



# **Annual Report and Financial Statements**

**2023/24**

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## CHAIR OF COUNCIL'S INTRODUCTION for the year ended 31 July 2024

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I am pleased to present the Royal Veterinary College's (RVC) Annual Report and Financial Statement for the year 2023/24.

Once again, and somewhat against trends in the sector, we report a strong showing in all three major pillars of our mission - teaching, research and clinical services - with a positive financial outcome. This is despite the continued erosion of the value of the UK tuition fee, and the need for us to bolster our income portfolio and seek new ways of supporting our activities.

One of the highlights of the last year has been the completion of major new teaching, student and ancillary spaces at the Hawkshead campus. We most certainly have facilities worthy of our international reputation and capable of embracing the changing learning needs of our students. Similarly, an exciting development in our subsidiary, the London BioScience Innovation Centre, will see us able to grow our innovation activities in the biotech arena as our Camden campus thrives with the regeneration of the local bioscience environment. One doesn't need world class teaching space, laboratories and clinics to deliver world class teaching, research and care, but it doesn't do any harm!

There will be no magic funding fix from a new government but there are some encouraging signs. Our commitment to international students remains and we are vigilant for other opportunities to grow

and diversify. Our relationship with Welsh colleagues and positive steps in Asian partnerships over the last year mean the outlook is as positive as it is exciting.

With the announcement of the departure of our President & Principal at the end of the current academic year after 14 years of wonderful leadership, our attention is turned towards identifying his successor and, in due course, preparing for a new strategic plan. He will be a hard act to follow but I am confident that the strength of the team at RVC will see us well through the transition.

In the meantime, I am grateful to my fellow Councillors and to our President & Principal and his staff for all their efforts in delivering a successful year and ensuring the RVC remains first amongst equals.

Thank you for your continued support.

With best wishes,

Barbara, Baroness Young of Old Scone  
Chair of Council

## PRESIDENT AND PRINCIPAL'S REPORT for the year ended 31 July 2024

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It is a pleasure to add my welcome to that of my Chair, Baroness Young, to this annual account of the Royal Veterinary College's (RVC) performance. It is particularly pleasing that, again, our success continues and is evidenced by a sound financial out turn – a result that reflects the effort and commitment of all those who work and study at the university.

For all the numbers are important, it is in the narrative that you will find the true story of the past year. Still evolving in the post pandemic era and welcoming in a new administration at Westminster, our research, our teaching and learning and our clinical provision deliver best when the synergies amongst the themes are maximised and those responsible for each can draw on the strengths and capabilities of colleagues in what is a real "community of teachers and scholars" ...or "university"!

Although I have announced my intention to step down from my position at the RVC at the end of this academic year, there is important work to be done and exciting projects to deliver. With the completion of our major Hawkshead development and the ongoing upgrading of Camden, our sights turn towards a renewal of our clinical facilities and the envisioning of a state-of-the-art referral hospital. Marry to this the gentle reshaping of our management structures in line with our university status, plans that have been fomenting over the last 12 months, and it clear there is no time for following.

Indeed, with potential changes in legislation, revised accreditations standards and the imminent rulings of the Competition and Markets Authority's investigation of veterinary services profession-wide, we must remain alert, responsive and agile to these external factors.

Our global citizenship and international aspirations, so important in our QS rankings, take our staff and students worldwide and this ambassadorial role is allowing us to reach new populations, new frontiers and new challenges. In the face of emerging disease threats internationally, our Latin motto - "*Venienti Occurrite Morbo*" or "Meet disease at its origins" – could not be more appropriate; 233 years on and counting.

Buildings are important but the pages that follow are all about the people behind the words. I thank Baroness Young and her fellow Council members, for their encouragement and oversight in their risk-based approach to governance. And to my staff and students, and all the people who make the RVC what it is today, a personal debt of gratitude as we continue in our never-ending quest of making a good thing better.

With all best wishes

Stuart WJ Reid  
President & Principal

## STRATEGIC AND FINANCIAL REVIEW for the year ended 31 July 2024

### Context and Risk Analysis

Founded in 1791, the Royal Veterinary College (RVC) was the first of its kind in the UK and remains the only independent Higher Education institution dedicated to teaching and research in the veterinary and allied sciences. It benefits from being a member institution of the federal University of London and in 2023 gained University Title under changes to the University of London Act (2018).

As one of the largest veterinary schools in Europe, RVC provides the most extensive veterinary, para-veterinary and animal science undergraduate and postgraduate courses of any veterinary school in the world.

The RVC's strategic objectives are set out in its Strategic Plan 2022-2026 which focuses on the three pillars of our mission: education, discovery and translation of new knowledge, and delivery of optimal clinical care and opinion, as the RVC seeks to push back the frontiers of what is possible in veterinary medicine and its associated sciences.

The following supporting strategies to the Strategic Plan have been approved:

- Learning, Teaching, Assessment & Student Experience
- Research & Innovation
- Equity, Diversity & Inclusion
- Estates
- Data & Digital Technology
- Human Resources
- Environmental Sustainability
- Global

Key Performance Indicators have been developed to ensure effective monitoring of progress against the delivery of the strategic objectives.

The Strategic Risk Register focuses on the RVC's key strategic risks. These are regularly reviewed and re-assessed, and new risks identified. All risks are rated based on their likelihood and impact and the extent to which they can be, and have been, mitigated. The

process is led by the College Executive Committee (CEC) and, at the governance level, by the Council. The risks are reviewed on a quarterly basis and reported to the Audit & Risk Committee with a focus on changes in rating from one period to the next. Risk is a standing item on all the RVC's management and governance committees.

Operational level risks across the RVC are collated and regularly reviewed, ensuring that mitigating actions are aligned with strategic level risks and objectives.

The following themes inform the risks in the Strategic Risk Register:

- Student recruitment, experience, wellbeing and outcomes.
- Staff recruitment and retention, including succession planning and staff engagement.
- Financial sustainability.
- Business continuity.
- Cybersecurity.
- Infrastructure investment and resilience.
- Leadership and governance.
- Reputation and competitiveness.
- Regulatory compliance.
- Data capability.

The RVC Council's appetite to risk is reflected in the following statement:

*"The RVC endeavours to minimise impact arising from strategic and operational risks, including but not limited to, financial sustainability, student progress and outcomes, community wellbeing, operational efficacy, and reputation - and commits to manage and invest resources in mitigating these to tolerable levels. However, the RVC is alert to both opportunities and threats. This 'risk aware' approach means that the RVC will manage risks using the established risk management process but where specific activities have potentially substantial benefits, a higher level of risk may be tolerable. Taking such risks must be approved by Council."*

The risk management processes and controls are regularly reviewed by the RVC's internal auditors.

## Strategic Review

### *Our Learning and Teaching*

In the academic year 2023 – 2024 the new Learning, Teaching, Assessment and Student Experience (LTASE) strategy was written, consulted on, agreed and adopted. The strategy outlines the RVC's key objectives over the period 2024-28, and the initiatives to deliver these. Next steps will be drawing up an implementation plan, assigning responsibility for individual projects and agreeing timelines for delivery. The ambitious strategy will ensure the RVC is a University ready for the challenges that Higher Education will face in future years.

The RVC has begun to realise the benefits of recent capital investments. The occupation and utilisation of the new Student Learning Centre on the Hawkshead Campus enables students to experience teaching and learning in new state of the art facilities. This has improved the experience of the cohorts of students predominantly taught at the Hawkshead site, overcoming the previous challenge of finding adequate space for all students on the campus. The completion of the project has delivered improved office accommodation for academic staff and better student-facing premises for the academic registry. Further capital projects are underway or planned – with the new Live Animal Handling Facility being developed at Bolton's Park Farm and plans for a new clinical facility on the Hawkshead Campus.

Preparations are underway for a significant year for the accreditation of undergraduate degree programmes at the RVC. In the 18 months from the Autumn 2024 all three of the main undergraduate degree programmes will undergo re-accreditation. Success in these reaccreditations is vital to ensure the ongoing attractiveness of our degree programmes and ultimately the success of the RVC. This will require significant commitment across the institution to ensure the RVC is presented in its best light. Recent developments associated with AVMA accreditation, specifically related to achievement of graduating students in the North American Veterinary Licensing Examination, have helped to

illustrate the importance of meeting all of our accreditors' demanding standards.

The roll out of our re-developed professional veterinary curriculum continues to be a success. In 2023-24 our new BVetMed curriculum reached the 3<sup>rd</sup> year and converged with the new BVSc joint degree that we are offering with Aberystwyth University. The transition of students from Aberystwyth to the RVC went smoothly and initial indications regarding their relative academic achievement are good. Advanced plans for the final stages of the curriculum have been developed and approved, these plans will be implemented in 2024-25 with the introduction of the new rotation phase of the course starting in February 2025.

A new method of documentation of student engagement was successfully introduced in the 3<sup>rd</sup> year of the veterinary curriculum. This is referred to as the student record of achievement (SRA). The SRA helps us to monitor student engagement. Consistent, contemporaneous engagement is associated with student success. The objective is that this will lead to the wider dissemination of similar systems across all our courses and inform the development of an evidence-based student engagement and attendance policy.

In 2023-24 significant investment was made in a return to in-person invigilated digitally delivered examinations. This ensures the security and integrity of our examinations while continuing to realise the benefits of some of the changes to assessment that were introduced during the COVID-19 pandemic. The initial return to in-person assessment was undertaken for a proportion of examinations. In the next academic year this will be extended and we expect almost all our examinations will be conducted in this way. One of the benefits of this change is to minimise the risk of academic misconduct including plagiarism and the inappropriate use of Artificial Intelligence.

Applicant numbers for, and recruitment to, most of our courses have remained healthy for the upcoming academic year. There has been continued growth in the number of international applicants for

our four-year BVetMed programme. Applicant numbers across other courses, notably the BSc/MSci programmes and the post-graduate taught Masters programmes are less encouraging. The fall in applications for one-year Masters programmes appears to be part of a national trend and we are in a competitive market for bioscience undergraduate degree courses. We are reviewing our courses to ensure that they are attractive to potential students and utilise our institutional strengths, equipping students with the skills that are demand in the workforce.

In summary, teaching and learning in 2023-24 has been a success with many significant achievements despite facing inevitable challenges. The accreditation of all our undergraduate degree programmes during 2024-25 and 2025-26 is of vital importance to the RVC. The implementation of our LTASE strategy in addition to ongoing changes to our curricula and facilities promise to equip the institution well to continue this success and face the challenges of future years.

### *Our Student Experience*

Our commitment to build a diverse and inclusive student body has seen an increasing proportion of students admitted from non-traditional backgrounds across all undergraduate courses despite the continuing educational challenges faced by those students.

Our student recruitment and widening participation team, work tirelessly to support our aim to recruit the best students from all backgrounds. This has resulted in an increase in applications and admission from under-represented groups, exceeding the challenging targets we set in our Access and Participation Plan 2020-25. By offering a blend of online and in-person activities, there has been a significant increase in engagement with students from these groups across a wide geographical area of the UK. We have continued to enhance the academic and personal support they receive in their transition to university. We have also developed an increasing range of scholarships and student support funds that provide vital support to students facing financial pressures.

Our student support services continue to evolve to meet the needs of all students across our increasingly diverse community, who are now used to a more blended experience. All services are delivered in-person or online and this has proved effective in giving students more choice and opportunity to access these services at times that suit them. This has also increased the support available to students while they are away from campus on placement and during holiday periods, ensuring year-round support. The Learning and Wellbeing Directorate focuses efforts on supporting all students to reach their potential through managing their health and wellbeing. Combined with a sustained programme of enhanced student engagement and representation, this has reinforced the place of the student at the centre of our mission.

The long-term impact of the pandemic still resonates in our UK NSS results due to the long courses we offer; the majority of RVC undergraduate students study for 5 years. They also reflect the challenges that students face with the cost-of-living crisis and the desire to have more flexible learning options available to them. We are committed to addressing our NSS results, and we continue to work with students to improve their experience on all our programmes. Combined with a detailed analysis of other surveys, such as the Student Barometer, we are focused on a greater resolution of specific responses within subgroups of the student body. Furthermore, we have introduced a Student Voice Strategy that will offer new ways for students to give feedback and hear about the changes we have made in response. With the roll out of remodelled and rescheduled curricula in the coming years, the RVC and the RVC Students' Union continue to work collaboratively to ensure that all RVC students are represented and have a positive student experience.

On the international front, we were pleased to be ranked globally number 1 among veterinary educational establishments in the QS World University Subject Rankings. We have been ranked first in five of the past six years (2019, 2021, 2022, 2023 and 2024) and second in 2020. This is a significant metric for recruitment of international

students and evidences the continuing high quality educational experience we offer.

### *Our Research and Innovation*

The level of externally sponsored funding for research at the RVC remains relatively strong, with a total of £8.1m awarded in grants during 2023-24 (2022-2023: £14.0m). A large single commercial grant of £3.6m was received in 2022-23, significantly increasing funding levels that year.

As reported previously, the RVC delivered a strong performance in the 2021 Research Excellence Framework (REF2021) with improvements in both the amount and the quality of research submitted for evaluation, compared to the previous REF2014 results. This has delivered a positive financial outcome in funding from Research England, which is underpinning ongoing investment in our research base. Planned future initiatives and investments are outlined in the new 2024-2029 Research & Innovation strategy, which has this year been developed and approved. Our internal research grant award scheme has been refreshed as the "Launchpad" scheme. There is an emphasis on ensuring value for money by supporting pilot projects that will underpin later applications for financial support from external funders.

Large external awards received in 2023-24 include BBSRC funding for a project to understand the potential for antimicrobial resistance in *Eimeria* and projects to better understand the transmission and zoonosis risk of avian influenza. Funding from the Horserace Betting Levy Board will support research into the genetic risks of fracture and the role of adiponectin in protecting against laminitis. Funding from EPSRC will enable new research into understanding dinosaur limbs and locomotion, and an award from the Bill & Melinda Gates Foundation will support activities relating to the elimination of human onchocerciasis. We continue to be successful in winning substantial grants to fund strategically important equipment, most recently a £350k award was received to purchase a Neoscan microCt scanner that will enable next generation high resolution 3D imaging.

RVC academics continue to garner national and international recognition. Professor Fiona Tomley was awarded the 2023-2024 Plowright Prize, a biennial award that recognises individuals who have made a key contribution to animal infectious disease. Professor Joanne Webster was awarded the Royal Society Leeuwenhoek Medal and Lecture for her achievements in advancing control of parasitic disease in humans and animals. Dr Ben Swift was awarded the Bazil Jarvis Award for food security and innovation.

The Centre for Vaccinology and Regenerative Medicine (CVRM) and the Centre for Translational Research & Clinical Imaging (TRACI), both sited at the RVC's Hawkshead Campus are now operational and active. The CVRI was recently successful in obtaining an innovative grant from the Bezos Earth Fund to explore the early development of immune responses to methanogens in cattle.

Despite the difficult investment climate for life science and biotech companies, LBIC's turnover of £3m was on a par with 2023, with a dip in occupancy to 87% being offset by 5% price increases reflecting inflationary pressures. Prudent cost management has ensured a surplus of £0.9m. The fit-out of the new APEX facility in the Kings Cross Knowledge Quarter is now underway and will be complete in 2024 - 25. LBIC has generated substantial client interest in the new space and has entered into Agreements for Lease with two companies, one through open tender against a field of competitors and one through the growth of an existing LBIC client. This means that the new facility is already 35% pre-sold for the next 5 years. Events to mark the launch of the new space and celebrate LBIC's 25th anniversary are planned and an impact study has been commissioned to quantify the economic and healthcare benefits that LBIC has facilitated.

### *Our Clients and Patients*

Our mission is to deliver outstanding compassionate clinical care and expert advice to stakeholders through our veterinary teaching hospitals and affiliated clinical centres. Alongside supporting delivery of our undergraduate and postgraduate educational objectives, our



research, and providing a contribution to the financial sustainability of the RVC.

During 2024, the clinical leadership team revised the Clinical strategy and identified the following five areas of focus.

- Evolution of our general practices recognising the importance of this discipline for undergraduate training along with the need to develop clear post graduate career paths for general practitioners. This includes the creation of a new senior role of Director of General Practice to provide both strategic and operational leadership for our general practice sites, ensuring they are optimised for undergraduate training. In addition, we will enhance our research relevant to general practice, building on and extending the strong output of the VetCompass team.
- Continuing to adapt our clinical services to meet the changing needs of the profession for undergraduate and postgraduate training, including for veterinary nurses. Our clinical sites currently host the greatest number and range of specialist vet training programmes in Europe and this year we have introduced fellowship posts for advanced nurse training; we will continue to develop our strength in this area including a focus on interdisciplinary skills development, exploring partnerships and reviewing opportunities to support flexible pathways. We will also continue to build on the strength and reputation of our CPD unit.
- An emphasis on the importance of systems, processes and culture, alongside knowledge and technical skills, in delivering high quality and continuously improving clinical care. Many important tools to facilitate this are already being used including regular morbidity and mortality rounds, checklists and significant event reviews; we will continue to review ways to ensure our students understand the importance of a patient safety culture in delivering the highest quality of care.
- Fostering clinical research and innovation by providing a supportive environment that facilitates collaboration with research colleagues.

- Exploring opportunities to deliver innovative healthcare and improved animal welfare using technological advances in the areas of machine learning and healthtech.
- Delivery of effective and efficient care that optimises the financial contribution made by our clinical services. Activity will focus on utilising technology to drive operational efficiency, including introduction of an in-patient digital record, supporting recruitment and retention of clinical staff and understanding our customers better to ensure our services evolve to meet their needs.

### *Our People*

As a leading provider of higher education in veterinary and biosciences, the RVC aims to be an employer of choice for those seeking to work in the veterinary, biosciences and one health sectors. We recognise that, to succeed, we need to attract, develop and retain a highly skilled workforce from a range of diverse backgrounds to work in a collaborative and supportive way, in line with the RVC Behaviours Framework.

Employment strategy is considered by the RVC Council, through the Finance & General Purposes Committee and the Remuneration Committee. Regular meetings are held between management and Recognised Trade Unions (RTUs). The RVC strives to work collaboratively and constructively with the RTUs locally and contributes nationally to the aims and objectives of the Universities & Colleges Employers Association through participation in annual consultations on national pay award negotiations and other matters.

The RVC continues to support its highly skilled workforce through the provision of a varied and dynamic Learning and Development (L&D) programme. Following the transition from remote to hybrid working, the L&D programme is now offered in a range of formats as we adapt to changed expectations of how training is delivered. All staff development is underpinned by personal development objectives agreed via the Annual Appraisal and Review process which is reviewed year-on-year to engage staff and managers.

The Management Development Programme (MDP) is a core element of our L&D provision and managing wellbeing is now embedded as a mandatory module for all managers. We continue to run the very successful women's leadership development learning programme - SEAL, Southeast Action Learning. We also continue to promote the use of our internal coaches and mentors to support staff throughout the RVC and further develop the skills of our qualified coaches.

Our inaugural Organisational Leadership Programme, designed to develop and enhance our talent management portfolio and leadership capability by delivering an 18-month programme for high-potential senior managers, is now 12 months in. Feedback from delegates and managers alike has been positive, and enhancements to the programme for future cohorts are in the planning phase.

All employees are required to undertake mandatory training that is deemed essential by the RVC for the safe and efficient delivery of services for their role. This training is designed to reduce organisational risk, comply with policies and guidelines, and covers health and safety, equality, diversity and inclusion, data awareness and GDPR.

Staff wellbeing is supported through encouraging open communication between staff and managers, access to an occupational health service, onsite gym facilities and an Employee Assistance Programme that includes a free 24-hour telephone advice line available to all employees. We also offer a financial advice drop-in session facilitated by our existing provider of pension advice.

The RVC's Director of Human Resources has now been in post for a full year leading the HR department to build on previous successes and deliver new initiatives and improvements in support of the RVC's people agenda. The new Director has led key programmes and initiatives in 2023 - 24, including the delivery of a wide-reaching Employee Engagement Survey.

Plans for 2024 - 25 include a major review of recruitment and selection processes and practices, building the capability to transform HR data and analytics to inform decision-making, refreshing

our recognition and reward strategy to address a highly competitive market for talent, and building on the RVC's success of hybrid working arrangements.

