

# Royal College of Music

## Annual Review and Financial Statements

### 2024/25



# CONTENTS

Chairman's message.....	5
Director's report.....	6
Annual review	
Financial review.....	7
Progress of RCM Strategic Plan 2017 to 2027.....	11
Inspirational programmes.....	13
Research and innovation.....	15
Musical performance.....	16
Learning for all.....	18
Creative Careers.....	20
Digital Innovation.....	21
Culture and Heritage.....	22
Equity, diversity, inclusion and belonging.....	23
Philanthropic Support.....	24
Sustainability.....	25
Estates.....	27
Financial statements	
Corporate governance and responsibilities of the Council.....	28
Independent auditor's report to the Council of the Royal College of Music.....	32
Statement of principal accounting policies.....	36
Statement of comprehensive income.....	42
Statement of changes in reserves.....	43
Balance sheet.....	44
Statement of cash flows.....	45
Notes to the accounts.....	46

*Cover image: RCM Opera Studio's production of Ravel's L'heure espagnole taken by Chris Christodoulou*

#### Patron

HM King Charles III

#### Vice-Presidents

The Most Revd and Rt Hon the Lord Archbishop of Canterbury

The Most Revd and Rt Hon the Lord Archbishop of York

The Rt Hon the Lord Mayor of London

Jane Barker CBE FRCM

Sir Anthony Cleaver FRCM

[deceased July 2025]

Professor Colin Lawson CBE FRCM

[appointed August 2024]

Humphrey Norrington OBE FRCM

Dame Janet Ritterman DBE HonDMus

Professor Lord Winston FRCM

#### Council members

##### Council independent members

Lord Black of Brentwood (Chairman)

Catherine Clarke (Deputy Chair)

Peter Dart

[term completed July 2025]

Baroness Fleet CBE

Richard Goulding

Professor Peter Holgate

Sir George Iacobescu CBE

[resigned October 2024]

Ruth Keattch

Jamie Njoku-Goodwin

Duncan Owen

[appointed August 2024]

Nandkishore (Nandu) Patel

[appointed August 2024]

Geoffrey Richards HonRCM

Nadine Thompson

[appointed January 2025]

Professor Shirley J. Thompson OBE

Dr Paula Walter

Sir Guy Weston HonRCM

##### Council ex-officio and elected members

James Williams LVO FRCM (Director)

[appointed September 2024]

Kevin Porter HonRCM (Deputy Director)

Dr Ingrid Pearson HonRCM

Patricia Rozario OBE FRCM

Sarah Hanratty HonRCM

[appointed August 2024]

Leila Hooton

[Students' Union]

#### Clerk to the Council

Sharon Moloney

#### Finance and General Purposes Committee

Richard Goulding (Chair)  
Lord Black of Brentwood  
Catherine Clarke  
Ruth Keattch  
Duncan Owen  
James Williams LVO FRCM

#### Audit & Risk Assurance Committee

Professor Peter Holgate (Chair)  
Peter Dart  
Dr Paula Walter

[term completed July 2025]

#### Registered Office

Royal College of Music  
Prince Consort Road  
London  
SW7 2BS

#### Auditors

MHA Audit Services LLP  
6th Floor, 2 London Wall Place  
London  
EC2Y 5AU

#### Bankers

Royal Bank of Scotland PLC  
36 St Andrew Square  
Edinburgh  
EH2 2YB

#### Solicitors

Boodle Hatfield LLP  
240 Blackfriars Road  
London  
SE1 8NW

## CHAIRMAN'S MESSAGE



The Royal College of Music is synonymous with exceptional quality in music education, combining heritage and innovation to empower students as they prepare for their futures in music. Our students are encouraged to be versatile and imaginative in today's multifaceted industry, benefitting from the resources and advice offered by the outstanding Creative Careers Centre, which celebrated its 25th anniversary this year. The Centre supports students during their studies and for up to five years afterwards, providing invaluable professional opportunities and connections – a blend of ambition and realism that equips young musicians with the flexibility and confidence to thrive.

For the fourth consecutive year, the Royal College of Music was ranked the Global No.1 institution for Performing Arts, also garnering the top spot for Music in the QS World University Rankings by Subject for the second time, having earned the inaugural No. 1 spot last year. This continued acclaim at the highest level reflects the hard work and dedication of all the College's staff, and the excellent leadership of Director, James Williams as he reaches the end of his first academic year in post.

Royal College of Music students are amongst the most talented musicians in the world, and we support the very best students from the UK, EU and beyond with scholarships, regardless of background. This year we awarded £5.9 million in scholarships, bursaries and awards, made possible by the generous donations of our supporters, to whom we remain enormously grateful.

Some of the most precious musical artefacts in existence are displayed at the RCM Museum, and this year its temporary exhibition space has attracted a new cohort of visitors to the College with *Kurt Cobain Unplugged*. Visitors have been deeply moved by the exhibition, which was made possible thanks to Peter Freedman AM, who not only provided the generous loan of Cobain's guitar but also established a new Australian Commonwealth Scholarship Fund for exceptional talent.

Cutting-edge technology in outstanding surroundings benefits RCM students and Europe's first Spiriocast broadcast was presented in an innovative collaboration between the College and Steinway & Sons, bringing RCM performances to audiences worldwide. Meanwhile the RCM's iconic campus in South Kensington earned a 2025 Royal Institute of British Architects London Award, celebrating the landmark More Music redevelopment which delivered new transformative performance spaces, social spaces and teaching rooms.

Research brings great richness and depth to the College's educational programme, bearing fruit in publications such as the book *Inside the Contemporary Conservatoire: Critical Perspectives from the Royal College of Music, London*. Co-edited by former RCM Director, Professor Colin Lawson, Dr Diana Salazar and Professor Rosie Perkins, this volume demonstrates the breadth of knowledge underpinning College life.

On Council we were very sorry to say goodbye to Peter Dart and thank him for his enormous contribution to the RCM over many years, and in turn we welcome new Council member Nadine Thompson. I am delighted that Leila Hooton has been re-elected as Students' Union President after a successful year in the role. I am profoundly grateful to all members of Council for their insight, expertise and unwavering commitment to the future of music.

Lord Black of Brentwood  
Chairman

## REPORT FROM THE DIRECTOR



My first year in post as RCM Director has been truly inspiring.

The College's well-earned reputation for excellence continues to manifest itself throughout the diverse range of teaching, performance and research it offers to its global community of c.1000 students, drawn from 63 different nationalities. RCM students have represented the College on prestigious concert platforms across the world, which have included appearances by the RCM Symphony Orchestra at the BBC Proms, Helsinki Festival and Aldeburgh Festival, and chamber ensembles performing at Wigmore Hall and Cadogan Hall. Research continues to play a central role in the College's identity and it has hosted several major international conferences across the year focused on music, health and wellbeing. It has been particularly rewarding for me to witness the RCM's commitment to its Junior Programmes, particularly the College's Junior Department and the work that RCM Sparks undertakes to connect the College with local schools and local communities. The RCM's collections remain at the forefront of our connection with the public and we were thrilled in June 2025, to open a new exhibition in our museum, *Kurt Cobain Unplugged* featuring the UK debut of Cobain's iconic Martin D-18E guitar.

Partnerships remain central to the College's ethos and we're thrilled to be developing further our long-standing partnership with the ABRSM and also Nanyang Academy of Fine Arts in Singapore, alongside initiating a new partnership with Rambert School of Ballet and Contemporary Dance. The RCM has welcomed this year key figures from industry to engage with our students, including the Controller of BBC Radio 3 and senior executives from Universal, and we continue to live our founding value of advocacy with several RCM events hosted at Downing Street.

Beyond the music, it is the RCM's community of students, staff, supporters and audiences that makes the College a unique and special place and I'd like to take this opportunity to thank them all for their ongoing commitment to the College.

James Williams LVO FRCM  
Director

## FINANCIAL REVIEW

<b>Performance *</b> Total income: £43.4m (£37.1m) Surplus for the year: £10.7m (£8.8m) Underlying surplus before gains and losses: £6.1m (£1.3m) <i>Underlying surplus is explained below</i>	<b>Liquidity and Debt</b> Borrowings: £0.2m (£1.9m) Cash and short-term investments: £15.6m (£10.5m) Net cash: £15.4m (£8.6m) <i>Net cash includes short-term investments</i>
<b>Investment</b> Capital expenditure: £1.2m (£1.9m)	<b>Financial Strength</b> Net assets: £124.5m (£113.8m)

\* Comparative data for the prior year 2023/24 is shown in brackets throughout this review.

The reported surplus for the year was £10.7m, compared to £8.8m in 2023/24. The surplus included gains of £5.1m (being a £2.6m gain on investments, and a £2.5m gain on disposal of fixed tangible assets) compared to a £2.9m gain on investments in 2023/24. These gains and losses relate primarily to investments held by the restricted Scholarships and Awards fund, or to asset disposals, and are not reflective of the underlying operations of the College. The surplus was reduced by a £0.5m adjustment to provide for future liabilities arising from a change to the scheme rules of the RCM Pension & Assurance Scheme, whereas last year the surplus was increased by a £5.0m adjustment in relation to the USS pension scheme, which was partly offset by a new provision for unfunded pensions of £0.4m.

In order to provide a comparable measure of the College's performance we have excluded the impact of pension adjustments and the gains and losses on investments and tangible fixed assets to calculate the underlying surplus. The underlying surplus for the year was £6.1m, compared with £1.3m in the previous year.

	2024/25	2023/24
	£m	£m
Reported surplus for the year	10.7	8.8
Remove gains on investments/disposals	(5.1)	(2.9)
Remove pension adjustments	0.5	(4.6)
<b>Underlying surplus before gains and losses</b>	<b>6.1</b>	<b>1.3</b>

The change in the underlying surplus reflects a year-on-year increase of 17% in income and 4% in our underlying costs, with an easing of inflationary pressures. The increase in income was exceptional for a number of reasons: a high level of new endowments of £2.3m (2023/24: £0.5m), record student numbers leading to fees 8% higher year on year, and income from our investment in ABRSM which increased from £0.5m in 2023/24 to £1.75m in 2024/25. Staff costs were well controlled, with the underlying cost increasing by 4% compared with a 5% increase in the previous year. The increase in other operating costs was also lower at 4% (last year 12%) as inflation, particularly on energy and other premises costs, fell below the exceptionally high levels seen across recent years.

### Capital Investment

Capital Expenditure was £1.2m (2023/24: £1.9m) in 2024/25, including £0.5m on the estate, £0.3m in instrument purchases, and £0.4m on IT and digital provision.

### Liquidity and Debt

Cash balances and current asset investments at 31 July 2025 were £15.6m (£10.5m) including a £7.3m investment in a money market fund managed by the Cazenove Capital Cash Administration Service, split between £4.8m of general unrestricted funds and £2.5m of restricted funds. Excluding balances relating to restricted funds, cash and current asset



investments represented 121 (73) liquidity days, slightly over our policy to maintain operating cash in a range of 60 to 120 days.

Borrowings of £0.2m were lower than last year with no money drawn on the £11m Revolving Credit Facility (RCF) and only a £0.2m balance on our long term loan from RBS which will be fully repaid in 2026. Including current asset investments, our overall year end net cash was £15.4m (£8.6m).

## Pensions

The value of our pension liabilities decreased in the year from £410k at 31 July 2024 to £87k at 31 July 2025. The prior year liability related to unfunded pension liabilities of the College, which have now been incorporated into the RCM Pension & Assurance Scheme (RCMP&AS). The current year figure relates to RCMP&AS (see below).

### Universities Superannuation Scheme (USS)

Most support staff are in USS, a multi-employer scheme where the assets and liabilities are pooled and the College's share cannot be separately identified. Instead we account for liabilities arising under the scheme's deficit recovery plan. In 2024/25 our contribution rate remained at 14.5%, and at 31 July 2025 the scheme was in surplus.

### Teachers' Pension Scheme (TPS)

TPS is also significant, covering most of our teaching staff. In the prior year our contribution rate for this scheme increased from 23.7% to 28.7% on 1 April 2024, and remained unchanged in 2024/25. For TPS we account for contributions on a "pay as you go" basis with contribution rates determined by the Exchequer.

### RCM Pension & Assurance Scheme (RCMP&AS)

RCMP&AS has been closed to future accrual since 2007. An actuarial valuation was carried out at 1 August 2022 showing a funding shortfall of £4.3m and, following an agreement with the Trustee, the College made deficit contributions of £4.6m in the year ended 31 July 2023 and £0.8m in the year ended 31 July 2024 which were used by the Trustee to realign the investment portfolio of the scheme to lock in the benefit of higher long term interest rates. In June 2025 the College made a further deficit contribution of £0.8m and an insurer backed Pension buy-in was completed whereby the Plan assets (excluding a small number of insurance policies) were exchanged for a bulk annuity agreement, allowing cover of the Plan's liabilities by third party insurers while retaining management responsibility within the scheme. The Pension buy-in is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience on future pension payments. The Scheme has yet to equalise in respect of Guaranteed Minimum Pensions, and we expect to make a further payment in order to insure this final element of the Scheme's liabilities.

The scheme showed a small actuarial deficit of £87k at the end of the year, compared to a £2.4m surplus last year, although as explained in the accounting policies, it was not appropriate to recognise the surpluses as an asset in the financial statements last year.

## Investments

The Investment Committee monitors the performance of RCM's investment portfolios; at 31 July 2025 these had a total value of £55.8m (£48.0m). The increase of £7.8m was due to net market gains of £2.6m, new endowments of £2.4m, and new General Fund investments of £2.8m.

There are three main funds:

- Scholarship and Awards Fund £49.6m (£44.8m): a mix of permanently and expendable endowed funds for scholarships and awards, managed during the year by Cazenove Capital and Sarasin & Partners;
- Junior Department Appeal Fund £0.9m (£0.9m): a permanently endowed fund for bursaries, managed during the year by Sarasin & Partners;
- General Fund £4.8m (£2.0m): an unrestricted fund established to work in coordination with RCM's working capital and capital requirements, invested in a money market fund managed by the Cazenove Capital Cash Administration Service.

RCM's investment strategy and [policy for responsible investment](#) are set by the Finance & General Purposes Committee, on the recommendation of the Investment Committee.

### Total return

The Council exercised the power granted under s.104A(2) of the Charities Act 2011 to manage the permanently endowed Scholarships and Awards Fund ("S&AF") (excluding the portion of it that is invested in CLV (RCM) LLP through the RCM subsidiary RCM Business Enterprises Limited) on a total return basis from 1 August 2021, to manage the Junior Department



Appeal Fund ("JDAF") on a total return basis from 1 August 2022, and to manage the Faculties & Other Fund on a total return basis from 1 August 2024. In all cases the power permits RCM to invest the funds to maximise the total return on investments (taking both capital values and income into consideration) and, therefore, to make available an appropriate portion of the total return for expenditure each year, after taking account of, among other things, for preservation of the real term value of the permanent endowment. Until this power is exercised in full, the total return shall be an 'unapplied total return' and remain as part of the permanent endowment.

### **Investment Strategy and Objectives**

Our strategy is to maintain the value of the funds in real terms over the long term, with reference to the UK's Consumer Prices Index, and to produce a consistent and sustainable amount each year to be available for spend on scholarships and awards. Growth in the real term value of the funds is achieved through adding capital to the funds through new legacies and endowments.

The investment objective for both funds is to generate an average total return of 4.0% per annum over the Consumer Prices Index (CPI), after deduction of fees, over rolling five year periods, with an appropriate profile of risk. Investment performance is monitored against agreed long and short term benchmarks and peer group funds.

### **Strategy for managing the funds on a total return basis**

Our strategy addresses market risk by maintaining an appropriate level of unapplied total return at both the overall and individual fund level to provide a good level of assurance that the planned income distribution can be released each year, even when there is a temporary reduction in the value of the endowment due to stressed market conditions. For the JDAF we aim to distribute 4.0% of the average of the value of the fund at the three previous year ends to be used for scholarships and awards. For the S&AF we aim to distribute 3.4% using the same calculation: this is set at lower than the 4.0% investment objective used for the JDAF to allow for a reduced distribution on newer funds within the endowment as a suitable level of unapplied total return is built up on those individual funds.

We monitor the level of unapplied total return each year and adjust the target distributions accordingly. We also ensure that no distribution is made from the original endowments. We also monitor and report each year on the real terms value of the original endowments (including future sums received), comparing them to the overall fund values to gain assurance that we are taking the right steps to maintain the real term value of the funds over the long term with reference to CPI. We also gain assurance through monitoring the performance of the investment portfolio against short term benchmarks and longer term measures of CPI.

Note 20 to the financial statements discloses the amounts set as opening unapplied total return and the amounts allocated to income in the year from the unapplied total return.

### **Individual funds within the Scholarships & Awards fund**

In July 2023 the College commenced a project to rationalise and consolidate some of the over 100 individual funds that make up the Scholarships & Awards fund to enable the funds to be used more effectively, supported by legal advice and in accordance with the Charities Acts 2011 and 2022. The project completed in July 2025 when the Council approved the final stage, which had been agreed by the Charity Commission. In three stages over a period of two years, 76 funds with an aggregate value of over £24m were combined and three new endowment funds were created: the Combined Scholarships Fund 2023, the Combined Expendable Scholarships & Awards Fund and the Combined Prize Fund 2023. The College has taken great care to ensure that donors' wishes and preferences are respected, and all named scholarships will continue.

### **Future Outlook**

The overall economic and social outlook is challenging, and financial pressures on the Higher Education sector are increasingly understood. Inflation has come down, but the College continues to experience the effects of below inflation increases in home fees and funding over many years and indeed the UK's departure from the EU. We continue to monitor geopolitical risks, most notably in engagement with China.

Nevertheless, enrolments to study at RCM were strong in 2024/25, although we expect a slightly lower intake for the 2025/26 academic year which is expected to lead to a small year on year reduction in fee income. Our current plans do not include any significant growth in student numbers for the next few years, although there will always be year on year fluctuations, as we are broadly in line with our target capacity.

