

COURTAULD



**Annual Report and
Financial Statements**

2024/25



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Vision

Our vision is to become the world's most ambitious, dynamic, and innovative centre for the visual arts.

Mission

Our mission is to advance the understanding of the visual arts of past and present across the world, through advanced research, innovative teaching, inspiring exhibitions and programmes, and the stewardship of our collections.



Introduction from the Chairman

At the Courtauld, we believe that art is a necessity for social cohesion; it is not a luxury. We continue to enhance our position as the world’s most dynamic and innovative place for the study of the humanities through the lens of art history, curation, and conservation.

This has been a year of very strong achievements. Our gallery had its most successful year on record, welcoming more than 400,000 visitors, many for the first time. This increase resulted in revenue from admissions more than doubling. Our outstanding exhibitions were internationally acclaimed and reaffirmed our reputation for curatorial excellence.

The development of our new Strand Campus, consolidating all our activities in one place, made great progress towards its expected opening in 2029. It was enabled by a generous pledge from the Reuben Foundation announced in October, the largest financial gift ever bestowed upon us. In addition, we received a major gift from the Blavatnik Family Foundation. This brings the total capital raised over the last ten years to £119 million. We are enormously grateful to all our donors. I recognise that they lay the foundation of our future and I thank each of them.

We have also significantly enhanced our academic programmes, which now include new postgraduate courses in Art and Business, and Contemporary Art and the Moving Image. These were created and are taught in partnership with King’s College London, further deepening our strategic collaboration with our neighbour on the Strand. The first students arrived this autumn. We also launched the Manton Centre for British Art, a new intellectual hub dedicated to the study of British art in all its forms. This was made possible by an extraordinary gift from the Manton Foundation.

At the 2025 Graduation Ceremony, we celebrated the achievements of our students, who joined a global network spanning 80 countries and comprising over 9,000 alumni and alumna. This is a powerful force shaping the world by leading the arts in all their forms. In my address, I reflected on the role of universities as places of excellence, free speech, and creative exchange. These are vital principles that we believe are maintained by our graduates and are needed more than ever.

Sir Gabriele Finaldi and Peter Budd reached the end of their tenure as members of the Board. I thank them for their invaluable expert advice and assistance. I would also like to welcome Dr Tristram Hunt and Dame Antonia Romeo to the Board.

Our progress is only possible with the commitment, creativity, and hard work of our staff, students, board, alumni and supporters. Together, they ensure that the Courtauld continues to thrive as a beacon for the visual arts, nationally and globally.



Lord Browne of Madingley
Chairman

Foreword from the Märit Rausing Director

This year has been one of real momentum for the Courtauld as we look to the future. A key focus has been our plan to create a new Strand Campus on the Strand. Thanks to generous new pledges from the Reuben Foundation, the Blavatnik Family Foundation, the Rothschild Foundation, and others, we are making significant progress with this project. The new campus is on track to open in 2029, in time for our centenary in 2032. It will provide an important new home for the Courtauld, as we strive to fulfil our mission to become the world’s most ambitious, dynamic, and innovative centre for the study and appreciation of the visual arts.

We have also been broadening and modernising our teaching and research programmes. This year, we have launched three new courses; an MA in Art and Business; a revised version of our MA Curating programme; and an MA in Contemporary Art and the Moving Image, the last of which is our first joint MA with King’s College London. These programmes welcomed their first cohorts of students this autumn and will ensure our graduates are equipped to thrive in a rapidly changing cultural sector.

We were also delighted to launch the Manton Centre for British Art in 2025. This new centre, made possible by an extraordinary gift from the Manton Foundation, is an intellectual hub for art historians, curators, critics, artists, and students, nationally and internationally. Committed to the study of all periods and forms of British art and attending to artwork made in colonial contexts and by diasporic communities, the centre provides a platform for world-leading research and for teaching the next generation of British art professionals.

Making the Courtauld synonymous with lifelong learning is at the heart of what we do, following Samuel Courtauld’s founding principle of “art for all”. We want to be a place where

people can discover and enjoy art at every stage of life and provide opportunities for everyone to engage with our expertise through short courses, weekend and evening programmes, and online learning.

Expanding access also means tackling barriers. We are investing in scholarships and bursaries, so that financial constraints never stand in the way of talent. This year, 77 students were able to study with us thanks to financial support, and we remain committed to growing this programme in the years ahead.

With more than 400,000 tickets issued, this was the most successful year in our gallery’s history ever. *The Griffin Catalyst Exhibition: Monet and London. Views of the Thames* reunited Monet’s celebrated Thames Series and attracted over 120,000 visitors, drawing international acclaim and increasing our membership by 195% to 13,810. We also presented *The Griffin Catalyst Exhibition: Goya to Impressionism. Masterpieces from the Oskar Reinhart Collection*, the first time these works had ever left Switzerland as a group.

None of these achievements would be possible without the talent, dedication, and generosity of our community. I want to thank our staff, whose creativity and expertise underpin everything we do; our students, whose passion and curiosity inspire us; and our supporters, whose vision and commitment make our ambitions achievable.



Professor Mark Hallett
Märit Rausing Director

Year in Review

The period 2024–25 was one of real progress for the Courtauld. From record-breaking results in our gallery to new teaching programmes, major progress in our new campus to the opening of a new centre dedicated to British art, this has been a banner year.

We made major steps forward in creating our new Strand Campus. With remarkable pledges from the Reuben Family Foundation, the Blavatnik Family Foundation, the Rothschild Foundation, and others, the project is gathering pace. Set to open in 2029, ahead of our 2032 centenary, this is an investment in future generations, whether they be students, researchers, or visitors.

This year also saw the launch of the Manton Centre for British Art, made possible by a transformative gift from the Manton Foundation. Led by Professor Steve Edwards, the centre brings together art historians, curators, and students from around the world to explore British art in all its complexity – including work created in colonial contexts and by diasporic communities. The conversations it is sparking are already reaching well beyond our walls.

In 2024/25 we launched three new postgraduate programmes – the MA Art and Business, a revised MA Curating, and the joint MA Contemporary Art and the Moving Image with King’s College London – which welcome their first students this autumn. They reflect a more connected approach to art history, curating, and the wider creative industries.

It was an extraordinary year for the Courtauld Gallery, welcoming more than 400,000 visitors – the highest number in its history – and more than doubling admissions income. Among the highlights, *The Griffin Catalyst Exhibition: Monet and London*.

Views of the Thames drew over 120,000 people and widespread acclaim, *The Griffin Catalyst Exhibition: Goya to Impressionism. Masterpieces from the Oskar Reinhart Collection* followed, bringing together a group of works that had never before left Switzerland.

Membership also rose sharply – up 195% to 13,810 – generating £1 million in income.

Samuel Courtauld’s founding belief of “art for all” remained at the heart of our work. Short Courses reached 1,541 learners and the Learning team engaged more than 13,000 children, young people, and adults through 350 activities across the UK. Collaborations with schools and partners such as Art History Link-Up and IntoUniversity opened doors for those who might otherwise have no access to art education.

We also expanded financial support, enabling 77 students to study through scholarships and bursaries. Our global alumni network of more than 10,000 graduates played a major role, too – offering mentorship, hosting events, and inspiring the next generation of arts leaders.

The Courtauld continued to produce pioneering research. Three new interdisciplinary clusters – Trans-Asias, Migrations, and Heritage – are creating fresh ways of understanding art and culture. The digitisation of the Witt Library, completed in April, placed more than 2 million images online for anyone to explore freely. The Research Forum hosted 123 events with over 27,500 participants, while Courtauld researchers continued to secure major awards and international fellowships.