### *Equity, Diversity and Inclusion*

The RVC remains committed to being an organisation in which Equity, Diversity and Inclusion (EDI) underpin all that we do. As a university, we are defined by our community of staff and students and we will only succeed in our mission by cultivating an environment that respects, supports and celebrates everyone who comes to RVC.

In this past year we have continued to make advancements in furthering RVC's commitment to promoting and enhancing equitable and inclusive student and staff experiences.

The recently formed EDI Unit, which leads on the operational elements of EDI work, has continued to grow in its functions and to develop appropriate processes to support EDI work across the university. The newly approved EDI strategy was published during 2023-24 and made available alongside other institutional sub-strategies.

An internal EDI communications plan was launched, including a termly newsletter and a series of lunch time talks with guest speakers. These sessions have been effective in awareness-raising around different elements of EDI, and have included topics such as neurodiversity, cultural intelligence and staff networks.

We have benefited from working with other veterinary institutions to share and develop good practice. The RVC has been actively engaged with the Vet Schools Council (VSC) which is proving to be an effective voice for the promotion of EDI issues in different areas of the profession. RVC has also been working with a number of other veterinary schools and small specialist HE institutions to share good practice in different areas of EDI.

We continue to work with our various membership organisations such as Athena Swan to support our gender equality work, Stonewall to support our LGBTQ+ work and the Hidden Disabilities Sunflower scheme to raise awareness of and support hidden forms of disability.

### Environmental, Social and Governance

The RVC is committed to tackling environmental, social and governance (ESG) issues which is set out in our Environmental Sustainability Strategy. This affirms the University's commitment to be net zero by 2040.

Further details of the various initiatives being undertaken in this area are provided under our public benefit statement on page 20.

Our published Modern Slavery Statement sets out the measures we have put in place to tackle modern slavery and human trafficking.

### Financial review

#### Scope of the Financial Statements

The Consolidated Financial Statements cover the activities of the Royal Veterinary College (RVC), the Royal Veterinary College Animal Care Trust (ACT), London BioScience Innovation Centre Limited (LBIC) and RVC Veterinary Practices Limited (RVP). Two further subsidiaries, RVC Developments Limited and Royal Veterinary College (Hong Kong) Limited, are no longer actively trading and are not reported in these accounts.

The Financial Statements have been prepared in accordance with the Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice 2019: Accounting for Further and Higher Education ("SORP 2019"). Accounting policies are presented in the Statement of Principal Accounting Policies.

#### Results for the year

The RVC's consolidated results for the period to 31 July 2024, compared to the prior year, are presented in the following table:

£'m	2023-24	2022-23	Change
Income	128.5	123.3	5.2
Expenditure	(95.8)	(110.1)	14.3
Surplus/(loss) before gains and taxation	<b>32.7</b>	<b>13.2</b>	<b>19.5</b>
(Loss)/gain on investments	2.4	-	2.4
Taxation	(0.1)	(0.1)	-
Surplus/(loss) for the year	<b>35.0</b>	<b>13.1</b>	<b>21.9</b>

The movement in the outturn between the two financial years includes accounting adjustments required under FRS 102. These can give rise to significant volatility in the outturn from year to year which is not representative of underlying operating performance. For this reason, management excludes these adjustments for internal budgeting and management accounts reporting purposes.

As in previous years, the most material of these adjustments relates to the movement in the Universities Superannuation Scheme (USS) pension provision, for which there was a £24.5m credit to the Statement of Comprehensive Income (SOI) in 2023-24 compared to a credit of £2.6m in 2022-23: a positive swing of £21.9m.

Other significant items which give rise to year-on-year volatility include the movement in the year-end valuation of the investment fund portfolio and foreign currency accounts, one-off capital grants, and restricted donations and endowments, which are ring-fenced for specific purposes and not available to support general activity.

The following table provides a more representative view of the underlying operating performance for each year by adjusting for these items:

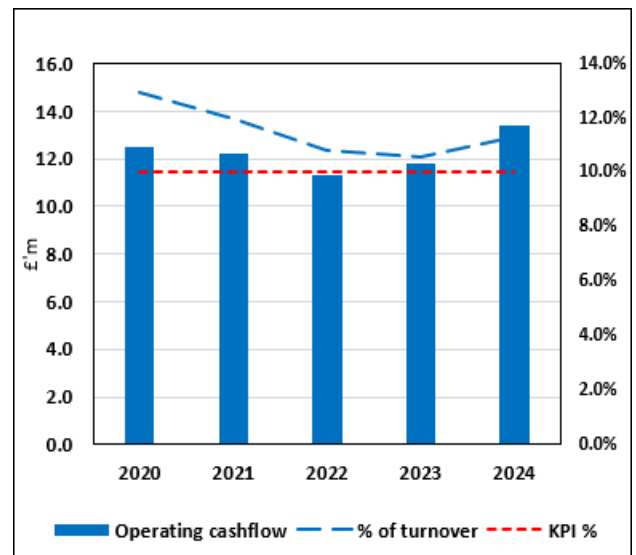
£'m	2023-24	2022-23
Surplus/(loss) for the year	35.0	13.1
<i>Adjustments:</i>		
USS pension provision	(24.5)	(2.6)
Loss/(gain) on long term investment holdings	(1.2)	0.1
(Gain) on foreign exchange	-	(0.6)
Other including, restricted donations and capital grants	(0.5)	(0.5)
Operating contribution	8.8	9.5

The operating contribution, at £8.8m, was £0.7m lower than the prior year. Whilst lower than 2022-23 this was £1m above the budget contribution and delivered despite continued inflationary pressures.

Much of this sustained return can be attributed directly to the RVC’s world-leading status. In teaching and research, this has been recognised through additional government funding from both the Office for Students and Research England in recent years. The RVC’s international reputation and standing, confirmed by retention of number 1 position in the QS World University Subject Rankings, is also a major factor in international student recruitment – an important contributor to financial sustainability.

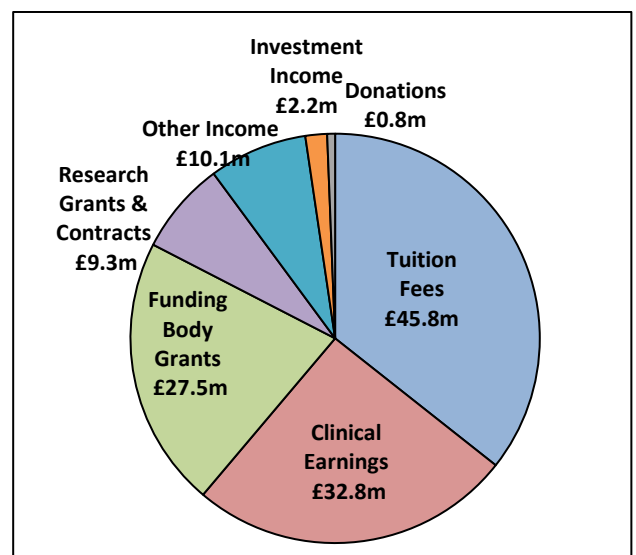
The RVC uses operating cash flow as a key metric of financial performance. Generating sufficient operating cash is essential to providing the funds for future capital investment and servicing debt. The RVC has set a target for operating cash flow of >10% of turnover over a three-year rolling period. In the three-year period to 2023-24, this averaged £13.4m p.a., representing 11.3% of operating turnover. Equivalent figures for the period to 2022-23 were £11.8m p.a. and 10.5%.

The trend over the past five years, and against the 10% KPI, was as follows:



**Income**

Total income in the year was £128.5m, compared to £123.3m in 2022-23: an improvement of 4.2%. Sources of income in 2023-24 are shown in the following chart:



**Tuition fees**, at £45.8m, are the RVC’s main income stream. These increased by 9.5% (£3.9m) on the prior year. Fees from international students increased by £4m to £31.7m, accounting for 69% (2023: 66%) of total tuition fee income. This was due to a combination of increased student numbers and inflationary fee increases. Fees from home students (undergraduate and postgraduate) reduced by £0.2m to £12.2m. Income for short courses and research training support grants was in line with the prior year, at £1.9m.

**Funding body grants**, at £27.5m, decreased by £0.5m.

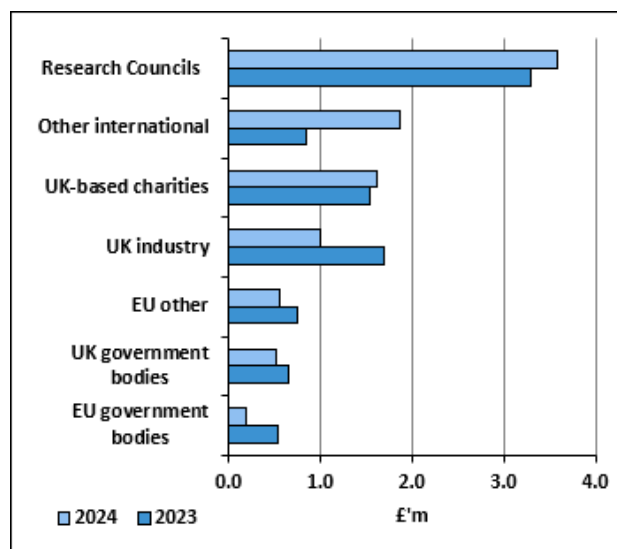
Funding for teaching (£13.9m) is provided by the Office for Students (OfS) and remains an important income stream to the RVC, as its programmes are in high-cost, primarily clinical, subject areas. There was a small decrease (£0.7m) in this funding stream due to fewer home students. Funding includes £2.9m relating to the RVC’s status as a world-leading specialist institution.

Research (QR) funding, provided by Research England (RE), was £8.2m, representing a decrease of £0.5m. Funding tends to remain stable between Research Excellence Framework (REF) exercises. In 2022-23, the RVC had benefited from additional funding following its strong performance in REF2021. The RE grant also includes £2m in recognition of the RVC’s specialist institution status. There was a £0.2m increase in Higher Education Innovation funding (HEIF), also provided by RE, to £3.5m. This funding supports knowledge exchange and business/community engagement activities.

Capital grants received from the OfS and RE are also reported under this category. This funding is formula-driven, and the RVC received an overall allocation of £0.5m, compared to £0.9m in the prior year.

**Clinical and related income**, at £32.8m, was £1.3m higher than in the prior year. Clinical operations comprise the RVC’s veterinary teaching first opinion and referral hospitals, diagnostic laboratories and RVC Veterinary Practices Ltd. Client demand remains strong; however, the business continues to be impacted by clinical staff shortages (a national problem).

Income from externally funded **Research grants and contracts** was £9.3m, in line with the prior year. The breakdown of funding by research sponsor type in each year (excluding capital grants) was as follows:



As in the prior year, Research Council funding was the main source of research grant income, at £3.6m. This was followed by international (non-EU) sponsors which showed a significant increase on the prior year. UK-based charities represent the third highest source of income. There was a sharp decline in income from UK industry with smaller reductions in that from UK and EU government bodies. The UK’s re-admission to the Horizon Europe programme is a welcome development but this will take some time to be reflected in grant awards and the associated income.

As research income is reported in line with the related expenditure, there is a time lag before the full impact of changes in the proportion and volume of awards by sponsor type is reflected in the financial accounts data.

**Other income** increased by £1m to £10.1m. This category comprises student residential fees and catering, rental of office and laboratory space by external clients of the London BioScience Innovation Centre (LBIC), and services provided under commercial contracts for use of the RVC’s research facilities. Income growth was due to student residential fees, catering income and LBIC client rentals. LBIC occupancy rates fell slightly to 87% (2022-23: 95%), although price increases ensured income from external clients of £3.0m remained at 2022-23 levels. LBIC returned an accounting surplus of £868k, but no taxable profits. As a result, £0m (2022: £0.7m) was gift aided to the RVC.

**Investment income** comprises income (interest, dividends) earned through the RVC's investment fund portfolio, management of which transferred from UBS AG to Sarasin in January 2024, and interest on short-term cash balances held in fixed and notice deposits. Whilst income reported in 2023-24, at £2.2m, was comparable to the prior year, this excludes a sum of £1.2m earned on money market funds managed by Sarasin. The return on these funds is reported as a **gain on investments** and is included with the gains on the long-term portfolio (also £1.2m). Taking this into account, investment income in 2023-24 amounted to £3.4m, a 55% improvement on the prior year, reflecting the prevailing higher interest rates available in the market and the RVC's continuing healthy cash reserves.

Income from **donations**, at £0.8m, is a reduction of £0.6m on the previous year.

### **Expenditure**

Expenditure, at £95.7m, decreased by £14.3m (13%) compared to 2022-23. As discussed earlier, the year-on-year variance has been distorted by the impact of the reporting of movements in the valuation of the pension provision. The overall movement on this was a credit of £24.5m compared to a credit of £2.6m in 2022-23. Adjusting for this, the year-on-year increase was £7.6m (6.9%) which is explained in the following paragraphs.

**Staff costs**, excluding the pension provision adjustment, were £68.9m, an increase of 7% (£4.5m) on 2022-3. Staff costs represented 54% of turnover (2023: 52%).

The increase is primarily a consequence of current inflationary pressures. An interim uplift of 2% (or £1,000 for lower grades) was applied in February 2023, with the final agreement being applied in August 2023 amounting to an annual increase of between 5-8%. Annual incremental pay progression and one-off recognition payments made to RVC staff also added to the pay bill. These increases were offset by a reduction in the USS pension employer contribution rate from January 2024 and savings arising from staff turnover and the resulting vacancies. Expressed as full-time equivalents (FTEs),

staff numbers, at 1,013, increased by 5% on the prior year.

**Other operating expenses**, at £41.4m, increased by 3.4% (£1.4M). Significantly lower than the 14% increase in 2022-23. Inflationary pressures remain higher than recent historical averages, but the RVC continued to benefit in 2022-23 from having fixed its utility costs until July 2024.

**Depreciation and amortisation** costs, at £8.6m, show an increase of £1.2m compared to the prior year. Depreciation costs have risen by £1.1m to £8.2m. Amortisation costs (£0.4m) represent the write-off over a 10-year period of goodwill relating to the acquisition of Acorn House Veterinary Hospital through RVC Veterinary Practices Ltd.

**Interest and other finance costs**, at £1.7m, were in line with 2022-23 (£1.6m). However, below this consolidated figure is a reduction of £0.4m on the pension provision adjustment and a reduction in gains on foreign exchange difference of £0.6m. Setting these aside, interest charges £1.2m (2022-23 £1.2m) relating to external financing were the same as the prior year (rates for our £45m private placement are fixed).

### **Capital investment**

The RVC has been undertaking a substantial programme of capital investment at both campuses over recent years. All new building developments are designed to be energy efficient and environmentally sustainable in support of our aim of becoming carbon neutral by 2040.

The project to re-develop the heart of the Hawkshead Campus is now approaching completion. The centre piece of the project is a Student Learning Centre which was opened in 2022-23 and comprises a major new lecture theatre and other state-of the-art teaching facilities, a new library, social learning space and administrative offices. Construction work was significantly impacted during and post the pandemic; however, the remaining phases of the project are now underway and include the construction of a Live Animal Handling Facility and research laboratory refurbishments.

## STRATEGIC AND FINANCIAL REVIEW continued

Central to the RVC's Estates Strategy is the proposed construction of the new small animal referral hospital at the Hawkshead Campus for which detailed planning is now underway.

Projects progressing at the Camden campus comprise refurbishment works to the main building and to student residential accommodation on the site. Salix grant funding of £2.8m has been secured to fund several heat de-carbonisation projects being undertaken at the Hawkshead campus.

Fit-out works associated with LBIC's leasing of premises in the Apex Building in King's Cross are also progressing for which the RVC is providing loan financing.

The RVC continues to invest in its IT and digital infrastructure. Informed by an external review, an investment plan has been developed and approved and is now being implemented.

Investment has also been made in research and clinical equipment; some of the latter funded by grants from the Animal Care Trust and the former from Research England grants.

### **Borrowing**

In 2018, the RVC restructured and increased its borrowing to support its capital plans, concluding a notes issue for a £45m private placement with Sun Life Assurance Company of Canada. The notes are fixed rate and unsecured with 15 to 25-year maturities. The funds raised were deployed in part to pay off existing long-term debt and associated breakage costs (£23.6m in total).

Salix interest-free loan funding of £0.8m was also secured to support an LED lighting project. The funds are repayable over five years and £0.6m was outstanding at 31 July 2024.

### **Treasury policy and investments**

The RVC's Treasury Policy seeks to ensure an appropriate return on investments at a level of risk agreed by the RVC Council. For long-term reserves, the objective is to achieve a total return above inflation (CPI) of at least 3.5% p.a. (net of fees) over a rolling three-year period.

Management of the RVC investment transferred at the end of January 2024 to Sarasin from UBS AG. At 31 July 2024, the value of the long-term portfolio (equity, bond and property funds) was £18.2m (2023: £17m). At the valuation date of 31 July 2024, the fund recorded a gain of £2.4m, of which £1.1m was an unrealised gain on money market deposits not held in 2023 (2023: £0.1m loss). Since the transfer to Sarasin, the fund has achieved an annualised return of 8.0%.

### **Cash, cash equivalents and short-term deposits**

Cash, cash equivalents and short-term deposits at 31 July 2024 were £10m, with an additional £52.5m held in money market funds (recorded within non-current assets). This totals £62.5m, compared to £57.7m at 31 July 2023.

As noted above, there has been a change in the investment strategy for the RVC's short-term portfolio following the transfer to Sarasin, rather than being placed in fixed term and notice accounts, the funds are held in money market holdings and as such are categorised as non-current asset Investments rather than Investments and Cash and Cash equivalents. These assets can still be accessed on demand. Taking all three holdings together, RVC has seen an increase of £6m in these assets from 31 July 2023, reflecting the higher returns available in the market and higher surplus cash balances.

Excluding endowment fund cash of £0.6m (2023: £0.1m), net liquidity days at the end of the year were 202, compared to 199 days at 31 July 2023. This is well in excess of the RVC's KPI of 90 days.

### **Pension funds**

Staff at the College are entitled to join either the Universities Superannuation Scheme (USS) or the Superannuation Arrangements of the University of London (SAUL).

In common with the rest of the Higher Education sector, pension costs have represented a significant risk to the RVC in recent years. Both USS and SAUL are pooled multi-employer schemes and, as such, it is not possible to separately identify each employer's share of the schemes' assets and liabilities. Institutions are, however, required to

recognise their liability for any pension deficit recovery plans put in place. As at 31 July 2023, the RVC's liability for the USS deficit recovery plan, in the form of a pension provision, was £24.5m.

As had been anticipated, the March 2023 USS valuation showed the scheme had moved into a comfortable surplus. As a result, there have been significant reductions to both employer and employee contribution rates, which took effect in January 2024. There is also no longer a requirement for a deficit recovery plan and, as reported earlier, the pension provision has been released in full.

The SAUL pension fund was also in a surplus position at the March 2023 valuation. Employer contribution rates have been reduced from September 2024.

Please refer to *Note 37: Pension Schemes* for further information.

### **Future outlook**

Over the period of its previous Strategic Plan, the RVC achieved considerable success in all its mission areas, consolidating its position as a world-leading institution. This has continued under the current Strategic Plan 2022-26.

Notably, for the fourth year in a row, the RVC has been ranked #1 for Veterinary Sciences in the prestigious QS World University Subject Rankings. In the recent Teaching Excellence Framework 2023, the RVC achieved Silver overall underpinned by a Gold rating in Student Outcomes and Silver in Student Experience. It remains one of the few veterinary schools in the world to hold accreditations from all the major regulatory bodies.

The RVC's international research reputation is affirmed through its designation as a Food and Health Organisation (FAO) Reference Centre for Veterinary Epidemiology and a World Organisation for Animal Health (WOAH, formerly OIE) Collaborating Centre in Risk Analysis & Modelling. Strong performance in REF2021 was testament to the RVC's research strengths and RVC staff continue to be recognised nationally and internationally for their work.

Our Clinical Services offer the highest standards of clinical training and care, including the largest and most comprehensive small animal referral service in Europe. The latter is also the only Level 1 Veterinary Trauma Centre outside North America.

These successes have been underpinned by robust and consistent financial performance, achieved despite considerable external financial pressures including during the pandemic. This was a major test of the RVC's resilience and agility and proactive a lesson in risk management and mitigation.

