

**THE ROYAL NORTHERN COLLEGE OF MUSIC
AWARDS FUND**

Charity Number 504948

Financial Statements

31 July 2025

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REFERENCE AND ADMINISTRATIVE DETAILS

LEGAL STATUS

The Charity is a trust regulated by Schemes of the Charity Commissioners for England and Wales dated 6 October 1975, 22 October 1992 and 15 March 1999.

INVESTMENT POWERS

The charity has general power of investment in accordance with section 3 of the Trustee Act 2000.

CHARITY COMMISSION REGISTRATION

Registered Number 504948

ADDRESS OF THE CHARITY

124 Oxford Road
Manchester
M13 9RD

TRUSTEE

The Royal Northern College of Music

The Governors of the Royal Northern College of Music who were in office during the year are listed in the Royal Northern College of Music Consolidated Financial Statements for the year ended 31 July 2025 a copy of which are available at www.rncm.ac.uk.

LEGAL AND ADMINISTRATIVE DETAILS

BANKERS

Royal Bank of Scotland
38 Mosley Street
Manchester
M2 3AZ

EXTERNAL AUDITORS

Haysmac LLP
10 Queen Street Place
London
EC4R 1AG

INVESTMENT MANAGERS

W1M
16 Babmaes Street
London
SW1Y 6AH

SOLICITORS

Mills and Reeve
No. 1 Circle Square
3 Symphony Park
Manchester
M1 7FS

TRUSTEE'S REPORT
Year ended 31 July 2025

The Trustee of The Royal Northern College of Music Awards Fund presents its annual report and audited financial statements for the year ended 31 July 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Royal Northern College of Music Awards Fund is constituted under trust schemes dated 6 October 1975, 22 October 1992 and 15 March 1999 and is a registered charity number 504948.

The College Board of Governors, the sole Trustee of the Awards Fund, when appointing the members of its Finance and Audit Committees, has regard to ensuring that the skills and experience thus available to them is sufficient and appropriate to their terms of reference. The Board also undertakes periodic reviews of its own effectiveness, and that of its committees, in fulfilling their roles.

The Trustee confirms that it is a public benefit entity and has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

The Students Awards Committee meets to recommend quantum of resource and policies for disbursement of student support funding to the College's Executive Committee and to the Finance Committee of the Board.

OBJECTIVE AND ACTIVITIES

The objective of the Fund is to apply its income to the education of students of The Royal Northern College of Music by the award of prizes, scholarships, exhibitions, grants for travel or for the purchase of musical instruments, maintenance allowances or other similar benefits.

In making such awards the Trustee is required, so far as in its opinion it is practicable, to secure that effect is given to the intentions of the original benefactors and that their names are perpetuated.

RISK MANAGEMENT

The Trustee has considered the major risks faced by the charity and believes that the principal threat to its ability to achieve its objectives lies in its ability to maintain its revenues, both from investments and from donations.

In order to monitor this risk, regular meetings are held with the investment manager whilst the Trustee seeks to build a continuing relationship with major donors by providing them with regular reports and opportunities to visit the College.

Risks for individual funds are considered within the College's overall risk monitoring and reporting procedures, and any strategic risks identified will be contained within the College's Risk Register, which also contains details of the controls put into place by the College in order to mitigate those risks. This register is then scored using the best practice scoring methodology, which seeks to identify particularly those risks which require further attention. The Register is formally reported to the College's Board of Governors.

GRANT MAKING POLICY

The Trustee considers applications from all students who have been offered a place to study at the College. Such offers are made solely on the basis of musical ability, without regard to the financial circumstances of anyone achieving the required standard. All students are made aware of the existence of the fund and the application procedures at their audition.

Applications for bursary support are made by individuals, and are considered at Student Awards Committee meetings. The public benefit from this policy is that this makes education at the College open to all, regardless of their economic position, and the funding of bursaries is deemed by the Trustee to be a key contributor to public benefit.

