2019 Snap Design Academy, with three students and two tutors from the Visual Communication MA programme spending a week at the Academy in July.

RCA staff and students were involved in multiple ways, freely moving between workshops, debriefing with the students and sharing portfolio advice. The College contributed by facilitating debate, offering feedback and key insights and asking questions, with a particular focus on how to establish new ways of responding to the complexity and urgency of our times and how personal histories, experiences, backgrounds and aspirations might be represented and reflected in the future of technology. The consensus following the RCA's input was overwhelmingly positive, from both staff at Snap and Academy students.

This was an exceptional opportunity for all. The experience inspired everyone involved, from the positive impact RCA staff and students had on the learning during their week there, to the questions it raised about the importance of ensuring open access to education and facilitating sustainable and long-term community engagement programmes. After the great success of this collaboration, the College is looking forward to the possibility of future partnerships with Snap.





Workshops at the Snap
Design Academy, Los Angeles



Events

Chancellor's Circle Dinner 2019

The 2019 Chancellor's Circle dinner took place on 2 July and welcomed 120 guests to the Wolfson Printmaking Hall in Battersea's Dyson Building. This unique location provided the perfect opportunity for guests to view a curated selection of Show 2019, followed by a seated meal and celebrations.

Held annually, the dinner was hosted by Chancellor Sir Jony Ive and Vice-Chancellor Dr Paul Thompson and celebrated the impact of philanthropy at the RCA in the company of Chancellor's Circle members – those individuals and organisations whose outstanding generosity supports vital ongoing work across the College.

Chancellor's Circle medals specially designed by RCA alumnus and Acting Head of Programme, Jewellery & Metal, Jonathan Boyd, were awarded on the evening to:

Burberry Foundation

Lady Helen Hamlyn CBE

The Linbury Trust

Logitech

Monday Charitable Trust

Prosit Philosophiae Foundation

RCA USA

Sigrid Rausing Trust



RCA Chancellor Sir Jony Ive with guests Marc Newson CBE, Naomi Campbell and Olafur Eliasson

AlumniRCA

With active alumni communities worldwide, the College regularly reaches out to over 20,000 alumni residing in more than 70 countries. This year, AlumniRCA hosted gatherings with alumni in San Francisco, Los Angeles, New York, the UAE, Hong Kong and Seoul and held alumni-led talks in London and ongoing events throughout the year.

RCA alumni from all generations continue to play an instrumental role in defining the impact art and design have on society. An impressive number of our alumni are employed at the appropriate post-MA level within one year of graduation, across diverse industries and disciplines. Many RCA graduates go on to become leaders in their fields, establishing their own art or design businesses, while others hold senior roles at the most celebrated design-led companies in the world.

Unsurprisingly, RCA alumni are major figures across the creative industries. Sir David Adjaye, Tracey Emin, David Hockney, Chris Ofili, Thomas Heatherwick, Orla Kiely, Zandra Rhodes and Christopher Bailey are among some of the College's most accomplished former students whose work has made important contributions to their respective fields, society and culture.

Alumni Achievements

Every year, RCA alumni are recognised around the world as innovators and leaders in their disciplines, making headlines on both a national and an international scale. Alumni achievements over the past year include:

- Haris Epaminonda (MA Printmaking, 2003) was awarded the Silver Lion at the Venice Biennale
- Helen Cammock (MA Photography, 2011) and Oscar Murillo (MA Painting, 2012) were nominated for the Turner Prize
- Alumnus and Alumni Council member Sir David Adjaye (MA Architecture, 1993) was the subject of a solo exhibition, *David Adjaye: Making Memory* at the Design Museum
- Frank Bowling (ARCA Diploma Class I Painting, 1962) had his first major retrospective, *Frank Bowling*, at Tate Britain
- Andrew Davidson (MA Graphic Design, 1982) designed the 2018 UK Christmas stamps
- Pratap Bose (MA Vehicle Design, 2003) was made Vice President, Global Design by Tata Motors
- Monster Chetwynd (MA Painting, 2004) was chosen for Tate Britain's 2018 Winter Commission
- Lewis Hornby (MA/MSc Innovation Design Engineering, 2018), won The Duke of York's entrepreneurial competition with his invention of Jelly Drops
- Jonathan Hodgson (MA Film & Television, 1985) won a BAFTA for Best British Short Animation for his project, *Roughhouse*
- Sheana Yu (MA/MSc Global Innovation Design, 2015) and Daniela Parades Fuentes (MA/MSc Innovation Design Engineering, 2004) were awarded funding and support by Innovate UK, as part of its Women in Innovation campaign

Alumni Council

Sir David Adjaye OBE
(MA Architecture, 1993)

Frank H Auerbach
(ARCA Diploma Class I Painting,
1955)

Christopher Bailey MBE
(MA Fashion Womenswear, 1994)

David Constantine MBE
(MDES Computer Related Design,
1990)

Sir James Dyson CBE, OM
(MDES Furniture, 1971)

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 Magdalene Odundo OBE
(MA Ceramics & Glass, 1982)

Dame Zandra Rhodes DBE
(DesRCA Diploma Class I 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*

Chair: Tim Brown
(MDES Industrial Design, 1987)

Treasurer: Tony Jones

Caroline Baumann

Lady Caroline Grainge

Deborah Lloyd
(MDES Fashion Design, 1988 |
Resigned 2019)

Peter Russell-Clarke
(MA Industrial Design, 1993)

Dr Paul Thompson

*RCA USA is a 501(c)(3) tax-exempt organisation (recognised by the US Internal Revenue Service) which seeks gifts to benefit the Royal College of Art. In compliance with IRS regulations, the Board of Directors of RCA USA maintains complete discretion over allocation of the gifts it receives. Gifts to RCA USA qualify for an income tax deduction to the full extent allowed by law.

HONORARY DEGREES

Honorary Doctors

Irma Boom
Graphic designer

Professor Sonia Boyce OBE RA
Artist and academic

Alison Britton OBE
Ceramicist

Honorary Fellows

Professor Ricky Burdett CBE
*Professor of Urban Studies,
London School of Economics*

Robert Careless
Former Council member

Bracken Darrell
CEO Logitech

Professor Paul Freemont
*Chair in Protein Crystallography,
Imperial College London*

Dr Louise Kiesling
*Creative Director & Joint Chairman of Backhausen,
VW Automotive Group Supervisory Board*

Dame Marjorie Scardino
Former Council member

Fellows

Dr Catherine Dormor
Head of Research Programmes

Dr Chantal Faust
Senior Tutor, Research

Ian Higgins
Senior Tutor, Interior Design

Brigitte Lelievre
Administrator, School of Design

Lewin St Cyr
Technician, Photography

APPOINTMENTS

Cyriel Diels
Deputy Director, Intelligent Mobility Design Centre

Elaine Gallagher
Principal Gifts Officer

Kerry Hayes
Deputy Director, Buildings & Estates

Angela Mitten
Director of Building Operations

Alexandria Smith
Head of Programme, Painting

Kate Wallace
Director of Communications & Marketing

Tracey Waller
Head of Programme, Visual Communication

John Worne
Chief Operating Officer

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SIA
Tata Consultancy Services
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Transport for London
VA Art Education
Wellcome Collection
Wellcome Trust
WSP

Trade Union Facility Time 2018/19 1 April 2018 – 31 March 2019

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on facility time in 'public sector employers', including HEIs, in England and Scotland.

Trade union representatives and full-time equivalents

Trade union representatives: 11

FTE (full-time equivalent) trade union representatives: 7.03

Percentage of working hours spent on facility time

0% of working hours: 4 representatives

1–50% of working hours: 7 representatives

51–99% of working hours: 0 representatives

100% of working hours: 0 representatives

Total pay bill and facility time costs

Total pay bill: £24,600,000

Total cost of facility time: £8,699

Percentage of pay spent on facility time: 0.04%

Paid trade union activities

Hours spent on paid facility time: 300

Hours spent on paid trade union activities: 27

Percentage of total paid facility time hours spent on paid trade union activities: 8.90%



ACCOUNTS 2018/19

Over the course of the year, the RCA has continued to demonstrate financial resilience, having achieved an improved core operating surplus and an increased net cash inflow from operating activities, which includes a record level of cash from donations.

KEY FINANCIAL HIGHLIGHTS

£58.8

15%

CORE INCOME*
OF £58.8M, 15%
FROM FUNDING
COUNCIL GRANTS

£16M OF DONATIONS AND
ENDOWMENTS INCOME
(CASH RECEIVED) IN YEAR

£16m

32%

£24.1M NET CASH INFLOW FROM OPERATING
ACTIVITIES, 32% OF TOTAL INCOME

£24.1m

8m £18.7m

£18.7M OF CAPITAL INVESTMENT

CORE UNDERLYING
OPERATING SURPLUS**
OF £3.5M, 6% OF
CORE INCOME

£3.5m

%

£20m

£20M OF CASH

* Core income is defined as total income before
donations and endowments.

** Core underlying operating surplus is defined as
unrestricted comprehensive income for the year.

surplus
on
loan
non

TREASURER'S REPORT



Caragh Merrick
Treasurer

- 1 Core operating surplus is defined as Unrestricted Comprehensive Income for the year. Further details can be found on p. 118.
- 2 Core income is defined as Total Income before Donations and Endowments. Prior year also excludes a £2.2m deferred capital grant release. Further details can be found on p. 108.

Council approved the College's updated five-year financial plan, which includes £150m of investment funding that is needed to deliver the infrastructure projects and development of the academic offer that will further enhance the student experience and maintain the College's standing as a world-leading STEAM-focused art and design university.

During my fifth year as Treasurer at the Royal College of Art, it has been a pleasure to see the College make significant steps towards realising its ambitious Strategic Plan. This progress has included exciting developments at the new Battersea campus with the first 'above-ground' columns installed in July, advancements of our academic offer through innovative industry partnerships, and our student numbers reaching an all-time high and spanning a record number of nationalities.

The RCA has continued to demonstrate its financial resilience, achieving an improved core operating surplus¹ (2018/19: 6% of core income², 2017/18: 2.5%), and an improved net cash inflow from operating activities (2018/19: £24.1m, 32% of total income, 2017/18: £14.8m, 24% of total income), which includes a record £16m of cash from donations (2017/18: £6.4m). The College's financial strategy is formulated to support investment in sustainable development and future growth. As such, the generation of cash from operating activities and from fundraising are an essential part of this.

During the year, Council approved the College's updated five-year financial plan, which includes £150m of investment funding that is needed to deliver the infrastructure projects and development of the academic offer that will further enhance the student experience and maintain the College's standing as a world-leading art and design university. This includes funding needed to complete the new Battersea campus and to start work developing the RCA's historical home in Kensington. In order to support this period of ambitious transformation, the College has also invested in senior staff with significant experience in change management.