During the year, several sub-strategies have been developed, and approved by the RVC Council, to support delivery of the Strategic Plan. Alongside this, we are considering how we structure, brand and market the RVC to best effect, following acquisition of University title in 2023.

The financial challenges currently facing the Higher Education sector are well documented. Whilst the RVC enters the forecast period in a robust financial position and better placed than many of its peers, we do not underestimate the immediate and impending challenges, nor the financial rigour required to address them. Nevertheless, we believe there are opportunities for the RVC to continue to grow, diversify and innovate and, in the following sections, we present our assessment of the future outlook for each of the RVC's mission areas and its finances.

### **Learning and teaching**

There continues to be strong demand for many of the RVC's courses from domestic and international applicants. Recruitment to our veterinary medicine programmes for entry in the 2024-25 academic year is in line with our budgeted targets. Recent efforts to diversify our international student base and reduce over-reliance on specific countries have begun to bear fruit.

Our joint Bachelor's degree in Veterinary Sciences (BVSc) with the University of Aberystwyth continues to recruit to target. We continue to pursue other strategic partnerships at home and abroad, both in veterinary medicine and biological sciences, as we seek to establish a portfolio approach to student recruitment and teaching-related income.



Recent significant capital investment has seen the building of the Student Learning Centre at the Hawkshead Campus. This project, with the concurrent redevelopment of the adjoining Eclipse building, is now complete. We saw some of the benefits of this development realised in 2023-24, with student teaching taking place in the new state of the art lecture theatres, group learning rooms and teaching laboratories. Further benefits will be seen in 2024-25 with the full opening of the facility including completion of further social spaces and the introduction of a new student facing academic registry space.

Further teaching-related capital developments are already underway with the building of a new Live Animal Handling Facility at our Bolton's Park Farm site. There are also plans for a new clinical facility on our Hawkshead Campus. The new clinical facility will be vital to ensure that the education of our future undergraduate and postgraduate clinical students takes place in modern facilities fit for purpose.

Investment is also being made in digital infrastructure, hardware and software necessary to optimise the students' experience of blended learning, providing a good digital experience alongside in-person learning.

Our professional veterinary programmes continue to develop with the roll-out of the new BVetMed curriculum alongside the ongoing development of the BVSc degree that we offer in partnership with Aberystwyth University. In 2023-24 RVC saw the first cohort of students on the BVSc reach the third year of their programme where they converged with the third year of the new BVetMed curriculum. The transition of the students to the RVC from Aberystwyth was carefully managed and the integration of the students has gone well. The introduction of a digital student record of achievement (SRA) allows student engagement to be documented and demonstrated a clear association between engagement and achievement. Helping inform future plans for similar portfolio-based systems to roll out across other undergraduate courses and other years of the professional veterinary degrees. In 2024-25 the RVC will introduce the new structure of rotation teaching in the BVetMed and BVSc programmes.

Continued development of our MSci and BSc Biological Sciences pathways and our Veterinary Nursing course portfolio demonstrates the RVC's ongoing commitment to the advancement of biological sciences and the veterinary nursing profession.

In 2024-25 and 2025-26, all of the RVC's undergraduate degrees will undergo accreditation by their respective accrediting bodies. Successful accreditation is vital for the ongoing success of these degree programmes and significant effort will need to be dedicated to preparing for these accreditations.

### **Research and innovation**

The predicted research funding environment for UK bioscience continues to be relatively stable in real terms over the short term but continues to be highly competitive. The change in government following the UK general election and high rates of government borrowing means medium- and long-term forecasts are uncertain. There is hope that the new government will favour long-term funding settlements, which would bring stability and the ability to plan spending strategically. Top-ups in funding from Research England and elsewhere are welcome but hard to manage when announced at short notice or with limited timeframes for spending.

Strong performance in REF2021, and the resulting increase in funding, provides a positive platform for the RVC's future research activity, and plans are being developed for targeted strategic investment. New and refurbished research laboratories at the Hawkshead Campus, and major investment in research equipment, have enhanced core research infrastructure.

Under the leadership of the Vice Principal (Research & Innovation), the strategic governance of the RVC's research has been refreshed. A new Research & Innovation strategy for 2024-2029 has been developed and approved. Internal funds have been allocated to support the implementation of the strategy. A research management system is facilitating grant application and administration processes, as well as reporting. Measures to improve cost recovery on research grants and contracts have been implemented.

The news that the UK has now formally rejoined Horizon Europe as an associate member is welcome although it will, inevitably, take some time before the strength and breadth of UK research collaborations with European partners is fully restored.

Outside of Europe, the regulatory burden of working with international partners continues to be high. Many aspects of research due diligence are duplicated at each higher education institution, leading to inefficiency across the sector. Per capita, the consequent administrative burden is especially high at small or specialist universities. Most research links with institutions in Russia have ceased due to the ongoing war in Ukraine and there continues to be uncertainty in the long term regarding the nature or oversight of research collaborations with China.

The RVC is actively involved in the fields of One Health, Emerging Infectious Disease, Animal Welfare, and Comparative Medicine, and we are committed to improving human and animal health and wellbeing. Our research strengths in epidemiology are internationally recognised and the RVC is both an FAO Reference Centre and WOAHC Collaborating Centre. The COVID-19 pandemic raised the international profile of One Health and animal health approaches to infectious disease research. The RVC recently partnered with Oxford University's new Pandemic Sciences Institute, providing new opportunities for collaborative research funding in this area in the future.

Research commercialisation and knowledge exchange are areas with potential for further growth. Additional investment has been made in staffing resources to support this. The RVC previously secured funding through the Connecting Capability Fund (Research England) and continues to receive funding from industrial partners. The establishment of the Centres for Vaccinology and Regenerative Medicine and Translational Research and Clinical Imaging at the Hawkshead Campus will further increase our capacity for translational research.

LBIC is a key component of the RVC's knowledge exchange and innovation agenda and is well placed to capitalise on predicted growth in the UK's commercial biosciences sector. Situated within the

heart of the King's Cross Knowledge Quarter, LBIC is a preferred location near prestigious research institutions, including the Francis Crick Institute and the RVC, as well as an influx of innovative biopharma companies including MSD, AstraZeneca, and GSK. Demand for space from bioscience companies remains strong. LBIC's development of new leased space (Apex) in the King's Cross Tribeca development will substantially increase its turnover and profile, as well as deliver an improved financial contribution to the RVC.

### **Clinical services**

Our clinical services comprise general practice and secondary and tertiary referral hospitals for small animals, horses and exotic pets and a diagnostic laboratory service. These are located predominantly at our Hawkshead campus with a small animal general practice and exotics service at our Camden campus and a small animal general practice in Bedford. We also work closely with external service delivery partners particularly in shelter medicine and production animal medicine.

The primary function of these sites is to provide clinical cases and a clinical environment for both undergraduate and postgraduate, and for veterinary surgeon and veterinary nurse training. In addition, they support animal welfare by providing exemplary clinical care, a high-quality service to the animal owning public and an environment that fosters clinical research and innovation. As revenue generating services, they also collectively provide a positive financial contribution to the RVC.

During 2024, we have developed a strong framework to facilitate collaboration between the operational and clinical leaders of our sites working with colleagues from professional services. With patients being referred to our hospitals from a very wide geographical area, including internationally for some tertiary services, we have introduced a customer liaison led to our small animal referral hospital who supports these important relationships. Recruitment and retention of both specialist and general practice veterinarians and nurses remains a high priority in a highly competitive environment, driven by skills shortages within the profession nationally and internationally. The RVC wide employee engagement survey carried out in 2024, whilst showing a very positive level of

engagement, also provided valuable feedback to help us shape our ongoing retention activity.

The financial “contribution” from our clinical services is necessarily constrained by their primary purpose being the education and training of both undergraduate and postgraduate students. Nevertheless, there is potential to deliver a higher financial return through improved business systems and processes and the coming year will see the introduction of a digital system for documenting all activities undertaken on our patients while they are hospitalised. Centralised debt management has also been introduced to provide operational support for our hospital teams.

Priorities for the coming year include:

- Continuation of work on a new advanced small animal referral facility for our Hawkshead site. The early stages of the design process were undertaken in 2023-24 with the goals of education, innovation and efficiency of care being paramount. Detailed analysis of our current caseload and how it might evolve to support both students, especially postgraduate learning, and financial resilience is also underway. This new facility is essential to ensure we remain at the forefront of secondary and tertiary referral activities and a centre of excellence for specialist clinical training.
- Embedding technology to enhance clinical service delivery and student learning. This includes activity that supports operational delivery of our service such as online booking and the introduction of our digital in-patient record. Initiatives to extend the range and complexity of telehealth support we provide to veterinarians both within the UK and internationally are also being explored with the additional benefit that our students will be exposed to this increasingly important area of the veterinary ecosystem. Research and clinical innovation facilitated by machine learning will also continue in collaboration with external expertise from Oxford University.
- Expansion of primary care opportunities to increase experiential learning within our undergraduate programmes by extending our

primary care practice network, either through acquisition or partnerships – covering small animal, equine and food animal; the appointment of a new Director of General Practice will facilitate this and will also allow a focus on post graduate career paths for general practitioners and research relevant to general practice.

In May 2024, the Competition and Market Authority (CMA) in the UK launched a market investigation into the provision of veterinary services to household pets which is anticipated to take 18 months. The outcomes may impact the RVC’s small animal hospitals. The focus is on transparency of information for consumers around options, costs and practice ownership, including for related services where vertical integration exists. Whilst the impact on the RVC sites is currently unknown, the scale of our services and our current approach to communicating ownership and costs mitigate against associated risks.

### Financial sustainability

The financial challenges facing Higher Education have been brought into sharp focus over the past year with the publication of several reports highlighting the real and present risks to the financial sustainability of the sector. Recent higher levels of inflation have accelerated the erosion in the unit of resource for teaching with the home undergraduate tuition fee of £9,250, introduced in 2012-13, now only worth £5,990 in real terms. There have been modest increases in the government teaching grant for high-cost subjects; however, these have fallen well short of inflation. The situation has been acknowledged by the new Government in the re-focusing of the role of the Office for Students to prioritise the sector’s financial stability. The recent announcement of a 3.1% in the home undergraduate fee to £9,535 in 2025-26, whilst welcome, is but a small step in addressing the many years of underfunding. We await the outcome of the Spending Review in Spring 2025 and whether this will offer a more sustainable approach to the longer term funding of the sector.

As an institution which only teaches clinical and laboratory-based subjects, the real terms erosion of the unit of resource, alongside the requirement to invest in high-cost facilities and deliver intensive

teaching, represent a dual challenge to the RVC. Additionally, there are particular cost pressures from having to meet exacting accreditation standards set by professional regulators. Significant growth in overall student numbers is not a realistic option given the level of investment this would require. In mitigation of this situation, the RVC has pursued a successful strategy to increase the proportion of international students on its BVetMed (BVM) programmes, particularly the 4-year graduate entry, as international fees are non-regulated.

This growth in international student numbers has been contributed to the RVC's positive financial operating performance over the past decade. The University has also benefited financially from its status as world-leading specialist institution, securing additional grants from both the OfS and Research England. A strong performance in REF2021 also delivered increased recurrent funding.

This income growth has mitigated to some extent the impact of inflationary pressures on costs, both pay and non-pay. Following several years of no, or modest, pay awards, the national settlement in 2023-24 represented a 5% - 8% increase. Pay costs have also been under pressure from staff recruitment and retention challenges in some areas of our business, notably clinical services, impacting adversely on its financial contribution. The positive outcome of the recent valuation of the USS pension fund and associated reduction in contribution rates was, therefore, a welcome development and comes alongside a lower national pay award for 2024-25 such that the pressure on the pay bill has eased somewhat.

Public funding and national pay and pension costs are external factors over which we have no control but have a major bearing on the health of our finances. Given the uncertain nature of the environment in which we operate, a financial planning approach based on prudent budgeting and rolling forecasts, regularly updated to reflect changing circumstances, is adopted. The 2024-25 Budget and 5-year Financial Forecasts were approved by the RVC Council in July 2024. Underpinning these are a set of financial KPIs focused on cash generation to support future investment, maintenance of adequate cash reserves to ensure liquidity, and compliance with debt

obligations. These establish the parameters for ensuring the RVC's future financial sustainability and are central to our planning.

Our latest forecasts anticipate maintaining the current proportion of UK to international student intake. We have previously highlighted that further growth in the proportion of international students on our BVM programmes is politically undesirable, given the severe shortage of veterinary professionals in the UK. The RVC is well placed to contribute to addressing this issue as demand from UK students significantly outstrips the places available; however, the current teaching funding model makes this financially unsustainable.

Against this backdrop, we recognise the importance of identifying new activities capable of delivering a financial contribution. The LBIC/Apex development is one such example. Options for further increasing and diversifying the proportion of non-regulated fee-paying students in future years also continue to be actively explored; however, such initiatives, especially when they involve external partners, often have lengthy lead times and are resource-intensive to establish. An improved financial contribution from our Clinical Services operations is also targeted and measures are already underway to deliver this. The planned new small animal referral hospital at the Hawkshead campus will provide further opportunities to improve financial performance which are being explored to support the business case for the development.

Ongoing investment in our physical infrastructure is essential to the RVC's future financial sustainability. Our new Estates and Data & Digital Strategies set the roadmap for this and are included in our financial forecasts. As referenced above, generating sufficient cash to fund this investment is a key financial performance indicator. The positive and consistent financial operating performance delivered over a number of years has generated healthy cash reserves which will support this new investment, of which the construction of the new small animal referral hospital is a priority.

Based on the above, the Council is satisfied that the RVC has adequate resources to continue in operation for a period of at least 12 months from the date of approval of these financial statements. For

## STRATEGIC AND FINANCIAL REVIEW continued

this reason, the Council considers that the RVC's financial statements should be prepared on a going concern basis.

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The Strategic and Financial Review was approved by the Council on 5 December 2024 and signed on its behalf by:

Barbara, Baroness Young of Old Scone  
Chair of Council

## CHARITABLE STATUS AND PUBLIC BENEFIT STATEMENT for the year ended 31 July 2024

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The Royal Veterinary College is an exempt charity under the terms of the Charities Act 2011<sup>1</sup>. The Office for Students (OfS) has been the principal regulator for higher education providers since April 2018.

In setting and reviewing the RVC's objectives and activities, the Council has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. Attention is also paid to guidance (Regulatory Advice 5) issued by the OfS in its role as principal regulator on behalf of the Charities Commission.

### *General principles of public benefit*

The public benefit requirement of the Charities Act 2011 has two aspects:

1. The 'benefit aspect' - to satisfy this aspect there must be an identifiable benefit or benefits:
  - (a) it must be clear what the benefits are;
  - (b) the benefits must be related to the aims; and
  - (c) benefits must be balanced against any detriment or harm.
2. The 'public aspect' - to satisfy this aspect the benefit must be to the public, or section of the public:
  - (a) the beneficiaries must be appropriate to the aims;
  - (b) where benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions;
  - (c) people in poverty must not be excluded from the opportunity to benefit; and
  - (d) any private benefit must be incidental.

In general, for a purpose to be a charitable purpose it must satisfy both the benefit and the public aspects.

### *Delivery of public benefit from the mission and strategic goals*

The RVC's mission and goals, approved by the Council in the new Strategic Plan 2022-2026, address this directly.

#### **Our mission:**

Our mission is to be a leading international authority in education, clinical care, research, expert opinion and employment in veterinary and biomedical sciences.

#### **Our goals:**

- to be a world-leading organisation in the discovery and dissemination of impactful knowledge in veterinary, biomedical and allied sciences, food sustainability, zoonotic disease control and translational medicine;
- to be recognised as world leaders in veterinary science, the biological and biomedical sciences and veterinary nursing education, and the delivery of a student-focused university experience; and
- to be regarded as a leading authority in animal health and welfare by innovating, advancing and providing the highest levels of clinical practice.

### *Delivery of public benefit through education and training*

The provision of undergraduate and postgraduate higher education remains the principal reason for the RVC's existence. The RVC's degree programmes produce a skilled population of graduates able to contribute to the enhancement of society and the economy. In 2023-24 over 500 RVC students graduated from undergraduate and postgraduate programmes, including research study.

Graduates of the largest undergraduate degree, the Bachelor of Veterinary Medicine, are admitted to membership of the Royal College of Veterinary Surgeons (RCVS) and many engage in activities

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<sup>1</sup> Charities Act 2011, s 22 schedule 3.

providing expert advice and treatment for the benefit of animals, their owners and wider society. Graduates of the Foundation degree in Veterinary Nursing become Registered Veterinary Nurses, providing skilled nursing care to veterinary patients. The RVC recognises the growing relevance to society and the economy of the veterinary professions' contribution to food production, the control of disease and animal welfare, and has modified its academic activities in response to this.

The UK is a world leader in life and biological sciences research which has been identified as a key future growth area for the economy, requiring highly skilled graduates. The RVC continues to develop its BSc and MSci Biosciences pathways; their Advanced Accreditation by the Royal Society of Biology acknowledges the RVC's excellence in education and in equipping students with the skills highly desired by employers, not only in the UK but also globally.

The RVC offers a unique combination of post-graduate qualifications including an MSc in Veterinary Epidemiology, an MSc in One Health and MScs in Wild Animal Health and Biology. These provide advanced training and equip graduates with unique sets of skills. As an indication of the public benefit these courses provide, student cohorts regularly include recipients of Fulbright Scholarships and students funded through the Commonwealth Scholarship Scheme. The latter are only awarded when the degree has clear relevance to one of the six Commonwealth development goals and where the recipient of the scholarship can show how their study will align with national or local priorities in their country of origin.

The RVC is one of the largest providers of clinical specialist training in Europe through programmes like the Postgraduate Certificate in Veterinary Clinical Practice, the Postgraduate Certificate in Advanced Veterinary Nursing and the Masters in Veterinary Medicine. It is also a major provider of veterinary Continuing Professional Development (CPD) and postgraduate professional certificates accredited by the RCVS. It, therefore, contributes substantially to the public good through promoting state-of-the-art veterinary services.

The RVC continues to develop its pedagogical expertise and enhance its technological capacity to support distance education courses. These programmes allow students to study at their own pace from any location globally. In some highly specialised subject areas, this creates a critical cohort mass of students and, thereby, supports the sustainable sharing of knowledge. The knowledge gained, especially by those from developing countries, is used directly to influence key decisions in the veterinary profession in those countries.

Through its LIVE (Lifelong, Independent Veterinary Education) Centre, the RVC drives innovation and best practice in veterinary teaching and learning nationally and internationally. It provides postgraduate courses that develop teachers of future veterinary surgeons in many countries around the world. A growth in international students on these programmes provides clear evidence of the RVC's international reach and influence.

The RVC actively engages in widening participation activities to broaden access to the professions. It seeks to recruit students from a wide variety of backgrounds, aiming to ensure the professionals it educates are reflective of the society they will serve. In widening access to study and actively supporting students through their degree courses, the RVC contributes to the societal benefit brought about through greater social mobility. Challenging widening participation goals are set by the Office for Students through the RVC's Access and Participation Plan. The RVC has successfully met, and in some cases exceeded, these targets illustrating the institutional commitment to widening participation and the public benefit that results.

### *Delivery of public benefit through research*

Research is undertaken to enhance or change society for the better, through increasing knowledge and understanding and thereby influences behaviours, informs policy, and creates new economic opportunities. Researchers at the RVC create and apply knowledge in the fields of basic biomedical science, animal and population health, the veterinary sciences, and allied social sciences. Research results in a variety of outputs, most commonly peer-reviewed, published scientific

articles, which are typically made freely available for anyone worldwide to read and use.

The RVC is actively involved in the field of Comparative Medicine. The outcomes of research into improving animal health and wellbeing are also applicable to understanding and improving human health, and vice versa. Research topics in Comparative Medicine include antimicrobial resistance, arthritis, bone pain following fracture, food safety, neuromuscular disorders, brain ischaemia, degenerative brain diseases (such as Parkinson's Disease and Muscular Dystrophy), tendon disease, type II diabetes, and the effect of diet on vascular function. Findings are used to inform research and treatment of these conditions in humans.

The RVC is also an international leader in research that takes a One Health perspective, which views the health of humans, domestic and wild animals, plants and ecosystems as closely linked and inter-dependent. Awareness and recognition of this approach has grown since the COVID-19 pandemic and RVC researchers contributed to pandemic responses in many ways, for example, by advising the UK government, developing guidelines for the World Health Organisation (WHO), communicating science to the public on behalf of the NHS, and investigating transmission of the virus worldwide.