As a result of lower student numbers and an expected reduction in endowment income, the Budget for 2025/26 shows a smaller surplus than the result for 2024/25, reflecting a more normal performance going forward. Between £1.5m and £2.0m per annum of capital expenditure is planned in 2025/26 and beyond.

Going Concern

The accounts have been prepared on a going concern basis, and the Statement of Corporate Governance & Responsibilities of Council sets out the steps taken by the Board in reaching the conclusion that the going concern basis is appropriate.

Staff

RCM’s teaching is undertaken mainly by hourly-paid professional musicians who provide one-to-one tuition for their students, with administration undertaken in the main by permanent, full or part-time salaried staff. In 2025/26 RCM granted a pay award of 3% on the pay scale, effective 1 August 2025.

Unison is a trade union recognised by RCM and its elected representatives are permitted to take reasonable paid time off to carry out certain union duties. In the 12 months to 31 March 2025, the amount of time spent by RCM staff on trade union activities and the cost related to that time was:

• number of union officials	one
• time spent on union activities by this employee was in the band	1% to 50%
• cost of staff time spent on union activities	£1,027
• total RCM staff cost (excluding pension adjustments)	£18.8million
• staff cost related to union activities as a percentage of RCM’s total staff cost	0.01%
• time spent on paid trade union activities	0.00%

Charities Act 2011 and principal regulator

Under the Charities Act 2011, the Office for Students (OfS) is the principal regulator of those English higher education institutions (HEIs) that are exempt charities. Exempt charities are exempt from direct regulation by the Charity Commission and are instead overseen by the OfS to ensure compliance with charity law. A small number of HEIs, including RCM, are also registered charities and monitored and regulated as charities by the Charity Commission; this is in addition to OfS’ own accountability oversight.

RCM is registered with the Fundraising Regulator. Registration is on a voluntary basis and RCM is committed to adhering to the Regulator’s “Code of Fundraising Practice”.

Public benefit

The RCM Council is cognisant of the Charity Commission’s guidance on public benefit and in preparing this Annual Review has given due consideration to this guidance and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

RCM’s charitable aims are to provide specialised musical education and professional training at the highest international level for performers and composers, within an environment that stimulates innovation and research. This enables talented students from all backgrounds to develop the musical skills, knowledge, understanding and resourcefulness that will be required to contribute significantly to arts and culture in this country and internationally.

Those benefiting from RCM’s charitable aims are RCM students, members of the public and the community when attending concerts and education outreach work. Outreach work is centred in the London Boroughs of Westminster, Hammersmith & Fulham and Kensington & Chelsea. These areas are densely populated with remarkable diversity, wide socio-economic disparities and pockets of high deprivation. More details of our concerts and outreach work can be found throughout this Annual Review.

Rachel Harris  
Director of Finance & Technology

## PROGRESS OF RCM STRATEGIC PLAN 2017 TO 2027

### Mission and principal objectives

Royal College of Music provides specialised musical education and professional training at the highest international level for performers and composers, within an environment that stimulates innovation and research. This enables talented students from all backgrounds to develop the musical skills, knowledge, understanding and resourcefulness which will equip them to contribute significantly to musical life in this country and internationally.

### Objects of the Royal College of Music

The Mission Statement supplements RCM's objects as set out in the 1883 Charter:

- 'the advancement of the Art of Music by means of a central teaching and examining body charged with the duty of providing musical instruction of the highest class, and of rewarding with academical degrees and certificates of proficiency and otherwise persons, whether educated or not at the RCM, who on examination may prove themselves worthy of such distinctions and evidences of attainment';
- 'the promotion and supervision of such musical instruction in schools and elsewhere, as may be thought most conducive to the cultivation and dissemination of the Art of Music in the United Kingdom'; and
- 'generally encouragement and promotion of the cultivation of music as an art throughout the world'.

### Strategic Plan 2017-27

The College's current Strategic Plan runs from 2017-2027. The previous phase of the Strategic Plan (extended to 2021 because of Covid-19) centred on the More Music: Reimagining the Royal College of Music Campaign, which transformed the College. The project effected a physical transformation that has expanded the spaces available to students and visitors of all ages to make and learn about music. These vibrant, cutting-edge facilities provide an inspirational learning environment in which our students can create, research and perform.

Council approved an updated Plan in July 2025, for the final two years of the existing Plan. It includes the following priorities:

- Following a comprehensive curriculum review in 2025-26, the College will implement a refreshed BMus programme from September 2026. The new programme design will focus on developing RCM graduates who are highly skilled, resilient, and versatile artists, equipped for the music profession of the future.
- Continue our pursuit to diversify our international strategy, including student recruitment, and stakeholder and partner engagement, taking and creating opportunities where these emerge in a fast-changing world.
- Develop further the RCM's work in advocacy, making the case to Government for the value of a conservatoire education and provision of music as part of the UK's core school curriculum.
- Minimise the environmental, social, and economic impacts of our operations. Apply a mature and multidimensional approach to sustainability that encourages members of the RCM to respond to environmental and societal challenges in our day-to-day operations, in the profession, and across the globe.
- Embrace the use of new technologies, including AI, to enhance processes that improve the staff and student experience.

During 2025/26, the College will start work on a new Strategic Plan to cover the period from 2027-33, culminating in the commemoration of the College's 150<sup>th</sup> anniversary.

## Principal risks and uncertainties

The RCM Risk Management Strategy and Policy (reviewed and revised during 2024) sets out the respective roles of the RCM Directorate, Council, Audit & Risk Assurance Committee and Finance & General Purposes Committee in managing risk. It also sets out the key controls and our approach to risk management. The RCM Risk Register identifies key risks, likelihood of occurrence, potential impact on RCM and actions being taken to reduce and mitigate risks. The risks themselves are prioritised using a consistent and simple three tier scoring system to denote the priority level of each strategic risk. These are: red (high priority); amber (medium priority); and green (low priority).

The Register is subject to annual review by the RCM Directorate and is monitored and updated throughout the year with an annual report on risk management presented to all Committees involved in managing risk, including the Council. The risk register had its final review of the academic year by Directorate in May 2025.

Overall we have a similar number of risks, with two scored 'red'. We have reviewed the definitions and scoring of risks and updated the text that accompanies them. Our 'red' risks relate to the risk of 'failure to deliver efficient ICT solutions for staff and students' and 'change of government priorities/policy impacts RCM funding and/or pipeline of students'.

## Key Performance Indicators

The RCM Council reviews annually key performance indicators (KPIs) which have been developed to measure and to give assurance over the College's sustainability. The KPIs cover financial performance and sustainability, financial health, research sustainability, teaching & learning, student experience and environmental sustainability.

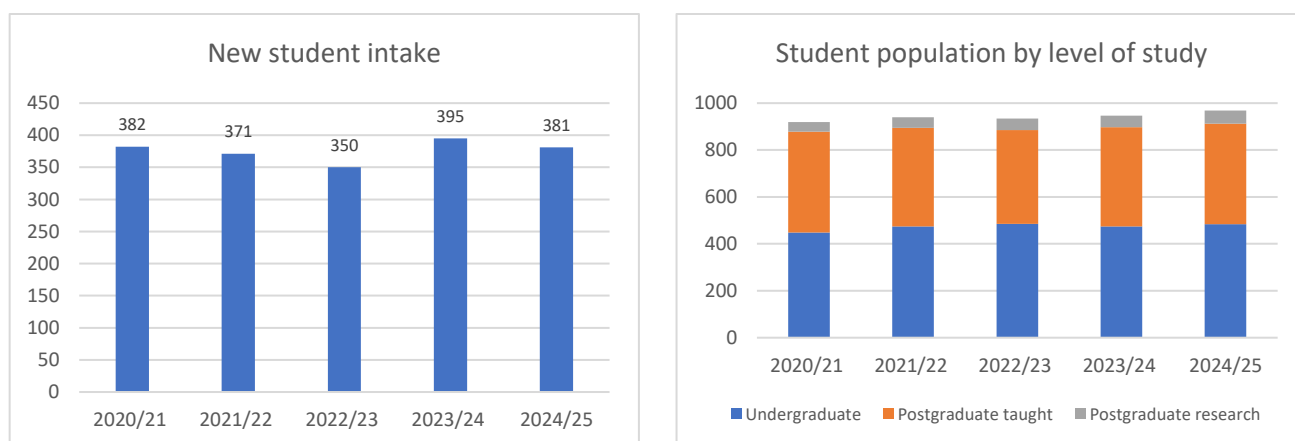


RCM students performing in the Amaryllis Fleming Concert Hall taken by Ben Ealovega

## INSPIRATIONAL PROGRAMMES

The Royal College of Music offers students learning experiences that reflect cutting-edge professional practice, research, and innovation in music, including transnational modules through the Global Conservatoire.

The College's performance in the 2025 National Student Survey (NSS) was positive overall, with particularly strong results in the areas of teaching quality and learning resources and facilities. Once again, the College's Library received outstanding feedback from students, ranked second among UK university libraries, after the University of Oxford. However, several NSS positivity scores have declined, especially in course organisation, challenge, and structure, as well as student representation. These will be key areas for exploration in collaboration with students as we undertake a periodic review of the BMus programme in 2025-26.



*National and international demand to study at the College is very high and home and overseas recruitment for all programmes remains strong. In addition to the figures above, we welcome visiting students from partners including Nanyang Academy of Fine Arts in Singapore, Boston University and Princeton University.*

A small and international cohort of Master of Music Education (MMusEd) students commenced their studies in September 2024, the first year of this new programme. The two-year course blends the development of high-level performance or composition skills with exploration of inclusive pedagogies and communication skills relevant to music education environments today. Collaborations with multiple local educational partners underpin the programme design, ensuring stimulating and relevant placement experiences for MMusEd students. Work continues to raise awareness of this new programme and it has been encouraging to see modest growth in the applications for September 2025 entry.

Following recent programme reviews at Masters and Doctoral levels, there were no periodic reviews of RCM programmes scheduled for 2024/25. However, work commenced early on the BMus review 2025-26 to provide sufficient time for in-depth data gathering, benchmarking, consultation, and analysis for this major curriculum project. Priorities include: consolidation of credit variations into a clearer structure for students to navigate; the development of a new module framework to promote improved parity of workload between modules of similar sizes; updating the degree classification approach to adopt a more standard weighted average model. Emerging themes for the review include developing students' entrepreneurship, AI-literacy, communication skills, and resilience as the performers and composers of the future.

Eleven Global Conservatoire courses were offered to RCM students in 2024/25, representing the College's largest portfolio to date. New additions included 'Creative Jamming with Ableton Live', delivered by CvA, 'Danish Art Songs in Danish', delivered by RDAM, and 'Music, Sound and Environment', a new course designed by RCM professor in electronic music, Nicholas Moroz. In addition to credit-bearing courses, the RCM Studios team has been supporting testing of low-latency platforms to enhance our distance masterclass and teaching activity with Global Conservatoire partners. Investment in new CESNET MVTP (Modular Video Transmission Platform) technology has enabled the College to engage in ultra-low latency performance projects with greater accessibility and more reliability than the LoLa



technology in use previously. There was an opportunity to showcase this work in late April, when we were delighted to host the annual Global Conservatoire Transnational Meeting. Over two days, we welcomed over 40 delegates from the four Global Conservatoire partner institutions to share best practices and explore strategic developments in digital learning, AI, and transnational collaboration.

Throughout 2024/25 students across the College have been benefitting from the upgraded RCM Performance Simulator, both in the Performance Studio and its smaller sibling based in LG02. Students are now able to book this facility, accompanied by a dedicated backstage assistant, to prepare for auditions and high-profile public performances, help overcome performance anxiety and improve stage communication and presence.

In response to rapid developments in generative AI we are continuing to monitor the impact of AI tools, both text-based and music-based, on assessment integrity. Early in spring 2025 we published updated Guidelines on the Responsible Use of AI in Assessment, supplemented by new guidance for staff to support the development of AI-literacy in teaching and assessment.

In summer 2025 the College announced it will validate and confer foundation, undergraduate and postgraduate degree programmes at Rambert School of Ballet and Contemporary Dance (Rambert School) from the 2026/27 academic year. This development builds on our existing collaboration through a shared postgraduate elective module, 'Music and Dance Collective'. The new validation partnership paves the way for further innovative artistic collaborations, with students at both institutions able to benefit from the unique opportunity to work closely on interdisciplinary projects.



Head and Chair of Composition Professor Jonathan Cole teaching a composition student taken by Chris Christodoulou

## RESEARCH AND INNOVATION

This year has brought diverse activity across the fields of external research grant capture, knowledge exchange, research events and preparation for REF2029.

The academic year 2024/25 has been another very active year for research grant bids, with project proposals submitted for both major and small-scale bids, involving an array of academic and non-academic partners. Prominent within these bids have been projects addressing key government priorities, including overcoming barriers to opportunity, health and wellbeing for all, and economic growth, areas where RCM research has an impressive established track record. Recognising the challenging funding landscape in the UK, with success rates for some funding schemes currently only 5%, the Research Office has arranged specialist training and mentoring on EU funding schemes from an external consultant, leading to two substantial bids for Horizon Europe funding (up to €2m each) currently in development.

Significant attention has been given this year to the potential for the AHRC-funded Performance Lab to support income-generating and other commercial activity, and to build a portfolio of business engagement activity that contributes directly to the government's growth agenda. A working group involving lead researchers and Directorate members is overseeing strategy in relation to emerging funding opportunities, and has developed improved public-facing information for training packages, building on staff expertise in leadership and performance optimisation. Emphasis has been placed on how this activity will maintain the College's profile as a leader in this area, and the benefit that this can produce for exercises like the Knowledge Exchange Framework and REF2029. Research Office funds have supported input from an external consultant on Intellectual Property and spinout strategies, increasing the College's understanding of opportunities and challenges in these areas.

Planning is now well underway for REF2029 (the Research Excellence Framework) in recognition of its importance for core funding. A College submission to the REF2029 'People, Culture and Environment (PCE)' Pilot has served as a trial run for this new component of the exercise, helping to identify areas of research support that need to be enhanced, and providing an opportunity for the College to inform evolving REF policy on PCE. Three projects have been identified as the basis for REF impact case studies, and initial training on impact has been conducted with the lead researchers. A recent staff survey identified a need for clearer articulation of expectations regarding research outputs in relation to REF; a training session on REF criteria will accordingly be arranged for all research staff in the autumn. In June it was announced that the RCM's Head of Research Professor Robert Adlington will be serving as Chair for the REF2029 subpanel assessing Music, Drama, Dance, Performing Arts, Film and Screen Studies, in which capacity he will lead on liaison with the wider research community in advance of the exercise, as well as overseeing the subpanel's assessment work in 2029.

Several research events in 2024/25 have disseminated College research activity to diverse audiences. These included; a two-day event hosted by the Museum entitled 'Rediscovering the RCM Clavicytherium: New Perspectives for Research and Performance', in which performers, makers, musicologists and historians gathered to consider the significance of the RCM's clavicytherium, the world's earliest surviving stringed keyboard instrument; the inaugural Music and Parental Wellbeing Symposium, which brought together interdisciplinary and international delegates to advance understanding of how music can support parental wellbeing, and marked the creation of a new alliance intended to push forward future work in this area.

The College receives recurrent funding from government to support different areas of research-related activity, such as policy support, participatory research, research culture and knowledge exchange. This year, 24 College researchers have benefited from these funds, supporting research and knowledge exchange projects across the full spectrum of the College's research activity. These include composition premieres in Japan and Ireland, innovative performance projects exploring the meeting of old instruments and new digital technology, and research-led engagement with music hubs, charities and community groups. These funds are allocated to hourly-paid staff as well as salaried researchers, thereby forming a valuable tool for nourishing a diverse research culture in all areas of the College.

### Doctoral Programmes

2025/26 has seen the implementation of recommendations made in last year's Doctoral Programmes Review, including a new system of annual progression reviews that ensure robust oversight of the progress of each doctoral student and allow additional support to be put in place where needed; a primary goal of this initiative is to increase timely completion. Training opportunities for doctoral supervisors are being proactively delivered in order to increase the pool of supervisors, which will help the College to maximise the opportunities for sustainable future recruitment.



## MUSICAL PERFORMANCE

'If anyone were to worry about the future of classical music, Prom 46 would surely reassure them that we are in good hands.' This outstanding review, from *Broadway World*, highlights the quality of musical performance at the RCM and the remarkable achievements of RCM students across a stellar year of performances. Learning and teaching sits at the heart of all the RCM concert programmes, fostering the skills and expectations of professional level performance. The College's reputation for the range and depth of its programming is recognised internationally and further enhanced by the world-class performers who regularly visit to work with our students.

### Autumn 2024

The year started with a particularly memorable collaboration between the RCM Symphony Orchestra and the Sibelius Academy Symphony Orchestra with performances at the BBC Proms and in Finland at the Helsinki Festival. Sakari Oromo conducted music connected with both institutions, including a world premiere from RCM alumna Lara Poe and works by Sibelius and Holst.

Orchestral concerts included two performances of Tippet's masterpiece *A Child of our Time* led by Visiting Professor of Conducting Martyn Brabbins with the RCM Symphony Orchestra and Chorus; Nicholas Collon, Founder and Principal Conductor of the Aurora Orchestra, performed Mahler's deeply moving and poignant Ninth Symphony; and Chloe van Soeterstede conducted music by Sibelius and Italian composer Castelnuovo-Tedesco's rarely performed Concertino for Harp and Chamber Orchestra. Ben Palmer's innovative programme with the RCM Philharmonic Orchestra paired the UK premiere of a suite of music from Ludwig Goransson's score for the film *Oppenheimer* with music by Takemitsu and John Adams's Doctor Atomic Symphony.

Further large-scale projects included the RCM Wind Orchestra, led by David Gordon-Shute, and featuring works including Hindemith's Symphony in B flat, and *Argenta* by RCM alumna Dani Howard. Paul Booth made his debut directing the RCM Jazz Orchestra in an eclectic programme of music from around the world, including his own arrangements of songs from the Beach Boy's *Pet Sounds* album in the Britten Theatre.