There is no private benefit accruing either to the Trustees of the College or the members of the College who form the committee which reviews applications.

TRUSTEE'S REPORT
Year ended 31 July 2025

RELATED PARTIES AND CONNECTED CHARITIES

The Royal Northern College of Music is the sole Trustee of the Awards Fund. The Awards Fund is concerned with support for students and does not enter into transactions with the College.

ACHIEVEMENTS AND PERFORMANCE

Unrestricted income for the year ended 31 July 2025 was £1,135,850. Of this, £17,529 was derived from legacies and donations and the balance of £1,118,321 arose from investments and bank balances held as part of the permanently endowed capital of the charity. Junior Fellowships, medals, prizes and awards amounted to £1,470,841 and, after charging expenses of £8,436 a deficit of £343,427 reduced previously accumulated surpluses.

Restricted income of £804,245 was received during the year from donors in respect of specific awards. Scholarships and awards amounted to £1,109,417 creating a deficit of £305,171 to carry forward.

In addition, the Awards Fund received an endowment for the sum of £250,000 for investment, the income from which will fund additional awards in future years. Gains on investments were £762,471 being realised gains of £351,501 and unrealised gains of £410,970. After accounting for these and investment management fees of £120,437 the Endowment Fund increased to £21,949,069 at 31 July 2025.

The achievements of each fund in qualitative terms are that they widen the access to the College such that we at least meet our objectives within the Office for Fair Access agreement, maintain the College's extremely high retention and achievement rates at over 95%, and also allow for the development of world-class performers of all disciplines as well as significantly increasing employability.

GOING CONCERN

The Charity's financial statements are prepared on a going concern basis as the Trustee is satisfied after making appropriate enquiries that, at the time of their approval, the Charity has the resources to continue in operation for the foreseeable future.

Despite recent economic and geopolitical issues and their impact on the investment markets, the two main sources of income for the fund, donations and investment income, have not been materially impacted. The funds have minimal operating costs and with reserves of over £24m, it is entirely appropriate to adopt the going concern basis for the 2024/25 financial statements.

INVESTMENT POLICY

The investments are intended to provide an income which, together with the capital can be used to finance the running of the charity.

The Trustee recognises the risk associated with investment in mainstream financial markets and accepts this risk in return for the prospect of additional returns over longer periods of time. As such, the Trustee wishes to remain largely invested at all times, subject to cash reserves being held as part of the investment management process and to cover liabilities. The investments of the Fund should be well diversified and include a range of assets including fixed interest stocks, UK shares and overseas shares. Although capital appreciation is not a primary objective, taking one year with another both the income and the capital value of the fund should, at a minimum, increase in line with inflation.

The investment fund managed by W1M is invested on a total return basis. The charity is permitted to adopt a total return investment strategy due to the guidance set out in the Trusts (Capital and Income) Act 2013.

Total return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed-income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.

The unapplied total return at 31 July 2013 of £3m, which represents the historic capital growth, provides a reasonable buffer to support the adoption of a total return approach and a 5% withdrawal rate has been adopted. This withdrawal rate is reviewed annually.

TRUSTEE'S REPORT
Year ended 31 July 2025

Both the implementation of and performance against this policy, and the extent to which it remains a reasonable aspiration, are reviewed with the investment advisor on a regular basis. Following the appointment of Waverton in March 2013 we have adopted a 'balanced' approach, as defined by their guidelines. Over the long term, the objective is to achieve a return of inflation plus 3%, with inflation defined as the UK Consumer Price Index (CPI). The agreed benchmark to measure shorter term performance is a composite of a 'neutral' position of 60% in Global Equities (MSCI AC World Index), 20% Fixed Income (10% Markit iBoxx Gilts Index, 10% Markit iBoxx £ Corporate Bond Index), 18% Alternatives (9% S&P Real Assets Index (Hedged), 9% Absolute Return Index) and 2% Cash (ICE GBP SONIA 1-Month).