The RVC takes a One Health approach to studying infectious diseases in animals, as well as those that move between wild and domestic animals and humans. The RVC's epidemiological research includes diseases such as Avian Influenza, Yellow Fever, Tuberculosis, Brucellosis, Schistosomiasis, Toxoplasmosis, Campylobacter infections, antimicrobial resistance, and viruses affecting salmon farms. Work on Schistosomiasis has influenced WHO guidelines for prevention of this disease in people, and RVC researchers have advised the UK government on the risks to humans of novel influenza viruses in US cattle.

The RVC is recognised by both the FAO, as a Reference Centre in Veterinary Epidemiology, and by the WOAH (World Organisation for Animal Health), as a Collaborating Centre in Risk Analysis and Modelling. The latter Centre is in partnership with the UK's Animal and Plant Health Agency

(APHA). Professor Joanne Webster is Director of the London Centre for Neglected Tropical Disease Research, and the RVC also participates in the London International Development Centre (LIDC), which focusses on cross-disciplinary research, training and capacity-building in low-resource settings. The RVC is a partner of Oxford University's Pandemic Sciences Institute, a world-leading centre for research into the prevention, treatment and control of future pandemics.

Intellectual property (IP) from the RVC's research is being identified, protected, and taken forward to early-stage commercialisation and impact within diverse areas including flight, cancer, infection, and therapy development. In one example, phage technology is being developed to diagnose bacterial infections and identify whether they are resistant to antibiotics, providing more rapid assessment than currently possible.

The RVC is active in research to develop new vaccines for poultry, pigs and cattle. By reducing the need to use antibiotics in animal production, such vaccines could improve animal health and help to address problems of antimicrobial resistance. The RVC is contributing to a new project that aims to determine if vaccination will be able to reduce the production by cattle of methane, which is a contributor to global warming.

### ***Delivery of public benefit through outstanding clinical activity***

The RVC's veterinary teaching hospitals are staffed and equipped to cater for the full range of companion animal species including dogs, cats, rabbits, horses, and a wide range of exotic pets including birds and reptiles. There were over 28,000 first consultations with animal owners during the year.

Our capabilities range from the provision of routine basic health care and shelter medicine services to highly complex, tertiary referral procedures uniquely offered by the RVC. Our referral teams cover a very broad range of specialties allowing a multi-disciplinary approach to the most complex patients. Our facilities include advanced equipment such as our 3T MRI machine and capability for renal replacement therapy, which, coupled with our world



leading Specialists and highly trained nursing team, allow us to extend the boundaries of clinical care available to companion animals. Our sites provide a 24-hour a day, 365 days per year emergency service for any animal needing our care; this includes providing out-of-hours care directly to clients of practices local to the RVC who use our primary care emergency service, as well as the ability to accept referral cases at any time for practices across the Southeast and further afield.

Recognising the cost of veterinary care can be a challenge for some clients, we review operational processes regularly and constantly work to improve our cost efficiency. For example we are currently investing in the development of a digital kennel sheet which will be launched in 2024-25. A number of specific services for clients in demonstrable hardship are underpinned by charitable donations or supported by endowment funds.

The RVC works in partnership with several shelter medicine organisations, providing veterinary care to stray and abandoned animals. In addition, these activities provide experiential learning opportunities in shelter medicine and accessible care for the veterinarians and veterinary nurses of the future.

The RVC also provides support for wider public awareness of veterinary and allied health issues by supporting clinical employees to attend external events, such as talks, shows and professional exhibitions, to deliver lectures and workshops and to give media broadcasts to audiences, including the general public and farmers, as well as veterinary surgeons.

Our clinicians are also active in both clinical research and via collaborations with our basic research teams to innovate in the field of animal care. Further large scale research on a primary practice data set is facilitated through our Veterinary Companion Animal Surveillance System (VetCompass™) initiative. This is focused on improving companion animal health through the collection and analysis of clinical data provided by participating veterinary practices in the UK and a number of other countries. Its extensive data set provides opportunities for researchers to better understand how best to optimise managing animal health, as well as identifying important risk factors for disorders

encountered not only in referral centres but also, most importantly, in primary care practice. Additionally, the size of the VetCompass dataset means it also provides a unique opportunity to develop artificial intelligence and machine learning algorithms for investigating veterinary data.

### *Delivery of public benefit through access to opportunity*

During the last academic year, we have delivered a wide range of activities, both online and in person, with schools, cohorts and individuals. This hybrid approach has enabled us to engage with a larger number of young people.

We continue to work within the parameters of our five-year Access and Participation Plan (APP) to increase access for students from disadvantaged and low participation backgrounds and to narrow the gap between the highest and lowest socio-economic quintiles. We have again achieved our targets within this plan and these cohorts remain a priority in our allocation of resources. This year, we submitted to the OfS (and had accepted), a Variance Request in which we outlined the evolution of our APP related work, in particular targeting pre-16 attainment enhancing activities.

Our now well-established vacation schools for school students in Year 10 and the Year 12 summer school, supported by the Sutton Trust all achieved our targeted numbers and received universally positive feedback. As well as providing learning and skills development opportunities, they open up pathways for young people into higher education in veterinary nursing, veterinary medicine and biosciences. Furthermore, we have been able to provide veterinary and laboratory work experience opportunities to students from a widening participation background through our Pre-Vet Summer School and In2Science UK. Our Veterinary Gateway Programme continues to provide an important and successful pathway towards the BVetMed degree for a significant number of our widening participation (WP) cohort of students.

Post-pandemic we have retained many of our enhanced digital and online engagement opportunities and have been building communities of young people and their influencers, providing

regular inspirational and informative content through web content and newsletters.

We seek to raise the awareness and ambitions of WP students to tertiary education in general and are an active partner in the Uni Connect Programme. This is a national project which seeks to further the aims and aspirations of young people from areas of the country where progress to higher education is low. As part of this work, we collaborate with Uni Connect teams across London, Hertfordshire and beyond. We continue to be active contributors to the work and projects of networks including AccessHE, Aim Higher London South, and NEON.

The RVC engages with secondary schools and further education colleges, basing our activity strategically around the student lifecycle to increase the academic attainment of students in our target institutions. We are developing processes and support mechanisms to ensure that students who enter the RVC via our various WP routes have both the educational, professional and pastoral support to succeed in their degree and career outcomes.

Our External Relations team continues to ensure that the wider community, locally, nationally and internationally, has access to, and an understanding of, the educational and training opportunities offered by the RVC. In support of the aspirations of students who may experience financial disadvantage, we offer a range of scholarships to support tuition and living costs that are specifically targeted at young people from backgrounds where finance is likely to be a barrier to further study. We also offer automatically awarded bursaries to young people where their household income is below a threshold amount and continue to seek further opportunities to increase and enhance our provision in this area of work.

### ***Delivery of public benefit through public and community engagement***

In addition to the provision of our undergraduate, postgraduate and CPD courses, the RVC also promotes knowledge and understanding of biological and veterinary sciences among the wider community, contributing to adult and child learning

and the enhancement of social, cultural, and economic wellbeing.

As well as contributing to public awareness of human and animal healthcare, we are also widening career horizons. We aim to provide opportunities to not only listen to information but also to engage in dialogue and participate in trying new skills.

We have continued to grow the breadth and depth of our engagement activities during the last year, delivering an established programme of events and reacting to support ad-hoc opportunities.

Our 'lambing' farm visits were enjoyed by over 150 children and accompanying adults. Once again, we collaborated with relevant partners, such as The Country Trust, to invite primary schools with a high proportion of pupils on free school meals to visit our farm as part of their Farm to Fork/Food Discovery & Farm in a Box curricula initiatives.

For the first time, some of our local primary schools were able to travel at no cost on the RVC shuttle bus, making the experience more accessible. We have also visited local schools both in North London and Hertfordshire to talk in assemblies to over 350 pupils on careers topics, such as becoming a vet, learning animal anatomy using plastinated specimens and learning veterinary skills.

We have attended careers events at 10 London schools (as well as three London-based university exhibitions) and six Hertfordshire schools, as well as represented the RVC at Enfield High Achiever's Evening. Furthermore, we have had the pleasure of welcoming six London-based schools onto our Camden Campus for them to attend our Afternoon Anatomy programme, which allows Year 10-12 school groups to experience comparative physiology teaching.

We continue to support the student-led Animal Aspirations organisation, which aims to engage with students from diverse backgrounds through interactive animal and science-focused workshops. They promote role models to break the stereotypes within the veterinary and other animal-related professions. This year Animal Aspirations delivered or supported over 40 events, working with at least 18 schools from nurseries to sixth form, and engaged with an estimated 4,486 students.

Our first post-pandemic Night at the Vet College saw the largest ever number of tickets booked, resulting in 580 attendees, including some international visitors. We were pleased that many RVC researchers and teaching staff enthusiastically supported the 'Behind the Scenes at the RVC' theme, showcasing science ranging from microscopic to farm animal husbandry. We were grateful for the support of The Physiological Society, which helped promote the event, as did many other education network links.

New for this year, we trialled the opportunity to engage with our local Kings Cross Activate opportunity hosting veterinary skills stand in Kings Cross station where we also promoted Night at the Vet College to local people and commuters.

The RVC continues to work in partnership for the public good with a range of organisations and societies, including the Royal Society of Biology, the Royal Society of Chemistry, Institute of Physics, the Francis Crick Institute, the Knowledge Quarter (King's Cross/Bloomsbury), the Royal College of Pathologists and the Zoological Society of London. We maintain good working relationships with a wide range of education networks, such as Causeway Education, The Elephant Group, and The Royal Institution.

We have particularly focused on maximising the benefit of our investment in the creation of the digital resources for use by younger cohorts. For example, we collaborated with our networks to help deliver our 'Get Your Grades GCSE' science revision online programme, resulting in over 1,100 pupils in secondary schools across the UK taking part. Get Your Grades also included intensive weekly face-to-face tutoring for 60 GCSE pupils from two local schools during 2023-24.

Our contribution to the established Royal Society of Biology science/art competition for 7-18 year-olds this year saw around 1,000 entries and is now in its tenth year. Winners were announced at a Biology Week event in the House of Commons in October 2023, and successful young artists visited the RVC farm for a lambing day in April 2024. This competition was developed in collaboration with local schools at its inception and continues to be a vehicle for engagement with whole animal and anatomical science for primary and secondary schools.

Our anatomy collection is popular with artists and animators looking to further their science knowledge, and we have had around 100 artists and animators visit the Camden anatomy museum this year for workshops and talks.

We aim to actively engage with and support our local communities by maintaining communication with local influencers and stakeholders such as Camden Council, Hertfordshire County Council, Welwyn Hatfield Borough Council, Camden local councillors and parish councils, together with local residents, schools and community groups. This year we have been able to contribute to educating over 700 Year 6 school children at the largest ever Schools Food & Farming Day, organised by the Hertfordshire Agricultural Society and the Science Discovery Zone at the Cally Road Festival in London, which attracted over 7,000 visitors.

We have hosted several local community group visits, such as the Potters Bar 41 Club, at our Hawkshead Campus, engaging over 100 local residents in the work of the RVC focusing on the history and development of veterinary science.

Our media work is valuable for educating the public on key issues in science and animal welfare and we have also been able to facilitate public contribution to our research. For example, our Pandemic Puppies research campaign captured very active public interest, helping to generate important results for veterinary practice as well as influencing owner attitudes and behaviours, which should result in improved animal welfare. Active dissemination of findings and advice resulted in extensive and accessible media coverage, including 74 broadcasts and approximately 1,955 articles published in print and online.

In association with Leaf, we contributed to the national Open Farm Sunday project and opened our farm to over 1,500 people this summer. Visitors were able to enjoy access to information, advice, teaching, and interactive experiences relating to animal husbandry, land stewardship, farm produce and research.

Our equine lecture series, providing information and advice for local horse owners, including updates on recent research, attracted increased attendance this year, with almost 400 delegates attending across 11 lectures. We also offered a pet first aid educational

event for local small animal owners which attracted 50 delegates.

### *Delivery of public benefit through sustainability*

A new Environmental Sustainability Strategy was approved by the RVC Council in March 2023 setting out our plans to reduce our environmental impact and to meet our goal of net zero by 2040.

Staff and students are informed of, and encouraged to participate in, environmental sustainability initiatives through a comprehensive intranet site, monthly sustainability bulletins and scheduled events. There is a dedicated Environmental Sustainability Manager and an Environmental Sustainability Committee, comprised of representatives from across the RVC.

### **Engagement**

The RVC continues to engage with our students, staff and local communities, on environmental sustainability.

Over 1,500 people visited Boltons Park Farm for the “Nature” themed Open Farm Sunday. Information on biodiversity at the farm was shared with local residents. The RVC is sponsoring a “Green Dragon’s Den”, where Primary schools in Camden are invited to pitch climate initiatives to receive a grant to help fund their project.

During 2023-24 we held the student Green Week with events including building bug hotels, vegan baking, reusable period product workshops and using natural dyes to upcycle clothes. We ran our student engagement campaign called “Student Switch Off”, a sustainability competition between our student residences.

The RVC participated in a staff awareness campaign called Green Impact. Green Impact is a United Nations award-winning programme designed to support environmentally and socially sustainable practice within organisations. 12 teams from across the RVC took part in the scheme from labs to libraries and over 400 sustainability actions were completed as part of the campaign.

### **Waste**

Key initiatives include:

- The QMHA has increased recycling rates and reduced waste disposal costs by changing their disposal methods.
- Used X-rays have been processed to recover silver, recycle PET and paper elements of the film. Records are securely destroyed by granulation before processing.
- Around 38 tonnes of paper have been shredded and recycled into toilet paper.
- LBIC has taken part in the Mayor’s Business Climate Challenge which has identified 27% energy reductions.
- LBIC is trialling a scheme to recycle lab plastics, where the lab items are granulated and made into other lab items.
- Theatre lights in the hospitals have been replaced with LED.
- A roof has been installed over the silage clamp at the farm to reduce rainwater run off to the lagoon. This will reduce the amount of slurry requiring disposal due to restrictions posed by the Nitrate Vulnerable Zone and will include rainwater harvesting.
- Bags of fabric Covid face masks and old uniforms have been donated to a local school to make bunting, bags and pencil cases.
- TRAIID collected 994 kg of unwanted clothes and shoes from the campus donation bank . This reduced carbon emissions by 8.4 tonnes and water savings of the equivalent of 1,590 m3.
- Through Terracycle we have set up schemes for the following hard to recycle items - toothbrushes, pens, crackersbiscuit wrappers and laundry items.

### **Energy**

The RVC have been awarded a grant of £2.8 m from the Public Sector Decarbonisation Fund. This will be used to replace end of life gas boilers in eight buildings with air source heat pumps, reducing our carbon footprint by 565 tonnes per annum.

Through the Mayor’s Retrofit Accelerator scheme, we are investigating renewable energy options and energy reductions. We are developing the carbon profile required to meet net zero by 2040 and predicted associated costs.

## Biodiversity

Notable actions include:

- The RVC is taking part in a pilot scheme run by Students Organising for Sustainability called Farming for Carbon and Nature. Students take annual soil samples to provide data on how much carbon has been sequestered as part of using nature friendly farming practices.
- We made successful applications to obtain funding, enabling us to plant 400 trees around the silage clamp barn at Boltons Park Farm. Over 200 wild harvest trees and shrubs will be planted to create our first silvopasture area at the farm. This will provide living barns for animals. We will harvest the fruit and nuts to produce our own jams, jellies, and wines.
- To encourage pollinators and support our biodiversity strategy, areas of grass were left unmown on the main lawn at Hawkshead to support No Mow May. A new wildflower meadow has been created leading into the new reception area at Hawkshead. We have worked with the Herts Wildlife Trust to identify where bird boxes for swifts, house sparrows and house martins could be sited as part of the planning requirements at Hawkshead.
- Funding has been secured from the British Geological Society to undertake further soil monitoring as part of our Farming for Carbon and Nature programme. The monitoring will give us a more accurate picture of how stable and at what depth carbon is in our fields. RVC students will be offered the opportunity to assist the British Geological Society to undertake the sampling.
- An improvement plan for our fencing and hedgerows has been developed. This will involve the planting of new hedgerows and cutting back to wildlife corridors.

## Transport

The RVC has a dedicated Transport Management Group, chaired by the Deputy Principal, which leads on Green Travel initiatives. Developments during the year include:

- Additional shuttle bus services from Potters Bar train station to campus have been added to

match demand. Passenger data is being monitored to ensure buses are running as carbon efficiently as possible.

- New bike racks with solar powered lights have been installed at Boltons Park Farm and Camden.
- The upgrading work on the footpath from Hawkshead campus to Brookmans Park train station and from Potters Bar station to Hawkshead has completed.
- We continue to encourage staff and students to car share through using the LiftShare platform.

## Food

The RVC is ensuring that the food we serve in our canteens is sustainable. We undertake the following:

- Serving Marine Stewardship Council approved fish.
- All meat has Red Tractor certification.
- All Eggs are Red Lion/ free range.
- Our oil is recycled into Bio diesel.
- All our coffee is ethical source and either Fairtrade or Rainforest Alliance certified.
- Food waste is minimised where possible through reusing left over vegetables for soup, fruit peelings to make flavoured water etc.
- Coffee grounds are given away to be used as compost.
- New menus have been launched at the catering outlets with increased vegetarian and vegan options.

## Procurement

Sustainable procurement is strongly encouraged. Potential suppliers are required to comment in their tender proposals on how they will contribute to the RVC's sustainability in reducing adverse environmental impacts. Suppliers are required to address modern slavery requirements in their tenders.

## Investments

The RVC's externally managed investment portfolio is subject to sustainable screens, which seek to identify companies with the strongest

## CHARITABLE STATUS AND PUBLIC BENEFIT STATEMENT continued

environmental, social and governance characteristics. Regular reports are received from the fund managers on their ESG activities.

**STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY COUNCIL**  
**in respect of the Annual Report and the Financial Statements**  
**for the year ended 31 July 2024**

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The Council is responsible for preparing the Annual Report and Financial Statements in accordance with the requirements of the Office for Students' Terms and conditions of funding for higher education institutions and Research England's Terms and conditions of Research England grant and applicable law and regulations.

Members of the Council are required to prepare Consolidated ("Group") and parent RVC ("University") financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing the Group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping proper accounts and proper records in relation to the accounts. It is responsible for 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

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

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## CORPORATE GOVERNANCE STATEMENT for the year ended 31 July 2024

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The Royal Veterinary College (RVC) is committed to ensuring it operates in accordance with identified good practice in all aspects of its corporate governance. The RVC is confident that for the year ended 31 July 2024, and up to the date the annual report and financial statements are approved, it is compliant with all those elements of the Higher Education Code of Governance issued by the Committee of University Chairs (CUC) in September 2020. It continues to monitor and ensure that its compliance with the Code is as effective and efficient as it should be and that the recommendations are met in an appropriate manner. In accordance with the CUC Code, the RVC has adopted a Statement of Primary Responsibilities as part of its governance arrangements.

The RVC, through the management and governance arrangements detailed below also monitors compliance with, and maintains appropriate controls to ensure that it meets, the conditions of registration with the Office for Students (OfS), as well as other relevant regulatory responsibilities, including the OfS Accounts Direction and Research England conditions of funding. To ensure our governance arrangements are appropriate and robust, in January 2023 the RVC commissioned an external review by Advance HE. The external review found that governance at the RVC was effective and all recommendations which arose from the review were implemented by March 2024.

The Council of the RVC has an on-going process for identifying, evaluating and managing significant risks relating to the delivery of institutional strategic and operational objectives. This process has been in place for the year ending 31 July 2024 and up to the date of the Council's approval of the Annual Report and Accounts. The Strategic Risk Register is subject to regular review by the Council and is available to the Council members at every meeting.

The RVC can trace its history as a corporate body back to 1791 and is an independent body, whose legal status derives from its Royal Charter. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes. Subsequent to the revisions to the University of London Act and the OfS's Conditions of Registration,

[Annual Report and Financial Statements 2023/24](#)

the RVC received approval of the Supplemental Charter by His Majesty the King in December 2022, granting it University Title effective from the 17<sup>th</sup> of April 2023.