As we move towards our centenary, the Courtauld continues to grow, and remains a place where art, learning, and research inspire and connect people around the world.



Strategic Report

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition), and in accordance with the Financial Reporting Standard (FRS) 102.

A summary of the group Income and Expenditure Account is as follows:

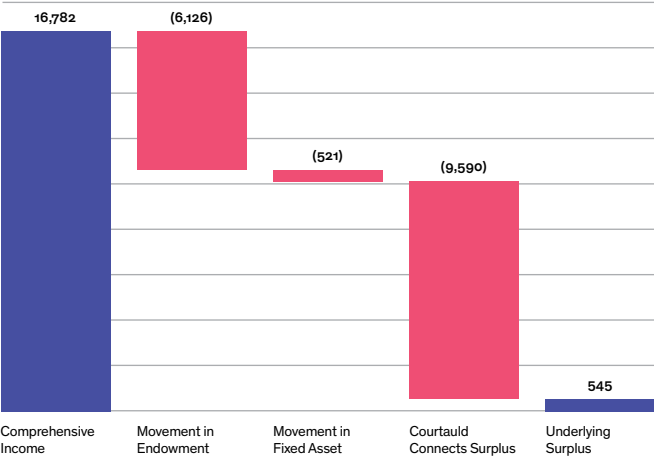
	2025 £'000	2024 £'000
Income	45,552	32,700
Expenditure	35,000	23,850
Surplus/(Deficit) before other gains and losses	10,552	8,850
Loss on disposal of fixed assets	(45)	-
Gain/(Loss) on investments	6,275	6,362
Taxation	-	-
Revaluation of fixed assets	-	502
Total comprehensive income for the year	16,782	15,714

Represented by:

Endowment comprehensive income for the year	6,126	3,002
Restricted comprehensive income for the year	10,751	5,824
Unrestricted comprehensive income for the year	(95)	6,386
Revaluation reserve comprehensive income for the year	-	502

The consolidated results show a total comprehensive income of a surplus of £16,782,000 for the year ended 2024/25, compared to a surplus of £15,714,000 in 2023/24. The 2023/24 surplus included a one-off adjustment of £6,037,000 relating to the removal of the USS pension provision as the pension scheme is no longer in deficit.

2024/25 Underlying Surplus £545,000



Endowment and Fixed Asset Investments Movement

During the year, the endowment comprehensive income increased to a surplus of £6,126,000 from a surplus of £3,002,000 in 2023/24. This included new donations to the endowment of £3,747,000 (2023/24: £521,000) and investment income and market value movements of £3,828,000 (2023/24: £3,652,000). Withdrawals in the year were £1,449,000 (2023/24: £1,171,000).

The increase in fixed asset investments is shown in note 12 to the financial statements and was £521,000 (2023/24: £2,178,000). This included withdrawals in the year of £2,681,000.

Total funds of £4,130,000 (2023/24: £2,650,000) were withdrawn from the endowment and fixed asset investments to support the operating requirements of the Courtauld. The withdrawal was higher in 2024/25 to support investment in the new MA courses launched in September 2025 and preparation for the new Courtauld Campus project.

Underlying Surplus

After taking into account the impact of the movements outlined above, the underlying surplus for the group for 2024/25 was £545,000 (2023/24 deficit of £1,326,000 excluding pension adjustment) as shown in the chart. The underlying surplus represents the operating income and expenditure that supports the daily running of the Courtauld.

The increased 2024/25 surplus compared with 2023/24 was mainly driven by the successful gallery programme driving higher ticketing sales and commercial income. More detail on income and expenditure for 2024/25 is provided on the following pages.

Courtauld Campus

The Courtauld Campus project is in a transition phase of fundraising and preparation work for the creation of our major new development on the Strand.

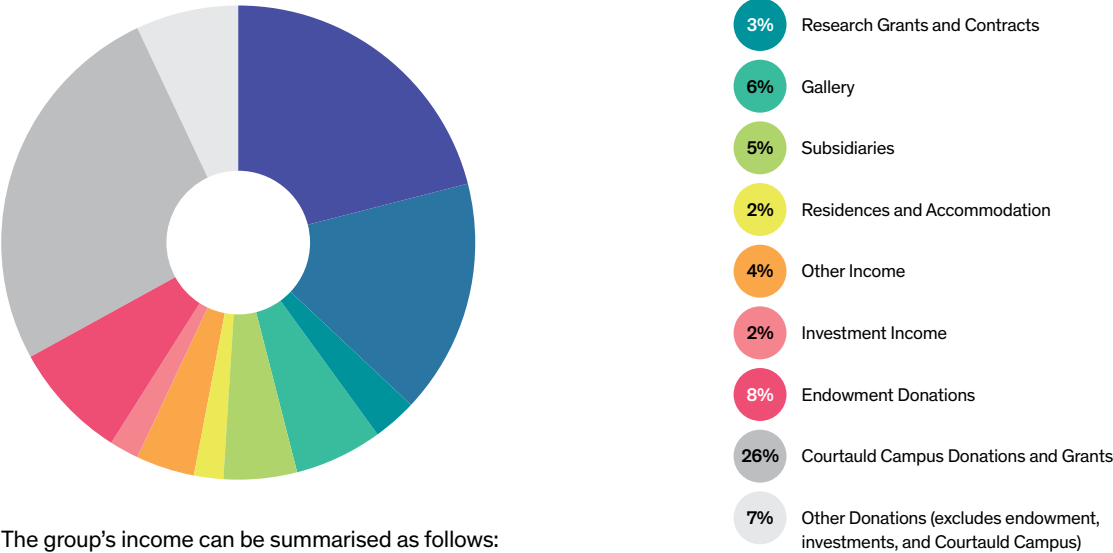
The project received donations, grants, and interest income, and incurred staff and other expenses in the year, resulting in a net surplus of £9,590,000 (2023/24: £5,321,000), made up of restricted and unrestricted funds.

£17,302,000 (2023/24: £6,794,000) was held in reserves at the year-end to be offset against future Courtauld Campus project costs.

Group Income

The Courtauld's income is derived from a range of sources, including the Office for Students and Research England; research grants and contracts; tuition fees; philanthropic income; gallery admissions charges; fees for short courses; student accommodation and commercial income from accommodation; the gallery's café and shop; and corporate hire.

2025 – How the Courtauld Earned its £45,552,000 Income



The group's income can be summarised as follows:

	2025 £'000	2024 £'000	Change %
Tuition fees and education contracts	9,716	8,735	11%
Funding body grants	7,247	7,467	(3%)
Research grants and contracts	1,270	1,267	0%
Other income	8,075	4,989	62%
Investment income	926	436	112%
Donations and endowments	18,318	9,806	87%
Total Income	45,552	32,700	39%

Total group income for the year was £45,552,000, an increase of 39% compared to 2023/24.

Tuition fee income increased by 11% due to higher numbers of home and overseas students at both undergraduate and postgraduate level. Funding body grants and research income are in line with the previous year.