The implementation of new academic offers enables the College to continue developing resilience within a challenging Higher Education environment. Reflecting the diversity of postgraduate education now offered

by the College, 2018/19 saw the first cohorts graduate from a range of new programmes, including Graduate Diploma Art & Design, a 30-week programme that prepares students for Master's study in art and design; new 15-month Master's programmes in City Design, Digital Direction, Environmental Architecture and Intelligent Mobility; and Master of Research (MRes) RCA, a research-focused programme that is the first to be taught across all four Schools.

This year has seen continued high levels of external investment in our high-quality research projects, knowledge exchange collaborations and executive education programmes. As well as bringing the insights and impacts of our research to new business and industry contexts and enriching our teaching, our knowledge exchange and executive education activities serve to diversify our income streams, contribute to the College's surpluses, and can enhance the employment opportunities of our graduates. During the year we have seen a growth in executive education and consultancy income from clients both in the UK and further afield, including Majid Al Futtaim, Tata Consultancy Services, Panasonic, Dentsu, the European Broadcasting Union and Telefonica. Further information can be found on p. 114.

This year, the challenges of the educational landscape have continued, including a reduction in Government funding: in 2018/19 funding from the Office for Students (OfS) and Research England represented 15% of core income (2017/18: 20%). Considerable uncertainty remains around what this will look like in the future, including Institution Specific Targeted Allocation (ISTA), which is the additional OfS funding the College receives as a specialist institution. The College's future planning has proved robust, as these risks were considered in 2015/16, and have been tested again alongside other key delivery risks and sensitivities as part of the 2019–24 financial plan update.

The broader political landscape has also led to a year of uncertainty. The Government released its findings from the independent panel report, Post-18 Review of Education and Funding, chaired by Philip Augar and its recommended changes to the Higher Education sector. The outcomes of Brexit also remain uncertain; however, the RCA remains committed to supporting our EU students and sustaining an international approach and global perspective. As well as diversifying our academic offer, we are continuing to support growth in applications through developing studentships and scholarships – with a welcome addition this year from Pokémon, which supported two full-fee scholarships for second-year MA students as well as a trip to Japan to visit its headquarters.

The RCA's continued ability to deliver world-leading art and design research and education is demonstrated by the financial statements that follow. I hope you enjoy taking the opportunity to learn more about the work of this dynamic and unique institution through the accompanying review.

Caragh Merrick
Treasurer

	2016/17	2017/18	2018/19
Core Operating Surplus as % of Core Income	8%	2.5%	6%
Net Cash Inflow from Operating Activities as % of Total Income	21%	24%	32%
Capital Investment (£m)	35.6	10.3	18.7
Net Debt as % of Total Income	11%	–	–

Overview of the Year

Performance during the year reflects another positive outturn, with the College generating a core operating surplus of £3.6m, 6% of core income (2017/18: £1.3m, 2.5%). The growth represents the flow-through of higher tuition fee income and higher surpluses from executive education and consultancy.

This year once again saw strong cash generation, with net cash inflow from operating activities of £24.1m (32% of total income), compared to £14.8m (24% of total income) in 2017/18. This increase reflects the College's continued strength in student recruitment, a substantial increase in cash from donations linked to the College's new Battersea campus development and a continued focus on operational efficiency and cost control.

Cash generation is an important part of the RCA's financial strategy, as the College continues to invest in extending and enhancing its physical, digital and technical services infrastructure as part of its ambition to develop a world-class campus and facilities.

For the second year running, the College ended the year with zero debt, and with access to £28m of undrawn revolving credit facility. As specific milestones for the new Battersea campus development are achieved in the coming year, the College expects to start drawing down on the facility. Details of the capital commitments can be found under Note 23 of the accounts (see p. 152).

Total Income

Total income for the year of £74.8m (2017/18: £61.1m) included £16m of cash from donations and endowments (2017/18: £6.4m). The College was very fortunate to receive its biggest ever gift in the form of a pledge of £15m (£5m received 2018/19) towards the new Battersea campus from the Sigrid Rausing Trust. The Garfield Weston Foundation, which is a long-term supporter of the College, also made a very generous gift of £5m.

Core Income

	Year ended 31 July 2019 (£m)	Year ended 31 July 2018 (£m)
Total Income	74.8	61.1
Donations and Endowments	(16)	(6.4)
Deferred Grant Release	–	(2.2)
Core Income	58.8	52.5

Core income grew 12% during the year to £58.8m (2017/18: £52.5m). This growth was largely driven by an increase in student numbers and associated tuition fee income, partly enabled by the move to two intakes a year for the Graduate Diploma and growth in the number of students studying three programmes which launched in 2017/18: City Design, Digital Direction and Environmental Architecture.

Income from tuition fees grew 18% to £41.3m (2017/18: £34.9m), representing 70% of the College's core income compared to just over 50% in 2014/15. The College continues to develop its postgraduate taught programmes, with 2,054 FTE students registering in 2018/19 (excluding Graduate Diploma), 50% of whom were from outside the EU (2017/18: 2,024 FTE, 42% overseas). 81 Graduate Diploma students were enrolled during the year.

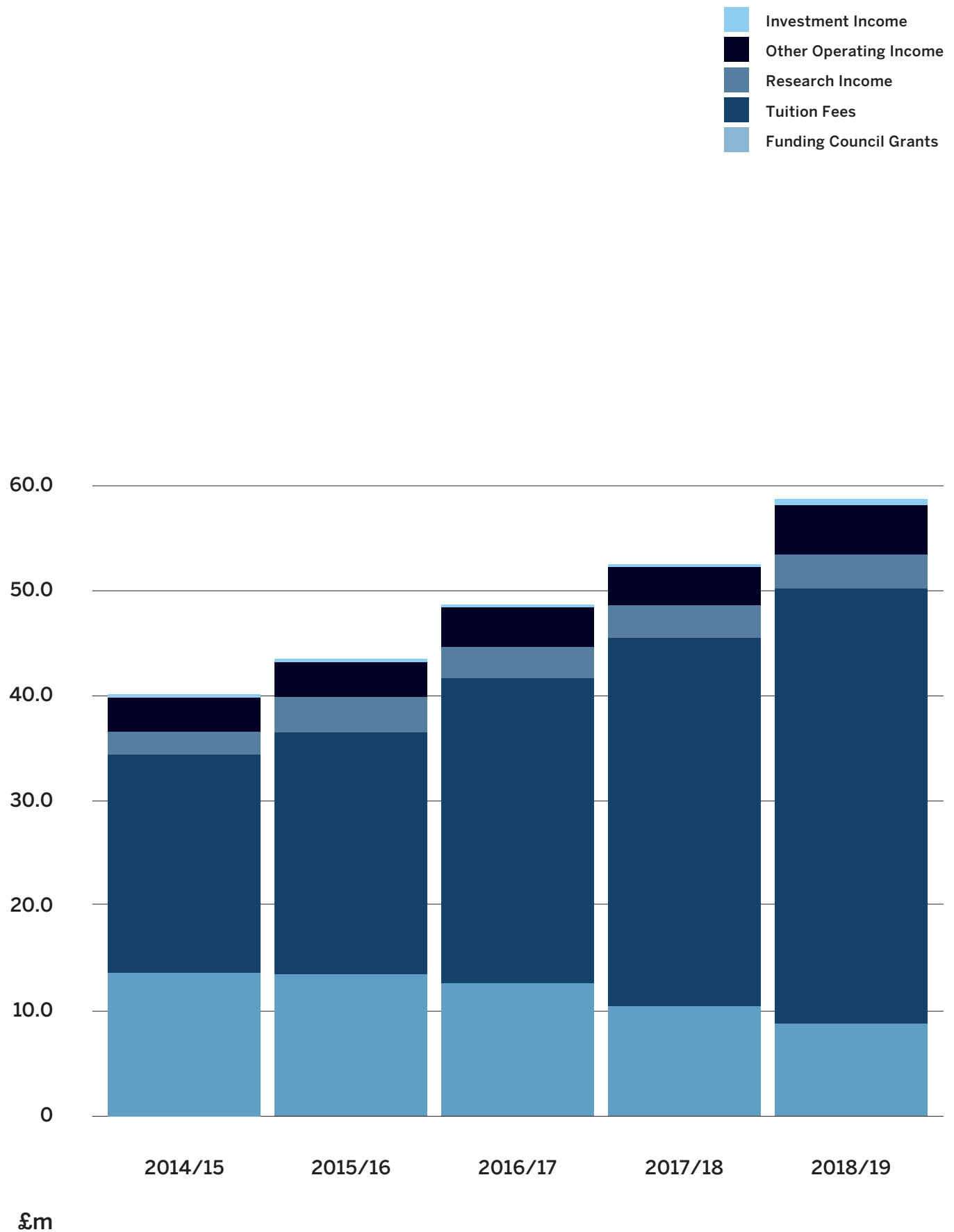
Applications for places at the College remain strong; however we cannot be complacent regarding the uncertainty created by Brexit, the cost of living and studying in London, increasing international competition and the financial pressures on UK students who may have accrued significant debts as a result of undergraduate student loans. Our focus continues to be on improving the student experience, launching new learning initiatives, including accelerated programmes, and identifying and delivering efficiencies in our professional services. We are also looking to develop more flexible study routes and pathways into Master's study.

Income from funding body grants fell by £1.6m in 2018/19 to £9.0m¹. Teaching grants reduced by £0.9m as transitional funding related to the College's Institute Specific Teaching Allocation ended in 2017/18, and funding for the postgraduate taught supplement reduced following the part-withdrawal of this funding stream in 2018/19. Additionally, the Higher Education Funding Council for England (HEFCE) catalyst grant for Helix Centre ended giving a further reduction of £0.7m.

The College continues to see reliable growth in the income it generates from its high-quality research, knowledge exchange and executive education, with these activities generating a total of £5.7m income in 2018/19 (2017/18: £4.1m). Income from research grants, contracts and other forms of knowledge exchange (consultancy, studio projects) totalled £4.5m (of which £3.4m was research grants and contracts). Income from executive education provision totalled £1.2m, a substantial increase on the prior year (2017/18: £0.6m).

¹ Prior year excludes £2.2m deferred capital grant release.

Core Income



Total Expenditure

Total expenditure increased 6% to £56.9m (2017/18: £53.9m), reflecting the growth in student numbers and investment to support the College's Strategic Plan.

Staff costs increased 13% to £24.6m (2017/18: £21.8m), primarily driven by an increase in academic, research and technical staff. To support student recruitment and a very successful year of fundraising, including the launch in January 2019 of the GenerationRCA campaign, the College invested in the expansion of its Development and Communications & Marketing teams and their activities. There was also investment in posts connected to fixed-term digital and transformation projects.