The Charter and Statutes require that the governance of the RVC shall be vested in the Council, which, as the governing body, is collectively responsible for overseeing the institution's activities, determining its future direction and fostering an environment to achieve the institutional mission.

The Council has a majority of members from outside the RVC (known as independent members and numbering 11 out of 15 Council Members) from whom the Chair, Vice-Chair and Honorary Treasurer are appointed. None of the independent members receives any payment for the work done for the RVC, apart from the reimbursement of expenses, if claimed. Internal members consist of the Principal, two elected representatives of the Academic Board and the annually elected President of the Students' Union.

The President and Principal is the Chief Executive of the RVC, who, under the Statutes, is responsible for the conduct of the RVC and exercises considerable influence on the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. In these aspects of the Principal's portfolio of responsibilities, senior staff contribute collaboratively. In accordance with the Terms and Conditions of Funding for 2023-24 (OfS 2023.30) and Regulatory Advice 10: Accountable Officers (OfS 2018.29), the Principal is the Accountable Officer of the RVC and, in that capacity, can be summoned to appear before the Public Accounts Committee of the House of Commons.

Although the Council ordinarily meets four times a year, much of its detailed work is initially discussed at its Sub-Committees. All Council Committees are formally constituted with terms of reference and a specified membership and all report to the Council.

The Finance & General Purposes Committee normally meets three to four times a year and, *inter*



## CORPORATE GOVERNANCE STATEMENT continued

*alia*, recommends to the Council the adoption of the RVC's Financial, Infrastructure and Human Resource Strategies. It recommends to the Council the annual revenue and capital budgets and monitors performance in relation to the approved budgets. It also monitors the performance of the RVC's investments and progress with capital projects.

There is a Senior Staff Remuneration Committee (SSRC), which is comprised of independent members of the Council, including the Chair and Honorary Treasurer. The SSRC meets annually to determine the remuneration of the Principal and other senior staff. The Committee's decisions are informed by the professional advice of the Director of Human Resources, appropriate sector benchmarking and other relevant factors. The SSRC operates in accordance with the CUC's Higher Education Senior Staff Remuneration Code.

The Governance & Nominations Committee (GNC) meets at least once a year. Its primary role is to make recommendations within the parameters of the Charter, Statutes, and agreed policy and practices in relation to the performance, appointment, and renewal of independent members of Council and co-optees. The GNC is also responsible for recommending to Council names of persons to be elected as Fellows, Honorary Fellows or to receive Honorary Degrees.

The Audit & Risk Committee meets four times a year (with the RVC's external/internal auditors in attendance) and considers detailed audit reports, together with recommendations for the improvement of the RVC's systems of internal control and management's response thereto. It also receives and considers relevant publications from the OfS and other relevant statutory bodies as they affect the RVC's business and monitors the RVC's adherence to regulatory requirements in the context of our assurance universe. The Audit & Risk Committee adheres to the CUC Higher Education Audit Committee's Code of Practice (May 2020).

Whilst some senior staff attend Audit & Risk Committee meetings, they are not members of the Committee.

The Council receives reports on risk and control, and regulatory compliance matters from the Audit & Risk Committee, whose emphasis is on ensuring that

the relevant degree of assurance is provided and is not merely reporting by exception. It separately, but in tandem with Finance & General Purposes Committee, ensures via internal and external reports, as well as lines of assurance and reports from management, the regularity and propriety of the use of public funds.

The Statutes require that there shall be an Academic Board, chaired by the Principal. Membership of Academic Board consists of Professors and Readers of the RVC, Chairs of the Board's Sub-Committees, representatives of the teaching staff, the Academic Registrar and the Director of Learning and Wellbeing. The Board reports to, and advises, the Council on all substantive academic matters. Academic assurance is provided to the Council via reports from the Vice-Principals leading each mission area (Learning and Teaching, Students, Research & Innovation and Clinical Services) and from the Academic Board. Substantive reports detailing the RVC's arrangements and approach to quality assurance, teaching excellence and the student experience, and external judgements of these, are also provided.

The Council also receives reports and recommendations from the Safety Committee, the Ethics and Welfare Committee, and the Governance & Nominations Committee.

The Principal and the College Executive Committee regularly review and amend as appropriate the Strategic Risk Register. The RVC's Risk Management Policy and Procedures are overseen by the Audit & Risk Committee. Risk management processes have been reviewed and refreshed in recent years and work continues to embed a risk management culture within the organisation in respect to operational and strategic risks.

In compliance with the Charity Commission [[www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)], the RVC maintains a Register of Interests of members of the Council which is published on our website alongside details of governance and management arrangements and our financial statements. Any enquiries about the constitution and governance of the RVC should be addressed to the Secretary to Council.

## CORPORATE GOVERNANCE STATEMENT continued

In October 2024, the President and Principal announced his plans to step down from his post in July 2025. Subsequently, an extraordinary meeting of the Governance and Nominations Committee was held to recommend to Council the candidate brief and search and appointment process of the President and Principal. At its October meeting, Council approved the recommendations of the Governance and Nominations Committee and search for potential successors has begun.

### Statement of internal control

The Council, as governing body, is responsible for ensuring that the RVC has a sound system of internal control and for reviewing its effectiveness. Such a system is designed to understand and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The risk management process covers business, operational and compliance risks as well as financial risks.

The RVC's system of internal control, which is designed to discharge the responsibilities set out in the Statement of Responsibilities of the Council, includes the following elements:

- clear definitions of the responsibilities and delegated authority of heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and monthly reviews of financial results involving variance reporting and quarterly updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal appraisal and review according to approval limits set by the Council;
- Financial Regulations, together with supporting financial policies and procedures, approved by Finance & General Purposes Committee and/or Audit & Risk Committee as appropriate; and
- a professional Internal Audit team, provided by an external firm, whose annual programme is

approved by the Audit & Risk Committee, and endorsed by Council. The Head of Internal Audit provides Council with an annual report on internal audit activity within the RVC, and a view on the adequacy and effectiveness of the system of internal control, including internal financial controls.

Planning of both external and internal audit work is risk-based being informed by the Strategic Risk Register. On the recommendation of Audit & Risk Committee, the Council has adopted a Risk Management Strategy and Policy which sets out the RVC's approach to risk management. It ensures that key risks are identified and managed appropriately, and that risk management is integrated with planning activity, operational plans and performance monitoring.

In accordance with the Strategy and Policy:

- the Council has charged the Audit & Risk Committee with keeping the integrity and effectiveness of the organisation's risk management under review which duty is discharged by regular oversight of the Strategic Risk Register; and
- the College Executive Committee supports the Principal in discharging the responsibility for implementation of the Strategy and Policy, as well as ensuring that risk management is embedded in strategic and operational decision-making processes. It also ensures ownership of risk management throughout the organisation (including the identification and management of risks) and regularly reviews strategic and operational risk registers.

The Audit & Risk Committee, on behalf of the Council, has reviewed the effectiveness of the RVC's system of internal controls, and found it provides reasonable assurance against material misstatement or loss.

The Council ensures there are adequate and effective arrangements in place to manage public funds appropriately in line with the conditions of grant and the principles of regularity, propriety and value for money and to protect the interests of taxpayers and other stakeholders. This is achieved through the operation of policies, which are regularly tested by internal and external audit, or other internal monitoring with appropriate reports

## **CORPORATE GOVERNANCE STATEMENT continued**

through to the Council after consideration by sub-committees as appropriate.

The Council is of the view that there is a robust process for identifying, evaluating and managing the principal risks to achievement of the RVC's objectives; that it has been in place for the year ended 31 July 2024 and up to the date of approval of the financial statements and that it accords with OfS guidance.

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE ROYAL VETERINARY COLLEGE

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### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

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

We have audited the financial statements of The Royal Veterinary College ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2024 which comprise the Consolidated and RVC statement of comprehensive income, the Consolidated and RVC statement of changes in reserves, the Consolidated and RVC statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters required by the Office for Students (“OfS”) and UK Research and Innovation (including Research England)**

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS’s Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University’s grant and fee income, as disclosed in note 2 to the accounts, has been materially misstated.
- The University’s expenditure on access and participation activities for the financial year, as has been disclosed in note 13 to the accounts, has been materially misstated.

**Responsibilities of the Council**

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

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

**Auditor’s responsibilities for the audit of the financial statements**

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer

We considered the significant laws and regulations to be the applicable accounting framework, Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Employment Law, Data Protection, Health and Safety Legislation and registration with the Office for Students ("OfS) and ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the OfS, HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

## INDEPENDENT AUDITOR'S REPORT continued

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates and revenue recognition of research grant income and clinical income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year which met a defined risk criteria, as well as a random sample of journals from throughout the year, by agreeing to supporting documentation;
- Testing a sample of research grant income and expenditure transactions to source documentation, performing cut off testing to ensure income is included in the correct period and reviewing the revenue recognised in the year against the terms of the underlying agreements;
- Testing a sample of clinical income transactions to source documentation and confirming that the income has been recognised in the correct accounting period; and
- Challenging assumptions made by management in their significant accounting estimates in particular relating to the actuarial assumptions used in the Universities Superannuation Scheme, calculations of impairment provisions and the useful economic lives of fixed assets.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Council members, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Jagger (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Guildford, UK

Date: 6 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**CONSOLIDATED AND RVC STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 July 2024

	Note	2024		2023	
		Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
<b>Income</b>					
Tuition fees and education contracts	1	45,822	45,822	41,836	41,836
Funding body grants	2	27,454	27,174	27,971	27,949
Research grants and contracts	3	9,314	9,314	9,309	9,309
Clinical and related income	4	32,833	29,065	31,535	27,873
Other income	4	10,101	7,743	9,146	6,536
Investment income	5	2,187	1,952	2,177	1,997
<b>Total income before donations and endowments</b>		<b>127,711</b>	<b>121,070</b>	<b>121,974</b>	<b>115,500</b>
Donations and endowments	6	779	709	1,354	1,466
<b>Total income</b>		<b>128,490</b>	<b>121,779</b>	<b>123,328</b>	<b>116,966</b>
<b>Expenditure</b>					
Staff costs		68,939	66,031	64,426	61,847
Provisions for USS pension obligations charged to staff costs		(24,947)	(24,680)	(3,475)	(3,436)
Staff costs - total	8	43,992	41,351	60,951	58,411
Other operating expenses	12	41,413	38,673	40,035	37,291
Depreciation and amortisation	10	8,640	8,211	7,489	7,057
Interest and other finance costs	11	1,718	1,731	1,577	1,579
<b>Total expenditure</b>		<b>95,763</b>	<b>89,966</b>	<b>110,052</b>	<b>104,338</b>
<b>Surplus before other gains</b>		<b>32,727</b>	<b>31,813</b>	<b>13,276</b>	<b>12,628</b>
Gain on disposal of fixed assets	14	20	20	-	-
Gain / (Loss) on investments	15	2,415	2,123	(75)	(58)
<b>Surplus for the year before taxation</b>		<b>35,162</b>	<b>33,956</b>	<b>13,201</b>	<b>12,570</b>
Taxation	16	(100)	-	(81)	-
<b>Surplus for the year after taxation</b>		<b>35,062</b>	<b>33,956</b>	<b>13,120</b>	<b>12,570</b>
<b>Total comprehensive income for the year</b>		<b>35,062</b>	<b>33,956</b>	<b>13,120</b>	<b>12,570</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year		985	984	21	23
Restricted comprehensive income for the year		1,181	510	1,081	1,017
Unrestricted comprehensive income for the year		32,896	32,462	12,018	11,530
		<b>35,062</b>	<b>33,956</b>	<b>13,120</b>	<b>12,570</b>
All items of income and expenditure relate to continuing activities.					

The accompanying policies and notes on pages 43 to 83 form part of these financial statements.



**CONSOLIDATED AND RVC STATEMENT OF CHANGES IN RESERVES**  
for the year ended 31 July 2024

	Income and expenditure account			Revaluation Reserve (Restated) £'000	Total £'000
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000		
<b>Consolidated</b>					
Balance at 1 August 2023 - as previously stated	10,715	3,490	170,553	5,898	190,656
Prior period adjustment (see note 19)				(5,898)	(5,898)
<b>Balance at 1 August 2023 - as restated</b>	<b>10,715</b>	<b>3,490</b>	<b>170,553</b>	<b>-</b>	<b>184,758</b>
Total Comprehensive income for the year	985	1,181	32,896	-	35,062
Other comprehensive income	1	5	(6)	-	-
Release of restricted funds spent in year	-	(531)	531	-	-
<b>Total comprehensive income for the year</b>	<b>11,701</b>	<b>4,145</b>	<b>203,974</b>	<b>-</b>	<b>213,922</b>
<b>Balance at 31 July 2024</b>	<b>11,701</b>	<b>4,145</b>	<b>203,974</b>	<b>-</b>	<b>219,820</b>
<b>RVC</b>					
Balance at 1 August 2023 - as previously stated	10,700	318	168,843	5,898	185,759
Prior period adjustment (see note 19)				(5,898)	(5,898)
<b>Balance at 1 August 2023 - as restated</b>	<b>10,700</b>	<b>318</b>	<b>168,843</b>	<b>-</b>	<b>179,861</b>
Total Comprehensive income for the year	984	510	32,462	-	33,956
Other comprehensive income	1	(1)	(1)	-	(1)
Release of restricted funds spent in year	-	(531)	531	-	-
<b>Total comprehensive income for the year</b>	<b>11,685</b>	<b>296</b>	<b>201,835</b>	<b>-</b>	<b>213,816</b>
<b>Balance at 31 July 2024</b>	<b>11,685</b>	<b>296</b>	<b>201,835</b>	<b>-</b>	<b>213,816</b>

The accompanying policies and notes on pages 43 to 83 form part of these financial statements.

**CONSOLIDATED AND RVC STATEMENT OF FINANCIAL POSITION**  
for the year ended 31 July 2024

	Note	2024		2023 (Restated)	
		Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
<b>Non-current assets</b>					
Intangible assets and goodwill	17	3,229	1,746	2,065	203
Tangible assets	18	189,792	188,022	185,522	185,095
Investments	20	70,740	66,569	17,040	13,142
Investments in subsidiaries	21	-	4,273	-	4,273
		<u>263,761</u>	<u>260,610</u>	<u>204,627</u>	<u>202,713</u>
<b>Current assets</b>					
Stock	23	1,652	1,548	1,649	1,506
Trade and other receivables	24	12,425	11,697	13,480	13,680
Investments - short-term	25	-	-	39,251	39,251
Cash and cash equivalents	26	9,991	8,316	18,410	16,645
		<u>24,068</u>	<u>21,561</u>	<u>72,790</u>	<u>71,082</u>
Less: Creditors - amounts falling due within one year	27	(22,055)	(22,729)	(22,181)	(24,067)
<b>Net current assets / (liabilities)</b>		<u>2,013</u>	<u>(1,168)</u>	<u>50,609</u>	<u>47,015</u>
<b>Total assets less current liabilities</b>		<u>265,774</u>	<u>259,442</u>	<u>255,236</u>	<u>249,728</u>
Creditors - amounts due after more than one year	28	45,584	45,336	45,773	45,504
<b>Provisions</b>					
Pension provisions	29	-	-	24,463	24,201
Other provisions	29	370	290	242	162
<b>Total net assets</b>		<u>219,820</u>	<u>213,816</u>	<u>184,758</u>	<u>179,861</u>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserves	30	11,701	11,685	10,715	10,700
Income and expenditure reserve - restricted reserves	31	4,145	296	3,490	318
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		203,974	201,835	170,553	168,843
<b>Total Reserves</b>		<u>219,820</u>	<u>213,816</u>	<u>184,758</u>	<u>179,861</u>

The financial statements on pages 43 to 83 were approved and authorised for issue by Council on 5 December 2024 and signed on its behalf by:

Baroness Young of Old Scone  
Chair of Council

Mr Andrew Scott  
Honorary Treasurer

Professor Stuart Reid  
Principal and President

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 July 2024

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Cash flow from operating activities		
Surplus / (Loss) for the year	35,062	13,120
Adjustment for non-cash items		
Depreciation and amortisation	8,640	7,489
Unrealised (gain) / loss on investments	(1,808)	487
Unrealised (gain) on foreign exchange	-	(547)
(Decrease) / Increase in stock	(3)	19
Increase / Decrease in trade and other receivables	1,055	(1,418)
Increase / (Decrease) in trade and other payables	(35)	1,218
(Decrease) / Increase in pension provision	(24,463)	(2,580)
(Decrease) in other provisions	128	(8)
Other non-cash items	(20)	73
<i>Adjustment for non-cash items</i>	<u>(16,506)</u>	<u>4,733</u>
Adjustment for investing or financing activities		
Investment income	(2,187)	(2,177)
Interest payable	1,217	1,229
Realised (gain) on investments	(546)	(412)
New restricted funds	(551)	(594)
Capital grant income	(531)	(993)
<b>Net cash inflow from operating activities</b>	<u><b>15,958</b></u>	<u><b>14,906</b></u>
Cash flows from investing activities		
Capital grants receipts	531	993
Disposal of non-current asset investments	22,403	3,750
New deposits	39,251	(15,977)
New restricted funds	551	594
Investment income	2,187	2,177
Realised foreign exchange gain	-	412
Payments made to acquire fixed assets	(14,075)	(8,337)
New non-current asset investments	(73,749)	(4,333)
<b>Net cash (outflow) from investing activities</b>	<u><b>(22,901)</b></u>	<u><b>(20,721)</b></u>
Cash flows from financing activities		
Loan interest	(1,214)	(1,213)
Finance lease interest	(3)	(15)
Loan capital repayments	(168)	(183)
Finance lease capital repayments	(91)	(109)
<b>Net cash (outflow) from financing activities</b>	<u><b>(1,476)</b></u>	<u><b>(1,520)</b></u>
<b>(Decrease) in cash and cash equivalents in the year</b>	<u><b>(8,419)</b></u>	<u><b>(7,335)</b></u>
Cash and cash equivalents at beginning of the year	18,410	25,745
Cash and cash equivalents at end of the year	9,991	18,410
<b>Movement in the year</b>	<u><b>(8,419)</b></u>	<u><b>(7,335)</b></u>

The accompanying policies and notes on pages 43 to 83 form part of these financial statements.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES for the year ended 31 July 2024

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### *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, 2019 edition (“FEHE SORP 2019”) and in accordance with Financial Reporting Standards (“FRS 102”).

The Royal Veterinary College (“RVC”) is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of land). They conform to guidance published by the Office for Students.

### *b. Going concern*

The activities of the RVC and its subsidiary undertakings, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Financial Review, along with the financial position of the RVC and its subsidiaries, its cash flows, liquidity position and borrowing facilities. The Council has a reasonable expectation that the RVC and its subsidiary undertakings have adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of these financial statements and has set out the basis for this assessment in the Going Concern section of the Strategic and Financial Review. Accordingly, the Council continues to adopt the going concern basis of preparation for the annual financial statements.

### *c. Parent disclosure exemptions*

In preparing the separate financial statements of the RVC, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the RVC; and
  - no disclosure has been given for the aggregate remuneration of the key

management personnel of the RVC as their remuneration is included in the totals for the Group as a whole.

### *d. Basis of consolidation*

The consolidated financial statements include the RVC and all undertakings in which it has a controlling interest (or over which it has control) for the financial year to 31 July 2024. Intra-Group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Royal Veterinary College Students' Union as the RVC does not exert control or dominant influence over its policy decisions.

### *e. Income recognition*

#### **Tuition fees and education contracts**

Tuition fee income represents all fees chargeable to students or their sponsors, received and receivable, which are attributed to the current accounting period. Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Income and Comprehensive 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.

#### **Revenue grant funding**

Grant funding including funding council block grants, research grants from government sources, and grants (including research grants) from non-government sources, are recognised as income when the RVC 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 Statement of

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES continued

Financial Position and released to income as the conditions are met.

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

### Capital grants

Capital grants are recognised in income when the RVC is entitled to the funds subject to any performance related conditions being met.

### Other income

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

### Investment income

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

### 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 RVC (or Royal Veterinary College Animal Care Trust ("the ACT") as applicable) 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 RVC is entitled to the funds.

Investment income relating to endowments and appreciation of endowment assets is recorded in income in the year in which it arises and is recognised in line with the RVC's right to the investment income.

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

- (a) Restricted donations - the donor has specified that the donation must be used for a particular objective, which may include the acquisition or construction of fixed assets.
- (b) 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 RVC.
- (c) Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the RVC has the power to use the capital.
- (d) 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.