The portfolio enjoyed a positive return during the 12 month period to 31 July 2025, rising in value by +8.5% after fees. The portfolio marginally underperformed the short-term benchmark over the 12 months, which returned +9.2%. The returns in the short term have been well ahead of the inflation +3% measure, although this is a long-term objective. Over the long term (7-years plus) the portfolios are ahead of the CPI+3% objective.

The positive return was realised despite the tariff announcements by President Trump of 2nd April, which unsettled markets and resulted in a sharp fall in share prices. But, an expectation of a downward trajectory for inflation and interest rates, and a major stimulus Bill in the US, helped to create favourable conditions for risk assets thereafter. The portfolio's equities rose in value by +12.8% over the year, ahead of the MSCI AC World Index, which returned +12.5%. Bonds were disappointing, although marginally positive, rising by 1.5%. The gold price was particularly strong (+31.9%), which helped the Alternatives allocation record a +5.3% contribution to returns. One of the main headwinds was the devaluation of the US dollar, as the portfolio does have a high dollar weight, but the underlying US dollar denominated securities provided a positive return in sterling terms despite the currency drag.

RESERVES POLICY

Whilst the Trustee seeks to maintain undesignated unrestricted funds at a minimum level of £500,000 to cover any unplanned expenditure, they do not deem it necessary to hold a specific amount in reserve to cover short term declines in income. This is due to the investment portfolio being invested on a total return basis. The portfolio valuation still supports this and the unapplied total return can be utilised in the short term if there should be a decline in income from the fund.

Current Unrestricted Reserves stand at £1.2m and are therefore some way above the stated level in this policy. The trustee has plans in place to utilise the excess of reserves over the coming years in order to reduce Unrestricted Reserves back to £500,000. A number of additional awards have been identified which will increase spend by a total of c.£1.3m over a 4 year period.

Restricted funds held for specific purposes were £1,678,626 at 31 July 2025.

Endowed funds are permanent and expendable endowments were £21,949,069 at 31 July 2025.

FUTURE DEVELOPMENTS

Requests for assistance continue to exceed the resources available and the Trustee does not expect this situation to change in the immediate future: consequently the Trustee wishes to enhance both the income and the capital base of the Fund.

AVAILABILITY AND ADEQUACY OF ASSETS OF EACH OF THE FUNDS

In the opinion of the Trustee the assets of each fund are available and adequate to fulfil their obligations. There are no contingent liabilities or guarantees. See note 1 for an explanation of the types of fund maintained by the charity.

Approved by the Trustee on 26 November 2025 and signed as authorised on their behalf by



Ravi Gupta *Chair of the Board of Governors*

Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements

Under charity law, the Trustees are responsible for preparing a Trustee's Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. The Trustee has elected to prepare the financial statements in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assesses the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- uses the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

Independent auditor's report to the trustee of The Royal Northern College of Music Awards Fund

Opinion

We have audited the financial statements of The Royal Northern College of Music Awards Fund for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2025 and of the net movement in funds 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 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. 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee'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 charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement [set out on page 6], the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with charity law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and consider other factors such as UK tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the risk of improper cut-off of income (other than that from investments) and management override of controls through improper journal entries or the inappropriate use of accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustee as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP