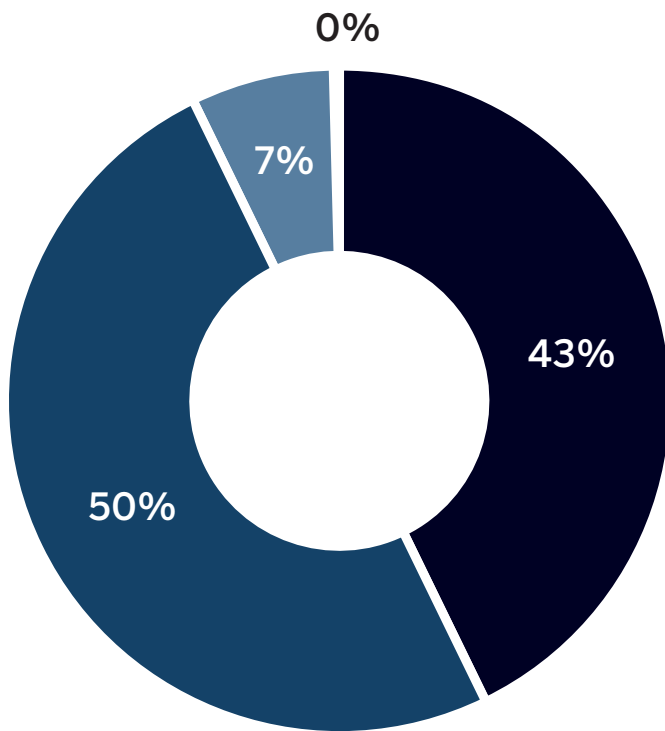
Other operating expenditure of £28.5m was 2% lower than prior year when £0.9m of one-off exceptional costs (linked to the Battersea development) are excluded. During the year, the College continued to invest in technology to enhance the student and staff experience, including the first phase of rollout of the new student information system. Necessary improvements to the network infrastructure were made and work commenced on a transformation programme looking to achieve a fit-for-purpose service for the RCA's professional services.

Depreciation and amortisation charges increased to £3.6m (2017/18: £3.4m) following investment in IT systems, digital and technical equipment and building improvements.

Bursaries and Scholarships

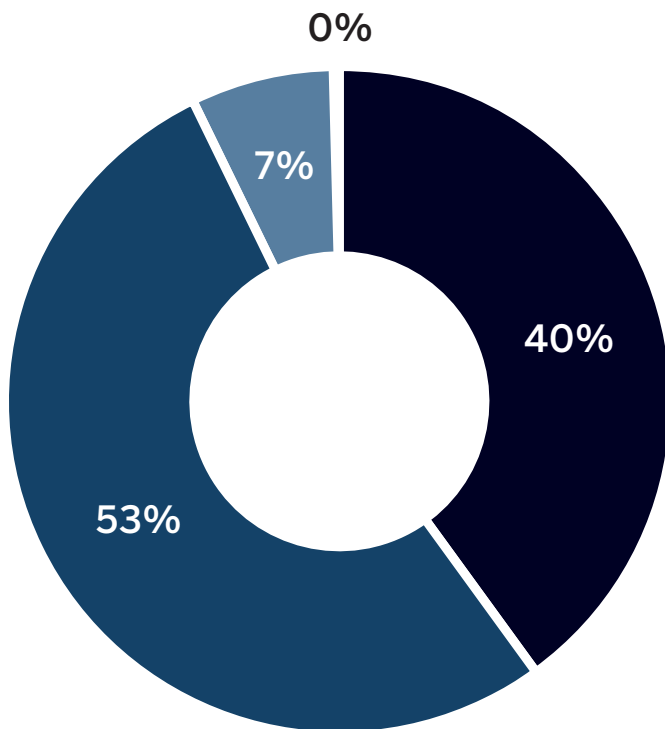
Following the withdrawal of the HEFCE-funded bursary scheme in 2015/16, the College continues to pursue avenues through which it can secure new funding. During the year, the College distributed just over £1.2m of funding for named scholarships, benefiting students in each of its academic Schools. These named scholarships were mainly awarded during the programme application process, enabling talented applicants to take up places that they would otherwise have had to turn down for financial reasons. Additionally, the College has distributed £0.2m to enrolled students to help enable those in financial difficulty to complete their studies. This was mainly allocated via the Continuation Fund, which ran as an open-call for all continuing students, and the Back on Track Fund which exists to help students out of crisis situations.

Total Expenditure



2018/19

- Staff Costs £24.6m
- Other Operating Expenses £28.5m
- Depreciation and Amortisation £3.6m
- Interest and Other Finance Costs £0.1m



2017/18

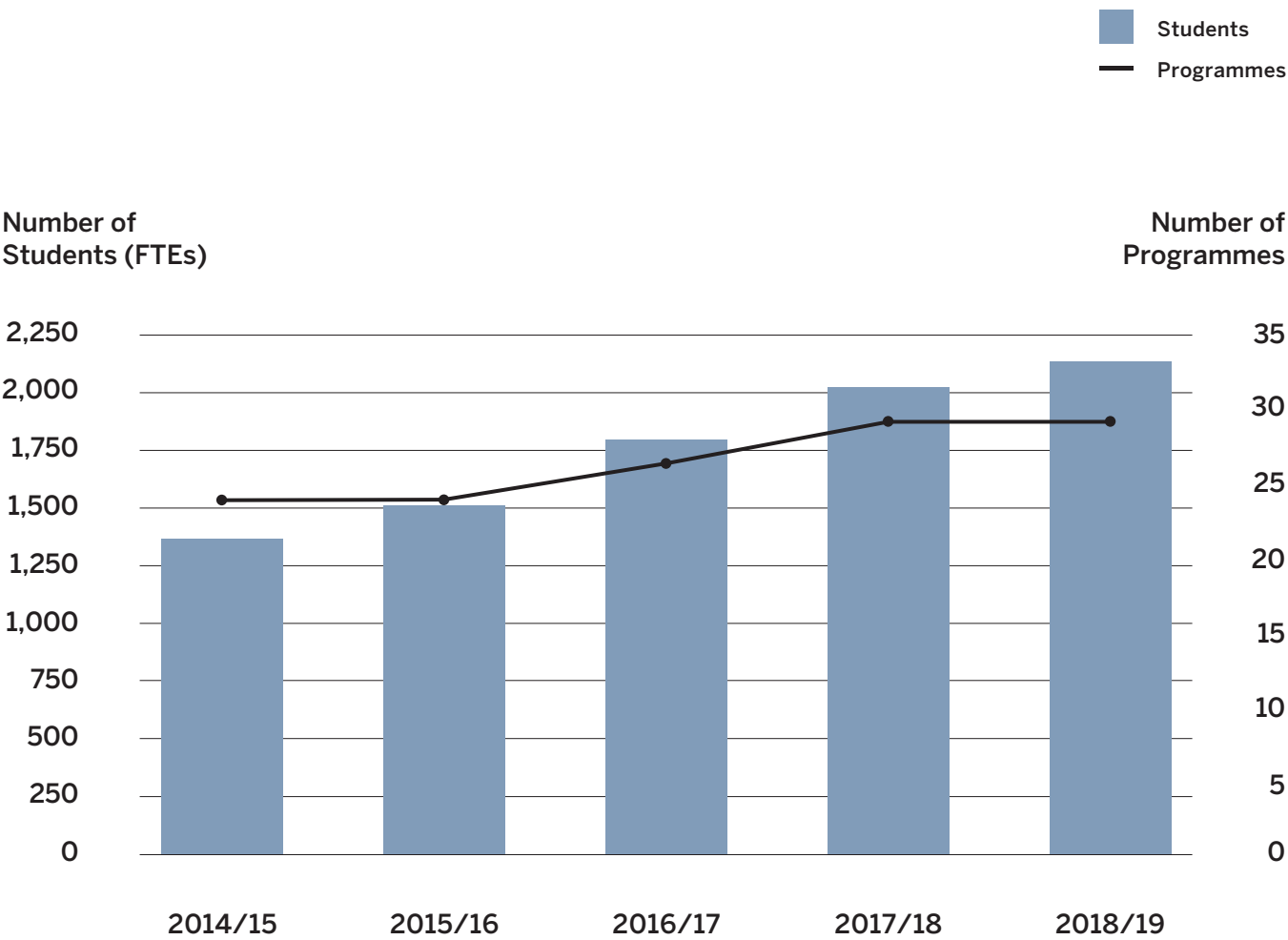
- Staff Costs £21.8m
- Other Operating Expenses £28.6m
- Depreciation and Amortisation £3.4m
- Interest and Other Finance Costs £0.2m

Goal 1: To advance art and design education

The Strategic Plan 2016–21 outlines the roadmap for the development of the College's taught programmes. Over the planning period, the College will develop more flexible teaching models to meet the needs of students and employers.

The RCA has a strong track record of preparing its postgraduate students for careers in art, design and the creative sector. A recent survey (QS RCA Alumni Employment Evaluation 2019) showed that over 40% of graduates have gone on to launch their own businesses or to become independent professionals ¹.

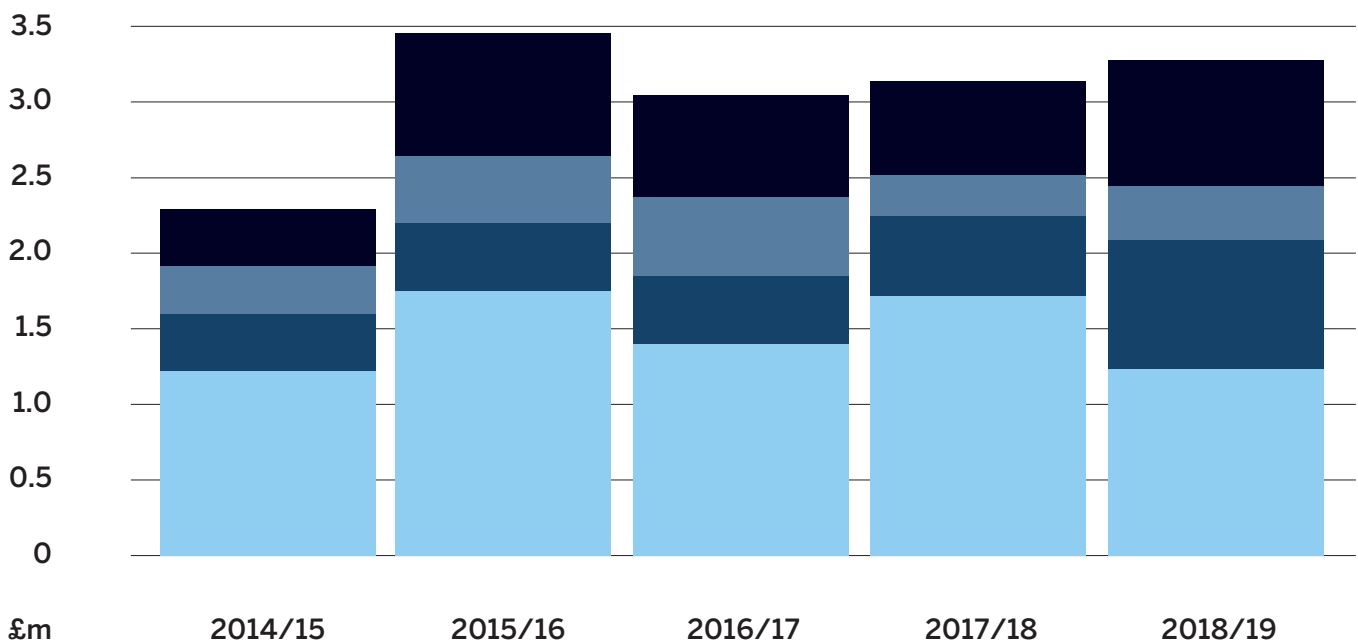
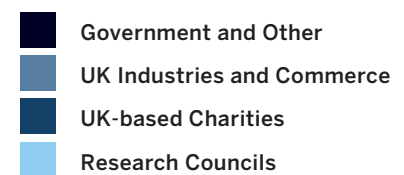
1 Source: The research undertaken by QS Enrolment Solutions, from April – May 2019. The data was collected through an online, quantitative survey. Respondents were asked about their current job and how they feel the RCA has impacted their career progression. The research focused on RCA alumni who graduated between three periods from 2003: 2003–7, 2008–12 and 2013–17.