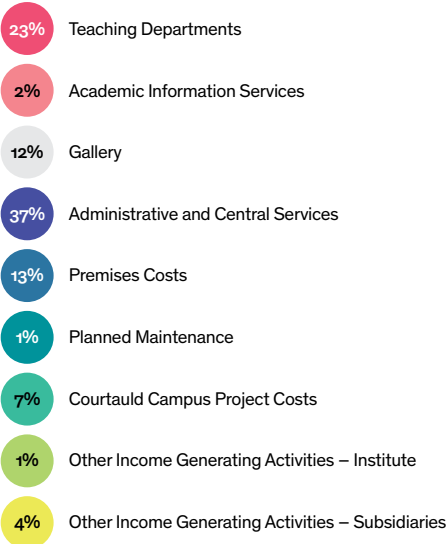
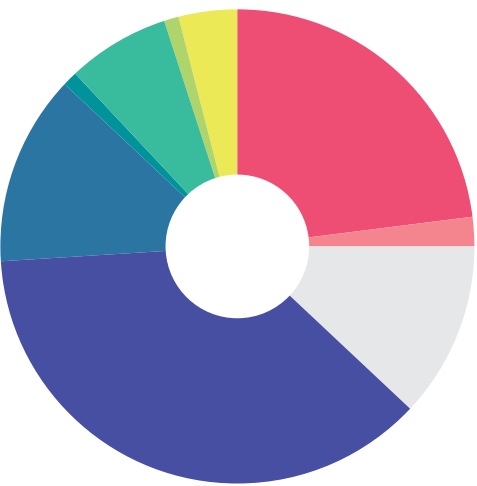
Other income increased by £3,086,000, or 62%. This was due to the successful gallery programme driving higher ticket sales, retail income, and membership income.

Donations and endowments income increased by 87%, largely due to a £3,675,000 endowment donation from the Manton Foundation for the Centre for British Art and donations for the Courtauld Campus project.

Strategic Report

Group Expenditure

2025 – How the Courtauld Spent its £35,000,000 Expenditure



The group’s expenditure can be summarised as follows:

	2025 £'000	2024 £'000	Change %
Staff costs	14,211	12,312	15%
Movement on USS pension provision	-	(6,037)	
Other operating expenses	18,360	14,968	23%
Depreciation, amortisation, and impairment	2,369	2,408	(2%)
Interest and other finance costs	60	199	(70%)
Total Expenditure	35,000	23,850	(47%)

Total group expenditure for the year was £35,000,000 (2023/24: £23,850,000); excluding the adjustment for pension in 2023/24, this is an increase of 17%.

Staff costs increased by 15% in the year largely due to the pay award and investment in the launch of new MA courses in September 2025.

Other operating expenses increased by £3,392,000 (23%) compared with 2023/24. Of this increase, £1,696,000 was driven by the gallery programme and related commercial activities. Expenditure on planning and preparation for the Courtauld Campus project accounted for a further £1,679,000 of the increase.

Interest and other finance costs relates to interest accrued on a loan from Arts Council England. In 2023/24, this also included interest relating to the pension scheme deficit, which has now been cleared.

Total group expenditure includes £535,000 (2023/24: £609,000) for delivery of the Access and Participation Plan.

Gain on investments

	2025 £'000	2024 £'000	Change %
Gain on investments	6,275	6,362	(1%)

The gain on investments represents the increase in market value for the fixed asset investments and endowment assets in the year. The decrease is driven by market performance for the assets held.

Net Assets

At 31 July 2025, the group reported net assets of £135,132,000 compared to net assets of £118,350,000 in the prior year.

Non-current assets increased, due mainly to the gain in the value of investments during the year. Current assets improved as a result of the surplus made in the year, which increased the cash balance and donations receivable to support the capital project.

Investments

The Courtauld Institute of Art Investments Committee is responsible for oversight of the endowment and fixed asset investments. On behalf of the Governing Board, the Committee establishes investment objectives, asset allocation policy, and investment strategies for each asset class within the portfolio. Overall investment objectives and goals are achieved using a diversified portfolio consistent with the Courtauld’s return goals and risk tolerance. The Committee has developed an asset allocation strategy that sets minimum and maximum allocations for each asset class, a target asset allocation, and specifies benchmarks against which the performance of each asset category is judged. While the investment horizon of the Courtauld is long term, asset allocation is discussed at each Committee meeting and formally reviewed at least once per year or as required in the event of a significant change in the Courtauld’s operating or financial condition. The Courtauld has an endowment investment policy supported by ethical investment principles.

The Courtauld operates a 50% hedging programme against exposure to the dollar and euro in the endowment and fixed asset investments. At the year end, there was an asset on the forward hedging contract of £124,000 (2023/24: £170,000), which has been recognised in the investment assets’ value.

The primary function of the endowment is to provide enduring support for the academic mission of the Courtauld by releasing a substantial and reliable flow of funds to the operating budget, unless such a flow is not temporarily required. Maintaining the purchasing power of the endowment to provide sustained programme support requires a disciplined spending policy to balance the demands of the present against the claims of the future.

28% of the investment holding was held in cash as at 31 July 2025 (28%: 31 July 2024).

The movement in the value of the portfolio during the year can be summarised as follows:

	£'000
Balance brought forward	73,917
Additions	4,061
Investment income	441
Increase/(Decrease) in market value of investments held	6,275
Disposal/redemption of investments	(4,130)
Balance at 31 July	80,564
Represented by:	
Unit Trusts and Investment Trusts	58,282
Cash balances	22,158
Forward hedging contract	124
	80,564

A more detailed analysis of the endowment funds, including a review of the most significant individual funds, can be found at Notes 12 and 19 to these financial statements.

HESA Key Financial Indicators (KFI

The nature of our operating structure and the scale of the Courtauld Connects project in the financial results mean that a number of the KFI

However, the following measures in respect of the 2024/25 financial year should be noted:

- The surplus for the year was 23.2% (2023/24: 27.1%) of total income.
- Staff costs for the year represented 31.2% (2023/24: 37.7%) of total income.
- Unrestricted reserves were 140.0% (2023/24: 195.4%) of total income.
- External borrowing was 6.9% (2023/24: 9.8%) of total income.
- The ratio of current assets to current liabilities was 6.2 (2023/24: 3.6).

Strategic Report

Equality, Diversity and Inclusion

The Courtauld's vision, as set out in its Strategic Plan 2024–2029, is to become “an institution that offers an exemplary model of inclusion, openness, and accessibility, and that lives up to our founder Samuel Courtauld's vision of ‘art for all.’”

This is underpinned by a strategic priority to further diversify our community during the period of the Strategic Plan:

“We are committed to ensuring that the Courtauld becomes a model of inclusion, accessibility, and openness within the higher education sector. We aim to see the development of a diverse student, staff, and visitor body that is more representative of the city in which we are located and of the society in which we operate.”

Building on progress with systems that have improved data collection, key priorities for 2024/25 included the development of a single overarching Equality, Diversity and Inclusion Policy, which was approved by the Governing Board in December 2024, alongside an annual report. A Steering Group, comprising staff and students, will shape further plans to address equality goals.

Carbon Management Plan

The Courtauld remains committed to managing its carbon emissions and delivering a reduction in its greenhouse gas emissions by 2050.

The Courtauld's total kWh consumption and subsequently its Scope 1 and 2 carbon emissions for the year 2024/25 increased by approximately 6% in comparison to the preceding year.

Our reported increase in consumption compared to 2023/24 is primarily due to an overall increase in consumption of electricity by 4% and gas by 10%. This was in part due to a rise in the total number of heating days (2,467) and cooling days (235) in comparison to the previous year (2,404 and 158 days, respectively). This led to increases in both our electricity and gas consumption across all premises occupied. In total, the Courtauld consumed 3,205,195 kWh of energy (1,494,619 kWh of electricity and 1,710,576 kWh of gas) for 2024/25 (3,026,832 kWh for 2023/24), generating 622 tCO₂e (588 tCO₂e for 2023/24, adjusted from previously reported 581 tCO₂e). This represents an increase of 34 tCO₂e compared to the previous year.

Our Somerset House premises consumed a total of 2,211,728 kWh for the year, an increase of 101,740 kWh due to the combination of using more electricity (60,354 kWh) and gas (41,386kWh).

Our Vernon Square premises consumed a total of 701,887 kWh for the year, an increase of 60,254 kWh because of rises in both electricity (11,779 kWh) and gas (48,475 kWh) use.