Students from the RCM Opera School presented a triple-bill of French language vocal masterpieces, directed by Ella Marchment and conducted by Michael Rosewell. The performances of Britten's *Les Illuminations*, Weill's *Marie Galante* and Ravel's *L'heure espagnole* in the Britten Theatre were complimented by critics for their style and comic timing.

The highlight of the chamber music series in the autumn was again a project with the Brodsky Quartet, focusing on larger works for strings by Elgar and Shostakovich, while experimental music featured in the Electronics Concert, *Electric Dream* curated by Director of Programmes, Dr Diana Salazar. Chamber music written by RCM composers inspired by a selection of images from the Natural History Museum's 2024 Wildlife Photographer of the Year were performed alongside the accompanying images in performances at the RCM and at the Natural History Museum.

### Spring 2025

Tied together by the theme *Legends and Tales*, Vasily Petrenko, Music Director of the Royal Philharmonic Orchestra made a welcome return to College to conduct detailed performances of Respighi's *Fountains of Rome* and Ravel's *Daphnis et Chloe*. Vasily also visited to coach conductors and the RCM look forward to building further links with him over the coming years. Further concerts included Rafael Payare conducting Beethoven and Berlioz, conducting professor Natalia Luis-Bassa leading music by Mussorgsky, Ginastera and Gabriela Ortiz and Joana Carniera returning to direct music by Richard Strauss.

The RCM Baroque Orchestra regularly performs externally, and this spring saw a concert of music by JS and JC Bach paired with contemporaneous works by Telemann, both in London and Oxford. Many of our Faculties mount weekend Festivals, and the Spring term included the Keyboard and Chamber Festivals, the latter this year with the theme Gold Rush and including performances of Charlie Chaplin's own score to his film *Gold Rush* performed live by students conducted by Ben Palmer.

The astonishing music of American composer George Lewis was celebrated with a day of performance, culminating in a joint concert with the RCM Wind Orchestra and New Perspectives in the presence of the composer himself.

The term concluded with our annual project with the Chamber Orchestra of Europe, an exceptional performance, as well as Brass and Wind Ensemble concerts, the Great Exhibitionists ground-breaking creative series, and critically acclaimed performances of Mozart's *The Marriage of Figaro*.

## Summer 2025

The Summer term began with the annual Composition for Screen showcase, preceded by an illuminating Q&A with Oscar-winning composer Dario Marianelli. Our conducting students led works by Wagner and Holst, sharing the podium with Visiting Professor of Conducting Martyn Brabbins.

The RCM gave three concerts at the Wigmore Hall. The annual string showcase featured students across the faculty in a variety of instrumental combinations, culminating in an energetic performance of Mendelssohn's Octet. RCM graduate and Benjamin Britten Scholar, Thomas Kelly, gave a solo piano recital, and we also gave a song recital at the Hall, with a programme carefully curated by Head of Faculty, Audrey Hyland, illuminating the life and music of Mel Bonis.

The term also included three Festivals – Percussion, Recorder and Strings, which featured lively performances from students and a world-class roster of visiting musicians.

The RCM Symphony Orchestra, led for the first time by Ukrainian conductor Kirill Karabits, made its debut at the Aldeburgh Festival with a programme opening with Britten's Four Sea Interludes from Peter Grimes in Maltings Concert Hall so closely associated with the composer.

At the end of term, *Love, Conflict, Renaissance* was an evening of staged dramatic music by Monteverdi, Strozzi and Jonathan Dove curated by outgoing Head of Vocal & Opera Nicholas Sears and including dancers from the Rambert School.

Over the course of the term a number of specially curated performances featured student compositions responding to the RCM Museum exhibition *Kurt Cobain Unplugged* further developing links between composers, singers and instrumentalists and encouraging innovative approaches to music making.



Rafael Payare conducting the RCM Symphony Orchestra taken by Phil Rowley

## LEARNING FOR ALL

### RCM Junior Department

The RCMJD offers advanced training at the highest level to young musicians aged 5-18 years, providing individually tailored programmes of one-to-one instrumental/vocal/composition lessons, supported by chamber music, orchestra, choir and musicianship classes. The RCMJD is committed to ensuring that successful applicants are not prevented from attending the RCMJD through financial hardship and this academic year the RCMJD allocated over £220,000 of support to families where there is the most need. Attending the RCMJD is a truly transformative and empowering experience. A large proportion of our students go on to study music, and many of our students have been offered significant scholarships to continue their musical studies at senior RCM and at other major conservatoires in 2025. Many others will continue their studies at universities and conservatoires throughout the UK, Europe and the USA with major music scholarships.

The RCMJD continues to play a significant role in supporting and nurturing the musical potential of the next generation of music students from a diverse range of backgrounds. A large number of established musical initiatives ensure that we reach out and recruit students from diverse backgrounds and that as many students as possible are enabled to progress through to senior RCM. The RCMJD has forged partnerships with several musical organisations who share the same commitment to addressing the lack of diversity in music education, such as Nucleo, Future Talent and Music Masters, and we make music together! Twenty-four current RCMJD/Nucleo students performed in a gala concert at Cadogan Hall in June 2025. The concerto soloist at the event was trumpeter Lucas Gebrehiwet, one of the first Nucleo recruits to join us in 2018. Lucas will be continuing his musical studies on the RCM undergraduate programme as a major scholarship holder in September 2025.

Our artistic programming continues to reflect and celebrate the diversity of the RCMJD community. Works by under-represented composers featured in every major RCMJD concert in 24/25, and the RCMJD Chamber Orchestra celebrated the 150th anniversary of Samuel Coleridge Taylor's birth with a performance of his *Novelletten Op.52*. Alongside our extensive programme of instrumental, musicianship and specialist faculty classes, JD students have been involved in over 120 concerts as members of more than 114 ensembles. In addition to our normal schedule of concerts, we have offered over 450 solo and chamber performance opportunities through our extended range of Performance Platforms and as part of our Soloists concert series. Our students have also enjoyed the opportunity to take part in several musical projects led by senior RCM Heads of Faculty performing alongside senior RCM students.

Our flagship chamber music programme is flourishing, and the winners of our 2025 Kasnowski Chamber Music Competition performed at the Wigmore Hall in July. Our jazz musicians performed two sold out gigs at the 606 Club and the Elgar Rooms in June as we are regular contributors to the Royal Albert Hall late night jazz series. JD musicians have performed all over the country in some of the most prestigious musical venues, including the Royal Albert Hall Elgar Rooms, Cadogan Hall and the Wigmore Hall. Our rapidly expanding JD organ faculty has also presented several wonderful organ recitals here in the Concert hall, and young instrumentalists were recently invited to perform at 11 Downing Street. Eight RCMJD students got through to the televised rounds of the BBC Young Musician of the Year competition in December 2024, including semi-finalist Jamaal Kashim. JD students will also be playing a significant role in the Proms this summer. The National Youth Orchestra will perform Holst's *Planets*, conducted by RCM alumnus John Wilson, RCMJD alumna Tess Jackson and led by RCMJD violinist Peter Ryan. 26 JD students gained places in the National Youth Orchestra (NYO) for their 24/25 season and current or ex-RCMJD students currently make up a quarter of the orchestra.

### RCM Sparks

RCM Sparks is RCM's Learning and Participation programme providing an accessible pathway of musical learning designed to engage children from early years to age 18. Sparks run public events and activities for schools and special programmes in the local area, partnering with other institutions to provide the benefits of music education where they are needed most. Sparks' work is based around learning pathways which cater for children's changing needs as they develop, so that we can continue to foster musicianship and learning skills throughout their educational journey. The programme is designed by RCM staff and led by outstanding leaders; last year Sparks worked with over 150 RCM students and graduates giving them up to date and relevant training and placement experience developing a new generation of reflective music leaders. Sparks workshops offer inspirational learning experiences for all participants, with free or subsidised places available for children (and their families) who are eligible.



Sparks has worked closely with the Tri-Borough Music Hub (TBMH) as a strategic delivery partner to bring live music and creative enrichment activities to schools and families in the London Boroughs of Westminster, Hammersmith & Fulham and Kensington & Chelsea. During the 2024/25 academic year the RCM also supported TBMH in their Lead Head role as part of the new London West Zone which they were successfully awarded in spring 2025. This includes four other Music Hubs: Harrow, Brent, Ealing and Hillingdon. Sparks have been involved in a new governance structure which in the inaugural year has mainly focussed on setting up the operational structures and knowledge exchange around current practice. Sparks delivered and hosted various engagement activity based at the RCM including lunchtime concerts, gamelan workshops, creative workshops and holiday courses and Festivals supporting the development of the UK pipeline focussing on brass and percussion, double reed and double bass. In May, Sparks supported the third course for children suffering hearing and/or sight impairment. This innovative programme, Musical Senses, was created and run in partnership with TBMH and ABRSM, bringing together creative musical responses and song writing.

The Springboard Music Creators course continued this year – working with a cohort of Year 9 and 10 students from underrepresented groups over the whole year. The young composers took part in practical composition workshops developing their skills, learning about new genres and working closely with RCM musicians and composers. The Mini Sparks early years programme engaged with local families in the surrounding Boroughs on a weekly basis throughout the year, supporting musical engagement from birth to pre-school. The schools programme worked with local schools this year particularly focussing on support for music making in Key Stage 1. Sparks developed a bespoke programme Beat, Rhythm, Pitch – led and written by Katie Teage, which offers teacher training, in-school delivery of key sessions and RCM student mentoring.

Sparks Juniors pupils have had another positive year welcoming five new starters in September and five continuers moving into year 2, starting their musical journey on brass instruments. All graduates on the RCM Sparks Connect programme are offered the opportunity to come back together as a group to develop their musical skills in a fun, supported and creative way, including holiday courses, tickets for concerts and ensemble training. Recruitment for the next cohort of Sparks Juniors took place in the Summer term as part of a pathway with Get, Set, Play. Workshops were held in the Summer term at the RCM and also in some of the most deprived areas in the Tri-Borough.

Training the next generation of inclusive music educators continues to be a priority for the RCM Sparks programme with all projects offering training and practical experience for RCM musicians. This year, alongside the core programme, Sparks offered specialist training opportunities in partnership with leading organisations. Through Music of Life, RCM students developed skills in teaching children and young people who are deaf or hard of hearing. They also worked with Turtle Key Arts on flagship initiatives including Turtle Song — delivered in partnership with the RCM and English Touring Opera — and Turtle Opera, supporting autistic children and young people. In addition, collaboration with InDeep provided experience in music therapy for children and young people with special educational needs.



Participants on an RCM Sparks course taken by XXX

## CREATIVE CAREERS

The Royal College of Music's Creative Careers Centre is recognised internationally for its innovative approach to supporting young musicians and paving their way to successful global careers.

RCM is a world-leader in career development for musicians. We emphasise the need for students to be well-rounded, confident, and versatile communicators - in their professional engagements, and beyond. RCM graduates are highly employable - the Higher Education Statistics Agency graduate employment survey showed that an impressive 90% of RCM graduates from our 2022-23 cohort were in employment or further study fifteen months after graduating.

RCM's Creative Careers Centre (CCC) is recognised internationally for its innovative approach to supporting young musicians and, this year, celebrated its 25-year anniversary. The Centre offers resources, guidance, funding opportunities, bespoke career advice/coaching, mentoring, online workshops and presentations by industry specialists, and a broad range of professional opportunities, including performance, composition, and teaching work. For many students, the CCC helps pave the way to a successful career in music. The CCC also leads on academic modules within our degree programmes, focusing on entrepreneurship, career coaching and development, professional project management, and business-skills training. CCC partners with leading consultants, reputable arts organisations, and local communities, delivering unique career-building opportunities, and a direct route to the music industry. We enable musicians to discover their professional identity, gain practical experience, develop new skills with an entrepreneurial mind-set, and build a fulfilling professional portfolio. In addition to those already mentioned, services include weekly one-to-one support in CV/biography and job application writing, funding, marketing, self-promotion, and career planning/coaching sessions; student/graduate aimed jobs/opportunities bulletins. We also offer access to a wide variety of professional contacts and a curated range of online careers events and career-focused videos, podcasts, factsheets, interviews, and directories. The services of the CCC are available to all students and alumni for up to five years after graduation.

We continued our successful collaboration with Grammy Award-winning composer and conductor Eric Whitacre, who became an Ambassador for RCM Creative Careers in February 2023. This year, Eric played a key role in the CCC's 25<sup>th</sup> anniversary celebrations and focused on the topics of entrepreneurship, innovation, self-promotion and building a creative career.

Through the RCM's Professional Engagements Service, musicians were hired by organisations and members of the public to perform at events, work as freelance orchestral and session players, accompanists, répétiteurs, chorus members, and composers. By the end of July 2025, the service had provided musicians for 628 opportunities (of which 323 were work-placements for international students). We saw a significant increase in bookings from last year, with 215 additional opportunities for our musicians.

Performances took place at venues including the Royal Albert Hall, National Gallery, Science Museum, Speaker's House - Houses of Parliament, Korean Cultural Centre, Kew Gardens, and Windsor Castle.

Teaching is a creative and valuable component of many musicians' careers, and a rewarding way to share musical passion and expertise. As a result, this year, the in-person and online Teaching Services, which match members of the public to student and graduate educators, provided 86 different teaching opportunities. For our online service, we attracted clients from Ireland, France, Romania, and India.

The CCC continued to facilitate two exciting schemes this academic year: RCM Accelerate and the RCM Musicians' Grant Fund. RCM Accelerate supported five graduating RCM students with grant funding (up to £5,000) and mentoring, which took one existing initiative to the next level, and helped kick-start two new creative projects, and two business ideas. Nicola Benedetti and the Benedetti Foundation are the Ambassadors for the RCM Accelerate scheme. The RCM Musicians' Grant Fund, available to final year students, provided 14 musicians with £13,400 in financial assistance towards the purchase of musical instruments and/or equipment.

Passionately driven by, and constantly adapting to, the parameters of an increasingly competitive and complex music industry, the Creative Careers Centre is globally considered a leading light in the challenging field of student to professional transition.

## DIGITAL INNOVATION

The state-of-the-art digital technology at the Royal College of Music has transformed the College over the last three years and offers innovative opportunities to students.

During the year, the Royal College of Music has continued to invest in digital technology to enhance the offer and opportunities for students. Enhancements in existing venues have helped support composition and performance using creative technology. This includes work in the Performance Studio, augmenting and reinforcing the flexibility of the space. Improvements to performance lighting supplement the existing setup, giving greater control over performance lighting, in turn enhancing the use of projection in performance. Projects using the added flexibility included the Wildlife Photographer of the Year concert, where College composers wrote music inspired by a selection of photographs which were then wrapped around the performers along with acoustic enhancements for an immersive concert. Several other projects during the year have seen students make highly creative use of the spatial audio capabilities, alongside projection.

The College was pleased to host the sixth Global Conservatoire Conference at the RCM in April. Delegates from all institutions were wowed by a demonstration of the Performance Simulator and its capabilities. Additionally, two performances showcased low-latency technology to support synchronous performances between three European Conservatoires and Manhattan. The College has since further invested in the latest MVTP technology to allow for 4K video and audio to be used to support teaching and learning. The Autumn term will see projects using this technology including distance masterclasses in guitar and trombone. The new system will integrate with the video and broadcast facilities, allowing the Creative Technology team to support low-latency performances across the College venues. This combined with the projection and variable acoustic properties of the Performance Studio allow for a perfectly tailored setup when collaborating with remote partners.

In partnership with Steinway, the College gave the first European Spirocast organised and broadcast from an institution. The event saw RCM piano students perform in the Amaryllis Fleming concert hall on a Steinway Spirio, with video provided from the College broadcasting facilities to a global audience. The Creative Technology team are working with Steinway to further develop the capabilities of the Spirio system. This will be utilised to further enhance remote collaboration and distance learning.

Broadcasts continue to show the RCM commitment to utilising technology as a tool to increase learning outcomes for students whilst providing a significant global outreach. Broadcast highlights this year have included Kirill Karabits conducting the Symphony Orchestra in a concert including Britten's Four Sea Interludes. The spring opera production of the Marriage of Figaro will be broadcast on OperaVision in 4K during August, the first 4K production by the RCM.



The RCM's Performance Simulator taken by Phil Rowley

## CULTURE AND HERITAGE

The Royal College of Music continued to make its extraordinary collections accessible to students, researchers and visitors both in-person and online.

### Museum

Visitor numbers at the RCM Museum, whose permanent collection was described by BBC Music Magazine as 'a feast for the eyes wherever you look', totalled over 21,000, with 1,132 visitors attending tours and over 860 concert attendees. The Museum hosted 43 concerts, providing 136 students the opportunity to perform within the galleries. The Museum also hosted three symposia related to the collection, bringing together world experts to explore the Tagore Collection, the 3D printing of musical instruments, and the Clavicytherium. The latter was delivered in a hybrid format and welcomed more than 140 participants both in person and online, building understanding of this unique instrument. Events celebrating the collection, research, families, summer special exhibition, Pride and varied student concerts have supported increasingly diverse visitation and engagement with the museum both internally and externally, situating the Museum as a place of belonging for all visitors, students and staff.

The summer Special Exhibition, *Kurt Cobain: Unplugged* has resulted in unprecedented visitation for a special exhibition in the RCM Museum with almost sold-out ticket sales, a significant upsurge in online engagement and extensive merchandise sales. The exhibition comprises a world first display uniting the guitar, case and cardigan worn and played by Kurt Cobain in his final televised performance, MTV-Unplugged. The exhibition has received international press attention and viral online engagement, with one Instagram post garnering over 59,000 views. The combination of the Special Exhibition, online marketing and proactive digital engagement has resulted in an increase of 2,298 Instagram followers of the Museum's Instagram feed, an almost five-fold increase over the past year.