Statutory Auditors

Date: 4 December 2025

10 Queen Street Place

London

EC4R 1AG

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Year Ended 31 July 2025				Year Ended 31 July 2024			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		Funds	Funds	Funds		Funds	Funds	Funds	
		£	£	£	£	£	£	£	£
INCOME									
Voluntary Income		17,529	804,245	250,000	1,071,774	91,771	917,751	120,000	1,129,522
Investment Income		-	-	1,038,566	1,038,566	-	-	963,311	963,311
Transfer to Income		1,038,566	-	(1,038,566)	-	963,311	-	(963,311)	-
Bank interest		79,755	-	-	79,755	94,950	-	-	94,950
Total Income		1,135,850	804,245	250,000	2,190,096	1,150,033	917,751	120,000	2,187,784
EXPENDITURE									
Cost of raising funds									
Investment management costs		-	-	120,437	120,437	-	-	112,007	112,007
Charitable activities	2	1,470,841	1,109,417	-	2,580,258	1,097,234	832,130	-	1,929,364
Other expenditure -									
Audit/Legal fees		8,400	-	-	8,400	13,620	-	-	13,620
Bank charges		36	-	-	36	38	-	-	38
Total Expenditure		1,479,277	1,109,417	120,437	2,709,131	1,110,891	832,130	112,007	2,055,028
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE INVESTMENT GAINS AND LOSSES									
		(343,427)	(305,171)	129,563	(519,035)	39,141	85,621	7,993	132,756
Gains on revaluations and disposals of investments held for charity use:									
Gain on sale of investments		-	-	1,487,962	1,487,962	-	-	1,118,437	1,118,437
Less: Previously accounted for as an Unrealised (gain)		-	-	(1,136,461)	(1,136,461)	-	-	(978,675)	(978,675)
Realised from investments		-	-	351,501	351,501	-	-	139,762	139,762
Unrealised from investments		-	-	410,970	410,970	-	-	1,825,296	1,825,296
TOTAL INVESTMENT GAINS / (LOSSES)		-	-	762,471	762,471	-	-	1,965,058	1,965,058
NET INCOME/(EXPENDITURE) FOR THE YEAR		(343,427)	(305,171)	892,034	243,436	39,141	85,621	1,973,051	2,097,814
Transfer of negative restricted balances to unrestricted		(363,581)	363,581	-	-				
Release of endowed funds		-	125,000	(125,000)	-				
NET MOVEMENTS IN FUNDS FOR THE YEAR		(707,008)	183,409	767,034	243,436	39,141	85,621	1,973,051	2,097,814
TOTAL FUNDS AT 1 AUGUST		1,912,225	1,495,217	21,182,036	24,589,477	1,873,083	1,409,595	19,208,984	22,491,661
TOTAL FUNDS AT 31 JULY	8	1,205,217	1,678,626	21,949,069	24,832,913	1,912,225	1,495,217	21,182,036	24,589,476

All amounts derive from continuing activities.

BALANCE SHEET
Year ended 31 July 2025

	Note	As at 31 July 2025		As at 31 July 2024	
		£	£	£	£
FIXED ASSETS					
Investments	3	18,479,287		20,759,727	
CURRENT ASSETS					
Debtors	4	2,969,363		128,369	
Cash at bank and in hand		<u>3,501,835</u>		<u>4,009,497</u>	
		6,471,198		4,137,866	
CURRENT LIABILITIES					
Creditors and accruals	5	117,573		308,117	
NET CURRENT ASSETS			<u>6,353,625</u>		<u>3,829,749</u>
TOTAL NET ASSETS			<u><u>24,832,912</u></u>		<u><u>24,589,476</u></u>
CAPITAL FUNDS					
Endowment fund	6	21,949,069		21,182,035	
INCOME FUNDS					
Restricted	7	1,678,626		1,495,216	
Unrestricted		1,205,217		1,912,225	
		<u>2,883,843</u>		<u>3,407,441</u>	
TOTAL FUNDS	8	<u><u>24,832,912</u></u>		<u><u>24,589,476</u></u>	

Approved and authorised for issue by the Trustee on 26/11/2025 and signed as authorised on their behalf



Chair of the Board of Governors, Ravi Gupta



Principal, Linda Merrick

1 ACCOUNTING POLICIES

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Charities Statement of Recommended Practice (FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the "Accounting and Reporting by Charities: Statement of Recommended Practice Charities SORP 2005" which has since been withdrawn.