Our Duchy House premises consumed a total of 291,569 kWh for the year, due to an increase in gas consumption of 34,313 kWh offset by a decrease in electricity consumption of 17,945 kWh as a direct result of the installation of timer switches to heated towel rails and a gradual phasing in of efficient light fittings.

We continue to monitor and optimise the operation of mechanical plant servicing the Gallery. This is to balance the need to constantly maintain environmental conditions, in accordance with the requirement to meet the Government Indemnity Scheme's environmental conditions. Condensers supporting the chiller plant were replaced during the year as they were nearing their end of life. Combined with the introduction of a more proactive maintenance regime, this is expected to improve the plant's overall operational performance.

While we cannot report on our total Scope 3 carbon emissions for 2024/25 in this report, we can report on our water consumption usage.

For 2024/25, our water usage generated 3,690 tCo₂e based on a consumption of 8,786 m³ compared with 4,617 tCo₂e and 11,135 m³ for 2023/24, thus a decrease of 0.926 tCo₂e and 2,349 m³ equivalent to c6 litres per day.

Principal Risks and Risk Management

The framework for identifying, assessing, and monitoring risks is set out in the Statement of Corporate Governance and Internal Control (see page 19).

The Senior Management Team has identified the following as the most significant strategic risks to the Courtauld:

- Failing to fund its Strand Campus plans on target and to timetable.
- Failing to achieve long-term financial sustainability.
- A range of risks on operational sustainability and encompassing, for example, business continuity, cyber security, and staff experience.

In the current climate, the Courtauld is navigating a series of sector-wide challenges, particularly those facing higher education institutions. These include financial pressures stemming from inflation, rising operational costs, and reduced government funding. Additionally, the shift in student expectations towards more flexible and digital learning environments, combined with the competitive nature of attracting international students and a challenging policy environment, is placing further strain on the sector and the Courtauld.

In response to these ongoing challenges, the Courtauld's Governing Board and Senior Management Team have adopted a proactive and adaptive approach. They regularly assess and mitigate strategic risks, focused on ensuring the Courtauld's steady navigation through these uncertain times. Such strategic foresight is key to enhancing the Courtauld's resilience and securing its ongoing success.

Looking forward, we are committed to maintaining the Courtauld's legacy while embracing flexibility and innovation. By continuously adapting our strategies to meet the demands of an evolving higher education landscape, we aim to strengthen our academic offerings, enrich the student experience, and enhance our impact on the art and cultural sectors, balancing tradition with innovation.

Longer Term Prospects

We anticipate the coming five years will be a period of managed growth for the Courtauld, coupled with diversification of our offer as we continue to realise the unique opportunities presented by the combination of a world-class gallery, educational institute, and collection. Our Strategic Plan to 2029 guides our efforts.

The plan is structured around six core themes: Transforming our Campus; Diversifying our Community; Enriching our Teaching and Research; Activating our Gallery; Expanding our Partnerships; and Harnessing our Digital Potential. We are monitoring progress against these strategic ambitions.

Through **Transforming our Campus**, we will create a world-class environment that integrates the teaching, research, and presentation of visual arts. We'll enhance Vernon Square facilities, revamp the East Wing at Somerset House with new teaching spaces and a library, and establish purpose-built premises for staff on the Strand. Finally, we will embed the Courtauld into the vibrant cultural quarter at Aldwych, placing us at the heart of this creative hub.

We aim to build a diverse community of students, staff, and visitors that reflects our city and society. Through **Diversifying Our Community**, we will promote art history to a broader audience, showcasing its intellectual value and career potential.

After recently overhauling our undergraduate programmes, we are now launching a significant expansion of our postgraduate teaching offerings. Additionally, we are committed to advancing bold initiatives to enhance and diversify our research environment. Our goals are set out under **Enriching our Teaching and Research**.

Activating our Gallery will see us ensure that our beautifully refurbished gallery spaces host a dynamic, diverse, and varied programme that is geared to a broad demographic of visitors.

Expanding our Partnerships will see us build on our existing relationship with King's College London, and other key educational establishments, and develop new links with art schools, fashion houses, and more.

Harnessing our Digital Potential will see us enhance our digital infrastructure, supporting cutting-edge research and teaching. Key objectives include developing robust data management systems, promoting digital humanities in collaboration with KCL, and engaging in debates on AI, AR, and VR in the arts and heritage sectors.

To achieve this ambitious plan, we will need the dedication and active participation of the entire Courtauld community. Over the next five years, we will provide full support to this community, ensuring that every member has the opportunity to grow and succeed.

Statement by the Trustees on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006

The members of the Governing Board are Trustees and Directors of Courtauld Institute of Art. The Directors have acted throughout the year to foster positive relationships with all of the Courtauld's stakeholders, including students, staff, visitors, suppliers, and others. In line with their duties under s172 of the Companies Act 2006, Directors act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its Members as a whole. Decision-making by the Directors takes account of the potential impact on relevant stakeholders, as well as a range of broader factors, including the impact of operations on the wider community, the environment, responsible business practices, and the likely consequences of decisions in the longer term.



The Courtauld Directors’ Report

Directors and Officers

The Courtauld Institute of Art is a company limited by guarantee (company no. 4464432) and an exempt charity regulated by the Office for Students (OfS) under the Charities Act 2011. As such, the members of the Governing Board are both company Directors and charity Trustees. The members of the Board who served during the year and up to the date of signing these financial statements were:

Ex Officio

Professor Mark Hallett (Märit Rausing Director, Courtauld Institute of Art)
Dr Katherine Fleming (President and CEO, J. Paul Getty Trust) – alternate Dr Mary Miller (Director, Getty Research Institute) to 30 June 2025; Dr Andrew Perchuk, Interim Director, Getty Research Institute, from 1 July 2025
Mr Andrew Hochhauser KC (Chairman, Samuel Courtauld Trust)
Ms Prune Engerant (President, Courtauld Students' Union) to 16 July 2025
Ms Hannah Synder (Incoming President, Courtauld Students' Union) from 15 July 2025

Appointed Members

The Lord Browne of Madingley
Professor Dame Julia Black
Professor Sir Leszek Borysiewicz
Mr Peter Budd (until 31 July 2025)
Ms Charmian Caines
Mr Neil Chugani
Dr Gabriele Finaldi (until 31 July 2025)
Mr James Freedman
Dr Tristram Hunt (from 1 August 2025)
Mr Hugh Langmuir
Mr Hugues Lepic
Ms Sally Osman
The Lord Petitgas
Dame Antonia Romeo DCB (from 1 August 2025)

Members Elected by and from Academic Staff

Professor Joanne Applin
Dr Austin Nevin (until 4 October 2024)
Ms Clare Richardson (from 4 April 2025)
Professor Stephen Whiteman

Members Elected by and from Staff – Other than Academic

Mrs Chrissy Baker (until 4 April 2025)
Ms Natalia Fenyo (until 26 November 2024)
Mr Alex Hawkins (from 4 April 2025)

Members Elected from the Staff of the Courtauld Gallery

Dr Alexandra Gerstein

Senior Management Team

The Senior Management Team (SMT) advises the Märit Rausing Director and is responsible for the day-to-day operation of the Company.