The Museum was also successful in being included among the forty University Collections in England to receive core funding from Research England to support the costs related to offering access and research support to national and international institutions beyond the needs of the institution. The grant supports the running costs of the Museum for five years and has enabled the development of a new team who have actively improved and expanded research, digital engagement, collections care and public programming and drawing in diverse demographics.

### Library

The RCM Library again received a top ranking in the National Student Survey (NSS). This reflects how the service supports all areas of college life from one-to-one lessons to chamber and orchestral concerts. We also support the academic programmes through the scores and information we supply. In the last year we ran the successful L5/L7 Collections in Practice course which focuses on the college's historic collections and took manuscripts to 29 seminar groups, across 10 different courses. We continue to support individual researchers and welcomed 163 researchers who consulted over 1,200 items from our Special Collections.

At the start of the year we were invited to create an exhibition for the Stateroom at 11 Downing Street. The brief was to showcase British culture and we focused on two manuscripts: Parry's *Jerusalem* and Samuel Coleridge-Taylor's *Symphonic Variations on an African Air*. This was a great opportunity to promote the College and the library's historic collections.

We also developed a series of displays in the library promoting college performances, for example Tippett's *A Child of our Time*, and significant anniversaries, including the 100<sup>th</sup> anniversary of the death of Charles Villiers Stanford and the 150<sup>th</sup> anniversary of the birth of Samuel Coleridge-Taylor.

One collection we have been focusing on is the Avril Coleridge-Taylor archive. We have supported our doctoral student Tom Edney who has prepared editions of her works which have been recorded by the BBC Philharmonic for a CD release later in 2025. Her family has been appreciative of our work and has generously gifted another 50 manuscripts to the library.



## EQUITY, DIVERSITY, INCLUSION AND BELONGING

During 2024/25 the College has continued to deepen its commitment to Equity, Diversity, Inclusion and Belonging, notably through a newly approved Access and Participation Plan, a refreshed EDIB Policy, and increased focus on staff training and development.

### Access & Participation

The College's [Access & Participation Plan](#) (APP) sets out the College's targets and activities to address inequality of access to higher education, as approved by the Office for Students (OfS). These cover a range of underrepresented groups. 2024/25 marked the final year of the current APP for 2020-25.

The RCM substantially exceeded its target of increasing the percentage of UK-domiciled undergraduate new entrants who identify as coming from a Black, Asian or ethnically diverse background from 10% to 14% (three-year rolling average) by 2024/25, achieving 20.77%. The spend on new scholarships for Black, Asian or ethnically diverse students has again exceeded the target of £27,750 at £78,625 for 2024/25. The College also had a target to increase the percentage of UK-domiciled undergraduate new entrants from areas of low participation in Higher Education, defined as the "POLAR4 quintile 1", from 4.68% to 9% by 2024/25 (three-year rolling average). The final figure of 8.4% was slightly below target, but still represents significant progress in the context of the Covid-19 pandemic years and recent economic climate. £27,750 of new tuition fee bursaries for POLAR4 quintile 1 students were awarded in 2024/25, exceeding the target of £18,500.

The OfS has approved the RCM's new APP for 2025–29, and work towards the new targets is already underway.

More broadly, 2024/25 has seen increased focus on advocating for music education in the UK, including an event at 11 Downing Street on 3 June that celebrated the success of RCM partnerships in supporting musical access and progression. We continue to strengthen our collaborations with local music education organisations who exemplify inclusive excellence in music, including the London West Music Hub, Nucleo, London Music Fund, and Music Masters.

### Towards Equity and Belonging

During 2024/25 the EDI Committee led on work to review and update the College's EDI Policy, which was first introduced in 2022. Our refreshed policy builds on the College's significant progress to date in this area, while recognising renewed priorities such as community building and collective responsibility for enhancing diversity. The refreshed language, including the terms *equity* and *belonging*, is designed to articulate a more mature understanding of our diversity goals. The policy, approved by Senate and Council, is now published on the RCM website.

### Training and Development

Curated by the HR Team, our Learning and Development training offer for 2024/25 included courses on: Understanding Autism in the Workplace, Unconscious Bias Training, Active Bystander Training, Mental Health Awareness, Stalking Awareness Training, and Mental Health First Aider refresher training. We also offered two new training courses for staff on Inclusive Cultures, delivered by Tonic, a leading EDI training provider for the arts and creative environments. Tonic also delivered bespoke EDI Awareness training to the Students' Union Committee and all student representatives.

A professor-focussed training session on student disability and reasonable adjustments was delivered to professors in the autumn in collaboration with the organisation Diversity and Ability, and doctoral supervisors attended specialist training on neurodiversity-affirmative PhD supervision in the summer term. We have expanded the Student Services team through the appointment of a new part-time Disability Officer, who will provide additional student-facing support. They will also lead on disability-awareness training for staff.

### Artistic Programme and Curriculum

The College is delighted that Victoria Robey has renewed her support for the Robey Visiting Artists Fund, which supports visiting artists from underrepresented backgrounds. This continued support is instrumental in enhancing the diversity of our artistic programme. Among many highlights during 2024/25, the funding has enabled artistic visits from George Lewis as composer-in-residence, Magda Mayas (experimental pianist and practice researcher), violinist Nathan Amaral, and masterclasses by Armand Djikoloum (oboe), Velvet Brown (tuba) and Gregory Hutchinson (drums). Repertoire highlights included the Symphony Orchestra's performance of Daniel Kidane's violin concerto at the Aldeburgh Festival, a celebratory concert by the RCMJD marking the 150th anniversary of the birth of Samuel Coleridge-Taylor, and a Vocal and Opera Song Recital at the Wigmore Hall which celebrated the life and songs of composer Mel Bonis.

## PHILANTHROPIC SUPPORT

### Securing the future of music

In 2024/25, the College received many significant donations to help secure the future of music, through the newly launched Future Music Fund and the three pillars of Access, Talent, and Innovation. We wish to recognise the Estate of Sue Balston, the Cleminson family, the Estate of John Donnelly, the Croucher Hong Kong Charitable Foundation, the Keattch family, and the inspired support from our senior leaders and all loyal donors who have enabled us to be the top performing global arts institution, once again.

In addition to philanthropic support, RCM's Development & Alumni Engagement team manages venue hire at the College which generated over £400,000 of income this year. (2023/24: £300,000) The surplus from these activities contributed to our mission and core objectives.

During 2024/25 more than 1,100 supporters donated to the Royal College of Music. The RCM's internal and dedicated Development and Alumni Engagement team carefully follow the UK Code of Fundraising Practice, and we have not engaged external fundraisers this year. We are pleased to report that we received no formal complaints and have not identified, nor been notified of, any failures to comply with the Code of Fundraising Practice. Our approach is proportionate to an individual's links to the RCM, with several ways to tailor how they hear from us and with opt-in only e-communication. This is part of our ongoing commitment to protecting vulnerable people while ensuring that those who want to support can do so in a way that works for them.

### Our outreach – providing access to music

Our supporters play a vital role in our outreach programmes for young people: Sparks and RCM Junior Department. We are especially grateful to the Wolfson Foundation and The Leverhulme Trust for their longstanding multi-year commitment to Junior Department bursaries, which allow students aged 8-18 from low socio-economic backgrounds to study intensively and consider careers in music. We also received a significant commitment from Victoria, Lady Robey HonRCM to support increasing diversity in both the programme and student body.

### Our students – supporting the most talented

In 2024/25, we awarded more than £4 million in financial support, benefitting over 50% of the student body, thanks to the generous support of many individuals, trusts, organisations and legators. Their support allows us to provide exceptional music education to young musicians from all backgrounds.

### Our future – cultivating innovation

Philanthropy at the RCM is helping to ensure that music thrives and that our students can fulfil their potential as future performers, educators, researchers and global citizens. We delivered a diverse and exciting programme of performances and masterclasses that were invaluable and transformative. Support for core activities such as our artistic programme is vital. From becoming an RCM Friend to leaving a gift in your will, every contribution truly makes a difference. We especially value this kind commitment in the face of increasing living costs, and we owe a humble debt of gratitude to all our supporters who join us in our vital mission. Together, we ensure a vibrant future for music and its transformative power in our society.

## SUSTAINABILITY

The Royal College of Music aims to be the UK's most sustainable conservatoire, embedding leading environmental and green practice in everything we do.

### Sustainability strategy

We aim to be the UK's most sustainable conservatoire, embedding leading environmental and social practices in everything we do.

The Royal College of Music is well placed as a sustainability leader. Values such as stewardship and 'preserving for the future' are a core part of what our conservatoire is about. Our success in living these values, ensuring a sustainable future for music and music education is why the College is the world's leading higher education provider for the performing arts. It is also why the College has world-leading community engagement programmes and enviable library and museum collections. At the heart of this strategy is the ambition to contribute to a better world for our students, staff and audiences - everyone who is involved in our activities as an organisation and beyond. The College will champion the power of music and the Arts to move, educate and inspire positive change.

Our Sustainability Strategy, published in 2022/23, sets out our strategy in five areas:

#### Sustainability in teaching and research

As a higher education provider, integrating sustainability into the mission of the RCM means to educate new generations of musicians and sustainability stewards to carry on the institution's core values.

#### Support music, culture and diversity

The long-term success of the RCM's mission is underpinned by the ability to continue to foster talent, ensure equitable access to opportunity and inspire sustained enthusiasm for classical music.

#### Sustainable operations

In adopting a sustainability strategy, the RCM must take responsibility for the College's environmental and social impacts and place sustainability at the centre of all operations.

#### Sustainable partners and suppliers

Tying sustainability into the terms and conditions for collaborating with others signals the RCM's commitment to environmental and social responsibility, and helps promote good practices elsewhere.

#### Health and wellbeing

Caring for the safety and ongoing wellbeing of students, staff and alumni is fundamental to sustaining a resilient, passionate and supportive environment in which no-one is left behind.

The strategy is supported by the Education for Sustainable Development Strategy, which was published in 2021/22.

### Recognition

The RCM's achievements in improving our sustainability performance were recognised in the 2024/25 People & Planet University League Table. We continue to lead the way in sustainability, ranking as the top conservatoire and placing among the top 10 universities in London. This is an independent league table of UK universities ranked by environmental and ethical performance. We are also pleased that our Environmental Management System has once again been certified to ISO14001:2015, the globally recognised gold standard for environmental management.

#### Students and staff

As well as working to minimise environmental impacts, the RCM continues to engage with students and staff on sustainability issues. Our annual Green Week took place in February 2025, a week-long festival of events and activities. The programme was designed to inform students and staff of the work the RCM is doing to become more sustainable, provide opportunities to learn about sustainability and offer ideas and support as to what they can do in their everyday lives and as musicians to ensure a better future for the planet.

## Influencing beyond the College

The RCM is an active member of the South Ken ZEN+ group, established by the Exhibition Road Cultural Group (ERCG) in 2022 with support from the 1851 Commission. The objective is to harness the collective power of the ERCG institutions and transform South Kensington into a net-zero emissions and nature-positive neighbourhood. During 2024/25, we have continued to contribute to the South Ken ZEN+ Sustainability Report and Sustainable Procurement Charter.

## Our Carbon Management plan

The College has made good progress against its existing carbon reduction targets. From a baseline of 2004/5, the RCM has reduced scope 1 and 2 emissions (market-based) by 76%, exceeding the 2026/7 target of 73%. This has been delivered through a focused programme of energy efficiency initiatives (including lighting upgrades) and moving from gas to electrical-based heating sources (such as point-of-use hot water systems).

The College commenced measuring scope 3 emissions in 2019/20. Since this time, data availability and quality have increased, which has allowed additional emissions sources to be reported and has introduced significant changes in reported emissions for some categories – start/end of term student travelling in particular. We have recalculated historic scope 3 emissions using consistent methods and assumptions, and have updated the 2019/20 baseline and net zero targets. We adjusted our long-term net-zero target year to 2039/40, and adopted the following targets:

Short-term 2029/30; We will reduce scope 1 and 2 emissions by 76% by 2029/30 from a 2019/20 baseline. We will reduce scope 3 emissions by 46% by 2029/30 from a 2019/20 baseline

Long-term 2039/40; We will reduce scope 1 and 2 emissions by 90% by 2039/40 from a 2019/20 baseline.

We will reduce scope 3 emissions by 90% by 2039/40 from a 2019/20 baseline.

The adjustment reflects the following factors:

- Key decarbonisation projects involve swapping from gas to electricity. The heating and hot water systems in the new courtyard buildings are gas and replacing them before the end of their useful life will incur additional costs and environmental impacts.
- Decarbonisation of the UK electricity grid is likely to occur after 2035, affecting our emissions and those in our supply chain.
- We are collaborating on carbon reductions with our close neighbours through the South Ken ZEN+ initiative. The initiative's target is net zero by 2040 and aligning our targets will support collaboration.
- The extended programme will align more closely with the expected end-of-life of key plant and equipment and key milestones in our estates strategy and capital plan.

We have established an updated suite of carbon reduction projects, which range from lighting upgrades and improved energy controls to a phased replacement of gas heating with heat pumps. An outline capital investment programme has been prepared, which will reduce our emissions associated with electricity and gas use to zero by 2039/40. Additionally, we have identified several actions to enhance the quality of our Scope 3 emissions data, particularly those related to purchased goods and services. These actions will also seek to engage key suppliers on carbon emissions, and encourage improved carbon reporting and management in order to align with our net-zero objectives.

## Responsible investment

The College's investments mostly relate to restricted endowment funds supporting scholarships and awards in both the Senior and Junior College which originally came from generous donations and legacies from individuals and trusts who wish to support our students financially. These investments are managed in line with our Policy for Responsible Investment, which sets out our approach to environmental, social and governance (ESG) matters. Our fund managers are appointed not only on their investment track record but also on their approach to ESG. They actively engage with the companies held in our portfolio to improve their ESG characteristics.

Investment managers are required to report once a year on how ESG factors are incorporated into their investment process, engagement activity and results, voting activity, the investment manager's approach to mitigating climate change, the carbon footprint (scope 1 and 2) of the investment portfolio, and the portfolio's exposure to areas that could be of concern such as fossil fuels, as well as sustainable and impact investments.

The Policy for Responsible Investment minimises the number of explicit exclusions, recognising the limitations of exclusions as blunt instruments for change. Oversight of both investment and ESG activities of our fund managers is provided by the Investment Committee, a sub-committee of the Finance & General Purposes Committee which is constituted formally with terms of reference and is chaired by an independent member of Council.

## ESTATES

Our historic campus with cutting edge teaching and performance spaces provides a truly inspirational environment in which to learn.

RCM was founded in 1883, and the main Blomfield Building opened for music teaching in 1894. Subsequent additions include the Concert Hall (1901), the South Building (1965), the Opera Theatre (1986), Prince Consort Village (2016), RCM Jay Mews (2019), the More Music building development (2020), and the Wolfson Centre in Music & Material Culture (2021).

We have adopted an Estates Strategy which outlines how we will continue to develop our Estate to support learning, teaching and research and to realise our artistic vision by providing:

- Concert, opera and other performance spaces that reflect contemporary sound insulation and lighting standards;
- Well-resourced, digitally enabled and comfortable teaching and practice rooms appropriate to the needs of students;
- Space for specialist areas such as musical instrument workshops, museum, student accommodation, library, recording studios, percussion space, and computer rooms for composition and general ICT;
- Event spaces that are maintained at a level that attracts clients from the music, educational, professional, and commercial world;
- Flexible office space for academic and administrative staff;
- Good quality student, staff, and visitor social spaces designed to protect the well-being, health and safety of the RCM community, with a welcoming environment to all those using the RCM.

To support our vision, we embarked on an ambitious Estates development programme. A number of projects have been delivered over the last few years:

- The RCM Hall of Residence, Prince Consort Village, opened in 2016, providing high-quality accommodation for more than 400 students. Situated on Goldhawk Road, it comprises studio apartments, en-suite and standard rooms.
- More Music building development was completed in March 2020, just under three years and within budget. It includes two new performance venues, new social spaces, and new café bar facilities.
- Our new Museum, located at the heart of the More Music development, opened to the public in October 2021. This interactive space maintains one of the richest and most relevant collections of music-related objects in the UK and Europe and hosts regular performances by RCM musicians.
- The Wolfson Centre in Music & Material Culture was completed in May 2021 and widened access to the College's archive Collections for small group teaching and individual RCM professor research;
- A successful seating replacement project was completed in the summer of 2023 in our beloved Britten Theatre.
- The Performance Lab project, including the installation of performance simulator technology, was delivered in summer 2023
- New campus facilities, including a new meeting room, a new first aid room and toilet refurbishments in 2024.
- Amaryllis Fleming Concert Hall Chandeliers LED upgrade and Voltage optimisation projects in summer 2025.
- Campus optimisation exercises continue annually to promote agile and flexible working and provide additional music teaching rooms and hotdesking areas across the estate.

As a world-leading institution, we recognise our responsibility to minimise the environmental impact of our operations. We continually invest in our facilities to ensure RCM students have the best opportunities. Our outstanding performance spaces are complemented by top-quality academic and technical resources, such as our historic library and professional-grade studios. We are dedicated to providing the RCM community with a lively, dynamic estate featuring state-of-the-art facilities for students, staff, and visitors alike.

# CORPORATE GOVERNANCE & RESPONSIBILITIES OF COUNCIL

## Good governance

This statement of corporate governance and responsibilities of Council covers the period from 1 August 2024 up to the date of these Financial Statements.

## Committee of University Chairs (CUC) Higher Education Code of Governance

RCM is compliant with the CUC Higher Education Code of Governance, as revised in September 2020. In 2022/23, the Council undertook a periodic effectiveness review, an expectation of the Code. A number of minor actions were implemented together with a change to the Terms of Reference of the Audit and Risk Assurance Committee (previously the Audit Committee) to allocate to it the primary governance responsibility for risk, with the Financial and General Purposes Committee having an ongoing role to scrutinise the Directorate's risk management activity and plans. An internal audit of compliance with the CUC Code provided 'substantial assurance', with one priority 3 recommendation to review the College's antibribery and corruption policy.