Goal 2: To create new knowledge in art and design through research and scholarship

New research grants and contracts awarded during the year exceeded our targets, with research grants awarded by major funding bodies including UKRI (Research England, Arts & Humanities Research Council, Innovate UK), the British Academy, and EU funding schemes, for projects in design and ageing, innovation in the fashion and textiles industry, architecture, robotics and social innovation for climate resilience.

Industry-funded research similarly continues to be undertaken across a wide range of sectors, with contracts for research collaborations secured with partners including British Airways, Transport for London, Shanghai Automotive (SAIC) and Ford.



Goal 3: To enhance knowledge exchange and foster innovation

Income from consultancy and studio projects also increased, with projects delivered with partners including CERN, JP Morgan, Honda, Porsche, Shandong Ruyi, Oppo, International Flavors & Fragrances (IFF), Timberland, PriestmanGoode, NESTA, Microsoft and Hyundai.

The College continued to expand the range of partners it attracted to its executive education courses, with clients including Nanyang Polytechnic, Majid al Futtaim, British Council Mexico, Shanghai University, Tata Consultancy Services, Panasonic, Dentsu (Design Thinking Festival, Kyoto), the European Broadcasting Union, the Korea Institute of Design Promotion, and Newton Business School, China. These organisations undertook executive education courses in topics including design thinking, disruptive market innovation, creative leadership, service design, customer journey and experience design, creative policy, designing services and products with AI, contemporary art, criticism and curating, and architecture.

Enabling Strategy 1: Institutional positioning

We have seen significant steps taken towards the realisation of the Strategic Plan 2016–21, and these are reflected in activities relating to institutional positioning. For the fifth year running, the College met its primary key performance indicator for institutional positioning and was named the world's leading university of art and design in the prestigious QS World University Rankings by Subject 2019.

Today, our website attracts nearly 400,000 views (versus 352,000 last year). The College's social media statistics are all positive and the RCA's social media continues to grow across all channels, with over 150,000 followers across Facebook, Twitter and Instagram.

High-profile appointments, partnerships, events and projects continue to confirm the RCA as a voice of authority for design and art internationally – across influence, practice, pedagogy and research.

In British Airways' centenary year, the College embarked on an important partnership with the airline to explore the next 100 years of aviation. The College's partnership with CERN, the European Laboratory for Particle Physics, came to fruition with this year's Grand Challenge.

University partnerships expanded, with the College announcing a memorandum of understanding with Hong Kong Polytechnic University outlining our intention to establish the PolyU|RCA Artificial Intelligence Design Laboratory.

The new building at Battersea is instrumental in the RCA's future planning. Advocacy for the College's contribution to the UK economy and cultural and creative industries has brought positive political attention. Chris Skidmore MP, Minister for Universities, Science, Research and Innovation, visited the RCA for a tour of Battersea and saw first-hand the new development site.

Students and alumni continue to evidence the College's ambition to be recognised as the world's most influential art and design university. To name a few, Laura Krarup Frandsen (MA Fashion Womenswear, 2019) appeared in the *Financial Times* in an article about sustainability in fashion; influential architecture journalists attended the School of Architecture graduate show and news appeared in the broadsheet newspapers of an MA Contemporary Art Practice student who changed their name by deed poll to Name Surname. Three of the four shortlisted artists for the 2019 Turner Prize include RCA staff and alumni: Tai Shani, Tutor, Contemporary Art Practice; Helen Cammock (MA Photography, 2011) and Visiting Tutor, Print; and Oscar Murillo (MA Painting, 2012).

Enabling Strategy 2: Estates and infrastructure

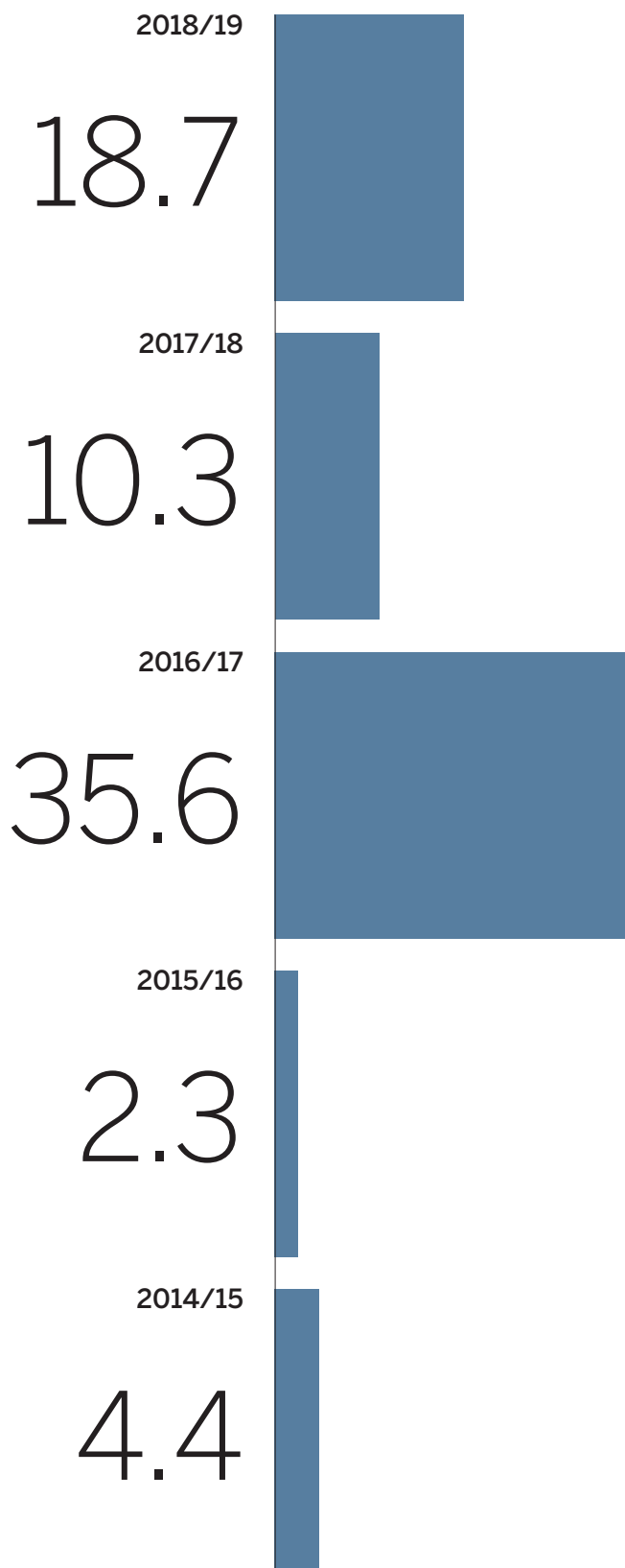
The RCA has invested c. £70m over the last five years in the development of its estate and other infrastructure improvements, which is part of the College's ambition to develop a world-class campus. Over the next five years, this investment will more than double as we look to complete work on the new campus building at Battersea, and start the refurbishment of our Kensington campus.

In 2018/19, the College spent £18.7m on capital additions, which included £14.6m on the new campus development at Battersea (2017/18: £10.3m, which included £5.4m of Battersea-related expenditure). The Battersea project was originally 50% match-funded by the Government to a total of £54m, of which £25.8m has been drawn to date. The project has since been expanded to cover improvements to the College's existing buildings and as a result the College now expects to spend up to £130m.

As well as investing in the new campus, the College also invested £1.3m in refurbishment works for the Darwin Building and spent £1.2m on summer works and other estates-related projects.

Additionally, the College invested over £1.6m in IT systems, software and technical equipment. This included funding for a new website, which launched in September 2019, and investment in the new student information system; the first phase went live at the end of May 2019.

Capital Investment (£m)