The members of the SMT are as follows:

Professor Mark Hallett, Märit Rausing Director
Mr Rob Baker, Chief Marketing and Communications Officer
Dr Lucy Bradnock, Dean for Research
Professor Antony Eastmond, Acting Executive Dean & Deputy Director (until 31 July 2025)
Mr Rod Jones, Interim Chief Operating Officer (from 18 September 2025)
Ms Alison Kennell, Director of Governance and Student Services
Professor Dorothy Price FBA, Executive Dean and Deputy Director (from 1 August 2025)
Ms Eléonore de Sibert, Director of Advancement
Ms Monica Varriale, Chief Operating Officer
Dr Ernst Vegelin, Head of the Courtauld Gallery

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

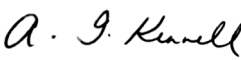
Other Information

The particulars of significant events that have occurred since the end of the financial year and an indication of likely future developments in the business have been included in this report.

Auditors

The Courtauld's auditors are Crowe UK LLP.

Approved by the Board of Directors and signed on behalf of the Board:



Alison Kennell, Company Secretary
18 December 2025

Registered address: Courtauld Institute of Art,
Somerset House, Strand, London WC2R 0RN

Statement of Corporate Governance and Internal Control

The following statement is based on the Office for Students' (OfS) guidance and reflects the Courtauld's regard for both the OfS Public Interest Governance Principles and the Higher Education Code of Governance published by the Committee of University Chairs (CUC).

The Courtauld is committed to the highest standards of governance. In developing its approach, the Governing Board has confirmed its commitment to the CUC Higher Education Code of Governance (2020). The Governing Board adheres to the expectations of the Code and continually seeks to improve its processes. The effectiveness of the governance structure is kept under review with the last formal review undertaken in 2022. The Governing Board has approved the scope of an effectiveness review for 2025/26, supported by independent, external expertise.

The Courtauld publishes governance information on its website www.courtauld.ac.uk, including its Memorandum and Articles of Association, biographies of Governing Board members and the membership of the Senior Management Team.

Governing Board

The Courtauld is a Company Limited by Guarantee and an exempt charity. Its charitable objects, board membership, and powers are set out in its Memorandum and Articles of Association. The Governing Board, which meets at least four times a year, is responsible for the strategic direction of the Courtauld and for all major developments. In fulfilling its responsibilities, the Board approves the annual revenue and capital budgets and audited financial statements for each financial year prepared in accordance with relevant accounting standards.

The Board currently comprises 22 governors. Twelve are independent lay governors, six are elected from among the Courtauld staff, and four are ex officio appointees, including the Märit Rausing Director, J Paul Getty Trust nominee, Chairman of the Samuel Courtauld Trust, and President of the Students' Union. For the purposes of the Charities Act 2011, governors are also Trustees. The Board has overall responsibility for interactions with the OfS and designated bodies and for the Courtauld's compliance with ongoing conditions of registration. The Board has designated the Märit Rausing Director as the Accountable Officer for the relationship with the OfS.

Governing Board Committees

The following standing committees of the Governing Board handle specific areas of work within defined terms of reference: Academic and Curatorial Promotions Committee; Audit and Risk Committee; Commercial and Marketing Committee; Ethics Committee; Finance and Operations Committee; Governance, Nominations and Remuneration Committee; Investments Committee; and the Joint Honours Committee.

With the exception of the Academic and Curatorial Promotions Committee and the Joint Honours Committee, the majority of the membership in all cases is made up of independent lay governors, and each of the committees has an independent lay Chair. The Governing Board has the powers to establish special Committees, Sub-Committees, and Working Groups as required for particular purposes and may delegate additional responsibilities to existing committees from time to time, in accordance with agreed Terms of Reference. The Strand Campus Steering Group is one such time-limited group that commenced its operations during 2024/25.

The Academic Board, established in accordance with Article 16 of its Articles of Association, has broad responsibility for all academic matters, subject to the responsibilities of the Governing Board, the Märit Rausing Director, and the University of London (as the awarding body). A range of committees support its work. The Academic Board reports regularly to the Governing Board.

The Academic and Curatorial Promotions Committee meets twice a year and is responsible for the consideration of applications for promotion by academic and curatorial staff.

The Audit and Risk Committee meets three times per year with the external and internal auditors present. Committee membership has been strengthened in 2024/25 with the appointment of two co-opted members. Members of the executive attend meetings of the Committee but are not members. Opportunities for independent discussion between the auditors and the Committee are provided. The Committee considers detailed reports alongside planned management actions on systems for internal control and risk management and considers the Annual Report and Financial Statements. The Audit and Risk Committee reports regularly to the Governing Board and provides an annual report on its work to the Board and the Märit Rausing Director.

The Finance and Operations Committee meets three times a year and is responsible for keeping under review the financial and operational performance of the Courtauld, including budgetary and financial forecasting processes and the adherence to relevant financial policies and regulations.

The Ethics Committee is responsible for keeping under review ethical and reputational matters relating to the Courtauld. During the year, alongside its consideration of specific gift acceptance matters, it has reviewed policies on gift acceptance and capital naming. It also reviewed the annual research integrity statement.

The Commercial and Marketing Committee is responsible for keeping under review all commercial aspects of the Courtauld's operations and all aspects of its brand and promotion.

The Governance, Nomination and Remuneration Committee meets at least twice a year and is responsible for reviewing all matters relating to remuneration and governance, including the composition and succession of the Governing Board and key members of senior management. The Committee makes recommendations to the Board on relevant matters, including the remuneration of the Märit Rausing Director.

Statement of Corporate Governance and Internal Control

The Investments Committee meets three times a year and is responsible for the general strategy and policy on investments. It reviews the investment strategy, policy, and performance at least annually, and is responsible for the appointment of any investment advisers and managers.

The Joint Honours Committee meets at least once a year to consider nominations for the award for Honorary Fellowship, Emeritus Professorship, and the Honorary Doctorate of the University of London by the Courtauld, making recommendations for all such awards to the Governing Board.

Internal Control and Risk Management

The Courtauld’s Governing Board is ultimately responsible for the systems of internal control and for safeguarding public funds and assets for which it is responsible, in accordance with its governing documents and the terms and conditions of funding of the OfS and Research England. The system of internal control is based on a developing process, designed to:

- identify the principal risks to the achievement of policies, aims, and objectives;
- evaluate the nature and extent of those risks;
- manage them effectively, efficiently, and economically;
- prevent and detect fraud and other irregularities.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims, and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. This process has been in place for the year ended 31 July 2025 and up to the date of approval of the financial statements, and accords with OfS requirements to ensure regularity and propriety in the use of public funding.

The Governing Board is responsible for reviewing the effectiveness of internal control systems. Key aspects of that system include:

- The Governing Board discusses and approves the strategy, plans, budget, and the risks to achieving them.
- The Senior Management Team regularly reviews risk to achieving objectives and identifies mitigating controls and actions to take.
- Policies, procedures, and controls are embedded within processes including approval limits, segregation of duties, and regular reporting and review against budgets.
- The committees of the Governing Board provide additional scrutiny over key elements of performance and decision making.

The Governing Board has a responsibility to ensure that the Courtauld’s risk management strategy is effective and fully compliant with regulatory requirements relating to risk. As highlighted in this report, there has been continuing review and improvement of the Risk Management framework.

The Board has confirmed the Audit and Risk Committee’s role regarding oversight of the risk management process, clearly establishing the committee’s responsibilities regarding risk and ensuring clarity between:

- the suitability of the processes in place (an Audit and Risk Committee responsibility); and
- the effectiveness of the identification and management of risk (ultimately, a Board responsibility).

The Financial Regulations set out the provisions for the financial management of the Courtauld. Their application ensures that the Courtauld operates within a robust, sound financial management and control environment that seeks to prevent and detect corruption, fraud, bribery, and other irregularities. They are reviewed periodically to provide assurance that they continue to provide an appropriate framework and set of principles that support these objectives.