### *f. Accounting for retirement benefits*

#### Defined benefit schemes

The two principal pension schemes for the RVC's staff are the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

Both the USS and SAUL are multi-employer schemes for which it is not possible to identify the assets and liabilities to RVC and other members due to the mutual nature of the schemes and therefore these schemes are accounted for as defined contribution retirement benefit schemes.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the schemes. The liability is discounted, and the discounted amount is unwound annually. The unwound discounted amount is recognised within interest payable and other finance costs.

### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the RVC pays fixed contributions into a separate entity. The RVC will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **g. 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 RVC. Any unused benefits (such as holiday entitlements not utilised in the year) are accrued and measured as the additional amount the RVC expects to pay as a result of the unused entitlement.

### **h. 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.

### **i. Finance leases**

Leases in which the RVC 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.

### **j. Interest and other finance costs**

Borrowing costs are recognised as expenditure in the period in which they are incurred.

### **k. Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of RVC and subsidiary entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit of the Statement of Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. 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.

### **l. Taxation**

The RVC is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the RVC is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478 to 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 ACT is a charity registered in England and Wales with the Charity Commission (charity no. 281571).

The subsidiary companies are each subject to Corporation Tax in the same way as any other commercial organisation but can reduce their

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES continued

profits subject to Corporation Tax to the extent that these profits are gift aided to the RVC.

The RVC, London BioScience Innovation Centre Limited (LBIC) and the ACT are VAT registered as part of the RVC's VAT Group; RVC Veterinary Practices Limited has separate VAT registration. The RVC and its subsidiaries receive no exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Deferred tax is provided in full on timing differences which result in an obligation at the Statement of Financial Position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

### *m. Intangible assets and goodwill*

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition.

Goodwill is amortised over 10 years representing the remaining expected economic lives of the long-life assets to which the goodwill relates.

Other intangible assets are amortised between 3 and 10 years representing the remaining estimated economic life of the assets.

Goodwill and intangible assets are subject to periodic impairment reviews as appropriate.

### *n. Fixed assets*

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Certain items of fixed assets (itemised below) that had been revalued to fair value on or prior to the date of transition to the FEHE SORP 2015, 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 (components). No depreciation is charged on assets in the course of construction.

#### **Land**

Land was revalued at the date of transition to the FEHE SORP 2015 (1 August 2014) and is held at deemed cost. Freehold land is not depreciated as it is considered to have an indefinite useful life.

#### **Buildings**

Costs incurred in relation to buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the RVC. From 1 August 2015, a de minimis of £10,000 was applied for any individual project. Where applicable, projects are divided into three components: structure; fit-out; and plant and machinery provided that any individual component exceeds the de minimis of £10,000 per component.

Components of freehold buildings are depreciated on a straight-line basis based on the expected useful economic life of each component for between 10 and 50 years.

From 1 August 2015, depreciation is charged on the individual building component in the financial year following completion or acquisition of the specific component. Depreciation is charged on a straight-line annual basis over the expected remaining useful economic life.

#### **Equipment**

Equipment, including computers and software, costing less than £5,000 per individual item and which does not form part of a larger set of equipment, is recognised as expenditure. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic lives to the relevant entity of between 3 and 10 years, except that any equipment integral to a leasehold building is depreciated over the shorter of the remaining lease term and the equipment's expected useful economic life. No depreciation is charged on assets not yet deployed, which will be shown as work in progress. Depreciation is charged in the year in which the asset is brought into use with the depreciation being charged on a straight-line monthly basis beginning the first full month after deployment.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

#### *o. Heritage assets*

A heritage asset is a tangible or intangible asset with historic, artistic, scientific, technological, geophysical, or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. Heritage assets held at RVC include works of art, valuable publications and natural history collections relating to veterinary studies.

These assets are mostly individually listed, have been gifted to or purchased by the RVC over the years since its establishment in 1791 and, if capitalised originally, no longer feature in the fixed asset register. The historic cost of these assets is zero in materiality terms.

During 2023-24 the University reviewed its Heritage Asset accounting policy and a decision was made to move from a valuation to a cost accounting policy, on the basis that due to the nature of the heritage assets means that there is no reliable estimate of the value for accounting purposes. These assets are held for their contribution to knowledge and culture they are not held as investments or for their resale value.

Many of the Heritage Assets are on view or accessible, their condition is regularly assessed and, their replacement is covered through the University's insurance policies. Further details are provided at note 19.

#### *p. Investments*

Non-current asset investments are held on the Statement of Financial Position at amortised cost less impairment.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the RVC's accounts.

Current asset investments are held at fair value with movements recognised in Statement of Comprehensive Income.

#### *q. Stock*

Stock comprises stores held by clinical services, farm livestock and produce, some building maintenance supplies and some operational stocks.

Farm stocks comprise biological assets, farm produce and farm consumables. Biological assets are living animals or plants held as assets from which economic benefits flow to the RVC.

Agricultural produce is the harvested product of a biological asset. The RVC's farming operations to support student learning include breeding sheep. RVC has elected to account for these under the fair value model of accounting under section 34 of FRS102, with the assets valued at their fair value less costs to sell at recognition and then at each reporting date. Changes in the fair value less costs to sell are recognised in the Statement of Comprehensive Income.

The values held for these assets are not considered material for separate disclosure as a non-current asset and are shown as a current asset within Farm stocks. Changes in fair value less costs to sell are recognised in the Statement of Comprehensive Income.

Other stocks are stated at the lower of their cost and net realisable value. For practical purposes, it is assumed that net realisable value is the same as either the cost charged on to external customers or the cost of the equivalent item most recently purchased. Stock counts are carried out as close to



## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES continued

the year end as is practically feasible with estimates for stock movements being used where appropriate. Stocks of consumables held for administrative purposes and in academic departments are expensed during the year and are not valued on the Statement of Financial Position.

### *r. Cash and cash equivalents*

Cash includes cash in hand and deposits repayable on demand.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value, typically with a term less than three months.

### *s. Provisions, contingent liabilities and contingent assets*

Provisions are recognised in the financial statements when:

- (a) the RVC (or one of its subsidiaries) 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 RVC (or a subsidiary entity) 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 relevant entity. 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 RVC (or a subsidiary entity) 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 relevant entity.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes to the Financial Statements.

### *t. Reserves*

Reserves are classified as restricted or unrestricted funds and comprise the following:

- (a) reserves with restricted purposes consist of endowment reserves and restricted reserves. Restricted endowment reserves include balances which, through endowment to the RVC (or the ACT), are held as a permanently restricted fund which the RVC (or the ACT) must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the RVC or the ACT is restricted in the use of these funds;
- (b) unrestricted reserves include general unrestricted funds and funds designated by the Council.

### *u. Management estimates and judgements*

#### **Corporation Tax**

Corporation tax payable for 2023-24 has been estimated (based on information available from the prior year and an initial calculation) and will be subject to independent corporation tax calculations after these Financial Statements have been approved.

#### **Intangible assets - Goodwill**

Goodwill arises from the acquisition in July 2018 of Acorn House Veterinary Hospital in Bedford by the RVC's subsidiary company, RVC Veterinary Practices Limited ("RVP"). Income levels at RVP continue to meet RVP's expectations on acquisition of Acorn House and RVP therefore considers that the net book value of goodwill is reasonable.

**Tangible assets**

The RVC carries out an annual impairment review of fixed assets.

The RVC is confident that it is reasonable to continue with current valuations for its buildings as, at the last valuation of the RVC's property portfolio as at 31 July 2014, the RVC's buildings were identified as significantly under-valued overall. Income generated by the RVC's operational properties continues to be positive and therefore supports this approach.

**Provision for Pensions liabilities**

FRS 102 distinguishes between a group pension plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under

common control and represents (typically) an industry-wide scheme such as those provided by the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL) – both of which the RVC is party to. Further details of the pension schemes are provided in Note 37 to these Financial Statements. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). The resulting expense is recognised in the Statement of Comprehensive Income in accordance with section 28 of FRS 102. The Council is satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2024

**1. Tuition Fees and Education Contracts**

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Full-time undergraduate students - UK and EU	11,339	11,339	11,565	11,565
Full-time postgraduate students - UK and EU	536	536	501	501
Part-time undergraduate students - UK and EU	106	106	107	107
Part-time postgraduate students - UK and EU	214	214	194	194
International students	31,699	31,699	27,724	27,724
<b>Higher Education course fees</b>	<b>43,894</b>	<b>43,894</b>	<b>40,091</b>	<b>40,091</b>
Research training support grants	699	699	727	727
Short course fees	1,229	1,229	1,018	1,018
	<b>45,822</b>	<b>45,822</b>	<b>41,836</b>	<b>41,836</b>

**2. Funding Body Grants**

	Note	2024		2023	
		Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
<b>Recurrent grants</b>					
Office for Students		13,922	13,922	14,646	14,646
Research England		8,170	8,170	8,628	8,628
Office for Students - capital grants	31	50	50	100	100
<b>Specific grants</b>					
Higher Education Innovation Fund		3,488	3,209	3,255	3,233
Other specific grants		1,342	1,342	449	449
Research England - capital grants	31	481	481	893	893
		<b>27,453</b>	<b>27,174</b>	<b>27,971</b>	<b>27,949</b>

**3. Research Grants and Contracts**

	2024	2023
	Consolidated and RVC	Consolidated and RVC
	£'000	£'000
Research councils	3,588	3,295
UK based charities	1,615	1,533
UK government, local and health bodies	522	643
UK industry, commerce, public corporations	995	1,691
EU government bodies	184	544
EU other	548	752
Other international	1,862	851
	<u>9,314</u>	<u>9,309</u>

**4. Other Income (including Clinical and Related Income)**

	2024		2023	
	Consolidated	RVC	Consolidated	RVC
	£'000	£'000	£'000	£'000
Residences, catering and conferences	3,744	3,544	3,389	3,249
Rent and other income	3,821	4,199	2,946	3,287
Subsidiaries trading income	2,536	-	2,811	-
<b>Other income</b>	<u>10,101</u>	<u>7,743</u>	<u>9,146</u>	<u>6,536</u>
Clinical and related income	32,833	29,065	31,535	27,873
	<u>42,934</u>	<u>36,808</u>	<u>40,681</u>	<u>34,409</u>

## 5. Investment Income

	Note	2024		2023	
		Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Investment income on endowments	30	386	385	411	410
Investment income on restricted reserves	31	110	-	116	-
Other investment income		1,691	1,567	1,650	1,587
		<u>2,187</u>	<u>1,952</u>	<u>2,177</u>	<u>1,997</u>

## 6. Donations and Endowments

	Note	2024		2023	
		Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
New endowments	30	13	13	-	-
Donations with restrictions	31	551	-	571	88
Unrestricted donations		215	696	783	1,378
		<u>779</u>	<u>709</u>	<u>1,354</u>	<u>1,466</u>

Unrestricted donations under RVC includes a gift aid payment from LBIC of £nil (2023: £734K).

## 7. Grant and Fee Income

	2024 Consolidated £'000	2023 Consolidated £'000
Grant income from the Office for Students	13,972	14,746
Grant income from other bodies	20,028	19,608
Fee income for research awards (exclusive of VAT)	299	404
Fee income from non-qualifying courses (exclusive of VAT)	1,874	1,699
Fee income for taught awards (exclusive of VAT)	43,649	39,733
<b>Total Grant and fee income</b>	<u>79,822</u>	<u>76,190</u>

**8. Staff Costs**

The average number of staff (including senior post holders) employed by the RVC Group during the year ended 31 July 2024, expressed as full-time equivalents, was:

	2024 Consolidated Number	2023 Consolidated Number
Academic departments	237	226
Academic services	64	61
Clinical services	377	362
Research grants and contracts	65	66
General education expenditure	25	25
Residences, catering and conference services	6	6
Premises	59	52
Staff and student facilities	18	17
Subsidiary undertakings	12	11
Administration and central services	125	112
Other services	25	25
	<u>1,013</u>	<u>963</u>

**Staff costs for the above:**

	2024 Consolidated £'000	2023 Consolidated £'000
Salaries	54,430	50,272
Social security costs	5,564	5,054
Pension schemes - employer contributions 36	8,580	8,902
Restructuring and redundancy costs	365	198
<b>Staff costs (excluding pensions provision)</b>	<u>68,939</u>	<u>64,426</u>
Movement on pension provision		
- Universities Superannuation Scheme 36	(24,947)	(3,475)
<b>Total staff costs</b>	<u>43,992</u>	<u>60,951</u>

**9. Remuneration of Senior and Higher Paid Staff**

	2024 £'000	2023 £'000
<b>Emoluments of the Principal:</b>		
Salary	288	276
Bonus	20	16
Allowance - travel	13	12
Allowance - accommodation	43	42
	<u>364</u>	<u>346</u>
Pension contributions to USS	50	62
	<u>414</u>	<u>408</u>
 All emoluments are payrolled and subject to tax.		

**Justification for the Principal (Head of Institution)'s Remuneration**

The remuneration of the Principal, Professor Stuart Reid, along with other senior staff, is determined by the Senior Staff Remuneration Committee (SSRC) which meets annually and comprises independent members of the Council, including the Chair and Honorary Treasurer. The Committee adheres to the Higher Education Senior Staff Remuneration Code and has a duty to ensure that the Principal's remuneration is appropriate to attract and retain the calibre of individual required to lead a complex world-leading specialist institution delivering across three core mission areas: teaching, research and clinical services. The Committee's decisions are informed by the professional advice of the Secretary to Council and the Director of Human Resources, appropriate benchmarking and other relevant factors. In this context, salaries on offer in the private veterinary market and at veterinary schools overseas, notably the United States, are an important consideration. Deans of US Veterinary Schools, though not heads of institutions, are remunerated at a level equivalent to, and in some cases higher than, the Principal. The Principal is engaged on the same general terms and conditions as all other RVC employees, including membership of the USS, and the Committee is confident that the current remuneration for the Principal is fair and proportionate taking into account market factors.

The RVC is the largest and longest established veterinary school in the English-speaking world and one of the few globally to hold accreditations from all the major regulatory veterinary bodies. RVC produces world-class research and supports the veterinary profession through its referral hospitals, including the Queen Mother Hospital for Animals, Europe's largest small animal hospital. It also owns a number of subsidiary entities including a registered charity, a centre for innovation in biosciences and a first opinion veterinary hospital. Given the RVC's specialist status, the Principal represents the RVC, not only as the head of an academic institution but also as a leading veterinary professional and, in this capacity, is a member of a number of national and international statutory and regulatory bodies. During his RVC tenure, Professor Reid has served as the President of the Royal College of Veterinary Surgeons. He has also been recognised at the highest levels, having been awarded a CBE in 2018 for his contributions to the veterinary profession and higher education and was elected as an international member to the prestigious US National Academy of Medicine for his professional leadership and commitment to science.

### 9. Remuneration of Senior and Higher Paid Staff *continued*

In 2023-24, the SSRC confirmed that the base remuneration for Professor Reid should increase by 5% in line with the nationally negotiated salaries of other RVC employees. Under Professor Reid's leadership, the RVC has had notable successes including re-accreditation from all the major regulatory veterinary bodies, and robust financial performance. In 2024, the University was once again, ranked number one veterinary school in the QS World University Rankings by subject. In 2023, it retained its status with the Office for Students as a world-leading specialist teaching institution. The Research Excellence Framework (REF) 2021 results demonstrated the RVC's breadth and depth of research excellence, celebrating 88% of research being rated as world-leading (4\*) or internationally excellent (3\*).

The RVC continues to benefit from the Principal's outstanding leadership against the backdrop of an extremely challenging economic, political and regulatory environment. In light of this, and his continued renowned reputation internationally, the Committee felt it appropriate to recognise the Principal's performance through the award of an additional, one-off, non-consolidated payment of £20k.

Professor Reid's remuneration also includes (taxable) allowances for accommodation and travel of £40.7k and £12k respectively. As the Principal is required to live within a reasonable travelling distance of the RVC, the accommodation allowance is provided to meet the rental costs of a property located close to the Hawkshead Campus and on a direct train route to London (Camden Campus).

### Median Pay

The disclosures made in this note reflect judgements made in accordance with the annual accounts direction issued by the Office for Students and sector guidance.

The Principal's basic salary is 7.4 times (2023: 7.3 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the RVC to its staff.

The Principal's total remuneration is 9.0 times (2023: 9.1 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the RVC of its staff.



**9. Remuneration of Senior and Higher Paid Staff *continued***

**Key Management Personnel**

The College Executive Committee (CEC) comprises those persons having authority for operational planning, directing, and controlling the activities of the RVC. Staff costs reported above responsibility include compensation paid to members of the CEC.

	2024	2023
	£	£
Key management personnel:		
Compensation paid or accrued in year	3,304,397	3,303,678
Movement on USS pension provisions	<u>(2,149,764)</u>	<u>(246,437)</u>
<b>Total key management personnel compensation</b>	<b>1,154,633</b>	<b>3,057,241</b>
Number of key management personnel (headcount)	21	21

**Higher Paid Staff - Excluding Principal (Head of Institution)'s Remuneration**

Remuneration of other higher paid staff, excluding employer's pension contributions:	2024	2023
	No. of Staff	No. of Staff
£100,000 to £104,999	2	1
£105,000 to £109,999	-	1
£110,000 to £114,999	1	-
£115,000 to £119,999	2	5
£120,000 to £124,999	4	-
£125,000 to £129,999	-	2
£130,000 to £134,999	3	2
£135,000 to £139,999	1	-
£140,000 to £144,999	1	1
£145,000 to £149,999	1	-
£150,000 to £154,999	-	-
£155,000 to £159,999	-	-
£160,000 to £164,999	-	2
£165,000 to £169,999	1	2
£170,000 to £174,999	1	-
	<u>17</u>	<u>16</u>

The figures presented are payments made or due in the financial year.

Compensation for loss of office of £nil was paid in respect of higher paid staff (2023: £nil).

**10. Depreciation and Amortisation**

	2024		2023		
	Consolidated	RVC	Consolidated	RVC	
	£'000	£'000	£'000	£'000	
Depreciation of tangible assets	8,201	8,148	7,068	7,015	
Amortisation of intangible assets	441	62	421	42	
<b>Depreciation and amortisation</b>	<b>8,642</b>	<b>8,210</b>	<b>7,489</b>	<b>7,057</b>	
Depreciation and amortisation comprise:					
	Note	2024		2023	
		Consolidated	RVC	Consolidated	RVC
		£'000	£'000	£'000	£'000
Wholly owned assets		8,106	8,053	6,954	6,901
Assets held on finance leases		95	95	114	114
<b>Depreciation of tangible assets</b>	18	<b>8,201</b>	<b>8,148</b>	<b>7,068</b>	<b>7,015</b>
Amortisation of goodwill		379	-	379	-
Amortisation of software assets		62	62	42	42
<b>Amortisation of intangible assets</b>	17	<b>441</b>	<b>62</b>	<b>421</b>	<b>42</b>
<b>Total - Depreciation and amortisation</b>		<b>8,642</b>	<b>8,210</b>	<b>7,489</b>	<b>7,057</b>
Goodwill relates to the acquisition of Acorn House Veterinary Hospital, by RVC Veterinary Practices Limited on 1 July 2018. Goodwill is amortised over 10 years.					

**11. Interest and Other Finance Costs**

	Note	2024		2023	
		Consolidated	RVC	Consolidated	RVC
		£'000	£'000	£'000	£'000
Private placement interest payable		1,214	1,214	1,213	1,213
Other interest payable		-	18	1	12
Finance lease interest		3	3	15	15
Foreign exchange differences		17	17	(547)	(547)
Net charge on USS pension scheme	36	484	479	895	885
		<b>1,718</b>	<b>1,731</b>	<b>1,577</b>	<b>1,578</b>

**12. Other Operating Expenses and Analysis of Expenditure by Activity**

2023/24	Staff Costs £'000	Other Operating Expenses £'000	Depreciation and Amortisation £'000	Interest and Other Finance Costs £'000	2024 £'000
Academic departments	20,001	4,025	640	1	24,667
Academic services	4,180	2,958	677	3	7,818
Clinical services	23,040	8,351	1,035	-	32,426
Research grants and contracts	4,066	3,030	11	11	7,118
General education expenditure	1,462	5,623	3	(4)	7,084
Residences, catering and conference services	295	2,662	697	449	4,103
Premises	2,856	6,392	4,781	725	14,754
Staff and student facilities	1,127	1,452	574	-	3,153
Subsidiary undertakings	581	1,085	28	51	1,745
Administration and central services	9,721	5,176	132	4	15,033
Other services	1,396	879	64	-	2,339
Other expenditure	214	(220) <sup>1</sup>	-	(6)	(12)
USS Pension adjustment	(24,947)	-	-	484	(24,463)
	<u>43,992</u>	<u>41,413</u>	<u>8,642</u>	<u>1,718</u>	<u>95,765</u>

<sup>1</sup> Other operating expenses includes movements on Other provisions.