These financial statements are consolidated with the Royal Northern College of Music financial statements, a copy of which are available at www.rncm.ac.uk

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market value and prepared in pounds sterling rounded to the nearest pound.

Fund accounting

The charity maintains various types of funds as follows:

Endowment funds

Permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream

Expendable endowments - the donor has specified a particular objective and the trustees have the power to use the capital.

Restricted funds

Restricted funds represent income which has been allocated by the donor for specific purposes.

Unrestricted funds

Unrestricted funds, which include the income derived from the endowment funds, represent resources which are expendable at the discretion of the Trustee in the furtherance of the objectives of the charity.

Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met, where receipt is probable and the amount is quantifiable. When a claim for repayment of income tax has been, or will be, made such income is grossed up for the tax recoverable. Where income is received relating to a future accounting period, the statement of financial activities shows the gross amount received together with the change in amount deferred to future accounting periods. Deferred income at the year end is included in creditors. The following accounting policies are applied to income.

Legacies and donations

Legacies and donations are accounted for when conditions for their receipt have been met and where that amount can be estimated reliably and receipt is probable. Material items receivable at the year end are included at an estimated value of the amount to be received.

Investment income

Investment income is accounted for when receivable and includes any related tax recoverable.

Expenditure

Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objectives of the charity.

1 ACCOUNTING POLICIES (continued)

Grants Payable

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure. Recipients of grants payable are primarily students of the Royal Northern College of Music.

Other expenditure

Other expenditure comprises professional fees and miscellaneous expenses. The administration of the charity is undertaken by staff employed by the Royal Northern College of Music using facilities provided by that body. The value of this support has not been quantified.

Cash Flow

The financial statements of the Awards Fund are consolidated into the group financial statements of the Royal Northern College of Music and is therefore considered to be a qualifying entity (for the purposes of FRS102) and has applied the exemptions available under FRS102 in respect of preparing a cash flow statement.

Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at the transaction price (adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit and loss) unless the arrangement constitutes, in effect, a financing transaction. Subsequently, they are measured at fair value if the investment is publicly traded or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income

The investment fund managed by W1M is invested on a total return basis. The charity is permitted to adopt a total return investment strategy due to the guidance set out in the Trusts (Capital and Income) Act 2013.

Total return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed-income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.

At its inception at 31 July 2013, the unapplied total return was £3m. This represents the historic capital growth and provides a reasonable buffer to support the adoption of a total return approach and a 5% withdrawal rate has been adopted. This withdrawal rate is reviewed annually. See note 12.

Tax

The Royal Northern College of Music Awards Fund is considered to pass the tests set out in Para 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Accounting Estimates and Judgements

The Charity has not identified any accounting estimates or judgements that would significantly affect the amounts recognised in the financial statements.

Going Concern

The Trustee has assessed the ability of the Charity to continue as a going concern, considering events and conditions that may cast significant doubt upon its ability to do so for the foreseeable future and have not identified any material uncertainties within their review. Based on its appropriate enquiries the Trustee is satisfied that, at the time of their approval, the Charity has the resources to continue in operation for the foreseeable future. Consequently these accounts have been prepared on a going concern basis.

NOTES TO THE ACCOUNTS
Year ended 31 July 2025

2 GRANTS PAYABLE

	Year Ended 31 July 2025			Year Ended 31 July 2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	£	£	£	£	£	£
Junior Fellowships	99,297	-	99,297	101,433	-	101,433
Medals & Prizes	68,175	-	68,175	53,725	3,150	56,875
Eva Turner Award	15,000	-	15,000	15,000	-	15,000
Annie Ridyard Award	15,000	-	15,000	15,000	-	15,000
Awards	1,273,369	1,109,417	2,382,785	912,076	828,980	1,741,056
	1,470,841	1,109,417	2,580,257	1,097,234	832,130	1,929,364

All grants payable are made to individuals, as all are awarded to current students of RNCM.