The Audit and Risk Committee also reviews the effectiveness of internal controls on an ongoing basis and monitors any remedial action required. It is supported by an independent Internal Audit function, which undertakes a programme of audits across both financial and non-financial processes and activities, informed by an assessment of the key risks faced by the organisation. The Internal Audit programme is agreed annually and is designed to deliver an annual opinion to provide assurance to the Audit and Risk Committee on the Courtauld’s arrangements for risk management, control, governance, economy, efficiency, and effectiveness.

The Internal Audit annual opinion for the period 1 August 2024 to 31 July 2025 was ‘satisfactory assurance’ that the Courtauld has maintained adequately designed and effective arrangements for risk management; control and governance; and economy, efficiency, and effectiveness.

The Audit and Risk Committee meets with the External Auditor without the executive present to consider the nature and scope of the annual audit and to discuss audit findings and the internal control report arising from the audit of the annual financial statements.

Public Benefit

The Courtauld’s charitable objects are to advance education, including research and appreciation of art, for the public benefit.

Members of the Governing Board, as Trustees, have had due regard to the Charity Commission’s guidance on public benefit. Induction of new governors includes their full responsibilities as Trustees.

Public benefit forms an integral part of all of the Courtauld’s activities and is embedded in the delivery of plans as outlined in the Annual Report, with those benefiting including the Courtauld’s students and members of public visiting the Gallery.

Statement of Governing Board Responsibilities in respect of the Annual Report and Financial Statements

The Governing Board is responsible for preparing the Annual Report, which comprises the Strategic Report, the Courtauld Directors’ Report, the Governance Statement, the other information and the financial statements in accordance with the requirements of the Office for Students’ Terms and Conditions of Funding for Higher Education Institutions and Research England’s Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the Governing Board (the members of which are the Directors of the Institute company for the purposes of company law) to prepare financial statements for each financial year. Under that law it has elected to prepare the Group and parent Institute financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students (‘the Accounts Direction’) and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

Under company law the Governing Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Group and parent Institute and of their income and expenditure, gains and losses and changes in reserves, and of the Group’s cash flows for that period. In preparing each of the Group and parent Institute financial statements, the Governing Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Institute’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the parent Institute or to cease operations, or have no realistic alternative but to do so.

The Governing Board is responsible for keeping adequate accounting records that are sufficient to show and explain the parent Institute’s transactions and disclose with reasonable accuracy at any time the financial position of the parent Institute and enable it to ensure that its financial statements comply with the Companies Act 2006.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Governing Board is also responsible for ensuring that:

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

The Governing Board is responsible for the maintenance and integrity of the corporate and financial information included on the Institute’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 Members of the Courtauld Institute of Art

Opinion

We have audited the financial statements of the Courtauld Institute of Art for the year ended 31 July 2025, which comprise the Consolidation and Institute Statement of Comprehensive Income and Expenditure, the Consolidated and Institute Statement of Changes in Reserves, the Consolidated and Institute Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including 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 Group's and Institute's affairs as at 31 July 2025 and of the Group's and the Institute's income and expenditure, gains and losses, changes in reserves and cash flows 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 Companies Act 2006.

In our opinion, in all material respects:

- funds received for specific purposes administered by the Group and the Institute have been applied only for the purposes for which they were received and managed in accordance with relevant legislation;
- funds from the Office for Students, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the Office for Students' accounts direction to higher education institutions have been met.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Governing Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Institute'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 Governing Board with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Courtauld Directors' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Courtauld Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception under Companies Act 2006

In light of the knowledge and understanding of the Group's and the Institute's environment obtained in the course of the audit, we have not identified material misstatements included in the Courtauld Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matters on which we are required to report by exception under the Office for Students' accounts direction

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

- grant and fee income, as disclosed in the note to the accounts, has not been materially misstated; and
- expenditure on access and participation activities for the financial year has not been materially misstated.

Responsibilities of the Governing Board

As explained more fully in the statement of the Governing Board's responsibilities set out on page 21, the Governing Board (the members of which are the Directors of the Institute for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Board 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 Governing Board is responsible for assessing the Group and the Institute'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 Governing Board either intend to liquidate the Group or the Institute or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group and the Institute operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were: the Charities Act 2011, the Companies Act 2006, the Further and Higher Education Act 1992, the Office for Students Accounts Direction 2019, together with taxation legislation.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

Independent Auditor’s Report to the Members of the Courtauld Institute of Art

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the Group’s and the Institute’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and the Institute for fraud. The laws and regulations we considered in this context for the UK operations were: anti-fraud, bribery and corruption legislation, General Data Protection Regulation (GDPR), health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governing and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within management’s judgements relating to recognition of donations and grant income, the valuation and impairment of tangible fixed assets, the assumptions adopted by management to calculate the pension liability and management override of controls.

Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities and reading minutes of meetings of those charged with governance. We performed sample testing on the posting of journals as well as sample-testing grant and donation income. We reviewed the tangible fixed asset impairment process, alongside our own physical verification and additions sampling to ensure the existence of assets and their values are not overstated. We performed a benchmarking review of the assumptions used by the actuary in calculating the FRS 102 pension liability alongside verifying on a sample basis the input data provided to the actuary to HR and payroll records.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Governing Board 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 Institute and the Governing Board as a body, for our audit work, for this report, or for the opinions we have formed.

Jayne Rowe

Jayne Rowe, Senior Statutory Auditor

For and on behalf of: Crowe UK LLP,
Statutory Auditor, London

19 December 2025



Consolidated and Institute Statement of Comprehensive Income and Expenditure

Year ended 31 July 2025

		Year ended 31 July 2025		Year ended 31 July 2024	
	Notes	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Income					
Tuition fees and education contracts	1	9,716	9,716	8,735	8,735
Funding body grants	2	7,247	7,247	7,467	7,467
Research grants and contracts	3	1,270	1,270	1,267	1,267
Other income	4	8,075	6,536	4,989	3,918
Investment income	5	926	908	436	425
Total income before endowments and donations		27,234	25,677	22,894	21,812
Donations and endowments	6	18,318	18,318	9,806	9,806
Total income		45,552	43,995	32,700	31,618
Expenditure					
Staff costs	7	14,211	13,368	12,312	11,610
Movement on USS pension provision	7	-	-	(6,037)	(6,037)
Other operating expenses		18,360	17,687	14,968	14,592
Depreciation, amortisation and impairment	10/11	2,369	2,358	2,408	2,405
Interest and other finance costs	8	60	60	199	199
Total expenditure		35,000	33,473	23,850	22,769
Surplus/(deficit) before other gains or losses		10,552	10,522	8,850	8,849
Loss on disposal of fixed assets		(45)	(45)	-	-
Gain on acquisition		-	-	-	-
Gain on investments	12	6,275	6,275	6,362	6,362
Surplus before tax		16,782	16,752	15,212	15,211
Taxation	27	-	-	-	-
		16,782	16,752	15,212	15,211
Revaluation of heritage assets		-	-	502	502
Total comprehensive income for the year		16,782	16,752	15,714	15,713
Represented by:					
Endowment comprehensive income for the year		6,126	6,126	3,002	3,002
Restricted comprehensive income for the year		10,751	10,751	5,824	5,824
Unrestricted comprehensive income/(expenditure) for the year		(95)	(125)	6,386	6,385
Revaluation reserve comprehensive income for the year		-	-	502	502
		16,782	16,752	15,714	15,713