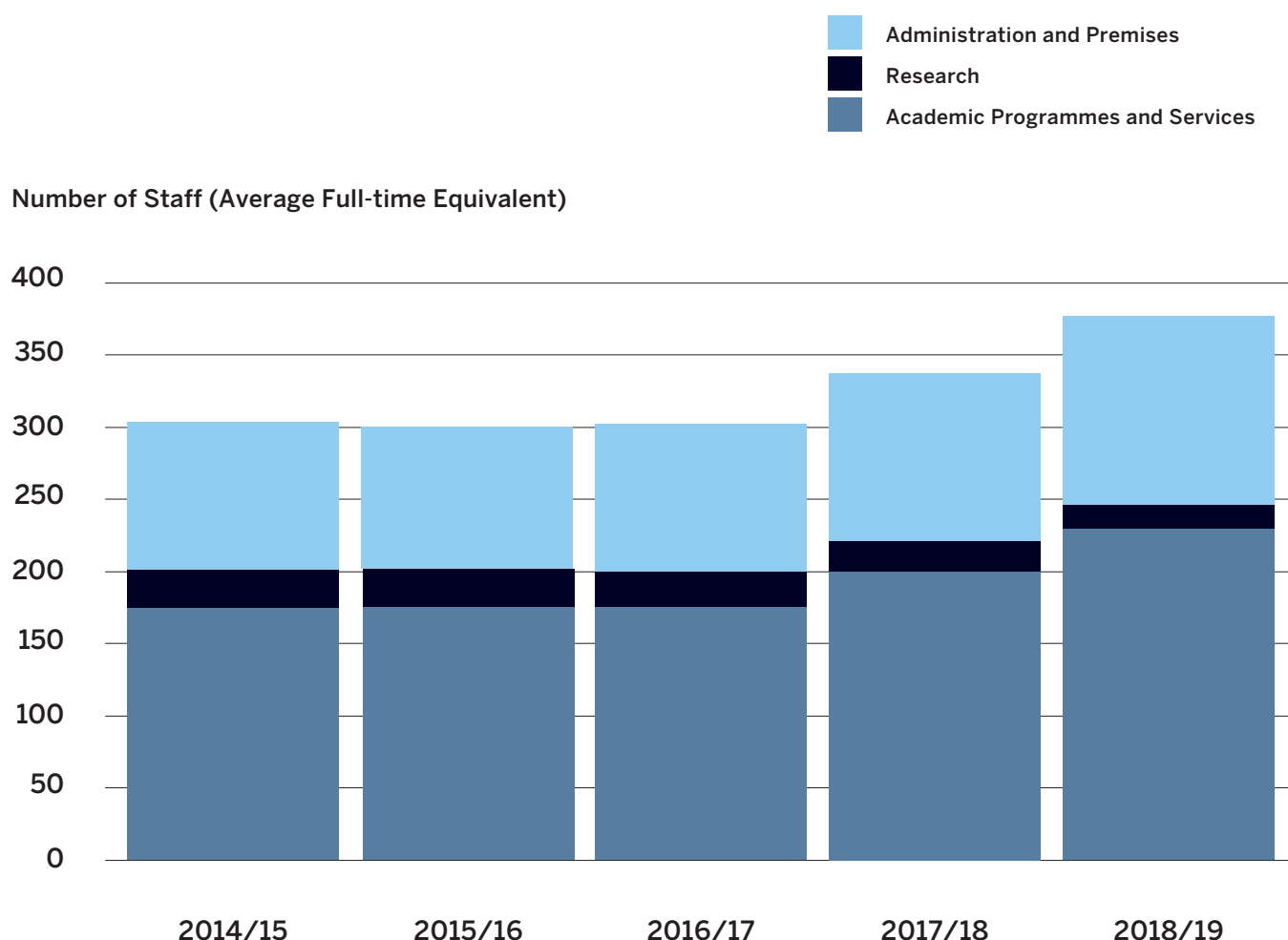
Total Five-Year Spend: £71.3m

Enabling Strategy 3: People

In 2018/19 the RCA employed 493 permanent staff over the course of the academic year, supplemented by over 1,000 visiting lecturers. The average number of FTE permanent staff was 377 (2017/18: 337). Total staff costs, including spend on visiting lecturers and casual/agency staff, totalled £29m, which was 51% of total expenditure.

The College prides itself on its ability to recruit the very best researchers and practitioners to join the academic staff, and it remains essential to the unique quality of teaching and research that it continues to attract and retain world-leading academic staff as well as inspirational practising artists and designers and a large number of highly specialised technicians.

Work on the RCA Strategic Workforce Plan to 2021 is progressing, capitalising on proposals to develop a more flexible academic model and encompassing a review of professional services, both critical components in defining and developing a workforce that is fit for the future and supports the achievement of the College's strategic aims.



Enabling Strategy 4: Finance – indicators of financial strength

Surplus for the Year

	Year ended 31 July 2019 (£m)	Year ended 31 July 2018 (£m)
Unrestricted Comprehensive Income	3.5	3.2
Unrestricted Donations		(0.9)
Deferred Grant Release		(2.2)
Disposal of Fixed Assets		1.3
Core Operating Surplus	3.5	1.3

Core surplus was £3.5m, 6% of core income (2017/18: £1.3m, 2.5%). The majority of the growth represents the flow-through of higher tuition fee income, and higher surpluses from executive education and Consultancy.

Cash Flow from Operating Activities

As previously detailed, the RCA's cash flow increased significantly during the year, driven by higher donations. Net cash inflow from operating activities was £24.1m (32% of total income) in 2018/19, compared to £14.8m in 2017/18 (24% of total income).

Borrowings/Cash and Cash Equivalents

At the end of the year, the College held cash of £20.2m (2017/18: £7.8m) and in line with 2017/18 had no borrowings. The main drivers of the improvement were higher cash receipts from student fee deposits (£1.5m) and an increase in donations, scholarships and awards (£9.5m).

The College has access to a £28m revolving credit facility with HSBC but had no loans drawn at the end of the year. The purpose of the facility is to assist with the financing of, and cash flows relating to, the RCA's project building a new campus at Battersea. The facility with HSBC is for a ten-year term (from February 2017 to January 2027) and the loan drawdown is subject to quarterly interest rate repayments. There is no charge over the RCA's assets.

Construction of the new building is in progress and remains broadly on track with practical completion due in October 2020. As specific milestones are reached in the coming year, the College expects to start drawing down on the facility. The RCA is required to maintain a minimum cash balance of £5m or 40 liquidity days, whichever is higher. Any excess cash will be used to minimise the College's debt position, thereby reducing the level of interest repayments.

Net Assets

The RCA's Balance Sheet remains strong: net assets have increased to £145.7m (2017/18: £122.1m). The main reason for the movement was an increase of c. £15m in the College's fixed assets. Heritage assets increased £5m following a revaluation which was completed by Sotheby's in February 2019. Short-term creditors grew £2.9m due to an increase in student fee deposits, as mentioned above. Long-term creditors grew £7.3m due to an increase in the level of deferred income for capital projects, including Battersea. These are released over the life of the related fixed asset.

Current Ratio

The ratio of Current Assets: Current Liabilities measures an organisation's ability to pay its short-term creditors. The College's ratio increased from 0.6 to 1.1 during the year due to the higher year-end cash position, partially offset by higher deferred tuition fees and the increase in student deposits for 2019/20.

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. As at 31 July 2019, Close Brothers, the College's Investment Managers, were holding £21.2m; £0.1m is still held by Ruffer Investment Management LLP (previous Investment Managers), waiting to be transferred. The value of total endowments at year end was £21.3m.

Risks

The RCA has a well-developed strategic risk register, which is reviewed by the Audit & Risk Committee at each meeting.

One of the most significant risks on the register at the end of 2018/19 related to the UK's decision to leave the EU. Regardless of the deal scenario, key Brexit risks include a reduction in the number of EU students studying at the College (2018/19: 24%), an impact on the willingness of academic staff to consider UK-based appointments, and the potential withdrawal of access to EU-funded research projects. The RCA's strategic plans on internationalisation, new models of flexible learning (and degree choices), the strengthening of recruitment activities outside the EU, and the modernisation of the College's support services include future year changes aimed at mitigating these key risks.

The development of the Battersea campus is a huge opportunity for the RCA, but also presents significant risks which could be exacerbated if uncertainties surrounding instability in the UK construction industry and the UK's exit from the EU begin to affect the wider economy. Financing for the new campus was originally on a match-funded basis, with the College responsible for funding £54m; however the project cost has increased, leaving the College to fund £76m, including through fundraising. The level and phasing of future donations remains a key project risk.

Other important risks include the ongoing investment to ensure that the College's physical and digital infrastructure continue to develop in line with innovations in teaching and research and innovation.

Maintaining and enhancing a high-quality student experience will be a key focus for the Senior Management Team during a period of growth and change. Action is being taken to mitigate these and other risks identified in the College's strategic risk register, and both Council and the Senior Management Team will continue to monitor the position closely. Further information about the College's risk management process is set out on p. 126.

Subsidiaries

The RCA owns the following subsidiaries: RCA Angel Investor Club Ltd, to handle investment opportunities for incubator companies supported by InnovationRCA, and Postural Support Ltd, set up to develop intellectual property to determine spine health and enabling the design of improved mattresses and seating solutions for people with back problems. Neither of these subsidiaries has been consolidated in the accounts – RCA Angel Investor Club Ltd was dormant during the year, and Postural Support Ltd was added during the year.

Conclusion

The Higher Education sector continues to be subject to change and financial pressure, both nationally and internationally. The College remains in a strong market position in postgraduate teaching and world-leading research, as demonstrated by our continued number one position in the QS World University Rankings in art and design, held for the fifth year in 2019. The Strategic Plan 2016–21 provides a robust roadmap for the future, to ensure the RCA remains in a pre-eminent position in the global education landscape. To support the sustainable development and growth ambitions of the College, an important part of our 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.

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. 128). 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 which are similar to those of most pre-1992 English universities. It is regulated by the 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 from January 2018, the 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 and EU-domiciled students do not cover all the costs of teaching those students; some of these costs are subsidised by OfS grants. Fees charged to non-EU 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. A particular emphasis is placed on design for an ageing population, including through the Helen Hamlyn Centre for Design. Much of the research carried out at the College is funded by charities and UK Research Councils and is undertaken in order to advance knowledge and understanding. In some cases research is carried out on behalf of commercial sponsors or partners. These projects 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, where permissible by the funder.

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.

Corporate Governance Statement

The following statement provides information about the College's governance procedures. The RCA is committed to best practice in corporate governance, including through compliance with the Governance Code of Practice published by the Committee of University Chairs (CUC).

Council is the governing body of the College, and comprises a majority of lay members together with staff and student members. All members are appointed under the College's Statutes. The roles of Chair and Vice-Chair of Council are separated from the role of the College's Chief Executive, the Vice-Chancellor. Council is responsible for the College's ongoing strategic direction, approval of major developments and receiving regular reports from executive officers on day-to-day operations.

The College is committed to best practice in terms of governance, and in this context Council commissioned a formal review of its effectiveness. The review of Council effectiveness was conducted by Halpin Partnership. Its remit was to focus on reforms which would enable the RCA's governance to be agile and streamlined, while balancing this with the RCA's current risk profile. A Governance Working Group was established to review the recommendations of Halpin's report and these recommendations were approved by Council on 16 July 2019. No matters of significant non-compliance or areas of major governance deficit were identified by Halpin. The following recommendations were adopted by Council:

- The College will adopt a more streamlined committee structure. No recommendations were made in respect to statutory committees.
- Council will gradually reduce in size over the next three to four years, from the current 34 members to around 21–25, as outlined in CUC guidance.
- Terms of office for new Council members will be a maximum of two terms of three years (except where subsequently undertaking a new/more senior/committee role or by invitation following review by the Nominations Committee).
- The Court will no longer play a statutory role in appointing Council members.

The College complies with the CUC Code.

The OfS completed a routine assurance visit to the College in May 2018 to examine how the College exercises accountability for the public funding which it receives. The OfS reviewed the annual accountability returns submitted by the College in 2017 and 2018, together with the minutes of Council, and the Audit & Risk and Planning & Resources Committees. The OfS also conducted interviews with Council members and executives. The OfS concluded that accountability returns were underpinned by appropriate and effective oversight and approval processes, and did not make any recommendations for improvement.

OfS Registration

The new regulatory framework for higher education in England requires institutions to apply to the OfS for registration as a recognised provider. The College submitted its application for registration in April 2018, including a self-assessment of how its management and governance arrangements meet OfS requirements to ensure it continues 'to meet its ongoing registration conditions, provide stability, deliver the courses students have signed up for, manage students' and taxpayers' money appropriately, demonstrate accountability and meet its commitments to other stakeholders'. The College's application was approved by the OfS, and it was formally added to the register with effect from 30 October 2018.

The College's Governance Structure

Council delegates a number of functions to subcommittees. A number of these subcommittees are statutory, including an Audit & Risk Committee, a Remuneration Committee and a Nominations Committee. Other subcommittees, while not statutory, 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. In particular, 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. All Council subcommittees are formally constituted with terms of reference and include lay members of Council.