## Statement of primary responsibilities

The Council is responsible for:

- approving the mission and strategic vision of the College, long-term business plans, key performance indicators (KPIs) and annual budgets, and ensuring that these meet the interests of stakeholders;
- appointing the Director and putting in place suitable arrangements for monitoring his/her performance;
- ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest; and
- monitoring institutional performance against plans and approved KPIs, which are, where possible and appropriate, benchmarked against other institutions.

## Structure of corporate governance

The RCM Council, which meets at least four times a year, is responsible for the strategic direction of RCM and for all major developments. In fulfilling its responsibilities for administration and management of RCM's affairs, the Council approves the annual revenue and capital budgets and audited financial statements for each financial year prepared in accordance with relevant accounting standards. The Council's membership and powers are laid down in RCM's Royal Charter and Statutes. The maximum number of Council members is 25, three of whom are elected from among RCM staff and at least 10 of whom are independent members. The President, Director, Deputy Director and Students' Union President are *ex officio* members. The Chairman and Deputy Chair are drawn from the independent members. For the purposes of the Charities Act 2011, members of Council are RCM trustees.

The Council is responsible for interactions between RCM and the OfS, and its designated bodies, and for ensuring RCM's compliance with all OfS' conditions of registration and accounts direction. The Council has nominated the RCM Director as the accountable officer who has the responsibilities set out by the OfS for an accountable officer.

The Council has a Finance and General Purposes Committee (F&GPC) which meets five times a year. The F&GPC's responsibilities include monitoring performance in relation to approved budgets and scrutinises the Directorate's risk management process. The F&GPC scrutinises the annual financial statements ahead of consideration by Audit and Risk Assurance Committee and Council and reviews financial forecasts and management accounts and makes recommendations to Council. In reviewing and approving the Financial Regulations, the F&GPC ensures regularity and propriety in the use of public funding. The F&GPC also reviews minutes of the Health and Safety Committee in order to monitor compliance and practice on behalf of Council. The Investment Committee (meets at least twice a year) and the Estates Committee (meets three times a year) are sub-committees of the F&GPC, are constituted formally with terms of reference and are each chaired by an independent member of Council.

The Audit and Risk Assurance Committee (A&RAC) reports directly to Council. It normally meets three times a year and has a key role in the RCM accountability framework. It advises the Council on the effectiveness of arrangements for risk management, control and governance, efficiency and effectiveness (value for money), for management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, OfS and other



bodies. Meetings are held with external auditors (MHA Audit Services LLP) to discuss audit findings, and with internal auditors (KCG) to consider internal audit reports and recommendations for improvement of the internal control system, together with management's responses and implementation plans. The A&RAC considers RCM's annual financial statements, taking into account the views of external and internal auditors, the F&GPC and Directorate, and makes recommendations to the Council. The A&RAC also receives reports on value for money, which provide assurance that RCM has appropriate arrangements to achieve value for money. The A&RAC meets privately with each of the external and internal auditors at least once a year.

The Remuneration Committee sets salaries and terms and conditions of the RCM Director and other senior staff. Its constitution and terms of reference are in-line with the CUC Higher Education Senior Staff Remuneration Code and the Committee produces an annual report for the RCM Council on remuneration of the Director and other senior staff (this can be found on RCM's website). The Director is not a member of the Remuneration Committee.

The Nominations Committee makes recommendations to the Council for the appointment of new Council members, committee membership and for honorary awards and annually reviews the register of interests and fit and proper declarations.

The Senate reports to the Council and advises it on all academic matters. It meets at least three times a year dealing with academic policies and quality assurance; sub-committees support its work.

The Directorate meets regularly and is responsible for managing RCM in the context of the Strategic Plan and Mission Statement. The Directorate reviews and updates RCM's Strategic Plan and produces annual planning statements and reviews, for consideration by Senate and F&GPC and for approval by Council. The Directorate is also responsible for implementing risk management policies and identifying and evaluating significant risks facing RCM for the A&RAC's consideration.

Transparency is achieved by ensuring details of the structure of corporate governance are readily accessible on the RCM website, including Committee structures, their terms of reference and membership, and schedules.

## Basis of financial statements

The Council is satisfied that RCM has adequate resources to continue in operation for the foreseeable future, and is satisfied that there is no material uncertainty in relation to that. For this reason the 'going concern' basis continues to be adopted in preparation of the financial statements.

In July a five year Financial Forecast to 2029/30 was approved by Council which showed a sustainable plan throughout the period. A full stress test was included with the five year forecast including amongst other downside scenarios a reduction in Overseas student numbers and lower income from donations. The combined stress test demonstrated that the College would not run out of funds, even in the worst-case scenario where all adverse scenarios took place concurrently.

In October, F&GPC reviewed an update of the scenarios and stress test which reflected the latest student numbers and other known changes and was satisfied that the conclusions above remained valid. F&GPC noted that management achieved a surplus for 2024/25 that was better than budget and that there were no amounts drawn on the RCF at 31 July 2025.

F&GPC reported to Council that RCM has adequate resources to continue in operation for the foreseeable future, and that it is satisfied that there is no material uncertainty in relation to that. For this reason it recommended that the 'going concern' basis continue to be adopted in preparation of the financial statements. As well as taking into account the work done by F&GPC and its recommendation, the Council noted that the College's projected unrestricted cash plus investments remained higher than its borrowings throughout the five-year plan period, and that the £11m Revolving Credit Facility would remain in place until November 2029. On this basis, whilst the Council recognise that there are uncertainties in the forecast, the Council do not consider that there is material uncertainty.

The Council reviews the annual sustainability report, incorporating key performance indicators. The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time RCM's financial position and enable it to ensure that financial statements are prepared in accordance with the Royal Charter, the Accounts Direction issued by the Office for Students, the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant, the Statement of Recommended Practice: Accounting for Further and Higher Education and applicable accounting standards. In addition, under the Terms and



conditions of funding for higher education institutions issued by the Office for Students, the Council, through its designated office-holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of its surplus or deficit and cash flows for that year. The Council has also given careful consideration to the requirements contained in the Charities Acts 2011 and 2022 and in particular to the Charity Commission's guidance on public benefit.

In preparing the financial statements, the Council has ensured that: suitable accounting policies are selected and applied consistently; reasonable and prudent judgements and estimates are made and applicable accounting standards are followed; and the financial statements have been prepared on the going concern basis unless it is not appropriate to presume that RCM will continue in operation.

Financial statements are published on the RCM website in accordance with UK legislation governing preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. Maintenance and integrity of the website is the responsibility of the members of the Council and this responsibility extends to the integrity of the financial statements contained therein. Through work undertaken on its behalf, by the F&GPC and the A&RAC, the Council believes that it has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- ensure that OfS and Research England funds are used only for the purposes for which they have been given;
- safeguard RCM's assets and prevent fraud; and
- secure the economical, efficient and effective management of RCM's resources and expenditure.

## Accounting records

All accounting records have been made available to the auditors for the purpose of their audit and all transactions have been properly reflected and recorded in the accounting records. All other records and related information which might affect the truth and fairness of the financial statements, including minutes of Council and other meetings, have been made available to the auditors. As far as the Council is aware, there is no relevant audit information of which the auditors are unaware.

## Internal control and risk management

The Council has responsibility for maintaining a sound system of internal control that supports achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Council in the Charter and Statutes and the OfS terms and conditions of funding for higher education institutions. The system of internal control is designed to manage rather than eliminate risk of failure to achieve policies, aims and objectives; therefore, it provides only reasonable and not absolute assurance of effectiveness. The internal control system is based on an ongoing process designed to identify risks that might hinder realisation of our policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place during the year ended 31 July 2025 and up to the date of approval of the financial statements, and accords with OfS guidance. The Council has responsibility for reviewing the effectiveness of the internal control systems and the following processes have been established:

- the Council meets at least four times per annum and considers RCM's plans and strategic direction;
- the Council receives minutes of each A&RAC meeting, together with an annual report which provides an opinion as to RCM's arrangements for risk management, internal control, governance, data quality and value for money;
- the Council receives regular reports from the Directorate on steps it is taking to manage risks, including progress reports on key projects;
- the A&RAC keep under review the effectiveness of risk management, control and governance arrangements and the F&GPC is responsible for scrutiny of risk management;
- a system of key performance indicators has been developed and agreed; these are used to consider performance and make an overall assessment of institutional sustainability;
- a risk prioritisation methodology based on risk ranking has been established;
- an RCM-wide risk register is maintained and this is reviewed regularly by the Directorate, in order to identify and update the record of risks facing RCM;
- training for managers with responsibility for areas involving high-level risk includes attendance at relevant workshops;

- an annual review conducted by the Directorate is presented in writing to the F&GPC for discussion, and reported to the Council.

The review of effectiveness of the internal control system is informed by reports from internal auditors, who have maintained adoption of the 2018 OfS Audit Code of Practice, even though it is no longer required under the OfS Terms and conditions of funding, while also complying with the more limited requirements contained in "Regulatory advice 2: Registration of current providers for 2019/20". The internal auditors submit regular reports, which include their opinion on the adequacy and effectiveness of the system of internal control, with recommendations for improvement. The Council's review of effectiveness of the internal control system is also informed by the work of the Directorate, who are responsible for developing and maintaining the internal control framework, and by comments from the external auditors in their various reports.

During the period of this report, no significant internal control weaknesses or failures were identified.

## Equity, Diversity, Inclusion and Belonging

RCM is committed to its equal opportunities policy and aims to ensure that no student, member of staff or visitor is subjected to unfair discrimination. The Equality Act 2010 covers the following 'protected characteristics': age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity; RCM policies, procedures and training programmes reflect the Act.

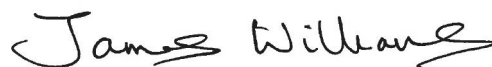
The Equity, Diversity, Inclusion and Belonging policy and action plan was approved by Council in July 2025 and the EDIB Committee of Council and Senate monitors and ensures action in accordance with the action plan.

The RCM Access & Participation Plan embodies RCM's strategic plan for providing access to an inspirational learning experience for the widest possible range of students and serves as a mechanism to measure our compliance with the Equality Act. Key objectives focus on disability, social deprivation and the black and minority ethnic population seeking to: encourage applications, enable participation and enable student success; and raise aspiration to engage with music and to study at higher education level.

Further information on Equity, Diversity, Inclusion and Belonging at the RCM may be found on our website <https://www.rcm.ac.uk/about/strategies-values/people-equality-diversity/>



Lord Black of Brentwood  
Chairman  
10 December 2025



James Williams LVO FRCM  
Director  
10 December 2025

## **Royal College of Music**

### **Independent Auditors Report to the Council of the Royal College of Music**

#### **Opinion**

We have audited the financial statements of Royal College of Music (the 'College') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the related notes, including a statement of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

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

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

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

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

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

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

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

## **Royal College of Music**

### **Independent Auditors Report to the Council of the Royal College of Music**

#### **Other information**

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

We have nothing to report in this regard.

#### **Responsibilities of the Council**

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

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;

## **Royal College of Music**

### **Independent Auditors Report to the Council of the Royal College of Music**

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

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

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

### **Report on other legal and regulatory**

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

In our opinion, in all material respects:

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

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

### **Use of our report**

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

**Royal College of Music**

**Independent Auditors Report to the Council of the Royal College of Music**

other than the Group and College and its Council, as a body, for our audit work, for this report, or for the opinions we have formed.



MHA  
Statutory Auditor  
London, United Kingdom

Date: 11 December 2025

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

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

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

### 1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and in accordance with Financial Reporting Standard 102 (FRS 102). They have also been prepared in accordance with Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of funding for higher education institutions issued by the OfS, and the Terms and Conditions of Research England Grant. RCM is a public benefit entity and has therefore applied the relevant public benefit provisions of FRS 102.

We have not produced consolidated financial statements as the inclusion of the subsidiary company, RCM Business Enterprises Limited, in the consolidated accounts is not material for the purposes of giving a true and fair view.

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

In preparing these financial statements, management have made the following judgements:

#### Leases

In determining whether leases entered into by RCM as a lessor or a lessee are operating or finance leases, management has assessed whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. With regard to the lease granted by RCM to CLV for student accommodation at Prince Consort Village, management determined that this transaction is a service concession for accounting purposes. However, each year RCM nominates bedrooms for students in the range of zero to 417 and the only liability which could fall on RCM is any rental shortfall on its nominated rooms in each year. In this arrangement there are no payments which meet the definition of 'minimum lease payments'.

#### Tangible assets and investments

In determining whether there are indicators of impairment of RCM's tangible and investment assets, management have taken into consideration factors including economic viability and expected future financial performance of assets.

#### Pensions

In determining the estimate of the RCM Pension & Assurance (RCMP&AS) defined benefit scheme surplus management has reviewed the critical underlying assumptions. The pension asset has not been recognised as such in the Statement of Financial Position as we are unable to recover the surplus through reduced ongoing contributions and the likelihood of a refund from the scheme is remote.

USS is a multi-employer scheme consisting of members not under common control, whereby the liabilities of the scheme cannot be separately attributable to individual employers. At 31 July 2025 the USS is in a surplus position, although the pension asset is unquantified and has not been recognised in the Statement of Financial Position as we are unable to recover the surplus through reduced ongoing contributions and the likelihood of a refund from the scheme is remote.

#### The Associated Board of the Royal Schools of Music (ABRSM)

RCM has a 25% interest in ABRSM which is carried at cost less any accumulated impairment losses. ABRSM is not considered to be an associate; although RCM holds an effective 25% interest in ABRSM, it controls less than 20% of the votes on the Board, and as a result RCM does not significantly influence the level of distributions it receives from ABRSM. Distributions from ABRSM are shown within Investment Income.

### 3. Income recognition

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.

Income is only recognised in the financial statement when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the College;
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the College; and
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.



Fee income is credited to the statement of comprehensive income over the period in which students are studying. Where a tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Investment income is credited to the statement of comprehensive income and expenditure on a receivable basis. Funds which RCM receives and disburses as a paying agent on behalf of a funding body are excluded from the statement of comprehensive income and expenditure where RCM is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which RCM recognises the related costs for which the grant is intended. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate. Grants (including research grants) from non-government sources are recognised in income when RCM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### Donations and endowments

Donations and endowments with donor-imposed restrictions are recognised in income when RCM is entitled to the funds. Income is retained within "restricted reserves" 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 RCM is entitled to the funds. Investment income and appreciation of endowments is recorded in income in the year in which it arises as either restricted or unrestricted income according to the terms and restrictions for each individual endowment fund. There are four main types of donations and endowments identified within reserves:

1. restricted donations - the donor has specified that the donation must be used for a particular objective;
2. unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of RCM;
3. restricted expendable endowments - the donor has specified a particular objective, and RCM has the power to use both the capital and the income; and
4. restricted permanent endowments - the donor has specified that the fund is to be held permanently and only income arising can be applied to a particular objective.

### Capital grants

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

### Trade debtors

Trade debtors are recognised at cost and subsequently measured at the amount expected to be received, less any provision for impairment. At each reporting date, trade debtors are reviewed individually, and provisions are made against those balances where recovery is considered doubtful.

## 4. Accounting for retirement benefits

The principal pension schemes for RCM staff are the Universities Superannuation Scheme, Teachers Pension Scheme, and National Employment Savings Trust. A fourth scheme, the RCM Pension and Assurance Scheme was closed to future accrual in 2007. Accounting policies for each scheme are shown in note 27 to the financial statements.

## 5. 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 RCM. Any unused benefits are accrued and measured as the additional amount RCM expects to pay as a result of the unused entitlement.

## 6. Termination benefits / loss of office

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

## 7. Finance Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a 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.

## 8. 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 life of the lease.

## 9. Service concession arrangements

A service concession arrangement is an arrangement whereby the College contracts with a private operator to develop, operate and maintain an infrastructure asset. The College regulates services the operator can provide managing the asset, to whom, and at what price, and controls any significant residual interest in the asset at the end of the term of the arrangement.

Fixed assets held under service concession arrangements are recognised on the Statement of Financial Position at the present value of the minimum lease payments when the assets are brought into use, with a corresponding financial liability.

Under the service concession arrangement with Campus Living Villages for student accommodation at Prince Consort Village, there are no payments which meet the definition of 'minimum lease payments', therefore no such amounts have been included on the balance sheet. The College received a lease premium from Campus Living Villages, which is being recognised as income over the period of the lease, and was granted preferential nomination rights. The value of these rights cannot be measured reliably, and they are held at nil value in the balance sheet.

## 10. Foreign currency

Sterling is the functional currency used by the College. Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in 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 translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

## 11. Fixed assets

Fixed assets are stated at cost, or valuation for certain musical instruments, less accumulated depreciation and accumulated losses. Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### Land & buildings

Leasehold land and buildings were valued on the basis of depreciated replacement cost at 31 July 1991 by Wilks, Head and Eve, Chartered Surveyors. Subsequent additions have been included at cost. Freehold buildings are included at cost. There is no indication of any impairment in the value of these assets. Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to RCM. Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated as follows:

- Freehold buildings 50 years
- Leasehold land and buildings 50 years or, if shorter, the period of the lease
- Building improvements 20 years

No depreciation is charged on assets in the course of construction.

Freehold land and buildings are the land for student accommodation. Leasehold land and buildings are the Prince Consort Road campus; a 999-year lease, expiring in 2890, which is non-assignable. In the event that RCM ceases to operate in accordance with its Royal Charter, the property reverts to the landlord.

## Musical instruments

Musical instruments were valued at estimated current cost for assets in their condition at 31 July 1998 or at cost for later additions or at valuation for donated instruments. Differences on valuation were credited to a revaluation reserve and are being released over each instrument's estimated remaining life, with assets depreciated over 10 to 20 years. Musical instruments costing less than £5,000 per individual item are written off to the income and expenditure account in the year of acquisition at cost.