3 INVESTMENTS HELD AS FIXED ASSETS

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£	£
Opening market value	20,759,726	19,905,035
Additions at cost	2,580,867	3,100,679
Capital appreciation	520,000	614,983
Disposals at opening market value	(5,786,709)	(3,028,853)
Unrealised gains/(losses)	410,970	1,825,296
Movement on cash	(5,569)	(657,412)
Short Dated Bonds	-	(1,000,000)
Closing market value	18,479,287	20,759,726
Historical cost	13,457,120	15,704,166

Summary details of investments held at 31 July 2025 are as follows:

	Cost	Market Value
	£	£
Bonds	2,788,482	2,689,888
UK Equities	715,768	755,656
Continental European Equities	1,214,586	1,481,070
North American Equities	4,680,830	8,019,892
Japanese Equities	1,087,266	1,635,770
Asia Pacific Equities	965,950	1,389,842
Alternatives	1,919,711	2,422,642
Cash & Cash Holdings	84,527	84,527
	13,457,120	18,479,287

NOTES TO THE ACCOUNTS

Year ended 31 July 2025

4 DEBTORS	Year Ended 31 July 2025	Year Ended 31 July 2024
	£	£
Debtors	26,000	28,538
Prepayments	143,364	99,831
Loan to RNCM due within 1 year	280,000	-
Loan to RNCM due within more than 1 year	2,520,000	-
	<u>2,969,364</u>	<u>128,369</u>

The RNCM Awards Fund has an intra group loan in place with the RNCM, approved by The Charity Commission, for £2.8m, repayable over 10 years at a fixed rate of 5% p.a.

5 CREDITORS	Year Ended 31 July 2025	Year Ended 31 July 2024
	£	£
Creditors	69,708	77,762
Accruals	47,865	230,355
	<u>117,573</u>	<u>308,117</u>

6 MOVEMENT IN ENDOWMENT FUNDS

Endowment funds comprise resources which have been made available and which the Trustee is legally required to invest or retain for the purposes of the charity. Endowment funds, held as fixed assets, are a mix of permanent endowments, where the Trustee has no power to convert into income, and expendable endowments, where the Trustee has the power to use the capital. Movements for the year are set out in the Statement of Financial Activities on page 10 of this document.

7 MOVEMENT IN RESTRICTED FUNDS

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes. Expenditure from restricted funds is entirely related to prizes, bursaries and scholarships.

	2023/2024			2024/2025			
	Balance 01/08/23	Income	Expenditure	Balance 31/07/24	Transfer	Income	Expenditure
	£	£	£	£	£	£	£
Adam Gorb Award	-	50,000	-	50,000	-	-	7,000
Anderson Powell Prize	86,000	-	-	86,000	-	-	-
Derek Wyndham	149,030	-	-	149,030	-	-	-
Dobie Award	79,500	25,000	47,700	56,800	-	30,000	27,000
Dullator Foundation	14,500	12,500	-	27,000	-	12,500	-
Kinder Award	49,000	20,000	10,000	59,000	-	20,000	10,000
Gough Kelly	90,463	-	-	90,463	-	-	-
Gwilm Gwalchmia Jones	81,348	-	-	81,348	-	-	-
Hacker Young	45,000	-	-	45,000	-	-	-
Harwood Prize	25,500	-	3,000	22,500	-	-	-
Hibbard	82,103	-	-	82,103	-	-	-
Leverhulme Trust	128,780	174,000	130,940	171,840	-	173,500	173,100
Millar Scholarships	21,000	-	5,000	16,000	-	-	15,000
Ogus Travel Bursary	19,599	-	200	19,399	-	3,000	-
Peter & Yvonne Wilson Award	77,900	-	-	77,900	-	-	-
Rollo Davidson Scholarship	95,053	-	-	95,053	-	-	-
Sir John Fisher Foundation	134,900	28,000	6,000	156,900	-	-	18,000
Waverley	168,764	112,511	110,000	171,275	-	109,656	114,000
Zochonis Fund	30,500	-	-	30,500	-	-	-
Various	30,656	495,740	519,290	7,106	488,581	455,589	745,317
	<u>1,409,596</u>	<u>917,751</u>	<u>832,130</u>	<u>1,495,217</u>	<u>488,581</u>	<u>804,245</u>	<u>1,109,417</u>
							<u>1,678,626</u>