The Audit & Risk Committee meets three times annually, with the internal and external auditors, to discuss audit findings and to consider detailed internal 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 reports annually to Council and to the OfS on the operation of the College's internal control procedures, risk management, value for money, the management and quality assurance of data and other relevant matters. While Senior Management Team members attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee, and at each meeting the Committee offers the internal and external auditors the opportunity of private meetings with the Committee members without officers present.

The Nominations Committee considers nominations for vacancies on Council and Committee membership under the relevant Statute.

Following the publication of the CUC Higher Education Senior Staff Remuneration Code in June 2018, the RCA commissioned an independent review into the effectiveness of its Remuneration Committee. Revised terms of reference for the Remuneration Committee were agreed by Council in July 2018, which reflect the CUC Remuneration Code and will ensure continued compliance with best practice.

The Remuneration Committee determines the remuneration of the Vice-Chancellor and senior staff. The Committee is chaired by a lay member of Council, and includes the Chair of Council and Treasurer. The Remuneration Committee considers any matters related to senior staff pay in the context of: charity law (namely the obligation for trustees to use charity funds and assets only to further their charitable purposes), CUC guidance and principles set out by the Association of Chief Executives of Voluntary Organisations. It also ensures it complies with the OfS Accounts Direction and with other OfS guidance on senior staff remuneration issued from time to time.

The Remuneration Committee takes into account a range of indicators in considering whether reward proposals for senior staff are justified. These include but are not limited to:

- performance in support of the College's strategic objectives in areas such as teaching, research, management and administration, leadership of staff partnerships and external relations and major initiatives and projects

- comparative benchmark data, for example across the higher education sector in the UK and internationally
- the size, complexity and international reach of the College
- the RCA's global brand and ranking
- salary increase awards for the wider workforce.

The Vice-Chancellor's performance objectives are agreed each year with the Pro-Chancellor. These are considered and endorsed by the Remuneration Committee. The Pro-Chancellor undertakes an annual appraisal discussion with the Vice-Chancellor and then makes a recommendation to the Remuneration Committee on the Vice-Chancellor's remuneration for the coming academic year. In considering the Pro-Chancellor's recommendation, the Committee reviews a range of data and information including:

- the Vice-Chancellor's salary history
- comparative benchmark data, for example across: the HE sector in the UK and internationally and across similar organisations of size, complexity and global standing
- how the Vice-Chancellor's current salary compares to that of other staff in the College
- the Vice-Chancellor's and College's performance over the review period.

The Vice-Chancellor's remuneration is set out in Note 7 to these accounts.

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.

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

Risk Management

On behalf of Council, the Audit & Risk Committee has appointed BDO as the College's internal auditors. The internal auditors review the effectiveness of the College's systems of internal control, including risk management, and their findings are considered by management and reviewed by the Committee.

The Audit & Risk Committee is also responsible for the oversight of the College's policies and procedures for risk management, in accordance with guidelines issued by the OfS. The Senior Management Team maintains a clear framework for managing risk. This links key risks to the objectives set out in the College's Strategic Plan, and documents the actions taken and further actions planned to manage and mitigate each risk. This approach to risk management has been endorsed by the Audit & Risk Committee and Council, and both committees receive termly reports highlighting the current status of strategic risks, and any developments in the external or internal environment affecting these risks.

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 subcommittees have 'declaration of interests' as the first substantive item. Members and officers are invited at that time to declare any interest in business to be considered by the meeting.

Internal Controls

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 approved by the Audit & Risk Committee in March 2018 and are due for review in February 2020.

Primary Roles and Responsibilities of Council

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 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 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 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, the Treasurer and other senior appointments as determined by Council currently and in the future;
10. To appoint and remove a clerk to Council 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 advice is available to enable this to happen.

Council & Committee Members

The following served as members of Council during the year:

Ex-officio Members

The Chancellor

Sir Jony Ive KBE RDI

The Chair and Pro-Chancellor

Baroness Rebuck of Bloomsbury DBE

The Vice-Chancellor

Dr Paul Thompson

The Treasurer and Vice-Chair of Council

Caragh Merrick

The Deputy Vice-Chancellor and Provost

Professor Naren Barfield

The Co-President of the Students' Union

Jazbo Gross (until 31 July 2019)

Lucy Bird (from 1 August 2019)

Lay Members

Michael Birshan

Robert Careless (until 30 November 2018)

Professor Rachel Cooper OBE

Jennifer Duvalier

Mike Forster

Dr Tristram Hunt

Dr Anne-Marie Imafidon MBE (from 1 April 2019)

Alan Leibowitz

Professor Magdalene Odundo OBE

Catherine Parry (until 5 November 2019)

Richard Petrie

Patrick Plant

Dr Sigrid Rausing

Lady Ritblat OBE

Dame Marjorie Scardino (until 30 November 2018)

John Studzinski CBE

Tom Van Oss

Ed Williams

Members appointed by the Senate

Professor Paul Anderson

Professor Graeme Brooker

Professor Juan Cruz (until 30 August 2019)

Dr Rathna Ramanathan (from 1 August 2018)

Dr Sarah Teasley

Dr Emma Wakelin (from 6 November 2018)

Dr Stephen Wang (until 31 October 2019)

One Student elected by the Students

Benji Jeffrey (until 31 July 2019)

Gabriella Davies (from 1 August 2019)

Secretary

Chief Operating Officer

Richard Benson (until 12 May 2019)

Jocelyn Prudence (from 13 May 2019
until 1 September 2019)

John Worne (from 2 September 2019)

The following served as members of the statutory subcommittees of Council:

Audit & Risk Committee

Tom Van Oss, Chair

Michael Birshan (from 10 September 2018
until 2 October 2019)

Robert Careless (until 30 November 2018)

Alan Leibowitz (from 1 December 2018
until 2 October 2019)

Richard Petrie (from 3 October 2019)

Patrick Plant (from 3 October 2019)

Remuneration Committee

Jennifer Duvalier, Chair

Baroness Rebuck of Bloomsbury DBE

Caragh Merrick

Nominations Committee

Baroness Rebuck of Bloomsbury DBE, Chair

Dr Paul Thompson

Caragh Merrick

Michael Birshan (from 3 October 2019)

Ed Williams

Senior Officers & Advisers

Senior Officers

Vice-Chancellor

Dr Paul Thompson

Deputy Vice-Chancellor and Provost

Professor Naren Barfield

Chief Operating Officer

John Worne

Director of Finance

Amanda White

Executive Director of Transformation & Delivery

Dr Philip Harvey

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

KPMG LLP

15 Canada Square

London E14 5GL

Internal Auditors

BDO

55 Baker Street

London W1U 7EU

Investment Managers

Close Brothers Asset Management

10 Exchange Square

Primrose Street

London EC2A 2BY

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Royal College of Art ('the College') for the year ended 31 July 2019 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes, including the Accounting Policies. In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2019, and of the College's income and expenditure, gains and losses and changes in reserves, and of the College's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the College in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the College's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the College's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The Council has prepared the financial statements on the going concern basis as they do not intend to liquidate the College or to cease their operations, and as they have concluded that the College's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Council's conclusions, we considered the inherent risks to the College's business model, including the impact of Brexit, and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the College will continue in operation.

Other information

The Council is responsible for the other information included within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council responsibilities

As explained more fully in their statement set out on page 127, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on Other Legal and Regulatory Requirements

We are required to report on the following matters under the Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the College's Statutes;
- funds provided by the Office for Students and Research England have been applied in accordance with these conditions and the terms and conditions attached to them; and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

The Purpose of our Audit Work and to Whom We Owe our Responsibilities

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

Neil Thomas

**For and on behalf of KPMG LLP,
Statutory Auditor**

Chartered Accountants
15 Canada Square, London E14 5GL

25 November 2019

Statement of Comprehensive Income and Expenditure for the Year ended 31 July 2019

		Year ended 31 July 2019	Year ended 31 July 2018
	Notes	College £'000	College £'000
Income			
Tuition Fees and Education Contracts	1	41,276	34,870
Funding Body Grants	2	8,950	12,792
Research Grants and Contracts	3	3,303	3,169
Other Income	4	4,751	3,618
Investment Income	5	506	197
Donations and Endowments	6	15,977	6,434
Total Income		74,763	61,080
Expenditure			
Staff Costs	7	24,623	21,826
Other Operating Expenses		28,546	28,554
Depreciation and Amortisation	10/11	3,613	3,385
Interest and Other Finance Costs	8	132	173
Total Expenditure	9	56,914	53,938
Surplus Before Other Gains		17,849	7,142
Gain/(Loss) on Disposal of Fixed Assets		–	(1,260)
Gain on Investments	13	768	298
Total Comprehensive Income for the Year		18,617	6,180
Represented by:			
Endowment Comprehensive Income for the Year		1,078	108
Restricted Comprehensive Income for the Year		14,077	2,900
Unrestricted Comprehensive Income for the Year		3,462	3,172
		18,617	6,180

All items of income and expenditure relate to continuing activities.

Balance Sheet

as at 31 July 2019

		As at 31 July 2019	As at 31 July 2018
	Notes	College £'000	College £'000
Non-current Assets			
Intangible Assets	10	899	664
Fixed Assets	11	123,704	108,805
Heritage Assets	11/12	16,032	11,020
Investments	13	23,636	21,954
		164,271	142,443
Current Assets			
Stock	14	132	96
Debtors	15	3,657	3,633
Investments	16	905	1,418
Cash and Cash Equivalents	22	20,224	7,816
		24,918	12,963
Less: Creditors: Amounts Falling Due Within One Year	17	(23,043)	(20,168)
Net Current Liabilities		1,875	(7,205)
Total Assets Less Current Liabilities		166,146	135,238
Creditors: Amounts Falling Due After More Than One Year	18	(20,416)	(13,137)
Total Net Assets		145,730	122,101
Restricted Reserves			
Income and Expenditure Reserve – Endowment Reserve	20	21,368	20,290
Income and Expenditure Reserve – Restricted Reserve	21	12,358	7,152
Unrestricted Reserves			
Income and Expenditure Reserve – Unrestricted		62,572	50,239
Revaluation Reserve		49,432	44,420
Total Reserves		145,730	122,101

The financial statements on pp. 132 to 155 were approved by Council on 21 November 2019 and were signed on its behalf by:

Dr Paul Thompson, Vice-Chancellor

Caragh Merrick, Treasurer

Statement of Changes in Reserves for the Year ended 31 July 2019

	Income and Expenditure Account			Revaluation Reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
College					
Balance at 1 August 2018	20,290	7,152	50,239	44,420	122,101
Surplus/(Deficit) from the Income and Expenditure Statement	310	14,077	3,462	–	17,849
Other Comprehensive Income	768	–	–	–	768
Surplus on Revaluation of Heritage Assets	–	–	–	5,012	5,012
Release of Restricted Funds spent in Year	–	(8,871)	8,871	–	–
	1,078	5,206	12,333	5,012	23,629
Balance at 31 July 2019	21,368	12,358	62,572	49,432	145,730