## Furniture and equipment

Furniture and equipment, including computers and software, costing less than £5,000 is recognised as expenditure in the year of acquisition at cost. All other equipment of £5,000 or more is capitalised at cost. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each balance sheet. Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- General equipment, furniture and fittings 5 years
- Computer and recording equipment 4 years

## Investments

Non-current asset investments are held on the balance sheet at fair value. Investments in jointly controlled entities and subsidiaries are carried at cost less impairment in RCM's financial statements. RCM recognises distributions received from these investments as income.

Current asset investments are held at fair value with movements recognised in the surplus or deficit for the year.

## Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

## 12. Finance costs and financial liabilities

Finance costs are charged to comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

## 13. Heritage assets

Heritage assets consist of reference material in the library and the museum collection of portraits, performance archives and other works of art of significant historical interest to musicians. Heritage assets are not depreciated on the basis of their indefinite useful economic lives. Heritage assets valued at £5,000 and more are included where practicable in the financial statements.

The RCM library holds collections of printed and manuscript music, books, letters and other archival collections. No valuation has been obtained for the collection as a whole, or individual items, for reasons of cost and practicality. Assets acquired before August 2009 have not been valued due to their scale and uniqueness: valuation costs would exceed the benefit derived to the users of the financial statements. Assets donated or purchased with a value of more than £2,000 between 1 August 2009 and 31 July 2014 are included in the financial statements where values have been reasonably obtainable. From 1 August 2014, assets donated or purchased with a value of £5,000 or more are capitalised. Preservation and management are explained in the Library Collection Development Policy, with policies for selection, donations, retention and disposal of heritage assets. The policy precludes disposal of any item unless it is a duplicate. Costs of preservation are funded from various sources including grants, donations and RCM funds.

The RCM museum collection comprises around 1,000 items, most of which are instruments or parts of instruments. The collection also includes archival material. A financial valuation took place in 2010/11 and most of the collection was viewed by experts from Sotheby's and Bonham's and instruments valued at £4.4million were added to the balance sheet in the 2010/11 financial statements.

The Portraits and Performance History Collection (PPHC) is a collection of photographs, art, printed items and manuscripts dating from c1620 to present day and is available for viewing to members of RCM, visiting researchers and members of the public. Portraits and other works of art are stated at valuation in the financial statements and are not depreciated. There is no reason to believe that there has been any impairment in the value of these assets. A majority of these works were donated to RCM, though occasional purchases have been made over the years. No overall valuation has been made of the collection, though many works of art were valued in 2005 and are included in the financial statements. The cost of undertaking valuations for the remaining collections acquired prior to August 2009 outweigh the benefits to the readers of the financial statements. The PPHC continues to accept donations and make purchases if materials complement and enhance existing holdings and can be accommodated in appropriate conditions. RCM has adopted the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items of the PPHC.

Heritage assets are not depreciated as their long economic life and high residual value means depreciation will not be material. There is a Museum Acquisitions and Disposals Policy, including instructions for selection, donations, retention and disposal of assets and RCM has adopted the principle that, except for sound curatorial reasons, there is a strong presumption against the disposal of any items in the museum collection. The museum is accredited with the Museums, Libraries and Archives Council and adheres to national standards of care and access, including a specific budget for conservation which is applied to the upkeep of playable instruments and cleaning and care of the whole collection.

#### **14. Cash and cash equivalents**

Cash includes cash in hand, deposits and overdrafts. Cash equivalents are short term, highly liquid investments (deposits of three months or less) that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

Provisions are recognised in the financial statements when: RCM has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. 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 RCM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of RCM. 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 RCM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of RCM. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **16. Taxation**

RCM is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478- 488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. RCM receives no similar 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.

#### **17. Reserves**

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which are held as a permanently restricted fund which RCM must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and RCM is restricted in the use of these funds.

## 18. Total Return

The total return basis of managing the permanent endowments of the Scholarships and Awards Fund (excluding the portion of them that is invested in CLV (RCM) LLP through the RCM subsidiary RCM Business Enterprises Limited) was implemented on 1 August 2021, and the total return basis of managing the Junior Department Appeal Fund was implemented on 1 August 2022. The total return basis of managing the permanent endowments of the Faculties & Other Fund, which was created in the 2024/25 financial year, was implemented on 31 July 2025. This approach permits RCM to invest the funds to maximise the Total Return on investments (taking both capital values and income into consideration) and, therefore, to make available an appropriate portion of the Total Return for expenditure each year, after accounting, among other things, for preservation of the real-term value of the permanent endowment. Until this power is exercised in full, the Total Return is shown as an "Unapplied Total Return" and remains as part of the permanent endowment.

### Total Return Accounting

The initial value of the trust for investment and the initial value of the unapplied total return were established as at 31 July 2020 for the Scholarships and Awards Fund, at 31 July 2021 for the Junior Department Appeal Fund, and at 31 July 2025 for the Faculties & Other Fund. The date of the valuation for each individual endowment within the funds is the date that endowment was received, or a reasonable estimate thereof, and the calculation of the initial value of the trust for investment includes all funds in place at those dates. At those same dates, the initial value of unapplied total return was determined as equal to the accumulated unapplied income from the trust for investment and the increase in value of the trust for investment since the date of valuation of each individual endowment within the fund. The Council took advice from Cazenove to inform its decisions, and to inform its policy on a suitable level of unapplied total return going forward.

## Statement of comprehensive income

### Year ended 31 July 2025

		Year ended 31 July 2025	Year ended 31 July 2024
	Note	£'000	£'000
<b>Income</b>			
Tuition fees	1	21,164	19,543
Funding body grants	2	7,283	7,091
Research grants and contracts	3	687	459
Other income	4	3,290	2,916
Investment income	5	4,015	2,736
<b>Total income before donations and endowments</b>		<b>36,439</b>	<b>32,745</b>
Donations and endowments	6	6,983	4,321
<b>Total income</b>		<b>43,422</b>	<b>37,066</b>
<b>Expenditure</b>			
Staff costs before pension adjustment	7	19,382	18,518
USS pension adjustment	7	-	(5,069)
Total staff costs	7	19,382	13,449
Other operating expenses	8	14,601	13,982
Depreciation	10	3,730	3,482
Interest and other finance costs	9	132	252
<b>Total expenditure</b>		<b>37,845</b>	<b>31,165</b>
<b>Surplus before gains and losses</b>		<b>5,577</b>	<b>5,901</b>
Gain/(loss) on disposal of tangible fixed assets		2,482	(12)
Gain on disposal of investments		8	329
Change in fair value of investments	12	2,629	2,611
<b>Surplus for the year</b>		<b>10,696</b>	<b>8,829</b>
Actuarial gain/(loss) in respect of pension schemes	27	58	(606)
<b>Total comprehensive income for the year</b>		<b>10,754</b>	<b>8,223</b>
Represented by:			
Restricted endowment comprehensive income for the year		4,996	3,627
Restricted comprehensive income for the year	21	231	(256)
Unrestricted comprehensive income for the year		5,714	10,642
Revaluation reserve comprehensive income for the year	23	(187)	(5,790)
		<b>10,754</b>	<b>8,223</b>

The statement of comprehensive income is in respect of continuing activities.

The accounting policies and notes form part of these financial statements.



## Statement of changes in reserves

### Year ended 31 July 2025

	Income and expenditure account			Revaluation reserve	Total reserves
	Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2023</b>	<b>44,273</b>	<b>3,659</b>	<b>43,984</b>	<b>13,637</b>	<b>105,553</b>
Surplus/(loss) after taxation from the income and expenditure statement	5,231	(1,860)	5,458	-	8,829
Other comprehensive income	-	-	(606)	-	(606)
Transfer of unapplied total return allocated to income	(1,604)	1,604	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	5,790	(5,790)	-
<b>Total comprehensive income for the year</b>	<b>3,627</b>	<b>(256)</b>	<b>10,642</b>	<b>(5,790)</b>	<b>8,223</b>
<b>Balance at 1 August 2024</b>	<b>47,900</b>	<b>3,403</b>	<b>54,626</b>	<b>7,847</b>	<b>113,776</b>
Surplus/(loss) after taxation from the income and expenditure statement	6,389	(816)	5,123	-	10,696
Other comprehensive income	-	-	58	-	58
Transfer of unapplied total return allocated to income	(1,393)	1,393	-	-	-
Transfers between funds*	-	(346)	346	-	-
Transfers between revaluation and income and expenditure reserve	-	-	187	(187)	-
<b>Total comprehensive income for the year</b>	<b>4,996</b>	<b>231</b>	<b>5,714</b>	<b>(187)</b>	<b>10,754</b>
<b>Balance at 31 July 2025</b>	<b>52,896</b>	<b>3,634</b>	<b>60,340</b>	<b>7,660</b>	<b>124,530</b>

\* A transfer of £345,927 has been made from restricted reserves to unrestricted reserves. This reclassification reflects a reassessment of the terms of a historic donation, which determined that the funds were not subject to donor-imposed restrictions

The accounting policies and notes form part of these financial statements.

## Balance sheet

### Year ended 31 July 2025

		As at 31 July 2025	As at 31 July 2024
	Note	£'000	£'000
<b>Non-current assets</b>			
Fixed assets	10	64,762	67,652
Heritage assets	10,11	5,701	5,613
Investments	12	53,279	48,160
Investment in subsidiary company	13	1,711	1,711
		<u>125,453</u>	<u>123,136</u>
<b>Current assets</b>			
Trade and other receivables	14	2,562	2,139
Investments	15	7,291	3,830
Cash and cash equivalents		<u>8,285</u>	<u>6,655</u>
		18,138	12,624
Less: Creditors: amounts falling due within one year	17	<u>(4,175)</u>	<u>(3,811)</u>
<b>Net current assets</b>		13,963	8,813
<b>Total assets less current liabilities</b>		<u>139,416</u>	<u>131,950</u>
Creditors: amounts falling due after more than one year	18	(14,799)	(17,764)
<b>Provisions</b>			
Pension provisions	19	<u>(87)</u>	<u>(410)</u>
<b>Total net assets</b>		<u>124,530</u>	<u>113,776</u>
<b>Restricted reserves</b>			
Income and expenditure reserve - endowment reserve	20	52,896	47,900
Income and expenditure reserve - restricted reserve	21	3,634	3,403
<b>Unrestricted reserves</b>			
Income and expenditure reserve - unrestricted		60,340	54,626
Revaluation reserve	23	<u>7,660</u>	<u>7,847</u>
<b>Total reserves</b>		<u>124,530</u>	<u>113,776</u>

The financial statements were approved and authorised for issue by the Council on 10 December 2025 and were signed on its behalf on that date by:

James Williams



James Williams, Director  
Lord Black of Brentwood, Chair of Council

The accounting policies and notes form part of these financial statements.

## Statement of Cash flows

### Year ended 31 July 2025

	Note	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year		10,696	8,828
<b>Adjustment for non-cash items</b>			
Depreciation	10	3,730	3,482
Gain on disposal of fixed asset investments		(8)	(328)
Gain on fair value of investments		(2,629)	(2,611)
Increase in debtors	14	(423)	(619)
Increase/(Decrease) in creditors		162	(136)
Decrease in pension provision before actuarial gains/losses	19	(265)	(5,151)
Receipt of donated assets		(103)	(162)
Amortised lease income		(305)	(305)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(4,015)	(2,736)
Interest payable	9	86	98
Endowment income	6	(2,365)	(446)
(Gain)/Loss on the disposal of fixed assets	10	(2,482)	22
Capital grant income		(827)	(716)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,252</b>	<b>(780)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		2,712	10
Capital grants receipts		33	755
Disposal of non-current asset investments		74	2,846
Investment income	5	4,015	2,736
Payments made to acquire fixed assets		(1,055)	(1,851)
Purchase of non-current asset investments		(2,557)	(159)
Purchase of current asset investments		(5,261)	(2,030)
Fixed term deposits expired		1,800	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(239)</b>	<b>2,307</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(86)	(98)
Endowment cash received		2,365	446
Repayments of amounts borrowed		(1,662)	(163)
<b>Net cash inflow from financing activities</b>		<b>617</b>	<b>185</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>1,630</b>	<b>1,712</b>
Cash and cash equivalents at beginning of the year		6,655	4,943
Cash and cash equivalents at end of the year		8,285	6,655

The accounting policies and notes form part of these financial statements.

## Notes to the financial statements for the year ended 31 July 2025

	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
<b>1 Tuition fees</b>		
Full-time home students	4,836	4,456
Part-time home students	324	215
Non-UK students	13,502	12,458
Other	2,502	2,414
	<b>21,164</b>	<b>19,543</b>
This year's Tuition fees have been categorised under headings which differ from those included in last year's accounts. To ensure comparability, last year's Tuition fees have been reanalysed under these new headings		
<b>2 Funding body grants</b>		
Recurrent grants		
Teaching	4,968	5,006
Research	1,277	1,260
Higher Education Innovation Fund	360	362
Specific grants		
Other grants	410	204
Capital grants released in the year	268	259
	<b>7,283</b>	<b>7,091</b>
The table below shows the sources of grant and fee income.		
<b>Grant and fee income</b>		
Grant income from OfS	5,236	5,264
Grant income from other bodies	2,047	1,825
Fee income for taught awards	18,080	16,659
Fee income for research awards	582	472
Fee income from non-qualifying courses	2,502	2,414
	<b>28,447</b>	<b>26,634</b>
<b>3 Research grants and contracts</b>		
Research councils	637	441
UK-based charities	8	-
Other	42	18
	<b>687</b>	<b>459</b>
<b>4 Other income</b>		
Residences, catering and conferences	1,053	810
Other capital grants	195	190
Other services rendered	458	414
Lease premium - Prince Consort Village	305	305
Other income	1,279	1,197
	<b>3,290</b>	<b>2,916</b>
<b>5 Investment income</b>		
Investment income on endowment assets - unrestricted	-	49
Investment income on endowment assets - restricted	1,796	1,978
Other interest receivable	469	209
ABRSM investment income	1,750	500
	<b>4,015</b>	<b>2,736</b>

## Notes to the financial statements for the year ended 31 July 2025

		Year ended 31 July 2025	Year ended 31 July 2024
	Note	£'000	£'000
<b>6 Donations and endowments</b>			
New endowments with restrictions		2,365	446
Restricted donations		3,427	3,270
Unrestricted donations		1,191	605
		<u>6,983</u>	<u>4,321</u>

There were 10 legacy donations not yet received at the year end, totalling approximately £1,309,059. Included within this total is a £150,000 pecuniary legacy which has been recognised in Accrued income in Note 14. The remaining nine legacy donations have not been included in the balance sheet as the College does not believe the legacies can be valued with sufficient reliability.

<b>7 Staff costs</b>			
Salaries		14,984	14,416
Social security costs		1,462	1,250
Movement on USS provision		-	(5,069)
Provision for unfunded pension liabilities	19	(410)	410
Other pension costs	27	3,346	2,442
		<u>19,382</u>	<u>13,449</u>

The total amount of any compensation paid by the College for loss of office in 2024/25 was £92,357 (2023/24: £33,312). Of this total, £26,143 (2023/24: £33,312) was contractual and £66,215 (2023/24: nil) was non-contractual. This compensation was paid in full during the year.

The following disclosure relates to Colin Lawson who was Director of the College during the year ended 31 July 2025, but who retired in August 2024.

		Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000
Emoluments of the Director (Aug 24)			
Basic salary		22	251
Payment in lieu of pension		3	38
Benefits in kind		10	21
Emoluments excluding pension contributions		<u>35</u>	<u>310</u>
Pension contributions*		-	7
Emoluments including pension contributions		<u>35</u>	<u>317</u>

\*The Director was a member of USS, with an enhanced opt-out which commenced in April 2016. The employer contribution was only for life assurance and incapacity cover.

Benefits in kind relate to private healthcare.

From 1 September 2024, James Williams was appointed as Director of the College. The table below sets out his emoluments during for the year ended 31 July 2025.

	Year ended 31 July 2025
	£'000
Emoluments of the Director (Sep 24-Jul 25)	
Basic salary plus allowance	220
Benefits in kind	9
Emoluments excluding pension contributions	<u>229</u>
Pension contributions*	32
Emoluments including pension contributions	<u>261</u>

\* The Director is a member of USS.

Benefits in kind relate to private healthcare.

## Notes to the financial statements for the year ended 31 July 2025

### 7 Staff costs (continued)

#### Professor Colin Lawson, Director to 31 August 2024

Professor Colin Lawson retired from the role of Director on 31 August 2024. At the Remuneration Committee meeting held on 6 June 2024, Professor Lawson provided a report of the RCM's progress and performance over the year and the Committee gave full and thorough consideration to the Director's performance. The Committee accepted the Director's wish that his pay increase for the remainder of his term should be in line with that given to the rest of the College's staff. The Director is not a member of the Remuneration Committee.

In determining the Director's total remuneration package for 2024/25, the Remuneration Committee took into account the context in which the RCM was operating:

- The context of national pay negotiations on the annual cost of living award, noting that after careful consideration, the College had decided not to opt in to the JNCHES pay negotiations for 2024-2025 in order to allow for greater flexibility.
- Increases recommended for the Directorate
- The current financial situation of RCM and the financial context across the sector
- Benchmarking information on vice-chancellor pay, specifically at direct competitor institutions and institutions of a similar size and standing
- The Gender pay gap and Equal pay gap at RCM

The Director was not a member of the Remuneration Committee.

The head of the provider's basic salary was 5.9 times the median pay of staff (2024: 6.2 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration was 6.5 times the median total remuneration of staff (2024: 6.8 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

#### Mr James Williams, Director from 1 September 2024

Mr James Williams was appointed as Director with effect from 1 September 2024. Mr Williams' salary was determined by the Remuneration Committee taking into account:

- The wider context of vice-chancellor pay at direct competitor institutions and institutions of a similar size and standing
- The wider context of comparable roles in the arts sector
- The skills and experience Mr Williams was bringing to the role and his expected impact on the institution

The Director is not a member of the Remuneration Committee.