12. Other Operating Expenses and Analysis of Expenditure by Activity *continued*

2022/23	Staff Costs £'000	Other Operating Expenses £'000	Depreciation and Amortisation £'000	Interest and Other Finance Costs £'000	2023 Total £'000
Academic departments	18,999	4,651	415	1	24,066
Academic services	3,887	2,375	641	15	6,918
Clinical services	21,440	8,594	897	-	30,931
Research grants and contracts	3,770	3,148	156	(13)	7,061
General education expenditure	1,471	4,967	1	(1)	6,438
Residences, catering and conference services	329	2,366	696	449	3,840
Premises	2,605	6,091	3,962	724	13,382
Staff and student facilities	1,124	1,375	561	-	3,060
Subsidiary undertakings	676	1,126	28	70	1,900
Administration and central services	8,845	4,495	92	12	13,444
Other services	1,179	905	40	-	2,124
Other expenditure	101	(58) <sup>2</sup>	-	(575)	(532)
USS Pension adjustment	(3,475)	-	-	895	(2,580)
	<b>60,951</b>	<b>40,035</b>	<b>7,489</b>	<b>1,577</b>	<b>110,052</b>

<sup>2</sup> Other operating expenses includes movements on Other provisions.

**12. Other Operating Expenses and Analysis of Expenditure by Activity *continued***

Included in Other Operating Expenses (excluding VAT) are:

External auditor's fees for the RVC's Group financial statements of £86,020 (2023: £83,188)

External auditor's fees for other audit work of £72,650 (2023: £70,243)

External auditor's fees for non-audit services of £17,600 (2023: £18,900).

Other audit work includes the following:

	2024	2023
	£	£
Audit of Subsidiaries' financial statements	29,200	28,243
Audit of US GAAP financial statements	43,450	42,000

The United States Department of Education requires the RVC to provide audited US GAAP accounts (on an annual basis from 2019) in accordance with the rules of the Federal Loans programme.

Non-audit services relate to Corporation Tax compliance and submission of the RVC's and subsidiaries' Corporation Tax returns and external compliance audit services:

	2024	2023
	£	£
Tax compliance services	8,600	7,900
London BioScience Innovation Centre Limited service charge audit	-	3,000
External compliance audits	4,500	-
US Federal loans audit	9,000	8,000

**Council members (Trustees)**

The RVC's Council Members are the trustees of the RVC as an exempt charity. The Council is also the Corporate Trustee for the RVC Animal Care Trust, a registered charity. Related party transactions involving members of Council are disclosed in Note 38 below.

No member of Council has received any remuneration (or waived any payments) for acting as a member of Council. Staff and, where applicable, ex officio Council members' remuneration as employees of the RVC are disclosed in Notes 8 and 9 above.

The total expenses paid to ten Council members in the year was £8,956 (2023: paid to six members, £8,847).

### 13. Access and Participation Plan

	2024	2023
	Consolidated and RVC	Consolidated and RVC
	£'000	£'000
<b>Access and participation investment</b>		
Access investment	449	529
Financial support investment	526	540
Research and education investment	23	35
Support for disabled students	435	388
<b>Total access and participation investment</b>	<b>1,433</b>	<b>1,492</b>
Amount included within Staff costs (Note 8)	631	736
<p>During 2023-24, the RVC spent £1.4m (2023: £1.5m) on Access and Participation activities to support students from underrepresented groups, including equal access to education and opportunity, financial support (bursaries and hardship funds), support for students with a disability, and research and evaluation in order to improve access and participation overall (including widening participation activities). RVC's Access and Participation Plan for 2023-24 can be found here: <a href="https://www.rvc.ac.uk/study/rvc-is-open-for-all/access-and-participation#:~:text=The%20Plan%20covers%20the%20period,them%20while%20attending%20the%20RVC.">https://www.rvc.ac.uk/study/rvc-is-open-for-all/access-and-participation#:~:text=The%20Plan%20covers%20the%20period,them%20while%20attending%20the%20RVC.</a></p>		

### 14. Loss on Disposal or Impairment of Fixed Assets

These Financial Statements include a loss on disposal of fixed assets in 2023/24 as follows.				
	2024		2023	
	Consolidated	RVC	Consolidated	RVC
	£'000	£'000	£'000	£'000
Disposal of tangible assets - equipment	20	20	-	-
	<b>20</b>	<b>20</b>	-	-
There were no impairments recognised in either year.				
Impairment of tangible assets - equipment	-	-	-	-
	-	-	-	-
RVC Veterinary Practices Limited disposed of some items of equipment at Acorn House Veterinary Hospital.				

## 15. Gain / (Loss) on Investments

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Investments - realised gains	546	421	412	317
Investments - unrealised gains / (losses)	1,869	1,702	(487)	(375)
Net gain / (losses) on investments	<u>2,415</u>	<u>2,123</u>	<u>(75)</u>	<u>(58)</u>

During the year, the RVC changed investment fund managers and moved its short-term cash from deposit and notice accounts into money market funds. Investment returns on the latter are reported as gains rather than interest receivable. Further details of the investments are disclosed in Note 20.

## 16. Taxation

	2024 Consolidated £'000	2023 Consolidated £'000
<b>Recognised in the Statement of Comprehensive Income</b>		
Tax charge recognised in year	100	81
Tax adjustments written back	-	-
Total tax charge	<u>100</u>	<u>81</u>
<b>Factors affecting current tax charge</b>		
Surplus before taxation	35,162	13,203
<i>Exclude:</i> Movement on pensions provisions (Note 37)	(24,947)	(3,475)
Surplus before taxation (excluding pensions provision)	<u>10,215</u>	<u>9,728</u>
Surplus (excluding pensions provision) multiplied by standard rate of corporation tax in the UK of 25% & 19%	100	2,042
RVC (surplus) exempt from tax	-	(1,863)
Balances eliminated on consolidation		
exempt from tax	-	78
Expenses disallowable for tax in subsidiaries	-	1
Capital allowances in subsidiaries	-	(23)
Loss in subsidiary	-	-
Corporation tax due to prior year relief correction	-	-
Corporation tax due before Gift Aid relief	-	-
Gift Aid relief	-	(154)
Other adjustments posted	-	-
<b>Total tax charge</b>	<u>100</u>	<u>81</u>

## 17. Intangible Assets and Goodwill

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
<b>Software</b>				
Gross book value at 1 August	2,095	2,095	1,930	1,930
Additions in the year	1,605	1,605	165	165
<b>Gross book value at 31 July</b>	<b>3,700</b>	<b>3,700</b>	<b>2,095</b>	<b>2,095</b>
Accumulated amortisation at 1 August	1,892	1,892	1,850	1,850
Amortisation charge for the year	62	62	42	42
<b>Accumulated amortisation at 31 July</b>	<b>1,954</b>	<b>1,954</b>	<b>1,892</b>	<b>1,892</b>
<b>Net book value at 31 July</b>	<b>1,746</b>	<b>1,746</b>	<b>203</b>	<b>203</b>
Software intangible assets have an amortisation period of 5 years.				
<b>Goodwill</b>				
Gross book value at 1 August	3,785	-	3,785	-
Additions in the year	-	-	-	-
<b>Gross book value at 31 July</b>	<b>3,785</b>	<b>-</b>	<b>3,785</b>	<b>-</b>
Accumulated amortisation at 1 August	1,923	-	1,544	-
Amortisation charge for the year	379	-	379	-
<b>Accumulated amortisation at 31 July</b>	<b>2,302</b>	<b>-</b>	<b>1,923</b>	<b>-</b>
<b>Net book value at 31 July</b>	<b>1,483</b>	<b>-</b>	<b>1,862</b>	<b>-</b>
<b>Total Intangible assets and goodwill</b>	<b>3,229</b>	<b>1,746</b>	<b>2,065</b>	<b>203</b>
Goodwill relates to the acquisition of Acorn House Veterinary Hospital, by RVC Veterinary Practices Limited on 1 July 2018. Goodwill is amortised over 10 years.				



## 18. Tangible Assets

	Freehold Land and Buildings			Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total Fixed Assets
	Land and Structure	Fit-Out	Plant and Machinery			
	£'000	£'000	£'000			
<b>Consolidated Cost or valuation</b>						
At 1 August 2023	159,497	47,675	42,761	21,333	13,189	284,455
Additions	-	-	-	2,451	10,019	12,470
Transfers	6,686	6,539	5,809	654	(19,688)	-
Disposals	-	-	-	(253)	-	(253)
<b>At 31 July 2024</b>	<b>166,183</b>	<b>54,214</b>	<b>48,570</b>	<b>24,185</b>	<b>3,520</b>	<b>296,672</b>
<b>Consisting of:</b>						
Valuation of land at 31 July 2014	81,664	-	-	-	-	81,664
Cost of other fixed assets	84,519	54,214	48,570	24,185	3,520	215,008
<b>At 31 July 2024</b>	<b>166,183</b>	<b>54,214</b>	<b>48,570</b>	<b>24,185</b>	<b>3,520</b>	<b>296,672</b>
<b>Depreciation</b>						
At 1 August 2023	38,816	24,370	22,888	12,859	-	98,933
Charge for the Year	1,343	2,788	1,837	2,233	-	8,201
Disposals	-	-	-	(253)	-	(253)
<b>At 31 July 2024</b>	<b>40,159</b>	<b>27,158</b>	<b>24,725</b>	<b>14,839</b>	<b>-</b>	<b>106,881</b>
<b>Carrying amount (net book value)</b>						
<b>At 31 July 2024</b>	<b>126,024</b>	<b>27,056</b>	<b>23,845</b>	<b>9,346</b>	<b>3,520</b>	<b>189,791</b>
At 31 July 2023	120,681	23,305	19,873	8,474	13,189	185,522
<b>RVC</b>						
<b>Cost or valuation</b>						
At 1 August 2023	155,266	47,567	42,761	20,960	12,979	279,533
Additions	-	-	-	2,422	8,654	11,076
Transfers	6,686	6,539	5,809	654	(19,688)	-
Disposals	-	-	-	(253)	-	(253)
<b>At 31 July 2024</b>	<b>161,952</b>	<b>54,106</b>	<b>48,570</b>	<b>23,783</b>	<b>1,945</b>	<b>290,356</b>
<b>Consisting of:</b>						
Valuation of land at 31 July 2014	81,664	-	-	-	-	81,664
Cost of other fixed assets	80,288	54,106	48,570	23,783	1,945	208,692
<b>At 31 July 2024</b>	<b>161,952</b>	<b>54,106</b>	<b>48,570</b>	<b>23,783</b>	<b>1,945</b>	<b>290,356</b>
<b>Depreciation</b>						
At 1 August 2023	34,585	24,347	22,888	12,619	-	94,439
Charge for the Year	1,343	2,776	1,837	2,191	-	8,148
Disposals	-	-	-	(253)	-	(253)
<b>At 31 July 2024</b>	<b>35,928</b>	<b>27,123</b>	<b>24,725</b>	<b>14,557</b>	<b>-</b>	<b>102,334</b>
<b>Carrying amount (net book value)</b>						
<b>At 31 July 2024</b>	<b>126,024</b>	<b>26,983</b>	<b>23,844</b>	<b>9,226</b>	<b>1,945</b>	<b>188,022</b>
At 31 July 2023	120,681	23,220	19,873	8,341	12,979	185,094
At 31 July 2024, freehold land and buildings included £81m in respect of freehold land held by the University and which is not depreciated.						

**18. Tangible Assets** *continued*

Consolidated fixtures, fittings and equipment include assets held by the RVC under finance leases (and included above) were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Cost	228	228
Accumulated depreciation	(133)	(19)
Charge for year	<u>(95)</u>	<u>(114)</u>
<b>Net book value</b>	<u>-</u>	<u>95</u>

The freehold land comprising the Royal Veterinary College estate was valued as part of a valuation of land and buildings as at 31 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment, and April 2015 UK amendment and Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice Accounting for Further and Higher Education. The valuation was undertaken on a Fair Value basis, with specialised properties valued by reference to Depreciated Replacement Cost, and with non-specialised properties valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use. The valuation was reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

## 19. Heritage Assets

	<b>2024</b>	<b>2023</b>
	<b>Consolidated and RVC</b>	<b>Consolidated and RVC (Restated)</b>
	<b>£'000</b>	<b>£'000</b>
Heritage assets held at cost	-	-
<b>At 31 July</b>	<b>-</b>	<b>-</b>

There were no additions or disposals in the year.

RVC holds various valuable works of art and publications in its collection. These comprise three main categories:

- works of art including a collection of portraits and sculptures mainly of veterinary subjects;
- collection of historic veterinary books and articles dating from the 17th and 18th centuries; and
- natural history collections relating to veterinary studies.

During 2023-24 the University reviewed its Heritage Asset accounting policy and a decision was made to move from a valuation to a cost accounting policy, on the basis that due to the nature of the heritage assets this means that there is no reliable estimate of the value for accounting purposes. These assets are held for their contribution to knowledge and culture they are not held as investments or for their resale value. The conditions in relation to the valuation also existed at 31 July 2023 and therefore the comparative figures have been restated, by reducing the heritage assets and related revaluation reserve by £5,898k to £nil in the opening balances for 2022-23. The group net assets at 31 July 2023 have been reduced from £190,656k to £184,758k as a result. The RVC net assets at 31 July 2023 have been reduced from £185,759k to £179,861k.

Many of the Heritage Assets are on view or accessible, their condition is regularly assessed and, their replacement is covered through the University's insurance policies. The latest insurance valuation (September 2024) valued the collection for insurance purposes at £5,012k. The insurance valuation is based on the likely cost of buying an item at retail premises, this is derived from doubling the estimated auction value of the collection to represent a notional retail value.

## 20. Investments

Movement on the long-term investment portfolio comprises:

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
At 1 August	17,040	13,142	16,529	12,748
Additions	22,399	17,247	4,333	3,336
Disposals	(22,362)	(17,238)	(3,750)	(2,888)
Realised gain	546	421	412	318
Unrealised gain / (loss)	585	479	(484)	(372)
<b>At 31 July</b>	<b>18,208</b>	<b>14,051</b>	<b>17,040</b>	<b>13,142</b>

Movements on Money market funds comprise

	2024	2024	2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
At 1 August	-	-	-	-
Additions	51,350	51,350	-	-
Disposals	-	-	-	-
Realised gain	-	-	-	-
Unrealised gain	1,182	1,181	-	-
<b>At 31 July</b>	<b>52,532</b>	<b>52,531</b>	<b>-</b>	<b>-</b>

**Consolidated portfolio**

	2024	2024	2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Long-term portfolio	18,208	14,038	17,040	13,142
Money market funds	52,532	52,531	-	-
<b>At 31 July</b>	<b>70,740</b>	<b>66,569</b>	<b>17,040</b>	<b>13,142</b>

The consolidated portfolio is managed by Sarasin. The transfer of the long-term portfolio from UBS AG to Sarasin & Partners took place in January 2024. Sarasin also took over management of short-term cash balances which had obviously been held in fixed term and notice deposit accounts. Such balances are now held in money market funds and reported under investments.

## 21. Investments in Subsidiaries

	2024 RVC £	2023 RVC £
RVC Veterinary Practices Limited	4,150,000	4,150,000
London BioScience Innovation Centred Limited	123,000	123,000
RVC Developments Limited	2	2
Royal Veterinary College (Hong Kong) Limited	2	2
	<u>4,273,004</u>	<u>4,273,004</u>

Investments in subsidiaries are eliminated on consolidation. Further information on subsidiary companies and consolidated entities is provided in Note 22.

## 22. Subsidiary and Consolidated Entities

The subsidiary undertakings which are wholly owned or effectively controlled by the RVC are as follows:

Company	Holding	Nature of Business	Jurisdiction where registered	Shareholding
London BioScience Innovation Centre Limited	100%	Laboratory and offices for bioscience companies	England and Wales (no. 04013123)	123,000 ordinary £1
RVC Veterinary Practices Limited	100%	Veterinary practice	England and Wales (no. 11293077)	4,150,000 ordinary £1
RVC Developments Limited	100%	Construction services provided to RVC	England and Wales (no. 07114564)	2 ordinary £1
Royal Veterinary College (Hong Kong) Limited	100%	Education provision in Hong Kong	Hong Kong (no. 1337151)	2 ordinary £1

All the entities listed share the RVC's financial statements reporting date of 31 July.

The RVC is the corporate (sole) Trustee of The Royal Veterinary College Animal Care Trust, a charity registered with the Charity Commission in England and Wales (charity no. 281571). As the RVC exercises control over the Animal Care Trust, the Trust's accounts are fully consolidated in the RVC's consolidated financial statements.

RVC Developments Limited and Royal Veterinary College (Hong Kong) Limited had no trading activity in the year. In accordance with section 479C of the Companies Act 2006, the RVC has waived the requirement for RVC Developments Limited to produce audited financial statements for the year ending 31 July 2024. The RVC has also provided a Statement of guarantee under section 479C of the Companies Act 2006.

### 23. Stock

	2024		2023	
	Consolidated	RVC	Consolidated	RVC
	£'000	£'000	£'000	£'000
General consumables	1,199	1,095	1,269	1,126
Farm stocks	453	453	380	380
	<u>1,652</u>	<u>1,548</u>	<u>1,649</u>	<u>1,506</u>

### 24. Trade and Other Receivables

	2024		2023	
	Consolidated	RVC	Consolidated	RVC
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grant receivables	3,376	3,376	3,047	3,047
Other trade receivables	5,791	5,423	6,975	6,575
Other receivables	130	131	100	102
Prepayments and accrued income	3,128	2,767	3,358	2,731
Amounts due from subsidiary undertakings	-	-	-	1,225
	<u>12,425</u>	<u>11,697</u>	<u>13,480</u>	<u>13,680</u>

### 25. Investments – Short-Term

	2024		2023	
	Consolidated	RVC	Consolidated	RVC
	£'000	£'000	£'000	£'000
Short-term deposits	-	-	39,251	39,251
	<u>-</u>	<u>-</u>	<u>39,251</u>	<u>39,251</u>

The management of short-term cash balances was transferred from UBS AG to Sarasin in January 2024. Amounts previously held in fixed term and notice deposits accounts are now held in money market funds and reported under investments.

**26. Cash and Cash Equivalents**

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Cash in hand	3	3	3	3
Cash at bank	9,988	8,313	18,289	16,524
Current deposits	-	-	118	118
	<u>9,991</u>	<u>8,316</u>	<u>18,410</u>	<u>16,645</u>

Cash at bank comprises balances held in RVC and subsidiary entity current accounts with the Royal Bank of Scotland (including euro and US dollar accounts) and with UBS AG.