Cash Flow Statement

for the Year ended 31 July 2019

		Year ended 31 July 2019	Year ended 31 July 2018
	Notes	College £'000	College £'000
Cash Flow from Operating Activities			
Surplus for the Year		18,617	6,180
Adjustment for Non-cash Items			
Depreciation	11	3,321	3,263
Amortisation of Intangibles	10	292	123
(Gain) on Investments	13	(768)	(298)
(Increase)/Decrease in Stock	14	(36)	4
(Increase)/Decrease in Debtors	15	(24)	456
Increase in Creditors	17/18	10,153	10,037
Decrease in Creditors: Amortisation of Capital Grants	17/18	–	(2,331)
(Decrease) in Pension Provision	19	–	(355)
Adjustment for Investing or Financing Activities			
Investment Income	5	(506)	(197)
Interest Payable	8	132	173
Endowment Income	6/20	(11)	–
Profit/(Loss) on the Disposal/Sale of Fixed Assets		–	1,260
Capital Grant Income		(7,033)	(3,504)
Net Cash Inflow from Operating Activities		24,137	14,811
Cash Flows from Investing Activities			
Proceeds from Sales of Fixed Assets		–	–
Capital Grant Receipts	2	7,033	3,504
Disposal of Non-current Asset Investments	13	12,232	17,581
Short-term Deposits	16	513	(557)
Investment Income	5	506	197
Payments Made to Acquire Fixed Assets	11	(18,220)	(9,877)
Payments Made to Acquire Intangible Assets	10	(526)	(410)
New Non-current Asset Investments	13	(13,146)	(16,926)
		(11,608)	(6,488)
Cash Flows from Financing Activities			
Interest Paid	8	(132)	(173)
Endowment Cash Received	6/20	11	–
New Unsecured Loans	18	–	–
Repayments of Amounts Borrowed	18	–	(7,009)
		(121)	(7,182)
Increase/(Decrease) in Cash and Cash Equivalents in the Year		12,408	1,141
Cash and Cash Equivalents at Beginning of the Year	22	7,816	6,675
Cash and Cash Equivalents at End of the Year	22	20,224	7,816

Statement of Accounting Policies

A. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The RCA is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments).

B. Basis of consolidation

The financial statements include only the College. The College has the following dormant 100% owned subsidiaries, which were not consolidated in 2018/19: RCA Angel Investor Club Ltd, which was set up to facilitate funding opportunities for InnovationRCA's incubator companies, and Postural Support Ltd which was set up to develop intellectual property to determine spine health and enable the design of improved mattresses and seating solutions to better accommodate people's back problems.

RCA Design Group Ltd, which provided development services for the College's Battersea campus and Lion & Unicorn Press Ltd, which published books and has been dormant for a number of years, were dissolved in early 2018/19.

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.

C. Income recognition

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.

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure 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.

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

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 on the Balance Sheet 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 such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when 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 restriction 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.

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.

D. 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. Prior to 1 April 2016, pension benefits accrued within SAUL built up on a final salary basis. Following a consultation with Members, the SAUL Final Salary Section closed from 31 March 2016 and all members build up benefits on a career average revalued earnings (CARE) basis from 1 April 2016. 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 event 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 2017. 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 2018 and are due to be reviewed at SAUL's next formal valuation in 2020. At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the employers have agreed that the ongoing employers' contributions will continue at a rate of 16% of CARE salaries.

E. 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.

F. 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.

G. 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.

H. 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.

I. 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 parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

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.

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 years
Other Equipment	5 years

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

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.

J. 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. An internal valuation of the collection was carried out in 2009/10 and revalued by an external organisation in 2018/19. This provided an estimate of the value of the collection. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

K. Intangible assets

Computer software and consultancy costs of implementation costing 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 years.

L. Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Surplus or Deficit. Investment properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year. Under FRS 102, the College has disclosed the retail unit in the Dyson Building as an investment property.

M. Investments

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

N. Stock

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

O. 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.

P. 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
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation and
- (c) a reliable estimate can be made of the amount of the obligation.

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

A contingent liability arises from a past event that gives the 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.

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.

Q. Accounting for jointly controlled operations

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

R. 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.

S. 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.



Notes to the Accounts for the Year ended 31 July 2019

	Year ended 31 July 2019	Year ended 31 July 2018
	College £'000	College £'000
1 Tuition and Education Contracts		
Full-time Home and EU Students	11,903	10,591
Full-time International Students	28,331	23,621
Part-time Students	435	516
Other Short Courses	607	142
	41,276	34,870
2 Funding Body Grants		
Recurrent Grants		
Office for Students	6,009	7,052
Research England	2,349	2,322
Capital Grant	74	2,331
Specific Grants		
Office for Students/Research England Innovation Fund	518	1,087
	8,950	12,792
3 Research Grants and Contracts		
Research Councils	1,233	1,734
Research Charities	856	498
Government (UK and Overseas)	369	299
Industry and Commerce	384	296
Other	461	342
	3,303	3,169
4 Other Income		
Lettings/Rental Income	175	252
Catering	813	639
Other Services Rendered	1,416	947
Other Income	2,347	1,780
	4,751	3,618

	Year ended 31 July 2019	Year ended 31 July 2018
	College £'000	College £'000
5 Investment Income		
Investment Income on Endowments	449	183
Other Investment Income	57	14
	506	197
6 Donations and Endowments		
New Endowments	11	–
Donations with Restrictions	15,921	5,443
Unrestricted Donations	45	991
	15,977	6,434
7 Staff Costs		
Salaries	19,421	17,547
Social Security Costs	2,143	1,785
Pension Costs	2,835	2,488
SAUL Pension Deficit	–	(355)
Compensation for Loss of Office*	224	361
Total	24,623	21,826
* Compensation for Loss of Office		
No. of Employees	15	13
Amount (£'000)	224	361
Emoluments of the Vice-Chancellor	£	£
Salary	245,385	230,625
Benefits	–	–
Pension Contributions to SAUL	58,319	53,074
	303,704	283,699

The remuneration of the Vice-Chancellor, Dr Paul Thompson, along with other senior staff, is determined by the Remuneration Committee which meets annually and comprises independent members of Council, including the Chair and Treasurer. The Committee's decisions are informed by the Director of Human Resources, appropriate sector benchmarking and other relevant factors. The Committee has a duty to ensure that the Vice-Chancellor's remuneration is appropriate to attract and retain the required calibre of individual. The College has an ambitious strategy to deliver a bold vision by 2021, one that marries creative arts and design with science, engineering, technology and medicine. Coupled with the need to maintain its number one position as the world's leading art and design university, this demands special commitment and talent.

Notes to the Accounts for the Year ended 31 July 2019

In 2018/19, Dr Thompson's basic salary was £245k. In the last five years his pay has increased on average 3.7% p.a. While more than the average annual pay award over the same period made to College staff (1.5%), the latter also receive annual incremental pay increases, until they reach their grade maxima, which range between 1.6% and 2.8% p.a. This means that on average staff received a total increase of between 1.5% and 4.3% over the same period. Pay increases to senior College staff, including Dr Thompson, are covered by the Senior Staff Pay policy, which sets a total available pot for allocation to senior staff and which would, in ordinary circumstances, not exceed that available to the broader staff population. Under Dr Thompson's leadership in 2018/19: the RCA has been named the world's leading art and design university for five consecutive years; InnovationRCA has achieved the highest number of student spin-outs with university ownership; and the College announced the largest philanthropic gift in the history of the RCA, £15m from the Sigrid Rausing Trust.

Pay Ratios	Year ended 31 July 2019	Year ended 31 July 2018
Basic Pay Ratio	5.3	5.1
Total Remuneration Ratio	5.7	5.4

In 2018/19 the Vice-Chancellor's basic salary was 5.3 times the median pay for all College staff. In 2017/18 this figure was 5.1 and it compared favourably with the Higher Education Institution (HEI) sector ratio of 7.2¹. The Vice-Chancellor's total remuneration is 5.7 times the median total remuneration and in 2017/18 it similarly compares favourably with the sector ratio of 7.7.

The RCA has prepared its median pay disclosure for 2018/19 in accordance with the OfS 2017/18 Accounts Direction definition. This includes permanent and agency staff. The 2017/18 comparator, however, does not include agency staff.

The College has calculated the 2018/19 disclosure and determined that the addition of agency staff impacts the ratio by 0.1. As the staff profile year-on-year is similar, the RCA is satisfied that the impact of not including agency staff in the comparator is immaterial.

¹ www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/value-for-money/senior-staff-pay/

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

	Year ended 31 July 2019	Year ended 31 July 2018
	No.	No.
£100,000 to £104,999	–	1
£105,000 to £109,999	–	1
£110,000 to £114,999	–	2
£115,000 to £119,999	3	1
£160,000 to £164,999	–	1
£170,000 to £174,999	1	–
£195,000 to £199,999	1	–
	5	6

No member of Council receives remuneration in respect of his or her duties.

Average Staff Numbers by Major Category:	No.	No.
Academic Programmes and Services	229	200
Premises	17	17
Research	33	30
Administrative and Other	98	90
	377	337

Average Full-time Equivalent (FTE) staff numbers in 2018/19 were calculated by taking an average of actual staff numbers at 31 July 2019 and 31 July 2018.

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 includes 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 Vice-Chancellor, the Deputy Vice-Chancellor and Provost, the Chief Operating Officer, the Executive Director for Transformation and Delivery and the Director of Finance.