All items of income and expenditure relate to continuing activities

Consolidated and Institute Statement of Changes in Reserves

Year ended 31 July 2025

		Income and expenditure account			Revaluation reserve	Total
	Notes	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Consolidated						
Balance at 1 August 2023		38,673	7,285	54,074	2,604	102,636
Surplus/(deficit) from the income and expenditure statement		3,002	5,824	6,386	-	15,212
Revaluation of heritage assets in year		-	-	-	502	502
Release of restricted funds spent in year	20	-	(320)	320	-	-
Total comprehensive income for the year		3,002	5,504	6,706	502	15,714
Balance at 31 July 2024		41,675	12,789	60,780	3,106	118,350
Surplus/(deficit) from the income and expenditure statement		6,126	10,751	(95)	-	16,782
Release of restricted funds spent in year	20	-	-	-	-	-
Total comprehensive income for the year		6,126	10,751	(95)	-	16,782
Balance at 31 July 2025		47,801	23,540	60,685	3,106	135,132
Institute						
Balance at 1 August 2023		38,673	7,285	53,865	2,604	102,427
Reclassified in year from endowment assets to						
Surplus/(deficit) from the income and expenditure statement		3,002	5,824	6,385	-	15,211
Revaluation of heritage assets in year		-	-	-	502	502
Release of restricted funds spent in year	20	-	(320)	320	-	-
		3,002	5,504	6,705	502	15,713
Balance at 31 July 2024		41,675	12,789	60,570	3,106	118,140
Surplus from the income and expenditure statement		6,126	10,751	(125)	-	16,752
Release of restricted funds spent in year	20	-	-	-	-	-
Total comprehensive income for the year		6,126	10,751	(125)	-	16,752
Balance at 31 July 2025		47,801	23,540	60,445	3,106	134,892

Consolidated and Institute Balance Sheet

As at 31 July 2025

	Notes	As at 31 July 2025		As at 31 July 2024	
		Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Non-current assets					
Intangible assets	10	179	148	286	248
Fixed assets	11	29,117	29,078	31,008	31,000
Heritage assets	11	4,026	4,026	4,409	4,409
Investments	12	80,564	80,564	73,917	73,917
		113,886	113,816	109,620	109,574
Current assets					
Stock	13	206	-	224	-
Trade and other receivables	14	9,164	9,750	2,063	2,412
Cash and cash equivalents	21	19,528	18,726	14,028	13,449
		28,898	28,476	16,315	15,861
Less: Creditors: amounts falling due within one year	15	(4,685)	(4,433)	(4,486)	(4,196)
Net current assets		24,213	24,043	11,829	11,665
Total assets less current liabilities		138,099	137,859	121,449	121,239
Creditors: amounts falling due after more than one year	16	(2,956)	(2,956)	(3,085)	(3,085)
Provisions					
Pension provisions	17	-	-	-	-
Other provisions	17	(11)	(11)	(14)	(14)
Total net assets		135,132	134,892	118,350	118,140
Restricted Reserves					
Income and expenditure reserve – endowment reserve	19	47,801	47,801	41,675	41,675
Income and expenditure reserve – restricted reserve	20	23,540	23,540	12,789	12,789
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		60,685	60,445	60,780	60,570
Revaluation reserve		3,106	3,106	3,106	3,106
Total Reserves		135,132	134,892	118,350	118,140

The notes on pages 36 to 58 form part of the financial statements.

The financial statements of the Courtauld Institute of Art, registered number 04464432, were approved by the Governing Board on 24 November 2025 and were signed on its behalf by:

The Lord Browne of Madingley
Chairman of the Governing Board

Professor Mark Hallett
Märit Rausing Director

Consolidated Cash Flow Statement

Year ended 31 July 2025

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cash flow from operating activities			
Surplus for the year		16,782	15,212
Adjustment for non-cash items			
Depreciation, amortisation, and impairment	10/11	2,369	2,408
(Increase)/decrease in stock	13	18	(90)
Decrease/(increase) in debtors	14	(7,101)	992
Increase/(decrease) in creditors	15/16	126	124
Decrease in pension provision	17	-	(6,227)
Decrease in other provisions	17	(3)	-
Adjustment for investing or financing activities			
Investment income	5	(926)	(436)
Interest payable	8	60	199
Gain on investments		(6,275)	(6,362)
Transfer to fixed asset investments	12	(314)	(788)
New endowment donations	12	(3,747)	(521)
Loss on the sale of heritage assets		45	-
Net cash inflow/(outflow) from operating activities		1,034	4,511
Cash flows from investing activities			
Withdrawal of investments		4,130	2,650
Investment income	5	485	277
Proceeds from disposal of heritage asset		405	-
Payments made to acquire intangible assets		(47)	(110)
Payments made to acquire fixed assets		(325)	(362)
Payment made to acquire painting	11	(67)	-
		4,581	2,455
Cash flows from financing activities			
Interest paid		(115)	-
		(115)	-
Increase/(Decrease) in cash and cash equivalents in the year		5,500	6,966
Cash and cash equivalents at beginning of the year	21	14,028	7,062
Cash and cash equivalents at end of the year	21	19,528	14,028

Statement of Principal Accounting Policies

Year ended 31 July 2025

1. Basis of preparation

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

The Institute is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

2. Basis of consolidation

The consolidated financial statements include the Institute and all its subsidiaries for the financial year to 31 July 2025.

Intra-group transactions are eliminated on consolidation. The Courtauld has a wholly owned subsidiary undertaking, SCT Enterprises Limited, which is a company registered in England and Wales. Its principal activity is the sale of items related to the Courtauld Gallery and its collections. The value of the Courtauld’s investment in this subsidiary is £2. The financial statements of the trading subsidiary, SCT Enterprises Limited, have been properly prepared in accordance with the provisions of the Companies Act.

The Courtauld Institute of Art Fund (CIAF) is a charity registered under the Charities Act 2011, number 288509. Its principal activity is to raise funds for the benefit of the Courtauld Institute of Art. In accordance with Section 97 of the Act, CIAF is treated as a special trust for accounting purposes, and its activities and results have therefore been aggregated into the Institute’s results for the year. As required by the SORP, reserves held by the CIAF at the Balance Sheet date are treated as either endowments (in the case of restricted reserves in CIAF) or restricted reserves (in the case of unrestricted reserves in CIAF) within the Institute’s accounts. The value of the Courtauld’s investment in the CIAF is £nil.

The consolidated financial statements do not include the income and expenditure of the Students’ Union as the Institute does not exert control or dominant influence over policy decisions.

3. Going concern

The Group and parent Institute’s activities, together with the factors likely to affect its future development, performance, and position, are set out in the Strategic Report, which forms part of the Directors’ Report. The Strategic Report also describes the financial position of the Institute, its cash flows, liquidity position, and borrowing facilities.

The financial statements have been prepared on a going concern basis, which the Governing Board considers to be appropriate for the following reasons.

The Governing Board has prepared cash flow forecasts for a period of 20 months from the date of approval of these financial statements. After reviewing these forecasts, the Governing Board is of the opinion that, taking account of severe but plausible downsides, including a decline in student applications and increased inflation, the Group and parent Institute will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Governing Board considered the following points in reaching its conclusion:

The impact of a lower intake of students for 2025/26 and 2026/27 reflecting the challenges of travel and study given increases in the cost of living. The enrolment process for October 2025 has allowed this impact to be quantified with more certainty.

A number of cost and income budgets and contingencies have been included in the projections to reflect the uncertainty of the year ahead. The risk that there is an impact of both world events and cost-of-living increases on income streams, such as philanthropy, has also been considered.

The impact of visitor numbers and revenues for the Courtauld Gallery reducing for 2025/26 and 2026/27 was considered, reflecting the potential impact of the increased cost of living on visitors to London.

The Courtauld took legal advice and identified a proportion of the investment portfolio that could be withdrawn to support the institution through the building project and to support increased operational cash needs. The investments were liquidated and were held as cash at 31 July 2021 and £7million continues to be held as at the date of signing the accounts. These can be drawn during 2025/26 and 2026/27 to provide the required funds to continue trading should this be required.