The total for the Various category above includes donations which individually are £15,000 or less or were received and expended in the year.

* Transfers relate to a transfer of negative restricted balances to unrestricted funds amounting to £363,581 and a release of £125,000 from expendable endowments.

NOTES TO THE ACCOUNTS

Year ended 31 July 2025

8 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Year Ended 31 July 2025				Year Ended 31 July 2024			
	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total £	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total £
Fixed Assets								
Investment	18,479,287	-	-	18,479,287	20,759,727	-	-	20,759,727
Current Assets								
Debtors	2,800,000	1,250	168,114	2,969,364	25,000	27,295	76,074	128,369
Cash	709,248	1,747,083	1,045,504	3,501,835	434,248	1,544,761	2,030,487	4,009,497
Current Liabilities								
Creditors and accruals	(39,465)	(69,708)	(8,400)	(117,573)	(36,940)	(76,840)	(194,337)	(308,117)
	21,949,069	1,678,626	1,205,217	24,832,912	21,182,035	1,495,216	1,912,225	24,589,476

9 TAXATION

The Royal Northern College of Music Awards Fund, as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives.

No tax charge has arisen in the year.

10 CHARITABLE COMMITMENTS

At the date of the balance sheet the Student Awards Committee of the Royal Northern College of Music had processed applications/offers for grants/scholarships for the year 2025/2026 to the value of £1,901k. This does not present a binding commitment and awards made will be subject to formal approval by the Trustee and are also subject to the recipients fulfilling certain conditions.

11 RELATED PARTY TRANSACTIONS AND CONNECTED CHARITIES

The Royal Northern College of Music is the sole Trustee of the Awards Fund. The RNCM Awards Fund has an intra group loan in place with the RNCM, approved by The Charity Commission, for £2.8m, repayable over 10 years at a fixed rate of 5%.

The Royal Northern College of Music (RNCM) is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988, and operating within the provisions of an Instrument of Government made by the Privy Council in May 1993 under the terms of the Further and Higher Education Act 1992. As a recipient of substantial public funding and by virtue of its educational objectives, it is an exempt charity as defined by the Charities Act 2011, with the Office for Students (OfS) acting as its Principal Regulator.

NOTES TO THE ACCOUNTS

Year ended 31 July 2025

12 Statement of Total Return

	Trust for Investment	Unapplied Total Return	Total Endowment
	£	£	£
At 1 August 2024			
Gift component of the permanent endowment	13,864,834	-	13,864,834
Unapplied total return	-	7,317,201	7,317,201
Total at 1 August 2024	13,864,834	7,317,201	21,182,035
Movements in the reporting period:			
Gift of endowment funds	250,000	-	250,000
Release of endowment	(125,000)	-	(125,000)
Investment return: investment income	-	1,038,566	1,038,566
Investment return: realised and unrealised gains	-	762,471	762,471
Less investment management costs	-	(120,437)	(120,437)
Total movements in the reporting period	125,000	1,680,600	1,805,600
Unapplied total return allocated to the trust for investment in the year	-	-	-
Unapplied total return allocated to income in the year	-	(1,038,566)	(1,038,566)
Net movements in the reporting period	125,000	642,034	767,034
Gift component of the permanent endowment	13,989,834		13,989,834
Unapplied total return		7,959,235	7,959,235
Total at 31 July 2025	13,989,834	7,959,235	21,949,069