	£'000	£'000
Key Management Personnel Compensation	1,105	818

Notes to the Accounts for the Year ended 31 July 2019

	Year ended 31 July 2019	Year ended 31 July 2018
	College £'000	College £'000
8 Interest and Other Finance Costs		
Loan Interest	132	173
	132	173
9 Analysis of Total Expenditure by Activity		
Academic and Related Expenditure	15,206	14,233
Academic Services	6,051	5,167
Scholarships, Prizes and Awards	2,261	2,715
Sponsored Projects, Exhibitions and Shows	1,700	1,121
Research Grants and Contracts	3,623	3,573
Premises (Including Service Concession Cost)	8,679	8,670
Residences, Catering and Conferences	1,065	1,189
Administration and Central Services	13,178	11,188
Depreciation	3,613	3,385
Other Expenses	1,538	2,697
	56,914	53,938
Other Operating Expenses Include:		
External Auditor's Remuneration in Respect of Audit Services	46	43
External Auditor's Remuneration in Respect of Non-audit Services	37	19
Internal Audit	63	41
Operating Lease Rentals – Land and Buildings	2,571	2,594
10 Intangible Assets		
Software		
Cost		
Opening Balance	1,314	904
Additions in the Year (Including Intangible Assets Under Construction)	526	410
Total Cost	1,840	1,314
Amortisation		
Opening Balance	(649)	(527)
Amortisation Charge for the Year	(292)	(123)
Accumulated Amortisation	(941)	(650)
Net Book Value 31 July 2019	899	664

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

	Freehold Land & Buildings	Leasehold Land & Buildings	Fixtures, Fittings & Equipment	Fixed Assets Under Construction	Heritage Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
11 Fixed Assets						
College						
Cost and Valuation						
At 1 August 2018	24,288	79,187	6,724	10,739	11,020	131,958
Transfer of Completed Assets from Assets Under Construction	–	1,223	51	(1,274)	–	–
Additions	–	122	1,245	16,853	–	18,220
Surplus on Revaluation	–	–	–	–	5,012	5,012
At 31 July 2019	24,288	80,532	8,020	26,318	16,032	155,190
Depreciation						
At 1 August 2018	–	(7,470)	(4,663)	–	–	(12,133)
Charge for the Year	–	(2,154)	(1,167)	–	–	(3,321)
At 31 July 2019	–	(9,624)	(5,830)	–	–	(15,454)
Net Book Value						
At 31 July 2019	24,288	70,908	2,190	26,318	16,032	139,736
At 31 July 2018	24,288	71,717	2,061	10,739	11,020	119,825

A full valuation of academic, office, ancillary and support buildings was carried out on 31 July 2014 by Geraldeve.
The RCA's heritage assets were revalued by Sotheby's in February 2019, resulting in their value increasing by £5,012k.

12 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 2019 there were over 1,300 in the collection. No items were acquired in 2018/19.

	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000
Total Cost of Acquisitions Purchased	–	–	–	–	–
Value of Acquisitions by Donation	–	–	–	12	–
Total Acquisitions Capitalised	–	–	–	12	–

Notes to the Accounts for the Year ended 31 July 2019

13 Non-current Investments

	Endowment Assets	Investment Property	Total
College	£'000	£'000	£'000
At 1 August 2018	18,964	2,990	21,954
Additions	13,146	–	13,146
Disposals	(12,232)	–	(12,232)
Decrease in Market Value of Investments	838	(70)	768
At 31 July 2019	20,716	2,920	23,636

The non-current investments have been valued at market value. For the breakdown of endowment assets by investment class, refer to Note 20.

	Year ended 31 July 2019	Year ended 31 July 2018
	College £'000	College £'000
14 Stock	132	96
	132	96

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

15 Debtors

Amounts falling due within one year:

Debtors	975	1,967
Accrued Income	1,613	1,115
Prepayments	1,069	551
	3,657	3,633

	Year ended 31 July 2019	Year ended 31 July 2018
16 Current Investments		
Short-term Deposits	905	1,418
	905	1,418
17 Creditors: Amounts Falling Due Within One Year		
Sundry Creditors	3,695	4,473
Social Security and Other Taxation Payable	7	607
Accruals and Deferred Income*	18,353	14,155
Staff Annual Leave Accrual	988	933
	23,043	20,168

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

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.

Donations	–	5
Research Grants	1,070	1,883
Grant Income	48	60
Other Income	382	9
Government Grants (Research)	840	–
	2,340	1,957

Notes to the Accounts for the Year ended 31 July 2019

	Year ended 31 July 2019	Year ended 31 July 2018
	College	College
	£'000	£'000
18 Creditors: Amounts Falling Due After More Than One Year		
Deferred Income*	20,416	13,137
Unsecured Loans	–	–
	20,416	13,137

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

In February 2017, the College agreed a £28m revolving credit facility with HSBC. The purpose of the facility is to assist with the financing of and cash flows relating to the College's project to build a new campus in Battersea. The undrawn amount attracts quarterly interest rate repayments. There is no charge over the College's assets. The facility with HSBC is over a ten-year period, repayable by 2027 and the loan drawn down is subject to monthly interest rate repayments.

As at July 2018 £28m was undrawn.

	Obligation to Fund Deficit on SAUL Pension)	Total Pensions Provisions)	Total Other)
	£'000	£'000	£'000
19 Provisions for Liabilities*			
College			
At 1 August 2018	–	–	–
Utilised in Year	–	–	–
At 31 July 2019	–	–	–

* The College has been notified of potential action which might be taken in relation to contracts associated with its current redevelopment programme. This may result in liabilities between £1.5m and £2m falling due in future periods. The College believes it has a strong case and has therefore not provided for this amount.

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Restricted Expendable Endowments	2019 Total	2018 Total
20 Endowment Reserves	£'000	£'000	£'000	£'000	£'000
Restricted net assets relating to endowments are as follows:					
Balances at 1 August 2018					
Capital	7,367	5,776	6,832	19,975	19,678
Accumulated Income	142	274	(102)	314	504
	7,509	6,050	6,730	20,289	20,182
New Endowments	–	–	11	11	–
Investment Income	148	169	132	449	183
Expenditure	(111)	–	(108)	(219)	(373)
	37	169	24	230	(190)
Increase in Market Value of Investments	401	58	379	838	298
At 31 July 2019	7,947	6,277	7,144	21,368	20,290
Represented by:					
Capital	7,768	5,835	7,221	20,824	19,976
Accumulated Income	179	442	(77)	544	314
	7,947	6,277	7,144	21,368	20,290
Analysis by Type of Purpose:					
Scholarships and Bursaries	7,070	–	3,952	11,022	10,437
Research Support	–	–	3,088	3,088	2,887
Prize Funds	838	–	104	942	878
General	39	6,277	–	6,316	6,088
	7,947	6,277	7,144	21,368	20,290
Analysis by Asset:					
Fixed Interest Stocks				7,907	6,720
Equities/Securities				12,809	12,244
Accrued Income				–	10
Cash and Cash Equivalents (RCA)				(253)	(102)
Cash and Cash Equivalents (Investment Fund)				905	1,418
				21,368	20,290

Notes to the Accounts for the Year ended 31 July 2019

	Unspent Capital Grants	Donations	2019 Total	2018 Total
	£'000	£'000	£'000	£000
21 Restricted Reserves				
Reserves with restrictions are as follows:				
Balances at 1 August 2018	4,342	2,810	7,152	6,141
New Grants	13,090	–	13,090	2,531
New Donations	–	2,831	2,831	2,915
Capital Grants Utilised	(8,871)		(8,871)	(1,889)
Expenditure	–	(1,844)	(1,844)	(2,546)
	4,219	987	5,206	1,011
At 31 July 2019	8,561	3,797	12,358	7,152

	2019 Total	2018 Total
	£'000	£'000
Analysis of Other Restricted Funds/Donations by Type of Purpose:		
Scholarships and Bursaries	1,495	922
Capital Grants	8,561	4,343
Prize Funds	136	96
General	2,166	1,791
	12,358	7,152

22 Cash and Cash Equivalents	At August 2018	Cash Flows	At 31 July 2019
	£'000	£'000	£'000
Cash and Cash Equivalents	7,816	12,408	20,224
	7,816	12,408	20,224

23 Capital and Other Commitments	Year ended 31 July 2019	Year ended 31 July 2018
	£'000	£'000
Provision has not been made for the following capital commitments: commitments contracted for*	59,609	2,286
	59,609	2,286

* These relate to contracts associated with the College's Battersea Project. At 31 July 2018 the College was contracted for an enabling contract c. £4m; the College is now engaged in a full construction contract worth £74m. The Battersea project is being funded by a mixture of donations and local authority capital grants.

24 Financial Instruments

Unquoted Investments

At 31 July 2019, the College had unquoted equity investments of £1,320,200 which were held at cost. These consist of investments in 43 start-up companies supported by the InnovationRCA incubator.

The InnovationRCA incubator aims to create new design entrepreneurs and business innovators. The objective is to create new firms that can attract further funding, and create intellectual assets that can be licensed or sold to other firms.

These investments have been recognised as equity investments and they have subsequently been impaired to nil so there is no carrying value in the Balance Sheet.

25 Lease Obligations

Total rentals payable under operating leases:

	Land and Buildings	
	31 July 2019	31 July 2018
	£'000	£'000
Payable During the Year	2,571	2,594
Future Minimum Lease Payments Due:		
Not Later Than One Year	2,494	2,507
Later Than One Year and Not Later Than Five Years	6,092	7,342
Later Than Five Years	44,984	45,671
Total Lease Payments Due	53,570	55,520

This represents lease payments that are to be made over the life of the College's leases.

	31 July 2019	31 July 2018
	£'000	£'000
Operating Lease Rentals Receivable During the Year	156	217
Future Minimum Lease Receipts Due:		
Not Later Than One year	156	156
Later Than One Year and Not Later Than Five years	625	625
Later Than Five Years	359	515
Total Rental Income Receipts Due	1,140	1,296

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.

In 2018/19 the College no longer received rent from MG Motors (as the building was demolished). The value of this rent was £65k in 2017/18.

Notes to the Accounts for the Year ended 31 July 2019

26 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 UK and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently managed pension scheme for 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 2017. 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 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the employers have agreed that the ongoing employers' contributions will continue at a rate of 16% of CARE salaries.

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 was £3,205m, representing 102% of the liabilities for benefits accrued up to 31 March 2017.

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 paragraph 28.11 of FRS 102.

27 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. There were no payments made to Council members for the reimbursement of incidental expenses during the year (2017/18, £0).

During the year, the following transactions took place with companies in which Council or staff members had interests: The College paid £338,290 to the Victoria and Albert Museum (2017/18, £499,522) for reimbursement of fees for the History of Design programme (run jointly by the College and the Victoria and Albert Museum).

The College invoiced the Victoria and Albert Museum for £5,022, in relation to minor materials, this year (2017/18, £31,224). Dr Paul Thompson, the Vice-Chancellor, is a Trustee of the Victoria and Albert Museum and Tristram Hunt, member of the College's Council, is also Director of the Victoria and Albert Museum.

The College paid £45,000 (£18,800, 2017/18) to Research Studios Limited for research centre brand work, digital brand expansion and homepage sprint work. Neville Brody was the Dean of Communications at the College until 31 August 2018, and is currently a Professor of Communications at the College. He is the Director of Research Studios Limited.

The College paid £262,876 to the RCA Students' Union; of this £239,800 was in relation to subvention (2018/19).

The College paid £3,330 to the British Council for various events held at British Council premises and the Venice Fellowships. Magdalene Odundo is a member of the College's Council and an Arts Advisory Group member at the British Council.

The College paid £303 to the British Library in respect of library loans. Patrick Plant is a member of the College's Council and Board member of the British Library.

The College paid £12,646 to the Design Museum. Lady Jillian Ritblat is a member of the College's Council and a Trustee at the Design Museum.

The College invoiced Belmond UK Ltd for £18,000. Gail Rebuck is a member of the College's Council and a Non-Executive Director of Belmond UK Ltd.

28 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.

The Royal College of Art, the Royal Academy of Music, the Royal College of Music, Trinity Laban and Regents University were admitted as members of the company on 17 March 2016.





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