The head of the provider's basic salary is 5.6 times the median pay of staff where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 6.1 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 provider of its staff

The Annual Report of the Remuneration Committee is available on <https://www.rcm.ac.uk/about/strategies-values/financialinformation/>

	2025	2024
Basic pay of senior staff including the Director	Headcount	Headcount
£100,000 - £104,999	-	2
£105,000 - £109,999	1	-
£110,000 - £114,999	1	2
£115,000 - £119,999	1	1
£120,000 - £124,999	1	-
£125,000 - £129,999	-	1
£135,000 - £139,999	1	-
£180,000 - £184,999	-	1
£190,000 - £194,999	1	-
£220,000 - £224,999	1	-
£250,000 - £254,999	-	1
	<b>7</b>	<b>8</b>



# Notes to the financial statements for the year ended 31 July 2025

7 Staff costs (continued)

Average staff numbers by major category:	2025 FTE	2024 FTE as restated
Academic departments	139	139
Academic services	40	40
Premises	25	25
Administration and central services	75	68
	279	272

Prior year FTE figures have been restated due to identification of a calculation error. This has no impact on the financial results of the College.

Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the RCM. This comprises members of Council and the executive directors. There was no compensation for loss of office paid to Key Management Personnel during the year. The total remuneration, including employer pension contributions, paid to Key Management Personnel during the year was £1,395,965 (2023/24: £1,510,693). No remuneration relates to members of Council.

Council Members

RCM Council members are trustees for charitable law purposes. All transactions involving organisations in which a member of Council may have an interest are conducted in accordance with the RCM's financial regulations and procedures. Ex-officio and elected members of Council are RCM staff and as such are remunerated in the normal course of their duties. No other Council members received any remuneration or waived payments during the year or the previous year.

## Notes to the financial statements for the year ended 31 July 2025

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>8 Other operating expenses</b>		
Academic and related expenditure	625	577
Research related expenditure	55	48
Catering	695	570
Learning resources	440	476
Scholarships and awards	5,893	5,741
Grant to RCM Students' Union	15	15
Professional fees	821	706
Premises	2,966	2,877
Other expenses	3,091	2,973
	<b>14,601</b>	<b>13,983</b>
Other operating expenses include:		
External auditors' remuneration in respect of audit services	65	62
External auditors' remuneration in respect of non-audit services	18	9
Internal auditors' remuneration - internal audits	42	40
Operating lease rentals		
Land and buildings	141	153
Other	41	76

The table below shows the expenditure on access and participation in the year.

### Access and Participation

Access Investment (i)	301	311
Financial Support	351	329
Disability Support (ii)	14	14
Research and Evaluation (iii)	24	24
	<b>690</b>	<b>678</b>

(i) £196,186 of these costs are included in the overall staff costs figures included in the financial statements, see note 7 (2023/24: £188,651)

(ii) £14,434 of these costs are included in the overall staff costs figures included in the financial statements, see note 7 (2023/24: £13,849)

(iii) £24,077 of these costs are included in the overall staff costs figures included in the financial statements, see note 7 (2023/24: £24,161)

Relevant information can be found on our website:

<https://www.rcm.ac.uk/about/strategies-values/people-equality-diversity/>

### 9 Interest and other finance costs

Loan interest	86	98
Loan commitment fee	46	40
Exchange differences	-	1
Net finance charge on pension schemes		
USS	-	114
	<b>132</b>	<b>253</b>

## Notes to the financial statements for the year ended 31 July 2025

	Freehold land and buildings	Leasehold land and buildings	Musical instruments	Furniture, equipment and software	Assets in the course of construction	Total excluding heritage assets	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>10 Fixed Assets</b>								
<b>Cost or valuation</b>								
At 1 August 2024	1,708	76,671	10,935	8,598	492	98,404	5,613	<b>104,017</b>
Additions	-	106	207	158	615	1,086	88	<b>1,174</b>
Transfers	-	39	119	238	(396)	-	-	<b>-</b>
Disposals	(134)	(2,524)	(60)	(136)	(14)	(2,868)	-	<b>(2,868)</b>
<b>At 31 July 2025</b>	<b>1,574</b>	<b>74,292</b>	<b>11,201</b>	<b>8,858</b>	<b>697</b>	<b>96,622</b>	<b>5,701</b>	<b>102,323</b>
<b>Depreciation</b>								
At 1 August 2024	98	18,623	7,236	4,795	-	30,752	-	<b>30,752</b>
Charge for the year	-	1,900	381	1,449	-	3,730	-	<b>3,730</b>
Disposals	(99)	(2,385)	(28)	(110)	-	(2,622)	-	<b>(2,622)</b>
<b>At 31 July 2025</b>	<b>(1)</b>	<b>18,138</b>	<b>7,589</b>	<b>6,134</b>	<b>-</b>	<b>31,860</b>	<b>-</b>	<b>31,860</b>
<b>Net book value</b>								
<b>At 31 July 2025</b>	<b>1,575</b>	<b>56,154</b>	<b>3,612</b>	<b>2,724</b>	<b>697</b>	<b>64,762</b>	<b>5,701</b>	<b>70,463</b>
At 1 August 2024	1,610	58,048	3,699	3,803	492	67,652	5,613	<b>73,265</b>

The additions to leasehold land and buildings relate to various estates projects within the existing buildings.

As part of the University's annual asset review, several assets within leasehold land and buildings were identified as no longer appropriate to retain on the Fixed Assets Register and have therefore been removed, reflected in the disposals balance of this category. The freehold land and buildings disposal balance also includes the sale of 41 Prince Gate Mews completed in September 2024 and sold for £2,743,333. The net book value of the asset at the point of sale was £34,738.

Assets in the course of construction at 31 July 2025 relate to the improvements to the Musical instruments, ICT and Studios projects and other Estates projects.

	2025 £'000	2024 £'000
<b>11 Heritage assets</b>		
Donations		
Books and manuscripts	87	-
Busts and portraits	1	21
<b>Total acquisitions capitalised</b>	<b>88</b>	<b>21</b>

## Notes to the financial statements for the year ended 31 July 2025

	Loan to subsidiary company £'000	Other fixed asset investments £'000	Total £'000
<b>12 Non-current investments</b>			
<b>At 1 August 2024</b>	1,711	48,160	<b>49,871</b>
Acquisition of shares - less movement in cash held by fund managers	-	2,556	<b>2,556</b>
Cost of disposals	-	(66)	<b>(66)</b>
Change in market value	-	2,629	<b>2,629</b>
<b>At 31 July 2025</b>	<b>1,711</b>	<b>53,279</b>	<b>54,990</b>

### Non-current investments

Funds managed by external fund managers:

Scholarships and awards fund		49,550	<b>49,550</b>
Faculties & Other		240	<b>240</b>
Junior department appeal fund		903	<b>903</b>
Junior department expendable fund		311	<b>311</b>
		<b>51,004</b>	<b>51,004</b>

ABRSM	-	2,275	<b>2,275</b>
Investment in loan to subsidiary company	1,711	-	<b>1,711</b>
	<b>1,711</b>	<b>53,279</b>	<b>54,990</b>

### Split of stock held by external fund managers:

Fixed interest stocks (listed)		5,179	<b>5,179</b>
Equities (listed) and unit trusts		38,196	<b>38,196</b>
Alternatives		6,021	<b>6,021</b>
Cash held by investment managers		1,608	<b>1,608</b>
		<b>51,004</b>	<b>51,004</b>

### Connected charitable institution

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

### 13 Investment in subsidiary company

RCM has a 100% holding in RCM Business Enterprises Limited (RCM BEL) which holds a 20% share in the jointly controlled entity CLV (RCM) LLP. CLV (RCM) LLP operates student accommodation in Ravenscourt Park (Prince Consort Village). Funds to purchase the share in CLV (RCM) LLP came from the RCM's restricted permanent endowments and all funds generated from the 20% holding will be used to provide scholarships and awards to RCM students. The 20% stake represents a £1.7 million interest bearing loan. The share of net assets in the jointly controlled entity, when distributed, will be used to fund scholarships and awards to RCM students.

## Notes to the financial statements for the year ended 31 July 2025

	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
<b>14 Trade and other receivables</b>		
Amounts falling due within one year		
Other trade receivables	102	268
Other receivables	342	227
Prepayments and accrued income	1,715	1,494
Amounts due from subsidiary company	403	150
	<b>2,562</b>	<b>2,139</b>
<b>15 Current asset investments</b>		
Investment in money market funds	7,291	2,030
Term deposits	-	1,800
	<b>7,291</b>	<b>3,830</b>
<b>16 Reconciliation of net debt</b>		
<b>Net cash/(debt) 1 August 2024</b>	<b>4,789</b>	<b>2,914</b>
Movement in cash and cash equivalents	1,630	1,712
Repayment of unsecured loans	1,662	163
<b>Net cash/(debt) 31 July 2025</b>	<b>8,081</b>	<b>4,789</b>
<b>Reduction in net debt</b>	<b>(3,292)</b>	<b>(1,875)</b>
<b>Analysis of net debt:</b>		
<b>Cash and cash equivalents</b>	<b>8,285</b>	<b>6,655</b>
Borrowings: amounts falling due within one year		
Unsecured loans	(163)	(163)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(41)	(1,703)
<b>Net cash/(debt)</b>	<b>8,081</b>	<b>4,789</b>
<b>17 Creditors: amounts falling due within one year</b>		
Unsecured loans	162	163
Trade payables	809	660
Social security and other taxation payable	503	594
Accruals and deferred income	2,701	2,394
	<b>4,175</b>	<b>3,811</b>

## Notes to the financial statements for the year ended 31 July 2025

		Year ended 31 July 2025	Year ended 31 July 2024		
	Note	£'000	£'000		
<b>18 Creditors: amounts falling due after more than one year</b>					
Deferred income - PCV lease premium		11,857	12,163		
Deferred income - other		2,901	3,898		
Unsecured loans		41	1,703		
		<u>14,799</u>	<u>17,764</u>		
Analysis of unsecured loans:					
<b>Due within one year or on demand</b>	17	162	163		
Due between one and two years		41	163		
Due between two and five years		-	1,541		
<b>Due after more than one year</b>		<u>41</u>	<u>1,703</u>		
<b>Total unsecured loans</b>		<u>203</u>	<u>1,866</u>		
<b>Included in unsecured loans</b>		<b>Amount</b>	<b>Term</b>	<b>Interest rate</b>	<b>Borrower</b>
		<b>£'000</b>		%	
The Royal Bank of Scotland		203	2026	5.3	RCM
<b>Total</b>		<u>203</u>			

The College has a term loan with RBS expiring in October 2026. The loan is amortising in equal annual instalments to the expiry date.

In November 2024, the College signed an £11m Revolving Credit Facility ("RCF") for five years expiring in November 2029. No funds were drawn down on this facility as at 31 July 2025.

	Provision for unfunded pension liabilities £'000	RCM Pension & Assurance Scheme Provision £'000	Total £'000
<b>19 Provisions for pension liabilities</b>			
At 31 July 2024	410	-	410
Movements in the year	(410)	87	(323)
<b>At 31 July 2025</b>	<b>-</b>	<b>87</b>	<b>87</b>

### RCM Pension & Assurance Scheme

As at 31 July 2024, the scheme was in an actuarial surplus. In accordance with FRS 102 Section 28, no pension asset was recognised in the Statement of Financial Position, as the probability of recovering a refund from the scheme was considered remote, and therefore the value disclosed at that date is nil.

As at 31 July 2025, the scheme was in an actuarial deficit and, accordingly, a provision has been recognised within the Statement of Financial Position.

### Provision for unfunded pension liabilities

In the year-ended 31 July 2024 the College obtained an actuarial valuation of £410,000 for the College's historic unfunded pension commitments which was included as a provision on the balance sheet at 31 July 2024. In the year ended 31 July 2025 the RCM Pension & Assurance Scheme rules were amended to cover these commitments. The future liabilities were transferred to the scheme and, as a result, the College's separate provision for these unfunded liabilities (£410,000) has been released.



## Notes to the financial statements for the year ended 31 July 2025

20	Endowment reserves	Restricted	Restricted	Total
		expendable endowments £'000	permanent endowments £'000	
	<u>Capital</u>			
	<b>At 1 August 2023</b>	280	24,130	<b>24,410</b>
	Reclassification	-	19,863	<b>19,863</b>
	New endowments	-	446	<b>446</b>
	Increase in market value of investments and realised gains	25	2,986	<b>3,011</b>
	<b>At 31 July 2024</b>	<b>305</b>	<b>47,425</b>	<b>47,730</b>
	New endowments	1,501	864	<b>2,365</b>
	Reclassification of funds*	6,293	(6,293)	-
	Increase in market value of investments and realised gains	359	2,273	<b>2,632</b>
	<b>At 31 July 2025</b>	<b>8,458</b>	<b>44,269</b>	<b>52,727</b>
	<u>Accumulated Income</u>			
	<b>At 1 August 2023</b>	-	19,863	<b>19,863</b>
	Reclassification		(19,863)	<b>(19,863)</b>
	Investment Income	9	2,029	<b>2,038</b>
	Less investment manager fees	-	(13)	<b>(13)</b>
	Expenditure	(9)	(243)	<b>(252)</b>
	Transfer to restricted reserves	-	(1,604)	<b>(1,604)</b>
	<b>At 31 July 2024</b>	<b>-</b>	<b>169</b>	<b>169</b>
	Investment Income	252	1,545	<b>1,797</b>
	Less investment manager fees	(2)	(12)	<b>(14)</b>
	Expenditure	(250)	(140)	<b>(390)</b>
	Transfer to restricted reserves	-	(1,393)	<b>(1,393)</b>
	<b>At 31 July 2025</b>	<b>-</b>	<b>169</b>	<b>169</b>
	<u>Total Funds</u>			
	<b>At 1 August 2024</b>	<b>305</b>	<b>47,595</b>	<b>47,900</b>
	<b>At 31 July 2025</b>	<b>8,458</b>	<b>44,438</b>	<b>52,896</b>
		Restricted	Restricted	
		expendable endowments	permanent endowments	
		£'000	£'000	
	<u>Analysis by endowment fund:</u>			
	Scholarships & Awards Fund	8,143	43,240	
	Junior Department Fund	315	898	
	Faculties & Other	-	300	
		<b>8,458</b>	<b>44,438</b>	
	<u>Split by Asset type</u>	Year ended 31 July 2025	Year ended 31 July 2024	
		£'000	£'000	
	Investments	<b>51,004</b>	44,708	
	Investment in loan to subsidiary company	<b>1,711</b>	1,711	
	Cash	<b>181</b>	1,481	
		<b>52,896</b>	<b>47,900</b>	

\*During the year ended 31 July 2025, as part of a project to rationalise and consolidate some of the individual funds that make up the Scholarships & Awards Fund, funds totalling £6,293,000 were reclassified from permanent endowments to expendable endowments (see further detail below).

## Notes to the financial statements for the year ended 31 July 2025

### 20 Endowment reserves (continued)

#### Statement of return for the portion of the fund managed under Total Return: Scholarships & Awards Fund

	Trust for Investment	Unapplied Total Return	Total Endowment
	£'000	£'000	£'000
<b>Total at 1 August 2023</b>	24,552	16,931	41,483
<b>Movements in the reporting period:</b>			
Gift of endowment funds	446	-	446
Investment return: investment income	-	1,758	1,758
Investment return: realised and unrealised gains and (losses)	-	2,914	2,914
Less investment management costs	-	(13)	(13)
<b>Total movements in the reporting period</b>	446	4,659	5,105
Unapplied total return allocated to the trust for investment in the year	-	-	-
Unapplied total return allocated to income in the year	-	(1,575)	(1,575)
<b>Net movements in the reporting period</b>	446	3,084	3,530
Gift component of the permanent endowment	24,998	-	24,998
Unapplied total return	-	20,015	20,015
<b>Total at 31 July 2024</b>	<b>24,998</b>	<b>20,015</b>	<b>45,013</b>
<b>Movements in the reporting period:</b>			
Gift of endowment funds	563	-	563
Reclassification of funds*	(3,075)	(2,927)	(6,002)
Investment return: investment income	-	1,379	1,379
Investment return: realised and unrealised gains and (losses)	-	2,245	2,245
Less investment management costs	-	(12)	(12)
<b>Total movements in the reporting period</b>	(2,512)	685	(1,827)
Unapplied total return allocated to the trust for investment in the year	(2,512)	-	(2,512)
Unapplied total return allocated to income in the year	-	(1,366)	(1,366)
<b>Net movements in the reporting period</b>	(2,512)	(681)	(3,193)
Gift component of the permanent endowment	22,486	-	22,486
Unapplied total return	-	19,334	19,334
<b>Total at 31 July 2025</b>	<b>22,486</b>	<b>19,334</b>	<b>41,820</b>

#### Statement of Total Return for the portion of the fund managed under Total Return: Junior Department Appeal Fund

	Trust for Investment	Unapplied Total Return	Restricted Permanent Endowment
	£'000	£'000	£'000
<b>At 1 August 2023</b>			
Gift component of the permanent endowment	370	-	370
Unapplied total return	-	429	429
<b>Total at 1 August 2023</b>	370	429	799
<b>Movements in the reporting period:</b>			
Investment return: investment income	-	29	29
Investment return: realised and unrealised gains and (losses)	-	71	71
<b>Total movements in the reporting period</b>	-	100	100
Unapplied total return allocated to the trust for investment in the year	220	(220)	-
Unapplied total return allocated to income in the year	-	(29)	(29)
<b>Net movements in the reporting period</b>	220	(149)	71
<b>At 1 August 2024</b>			
Gift component of the permanent endowment	590	-	590
Unapplied total return	-	280	280
<b>Total at 1 August 2024</b>	590	280	870
<b>Movements in the reporting period:</b>			
Investment return: investment income	-	27	27
Investment return: realised and unrealised gains and (losses)	-	27	27
<b>Total movements in the reporting period</b>	-	54	54
Unapplied total return allocated to the trust for investment in the year	-	-	-
Unapplied total return allocated to income in the year	-	(27)	(27)
<b>Net movements in the reporting period</b>	-	27	27
Gift component of the permanent endowment*	590	-	590
Unapplied total return	-	307	307
<b>Total at 31 July 2025</b>	<b>590</b>	<b>307</b>	<b>897</b>