**27. Creditors – Amounts falling due within one year**

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Amounts falling due within one year:				
Unsecured loans	168	168	168	168
Obligations under finance leases	-	-	91	91
Trade payables	2,486	2,480	2,724	2,718
Taxation due including social security	2,251	2,039	2,373	2,110
Research grant payables	8,582	8,582	8,864	8,864
Accrued expenses and deferred income	8,568	7,449	7,961	7,429
Amounts owed to subsidiaries	-	2,011	-	2,687
	<u>22,055</u>	<u>22,729</u>	<u>22,181</u>	<u>24,067</u>

28. Creditors – Amounts falling due after one year

	2024		2023	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Amounts falling due after one year:				
Private placements	45,000	45,000	45,000	45,000
Unsecured loans	336	336	504	504
Trade payables	248	-	270	-
	<u>45,584</u>	<u>45,336</u>	<u>45,774</u>	<u>45,504</u>

The private placements were raised in July 2018 with Sun Life Assurance Company of Canada and its UK subsidiary company. The funds raised were used in part to repay £22m in unsecured loans (and associated breakage costs of economic hedges) held with the Royal Bank of Scotland. The balance is being applied to part fund RVC's major capital programme. Other unsecured borrowings are detailed below:

	2024	2023
	Consolidated and RVC £'000	Consolidated and RVC £'000
<b>Analysis of unsecured loans and private placements:</b>		
Due between one and two years	168	168
Due between two and five years	168	336
Due in five years or more	45,000	45,000
<b>Due after more than one year</b>	<u>45,336</u>	<u>45,504</u>
Due within one year	168	168
<b>Total unsecured borrowings</b>	<u>45,504</u>	<u>45,672</u>

The loan terms, applicable interest rates and counter-parties of unsecured borrowings as at 31 July 2024 are as follows:

Lender	Amount £'000	Term ends	Interest rate %
Salix	504	March 2027	nil
Sun Life Canada	15,000	July 2033	2.55
Sun Life Canada	15,000	July 2038	2.72
Sun Life Canada	15,000	July 2043	2.82
<b>Total unsecured borrowings</b>	<u>45,504</u>		

RVC secured interest-free Salix loan funding to support investment in energy efficiency projects. The outstanding balance of £672k is repayable over the next 3 years.



## 29. Provisions for Pension and Other Liabilities

	Provision to fund deficit on USS Pension £'000	LBIC rental space provision £'000	Tax liabilities £'000	Legal claims £'000	Total Other Provisions £'000
<b>Consolidated</b>					
At 1 August 2023	24,463	80	162	-	242
Utilised in the year	(733)	-	(47)	-	(47)
Additions in the year	484	-	64	111	175
Unused amounts released in the year	(24,214)	-	-	-	-
<b>At 31 July 2024</b>	<b>-</b>	<b>80</b>	<b>179</b>	<b>111</b>	<b>370</b>
<b>RVC</b>					
At 1 August 2023	24,201	-	162	-	162
Utilised in the year	(725)	-	(47)	-	(47)
Additions in the year	479	-	64	111	175
Unused amounts released in the year	(23,955)	-	-	-	-
<b>At 31 July 2024</b>	<b>-</b>	<b>-</b>	<b>179</b>	<b>111</b>	<b>290</b>
<p>The provision to fund the past deficit for the Universities Superannuation Scheme (USS) arises from the contractual obligation with the scheme for total payments relating to benefits to be provided arising from past performance of the scheme. Management have assessed potential changes in the pay bill and numbers of employee members of USS over the period of the contracted obligation to reach an assessment of the provision required. The provision unwinds over the period of the scheme's recovery plan, taking into account the scheme's surplus or deficit and the applicable discount rate (as advised by Mercers). Further details of pension schemes are provided in Note 37.</p> <p>The London Bioscience Innovation Centre (LBIC) provision relates to future liability for a contractual commitment associated with making good of a rental space after the end of a client lease.</p> <p>The tax liabilities provision arises from tax adjustments relating to employment location, which has not yet been fully settled.</p> <p>The legal claims provision related to ongoing student complaint cases and other disputes which have not been fully settled.</p>					

**30. Endowment Reserves**

<b>Consolidated</b>	<b>Restricted Permanent £'000</b>	<b>Expendable Endowments £'000</b>	<b>2024 Total £'000</b>	<b>2023 Total £'000</b>
<b>Balances at 1 August</b>				
Capital	1,378	5,361	6,739	6,802
Accumulated income	1,630	2,347	3,977	3,892
	<u>3,008</u>	<u>7,708</u>	<u>10,716</u>	<u>10,694</u>
New endowments	-	13	13	-
Investment income	108	278	386	410
Expenditure	(126)	(231)	(357)	(332)
Increase / (Decrease) in market value of investments	253	690	943	(57)
<b>Total endowment comprehensive income for the year</b>	<u>235</u>	<u>750</u>	<u>985</u>	<u>21</u>
<b>Balances at 31 July</b>	<u>3,243</u>	<u>8,458</u>	<u>11,701</u>	<u>10,715</u>
<b>RVC</b>	<b>Restricted Permanent £'000</b>	<b>Expendable Endowments £'000</b>	<b>2024 Total £'000</b>	<b>2023 Total £'000</b>
<b>Balances at 1 August</b>				
Capital	1,378	5,344	6,722	6,783
Accumulated income	1,630	2,348	3,978	3,894
	<u>3,008</u>	<u>7,692</u>	<u>10,700</u>	<u>10,677</u>
New endowments	-	13	13	-
Investment income	108	277	385	410
Expenditure	(126)	(229)	(355)	(329)
Increase / (Decrease) in market value of investments	253	689	942	(57)
<b>Total endowment comprehensive income for the year</b>	<u>235</u>	<u>750</u>	<u>985</u>	<u>24</u>
<b>Balances at 31 July</b>	<u>3,243</u>	<u>8,442</u>	<u>11,685</u>	<u>10,700</u>
<b>Analysis by type of purpose:</b>				
	<b>Consolidated</b>		<b>RVC</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Scholarships and prizes	3,746	3,480	3,730	3,465
Student welfare and support	1,886	1,740	1,886	1,740
Research support	4,507	4,081	4,507	4,081
Clinical services support	1,562	1,414	1,562	1,414
	<u>11,701</u>	<u>10,715</u>	<u>11,685</u>	<u>10,700</u>
No funds were in deficit in either 2023/24 or the prior year.				

**31. Restricted Reserves**

Consolidated	Unspent	Donations	2024	2023
	Capital Grants	and Other	Total	Total
	£'000	£'000	£'000	£'000
<b>Balances at 1 August</b>	-	3,490	3,490	3,402
New grants	531	-	531	993
New donations	-	551	551	571
Transfer of Donations	-	426	426	-
Investment income	-	110	110	116
Expenditure	-	(716)	(716)	(583)
Decrease / (increase) in market value of investments	-	284	284	(16)
<b>Total restricted comprehensive income for the year</b>	<b>531</b>	<b>655</b>	<b>1,186</b>	<b>1,081</b>
Capital grants utilised and released to unrestricted reserve	(531)	-	(531)	(993)
<b>Balances at 31 July</b>	<b>-</b>	<b>4,145</b>	<b>4,145</b>	<b>3,490</b>
<b>RVC</b>	<b>Unspent</b>	<b>Donations</b>	<b>2024</b>	<b>2023</b>
	<b>Capital Grants</b>	<b>and Other</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balances at 1 August</b>	-	318	318	293
New grants	531	-	531	993
New donations	-	-	-	88
Expenditure	-	(22)	(22)	(63)
<b>Total restricted comprehensive income for the year</b>	<b>531</b>	<b>(22)</b>	<b>509</b>	<b>1,018</b>
Capital grants utilised and released to unrestricted reserve	(531)	-	(531)	(993)
<b>Balances at 31 July</b>	<b>-</b>	<b>296</b>	<b>296</b>	<b>318</b>
<b>Analysis by type of purpose:</b>				
	<b>Consolidated</b>		<b>RVC</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Research support	586	591	296	318
Student welfare and support	1,509	1,057	-	-
Scholarships and prizes	25	23	-	-
Teaching support and general education	184	178	-	-
Clinical services support	1,841	1,641	-	-
	<b>4,145</b>	<b>3,490</b>	<b>296</b>	<b>318</b>

## 32. Consolidated Reconciliation of Net Debt

	2024 £'000	
<b>Net debt 1 August 2023</b>	<u>(27,353)</u>	
Movement in cash and cash equivalents	8,419	
Other changes	(305)	
Changes in market value and exchange rates	564	
<b>Net debt 31 July 2024</b>	<u>(35,513)</u>	
<b>Change in net debt</b>	<u>(8,160)</u>	
	31 July 2024	31 July 2023
<b>Analysis of net debt</b>	<b>Consolidated</b>	<b>Consolidated</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash and cash equivalents</b>	9,991	18,410
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	(168)	(168)
Obligations under finance leases	-	(91)
	<u>(168)</u>	<u>(259)</u>
<b>Borrowings: amounts falling due after one year</b>		
Private placements	(45,000)	(45,000)
Unsecured loans	(336)	(504)
	<u>(45,336)</u>	<u>(45,504)</u>
<b>Net debt</b>	<u>(35,513)</u>	<u>(27,353)</u>

### 33. Capital and Other Commitments

Provision has not been made for the following capital commitments at 31 July:

	<b>2024</b>	<b>2023</b>
	<b>Consolidated and RVC</b>	<b>Consolidated and RVC</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted for	<u>8,737</u>	<u>3,129</u>
	<u><b>8,737</b></u>	<u><b>3,129</b></u>

The increase in capital commitments relates to the APEX Capital Project

### 34. Contingent Liabilities

The RVC has given written undertakings to support the subsidiary companies until 31 January 2026.

In November 2022, LBIC entered into an Agreement for Lease to expand into space in a new development close to the Camden campus. Subject to the satisfactory completion of the conditions set out in the Agreement for Lease, LBIC will enter into a 25-year lease, with the facilities expected to be ready for client occupation during the financial year 2024-25. Under the arrangements, the RVC is acting as guarantor, in the event of LBIC default, and is also a signatory to the Agreement for Lease.

### 35. Lease Obligations

Total rentals payable under operating leases

	<b>Year ending 31 July 2024</b>		<b>Year ending 31 July 2023</b>
	<b>Land and Building</b>	<b>Total</b>	<b>Total</b>
<b>Consolidated and RVC</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Payable during the year</b>	68	68	68
<b>Future minimum payments due</b>			
Not later than 1 year	70	70	70
Later than 1 year and not later than 5 years	280	280	280
Later than 5 years	280	280	350
<b>Total payments due</b>	<u><b>630</b></u>	<u><b>630</b></u>	<u><b>700</b></u>

### 36. Pension Schemes

Different categories of staff employed by the RVC and its subsidiaries are eligible to join one of four different schemes. The two principal pension schemes for the RVC's staff are both defined benefit schemes: the Universities Superannuation Scheme and the Superannuation Arrangements of the University of London. To meet its pension auto-enrolment obligations towards directly engaged staff who are not eligible for the two main pension schemes, the RVC is also a member of the Universities and Colleges Retirement Savings Scheme, a defined contribution scheme. RVC Veterinary Practices Limited ("RVP") enrolls its staff into a defined contribution scheme, the People's Pension scheme.

In accordance with FRS 102, annual contributions to USS and SAUL are accounted for as if each was a defined contribution scheme. The RVC's obligations to fund past deficits for USS are reflected in Note 30 above. The reporting of these schemes in the Financial Statements is as follows:

	Note	2024		2023	
		Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
<b>Statement of income and expenditure - net pension cost in year</b>					
Universities Superannuation Scheme (USS)		4,995	4,932	5,636	5,573
Superannuation Arrangements for the University of London (SAUL)		3,514	3,463	3,209	3,167
People's Pension Scheme		54	-	43	-
Universities and Colleges Retirement Savings Scheme (UCRSS)		17	17	14	14
<b>Employer's contributions</b>	8	<b>8,580</b>	<b>8,412</b>	<b>8,902</b>	<b>8,754</b>
Movement on pension past service cost					
- USS Pension Scheme Provision	8	(24,947)	(24,680)	(3,475)	(3,436)
<b>Net pension charge to Staff costs</b>		<b>(16,367)</b>	<b>(16,268)</b>	<b>5,426</b>	<b>5,318</b>
Interest cost - unwind of discount					
- USS Pension Scheme Provision	11	484	479	895	885
<b>Total net (credit) charge to SOCI</b>		<b>(15,883)</b>	<b>(15,789)</b>	<b>6,321</b>	<b>6,203</b>
<b>Statement of financial position - provision for pension scheme liability</b>					
Pension provisions					
- USS Pension Scheme Provision	30	-	-	24,463	24,201
<b>Total liability on SOFP</b>		<b>-</b>	<b>-</b>	<b>24,463</b>	<b>24,201</b>

### 37. Pension Schemes *continued*

#### Universities Superannuation Scheme (USS)

The RVC participates in the USS pension scheme, which is the main scheme covering most academic and academic-related staff. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The RVC is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS 102, *Employee benefits*, the RVC Consolidated Group and the RVC therefore account for the USS pension scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme in respect of each accounting period. Since the RVC has entered into an agreement, the USS Recovery Plan, that determines how each employer within the scheme will fund the overall deficit, the RVC recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated Statement of Comprehensive Income. As a result of this agreement, the decrease in the pension provision charged to the Statement of Comprehensive Income is (£24,947k) (2023: (£3,475k)).

The total cost charged to the profit and loss account is £4,995 (2023: £5,636k)

Deficit recovery contributions due within one year for the institution are £Nil (2023: £1,789k).

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

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

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

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

**37. Pension Schemes *continued***

**Universities Superannuation Scheme (USS)**

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:  1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap:  CPI assumption plus 3bps  Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):  CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus:  Pre-retirement: 2.5% p.a.  Post retirement: 0.9% p.a.

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

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

The current life expectancies on retirement at age 65 are:

	<b>2024</b>	<b>2023</b>
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4



### 37. Pension Schemes *continued*

#### Superannuation Arrangements of the University of London (SAUL)

The RVC participates in the Superannuation Arrangements of the University of London (SAUL), which is a centralised defined benefit scheme within the United Kingdom and was contracted-out of the Second State Pensions (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 RVC 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.

#### *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 formal actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information, and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2024 and will be reviewed again at SAUL's next formal valuation in 2026.

At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions basis. As SAUL was in surplus on its Technical Provisions basis, no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will fall from a rate of 21% of CARE Salaries of 19% of CARE Salaries from 1 September 2024.

### 37. Pension Schemes *continued*

#### *Accounting policy and costs reflected in RVC's accounts*

RVC 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 (unaudited) market value of SAUL's assets at 31 March 2023 was £3,096 million representing 105% of the liabilities.

It is not possible to identify an individual employer's share of the underlying assets and liabilities of SAUL. RVC accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are therefore based on the amounts actually paid (i.e. cash amounts) in accordance with section 28 of FRS 102.

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

#### **Universities and Colleges Retirement Savings Scheme (UCRSS)**

The RVC participates in the Universities and Colleges Retirement Savings Scheme (UCRSS), which is a defined contribution scheme for the higher and further education sector. It is a centrally arranged scheme, established under a Framework Agreement with Advanced Procurement for Universities and Colleges Limited. UCRSS is delivered through the Mercer Master Trust. UCRSS enables the RVC to provide access to pensions provision for those staff who are not eligible for the two main schemes operated by the RVC and for the College to meet its pension automatic enrolment responsibilities under the Pensions Act 2008.

#### **People's Pension Scheme**

RVC Veterinary Practices Limited uses the People's Pension Scheme to meet its pension automatic enrolment responsibilities under the Pensions Act 2008: this also provides continuity for the staff previously employed by the Acorn Partnership. The People's Pension Scheme is a master trust (a multi-employer scheme run by trustees) and provides a defined contribution scheme available to employers across the United Kingdom.

### 38. Related Party Transactions

Due to the nature of the Institution's operations and the composition of its Council (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council may have an interest, we have disclosed these transactions. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities. Included within the financial statements are the following transactions with related parties:

	Income from related party £'000	Expenditure to related party £'000	Balance due to/(from) related party £'000
RVC Students Union	-	308	1
University of London	(47)	208	-
Wellcome Trust	(260)	-	-
Haoma Medica Limited	(21)	-	(32)
Versus Arthritis	(27)	-	-
Vet Schools Council	-	20	-
Agria Pet Insurance	(751)	-	-
NC3Rs	(7)	-	-
AAVMC *	4	20	-
RCVS	-	27	-
	<u>(1,109)</u>	<u>583</u>	<u>(31)</u>

\* Income for AAVMC includes unspent grant funds returned during the year.

#### RVC Students Union

The President of the RVC Students' Union is ex officio a member of Council of the RVC. Expenditure relates to grant funding and trading transactions.

#### University of London

In his role as Principal, Professor SWJ Reid, is a member of the Collegiate Council and Estates Committee at the University of London. Income relates to the RVC's share of distance learning tuition fees and donations. Expenditure relates to trading transactions.

#### Wellcome Trust

Professor SWJ Reid is on the Board of Surveillance and Epidemiology of Drug-resistant Infections Consortium (SEDRIC), a part of the Wellcome Trust. Income relates to research grant funding and expenditure relates to trading transactions.

#### Haoma Medica Limited

One member of Council has shareholdings in Haoma Medical Limited. The company is undertaking some research at the RVC. Income relates to trading transactions with LBIC and research grants. Outstanding amounts relate to these income streams, and there is a bad debt provision for these amounts.

### **38. Related Party Transactions *continued***

#### **Versus Arthritis**

One member of Council holds a position on Arthritis Research UK Fellowship Funding Panels. Income received relates to research grants and outstanding amounts relate to unpaid invoices raised in respect of these grants.

#### **Agria Pet Insurance**

One member of Council is Veterinary Panel Lead at Agria Pet Insurance. Income relates to pet insurance claims for animals treated at the RVC veterinary practices.

#### **Vet Schools Council**

Professor SWJ Reid is a member of the Veterinary Schools Council. Income relates to recharged expenses. Expenditure relates to subscriptions.

#### **NC3Rs**

One member of council is a CRACK IT advisory panel member for NC3Rs. Income relates to research grants.

#### **American Association of Veterinary Medical Colleges**

Professor SWJ Reid is a member of AAVMC Board of Directors. Expenditure relates to subscriptions.

#### **Royal College of Veterinary Surgeons**

Professor SWJ Reid is a member of RCVS Mind Matters and Education Committee. Expenditure relates to subscriptions

## COUNCIL MEMBERS

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The Council members who held office during the year and until the date on which the Financial Statements were formally approved were as follows:<sup>2</sup>

### Independent Members

Baroness Young of Old Scone F&GPC, ARC, G&N (Chair)

Mr RMF Bright [F&GPC, SSRC, G&N] (Hon. Treasurer; Vice Chair) (until 31 July 2024)

Ms J Alexander [F&GPC, SSRC, G&N] (Vice-Chair from 1 August 2024)

Mr A Scott [F&GPC] (Hon. Treasurer from 1 August 2024) (from 1 August 2023)

Mrs A Pearce Higgins [A&RC] (Chair of A&RC)

Dr Stephanie Armstrong (from 1 August 2024)

Ms A Cooper [A&RC]

Mr R Hargreaves

Mr J Heawood [F&GPC] (until 31 July 2024)

Dr Z Latif

Professor L Nasir [G&N]

Dr S Virdee [A&RC]

Mrs Sophie White (from 1 August 2024)

### Members elected by the Academic Board

Professor J Maddison (until 31 July 2024)

Professor A Pitsillides (until 31 July 2024)

Professor S Priestnall (from 1 August 2024)

Dr D Palmer (from 1 August 2024)

### President of the Students' Union (ex-officio)

Ms E Prideaux

### Principal (ex-officio)

Professor SWJ Reid CBE [F&GPC, G&N]

The members of Council are considered to be the Trustees of the Royal Veterinary College as an exempt charity.

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<sup>2</sup> Members of the following Council Committees are signified as follows:

<sup>G&N</sup> Governance & Nominations Committee      <sup>A&RC</sup> Audit & Risk Committee

<sup>E&W</sup> Ethics & Welfare Committee      <sup>F&GPC</sup> Finance & General Purposes Committee

<sup>SSRC</sup> Senior Staff Remuneration Committee

## **IN ATTENDANCE AT COUNCIL**

### **Secretary to Council and Chief Operating Officer**

Mr I Darker

### **Chief Financial Officer**

Ms J Waterfield

### **Deputy Principal**

Professor D Church

### **Vice Principals**

Professor A Boswood (Learning, Teaching & Assessment)

Professor S May (Senior) (until April 2024)

Professor I McGonnell (Students)

Professor O Pybus (Research & Innovation)

Dr C Thurania-McKeever (Equality, Diversity & Inclusion)

Ms A Boag (Clinical Services)

### **Head of Governance & Risk**

Mr F Silverio

## **CO-OPTED MEMBERS OF COUNCIL COMMITTEES**

Mrs A O'Hara [F&GPC]

Ms N Onuba [F&GPC]

Mr D Cook [A&RC]

Mr A Hill [A&RC]

Dr S Lishman CBE [E&W]

Professor W Thomson [G&N]

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**Celebrating over 233 years.  
Still making history.**

Established in 1791, the RVC is the UK's longest-standing veterinary college – with a proud heritage of innovation in science, clinical practice and education.