## Notes to the financial statements for the year ended 31 July 2025

### 20 Endowment reserves (continued)

#### Statement of Total Return for the portion of the fund managed under Total Return: Faculties & Other

	Trust for Investment £'000	Unapplied Total Return £'000	Restricted Permanent Endowment £'000
<b>Total at 1 August 2024</b>	-	-	-
<b>Movements in the reporting period:</b>			
Gift of endowment funds	300	-	300
Investment return: investment income	-	-	-
Investment return: realised and unrealised gains and (losses)	-	-	-
Less investment management costs	-	-	-
<b>Total movements in the reporting period</b>	<b>300</b>	<b>-</b>	<b>300</b>
Unapplied total return allocated to the trust for investment in the year	-	-	-
Unapplied total return allocated to income in the year	-	-	-
<b>Net movements in the reporting period</b>	<b>300</b>	<b>-</b>	<b>300</b>
Gift component of the permanent endowment*	300	-	300
Unapplied total return	-	-	-
<b>Total at 31 July 2025</b>	<b>300</b>	<b>-</b>	<b>300</b>

Major funds (balances over £900,000) are as follows:

	At 31 July 2024 £'000	Reclassification of Funds* £'000	New endowments £'000	Gain/(loss) on investment £'000	Income net of fees £'000	Expenditure £'000	At 31 July 2025 £'000
<b>Scholarships &amp; Awards Fund:</b>							
Combined Scholarships Fund 2023	8,024	10,130	386	1,010	688	(761)	19,475
Combined Expendable Scholarships & Awards Fund	-	6,302	1,501	349	241	(251)	8,142
Financial Awards Fund	3,682	-	-	206	141	(139)	3,890
Neville Wathen Scholarships	2,119	-	-	119	81	(81)	2,238
Christopher Hogwood Scholarships	1,555	-	-	86	54	(117)	1,578
Noel Croucher Scholarships	1,344	-	-	70	43	(17)	1,440
Queen Elizabeth the Queen Mother	1,297	-	-	72	50	(50)	1,369
The Ramona and Trevor Swale Scholarship Fund	886	-	-	50	30	(37)	929
Combined Prize Fund 2023	877	-	-	42	29	(1)	947
Junior Fellow Fund	855	-	-	45	31	(18)	913
Other funds with balances up to £900,000	27,009	(16,432)	178	547	359	(451)	11,210
<b>Total of Scholarships &amp; Awards Fund</b>	<b>47,648</b>	<b>-</b>	<b>2,065</b>	<b>2,596</b>	<b>1,747</b>	<b>(1,923)</b>	<b>52,133</b>
Junior Department Appeal Fund	870	-	-	27	27	(27)	897
Junior Department Expendable Fund	305	-	-	9	9	(9)	314
Faculties & Other	-	-	300	-	-	-	300
<b>Total value of funds at 31 July 2025</b>	<b>48,823</b>	<b>-</b>	<b>2,365</b>	<b>2,632</b>	<b>1,783</b>	<b>(1,959)</b>	<b>53,644</b>
Balance included in:							
Endowment reserves							52,896
Restricted reserves (being the unspent balance on the income fund under Total Return)							748
<b>Total value of funds at 31 July 2025</b>							<b>53,644</b>

Each of the individually material endowment funds detailed above represents non-current investment assets only, and are each of sufficient value and liquidity to enable them to be applied in accordance with their associated restrictions.

\*During the year, as part of a project to rationalise and consolidate some of the individual funds that make up the Scholarships & Awards Fund, 10 funds from the Scholarships & Awards Fund totalling £10,130,000 were transferred to the Combined Scholarship Fund 2023, while nine permanent endowments totalling £6,293,000 were reclassified as expendable and transferred into the Combined Expendable Scholarships Fund. Legal advice confirmed the basis for reclassification and, where required, consent was obtained from the Charity Commission under section 280A(8)(a) of the Charities Act 2011 to amend the governing objects. Further work will be undertaken to evaluate the classification of individual funds in 2025/26 financial year, supported by legal advice and in accordance with the Charities Acts 2011 and 2022.

	Scholarships & awards £	2024/25 Total £	Scholarships & awards £	2023/24 Total £
<b>21 Restricted reserves</b>				
<b>Balance at start of the year</b>	<b>3,403</b>	<b>3,403</b>	<b>3,659</b>	<b>3,659</b>
Income	2,955	2,955	2,276	2,276
Expenditure	(3,776)	(3,776)	(4,136)	(4,136)
Gains and losses	5	5	-	-
Transfers between funds	(346)	(346)	-	-
Transfer of unapplied total return allocated to income	1,393	1,393	1,604	1,604
<b>Movements in the year</b>	<b>231</b>	<b>231</b>	<b>(257)</b>	<b>(257)</b>
<b>Balance at the end of the year</b>	<b>3,634</b>	<b>3,634</b>	<b>3,403</b>	<b>3,403</b>

## Notes to the financial statements for the year ended 31 July 2025

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>22 Capital and other commitments</b>		
Commitments contracted for	90	80
Commitments not yet contracted for but approved by RCM Council	395	261
	<b>485</b>	<b>341</b>

Provision has not been made for the capital commitments shown above at 31 July 2025.

### 23 Revaluation reserve

	Tangible assets £'000	Heritage assets £'000	Total £'000
Balance at 1 August 2024	2,921	4,926	7,847
Transferred to revaluation reserve	(226)	39	(187)
<b>Balance at 31 July 2025</b>	<b>2,695</b>	<b>4,965</b>	<b>7,660</b>

### 24 Lease obligations

	As at 31 July 2025			As at 31 July 2024
	Land and Buildings £'000	Other leases £'000	Total £'000	Total £'000
Total rentals payable under operating leases:				
<b>Paid during the year</b>	<b>141</b>	<b>41</b>	<b>182</b>	<b>229</b>
<b>Future minimum lease payments due</b>				
Not later than 1 year	142	52	194	199
Later than 1 year and not later than 5 years	15	30	45	176
Later than 5 years	1,062	-	1,062	1,065
<b>Total lease payments due</b>	<b>1,219</b>	<b>82</b>	<b>1,301</b>	<b>1,440</b>

### 25 Related party transactions

The total amount of donations received without conditions from Trustees and other related parties was £624,063 (2023/24: £662,401).

During the year, there were no other related party transactions, other than £53,144 (2023/24: £40,190) in relation to the lease and associated costs paid to Queen Alexandra House (QAH), the lessor for RCM Jay Mews. Aida Berhamovich, the Director of Estates, sits on the Board of QAH. No payments were paid to Council members for serving as Council members and there were no expenses paid to Council members other than routine expenditure on services, such as catering, provided for the Council members collectively.

### 26 Subsidiary undertakings

RCM Business Enterprises Limited is a subsidiary company (which is registered in England & Wales), wholly-owned and effectively controlled by the RCM. RCM Business Enterprises Limited is exempt from the requirements to audit individual accounts by virtue of the Companies Act 2006 s.479A.

## Notes to the financial statements for the year ended 31 July 2025

### 27 Pension schemes

Different categories of staff were eligible to join one of four different schemes:

- Universities' Superannuation Scheme (USS)
- Teachers' Pension Scheme (TPS)
- RCM Pension and Assurance Scheme (RCMP&AS)
- National Employment Savings Trust (NEST).

Under the provisions of FRS 102 section 28 "employee benefits", both USS and TPS are multi-employer defined benefit pension schemes. The USS has provided employers with a standard methodology for calculating their share of the agreed funding deficit plan and we have used this methodology to account for these liabilities in line with FRS 102. The RCM is unable to identify its share of the underlying assets and liabilities of TPS and we have accounted for contributions to this scheme as though it is a defined contribution scheme. The RCMP&AS is a closed defined benefit scheme, and NEST is a defined contribution scheme for those staff who are not eligible to join TPS or USS.

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Costs for the schemes, included in the Statement of Comprehensive Income, were:</b>		
Pension Contributions		
USS	974	1,062
TPS	1,390	1,198
NEST	36	35
RCMP&AS - Past service cost	946	147
Total in Staff Costs	<u>3,346</u>	<u>2,442</u>

The RCMP&AS – past service cost includes a charge of £489,000 to provide for future liabilities arising from a change to the scheme rules.

#### Statement of Financial Position - Pension provisions

RCMP&AS (note 19)	87	-
	<u>87</u>	<u>-</u>

#### The Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most support 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. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The total gain to the Statement of Comprehensive Income is £0 (2024: £4,955,000).

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles))

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.

Notes to the financial statements  
for the year ended 31 July 2025

27 Pension schemes (continued)

The Universities Superannuation Scheme (continued)

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

Mortality base table	101% of S2PMA "light" for males and 95% of S2PFA for females.
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females

The current life expectancies on retirement at age 65 are:

	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.6
Males currently aged 45 (years)	25.7	25.4
Females currently aged 45 (years)	27.2	27.2

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%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the income and expenditure account.

Teachers' Pension Scheme

The TPS is a statutory, contributory, unfunded, defined benefit scheme, operating under the Teachers' Pensions Regulations 1997, as amended. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972, with a notional asset value ascribed to the scheme in order to determine contribution rates.

The Government Actuary carries out formal actuarial reviews of TPS to ascertain the level of future contributions. The last review was carried out as at 31 March 2020, with the valuation report published in October 2023. At the date of this review the scheme had a funding shortfall of £39.8 billion and a recovery plan to pay off this shortfall was adopted.

Employee contributions are based on tiered contribution rates dependent on salary bandings based on actual earnings in the pay period. The contribution rates as at 31 July 2025 ranged from 7.4% to 12%.

National Employment Savings Trust (NEST)

The pension scheme for staff not eligible for TPS or USS is NEST. This is a defined contribution scheme with a total contribution rate of 8% of qualifying earnings. As an employer the RCM pays 3%. The 5% employee contribution consists of 4% deducted at source and 1% tax relief claimed by NEST from the government.



## Notes to the financial statements for the year ended 31 July 2025

### 27 Pension schemes (continued)

#### RCM Pension & Assurance Scheme

The RCMP&AS is a closed scheme with 67 pensioners and 88 deferred members. The Scheme is valued every three years by a professionally qualified independent actuary using the projected unit method and, in the intervening years, the actuary reviews progress of the Scheme. The most recent actuarial valuation was at 1 August 2022. At 1 August 2022 the scheme had a funding shortfall of £4.3 million.

A "buy-in" of the Scheme's (uninsured) benefit liabilities was performed during the year. The Scheme has yet to equalise in respect of Guaranteed Minimum Pensions - a provision for this represents the only remaining uninsured benefit liability of the Scheme. The RCM accounts for the RCMP&AS in accordance with FRS 102 section 28.

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	As at 31 July 2025	As at 31 July 2024
	%pa	%pa
Price Inflation (RPI)		
- pre-retirement	3.20	3.50
- post-retirement	3.30	3.30
Price Inflation (CPI)	2.60	2.90
Rate of increase in salaries	N/A	N/A
Rate of increase of pensions in payment for members in relation to post April 1997 service	3.10	3.10
Discount rate	5.70	5.00

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Current age 65	Current age 65	Current age 45	Current age 45
	Male	Female	Male	Female
At 31 July 2024	87.0	89.1	88.4	90.5
At 31 July 2025	87.1	89.2	88.5	90.6

The 2025 balance sheet includes a provision of 2% (2024: 2%) of the value of the liabilities in respect of the requirement to equalise for the effect of unequal Guaranteed Minimum Pensions.

#### Scheme assets

The Scheme's assets are invested across several different asset classes, as follows.

	As at 31 July 2025	As at 31 July 2024
	£'000	£'000
<b>Scheme assets</b>		
Government bonds	-	2,650
Corporate bonds	-	3,246
Liability-driven investment	-	6,815
Cash	129	451
Insured pensions	10,769	629
<b>Total</b>	<b>10,898</b>	<b>13,791</b>
<b>Analysis of the amount shown in the balance sheet:</b>		
Scheme assets	10,898	13,791
Scheme liabilities	(10,985)	(11,351)
<b>Scheme net asset / (liability)</b>	<b>(87)</b>	<b>2,440</b>

The pension asset in 2024 was not recognised in the Statement of Financial Position as the likelihood of a refund from the scheme was considered to be remote.

## Notes to the financial statements for the year ended 31 July 2025

### 27 Pension schemes (continued)

#### RCM Pension & Assurance Scheme (continued)

	As at 31 July 2025 £'000	As at 31 July 2024 £'000
<b>Analysis of the amount charged to the Statement of Consolidated Income</b>		
Past service costs	(946)	(147)
<b>Total charge to the Statement of Consolidated Income</b>	<b>(946)</b>	<b>(147)</b>
<b>Analysis of the Actuarial (loss)/gain in respect of pension schemes in the Statement of Consolidated Income</b>		
Experience gain on liabilities	1,264	(149)
(Loss) on assets	(3,646)	(160)
Adjustment for non-recognition of surplus	2,440	(297)
<b>Total Actuarial (loss) in respect of pension schemes</b>	<b>58</b>	<b>(606)</b>
<b>Movement in the scheme surplus</b>		
<b>Opening surplus/(deficit)</b>	<b>2,440</b>	<b>2,143</b>
Contributions paid	801	753
Past service cost	(946)	(147)
Interest income on assets	695	677
Interest cost on defined benefit obligations	(553)	(548)
Actuarial gain	(2,524)	(438)
<b>Surplus/(liability) on scheme at end of the year</b>	<b>(87)</b>	<b>2,440</b>
<b>Analysis of movement in the present value of defined benefit obligations</b>		
<b>Present value of defined benefit obligations at the start of the year</b>	<b>11,351</b>	<b>10,987</b>
Past service cost	946	147
Interest cost	553	548
Actuarial (gain)	(1,264)	149
Actual benefit payments	(601)	(480)
<b>Present value of defined benefit obligations at the end of the year</b>	<b>10,985</b>	<b>11,351</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	<b>13,791</b>	<b>13,130</b>
Interest income	695	677
Actuarial gain on assets	(3,788)	(289)
Actual contributions paid	801	753
Actual benefit payments	(601)	(480)
<b>Fair value of scheme assets at the end of the year</b>	<b>10,898</b>	<b>13,791</b>
<b>Actual return on Scheme assets</b>		
(Loss) on assets	(3,788)	(289)
Interest income	695	677
	<b>(3,093)</b>	<b>388</b>

### 28 Post balance sheet events

Subsequent to the reporting date, the College received a significant donation of a musical instrument, valued at approximately £7.5–9million. The donation is considered a non-adjusting post balance sheet event.

Since the year end, the College has entered into an agreement to acquire a long-leasehold interest in a property, 41–43 Jay Mews, for a total consideration of £1.95 million. The property will be recognised as a tangible fixed asset (leasehold land and buildings) in the next financial year. This represents a non-adjusting event after the end of the reporting period as it relates to conditions arising after the balance sheet date.

## Notes to the financial statements for the year ended 31 July 2025

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

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

The amounts presented within the schedules have been:

- prepared under the historic cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

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

		Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Primary Reserve Ratio</b>	Expendable Net Assets	971	(5,427)
	Total Expenses and Losses Without Donor Restrictions	34,150	27,383
<b>Equity Ratio</b>	Modified Net Assets	124,127	110,225
	Modified Assets	143,189	135,611
<b>Net Income Ratio</b>	Changes in Net Assets without Donor Restrictions	5,526	4,852
	Total Revenue and Gains Without Donor Restrictions	37,226	32,927

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Expendable net assets</b>			
Net assets without donor restrictions	Balance Sheet	68,000	62,473
Net assets with donor restrictions	20/21	56,530	51,303
Restricted in perpetuity	20	(44,438)	(47,595)
Term endowments	20	(8,458)	(305)
Property, plant and equipment	10	(70,463)	(73,266)
Post-employment and defined benefit pension plan liabilities	7	-	410
Line of credit for long term purposes	18	203	1,703
Unsecured related party receivables	14	(403)	(150)
<b>Expendable net assets</b>		<b>971</b>	<b>(5,427)</b>
<b>Expenses and losses without donor restrictions</b>			
Total operating expenses less endowment and restricted expenditure	SOCI/20/21	34,208	26,777
Losses without donor restrictions on defined benefit pension plans	SOCI	(58)	606
<b>Total expenses and losses without donor restrictions</b>		<b>34,150</b>	<b>27,383</b>
<b>Modified net assets</b>			
Net assets without donor restrictions	Balance Sheet	68,000	62,473
Net assets with donor restrictions	20/21	56,530	47,902
Unsecured related party receivables	14	(403)	(150)
<b>Total modified net assets</b>		<b>124,127</b>	<b>110,225</b>
<b>Modified assets</b>			
Total assets	Balance Sheet	143,592	135,761
Unsecured related party receivables	14	(403)	(150)
<b>Total modified assets</b>		<b>143,189</b>	<b>135,611</b>

Notes to the financial statements  
for the year ended 31 July 2025

29 US Department of Education Financial Responsibility Supplemental Schedule (continued)

<b>Change in net assets without donor restrictions</b>			
Change in net assets without donor restrictions	SOCI	<u>5,526</u>	<u>4,852</u>
<b>Total change in net assets without donor restrictions</b>		<u><b>5,526</b></u>	<u><b>4,852</b></u>
<b>Revenues and gains without donor restrictions</b>			
Total operating revenue and other additions	1/2/3/4/6/20/21	<u>35,007</u>	<u>32,218</u>
Investment return appropriated for spending	5	<u>2,219</u>	<u>709</u>
<b>Total revenues and gains without donor restrictions</b>		<u><b>37,226</b></u>	<u><b>32,927</b></u>