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

4. Revenue recognition

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

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

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

Grants (including research grants) from non-government sources are recognised in income when the Institute 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.

Legacies are reviewed on a case-by-case basis. For pecuniary legacies, entitlement is taken at the earlier of the date on which either: probate is granted and the amount receivable can be measured reliably, and the receipt is probable; or when a distribution is received from the estate. For residuary legacies, entitlement is taken at the earlier of the date on which either: probate is granted, the estate has been finalised, and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the Institute is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the Institute is entitled to the funds.

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

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

Permanent endowments are invested on a total return basis.

Returns on investments are credited to the income and expenditure account to the extent that they have been applied for the purposes intended by the donor. Returns beyond this amount are retained within the unapplied total return fund as part of the endowment until such time as they are applied by the Institute and a transfer is made to the income and expenditure account.

Expendable endowments are invested alongside permanent endowments. Returns on investments are credited to the income and expenditure account in full, with any unspent balances being transferred back to accumulated income within the endowment fund.

Statement of Principal Accounting Policies

Year ended 31 July 2025

5. Capital grants

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

6. Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

7. Pension schemes

The Courtauld Institute of Art participates in the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

The USS was a defined benefit-only pension scheme that was contracted out of the State Second Pension (S2P) until 31 March 2016. With effect from 1 October 2016, the scheme changed from a defined benefit-only pension scheme to 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.

SAUL is a centralised defined benefit scheme and was contracted out of the State Second Pension until 31 March 2016. SAUL is an independently managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits currently build up on either a final salary or a career average revalued earnings (CARE) basis. Following a consultation with members, the SAUL final salary section closed from 31 March 2016, and members build up benefits on a CARE basis from 1 April 2016.

The USS is a multi-employer scheme where the assets are not attributed to individual employers and a scheme-wide contribution rate is set. The employer is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. It therefore accounts for the scheme as if it were a defined contribution scheme as required by Section 28 of FRS 102 Employee benefits. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

As there was a Technical Provisions surplus at 31 March 2023, there is no defined benefit liability (i.e. the present value of any deficit contributions) due to USS to be recognised by the Courtauld.

SAUL is also a multi-employer scheme, and it is not possible to identify an individual employer's underlying assets and liabilities, so it is also treated as if it were a defined contribution scheme. The Courtauld Institute of Art is not expected to be liable to SAUL for any other current participating employers' obligations under the Rules of SAUL, but, in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

As there was a Technical Provisions surplus at 31 March 2023, there is also no defined benefit liability due to SAUL to be recognised by the Courtauld.

SCT Enterprises Limited contributed to a defined contribution scheme on behalf of its employees. In accordance with FRS 102, contributions to these schemes are included as expenditure in the period in which they are payable.

8. Employment benefits

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

9. Intangible assets

Intangible assets comprise software and digital assets and are stated at historical cost. Intangible assets are amortised over three years, representing the remaining estimated economic life of the assets.

10. Tangible fixed assets

a. Land and buildings

Land and buildings are stated at historical cost. Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the institution from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned.

Leasehold land and buildings are depreciated at 10% per annum from the year of acquisition.

Courtauld Connects Land and Buildings, with effect from 2024/25, are depreciated on a straight-line basis by component over the period from the Gallery opening to the public on 19 November 2021 for the estimated useful economic life of each component. Components include building frame, shell and core, upper floor, windows, joinery, roofing, hard landscaping, lifts, finishes and decorations. Component lifespans are set based on RICS recommendations and range from 5 to 60 years. Previously, the total cost was depreciated on a straight-line basis to the first break clause date in the lease on 30 June 2042. The impact of the change in estimate of useful economic life has been applied prospectively from 2024/25.

A review for impairment of a fixed assets is carried out annually for residential buildings and otherwise if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

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

b. Equipment

Equipment costing less than £2,500 per individual item or set of similar items is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated over its useful economic life as follows:

- General equipment – 10%–25% per annum from the year of acquisition
- General equipment in temporary accommodation during Courtauld Connects – 33% per annum from the year of acquisition
- Computer equipment – 25%–33% per annum from the year of acquisition

c. Heritage assets

Rare books and artefacts are capitalised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Rare books are fully accessible by users of the Courtauld's book library, and a detailed catalogue of the collection was completed in 2014. The last valuation of the collection took place in 2024, and future valuations will take place every ten years. Other artefacts will not be regularly revalued as the cost and difficulty in obtaining these valuations would outweigh the benefit to users of the financial statements given their immaterial value. The Harris collection of textiles was valued in 2018 and is included at valuation from this date. The Conway early photographic collection was valued in 2019 and is included at valuation from this date. The assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Donated works of art are included at valuation as at the date of donation.

There are further works of art and antique furniture that are not held on the Institute's balance sheet as the cost and difficulty of obtaining an accurate valuation would outweigh the benefit to users of the financial statements. Therefore, they have not been included in the assets shown in the tangible fixed assets note.

11. Operating leases

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

12. Finance leases

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

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

Statement of Principal Accounting Policies

Year ended 31 July 2025

13. Investments

Fixed asset investments that form part of endowment assets are included in the balance sheet at market value.

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

Current asset investments are held at fair value with movements recognised in the statement of income and expenditure..

14. Stocks

Stocks are stated at the lower of their cost and net realisable value. Cost is determined on a first-in, first-out basis.

15. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand, and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

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

16. Financial instruments

Financial instruments are classified and accounted for according to the substance of contractual arrangements, as either financial assets, financial liabilities, or equity instruments.

17. Taxation

The Institute is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the Institute is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478–488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institute receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the cost of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

SCT Enterprises Limited is subject to corporation tax and Value Added Tax in the same way as any commercial organisation and current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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

18. Provisions

Provisions are recognised in the financial statements when:

- The Institute 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.
- A reliable estimate can be made of the amount of the obligation.

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

A contingent liability arises from a past event that gives the Institute a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institute. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Institute a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institute.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

19. Derivatives

Derivatives are held on the balance sheet at fair value with movements in fair value recorded in the Surplus or Deficit.

20. Reserves

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

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



Notes to the Financial Statements

Year ended 31 July 2025

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
1. Tuition fees and education contracts				
UK Higher Education students	4,048	4,048	3,664	3,664
European Union (EU) students	1,254	1,254	1,292	1,292
Non-EU students	4,403	4,403	3,757	3,757
Other education income	11	11	22	22
	9,716	9,716	8,735	8,735
2. Funding body grants				
OfS and Research England recurrent grants	7,155	7,155	7,321	7,321
OfS and Research England capital grants	92	92	146	146
	7,247	7,247	7,467	7,467
3. Research grants and contracts				
Research councils	715	715	441	441
UK-based charities	233	233	355	355
Other grants and contracts	322	322	471	471
	1,270	1,270	1,267	1,267
4. Other income				
The Courtauld Gallery – admissions and events	2,922	2,922	1,358	1,358
SCT Enterprises Ltd (The Gallery Shop)	2,269	730	1,136	65
Residences and accommodation	897	897	920	920
Other income	1,987	1,987	1,575	1,575
	8,075	6,536	4,989	3,918
5. Investment income				
Investment income on endowments	252	252	89	89
Investment income on general reserves	189	189	70	70
Other investment income	485	467	277	266
	926	908	436	425
6. Donations and endowments				
New endowments	3,747	3,747	521	521
Donations with restrictions	13,729	13,729	8,290	8,290
Unrestricted donations	842	842	995	995
	18,318	18,318	9,806	9,806

The source of grant and fee income, included in Notes 1 to 3, is as follows:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Grant and fee income				
Grant income from the OfS	3,286	3,286	3,337	3,337
Grant income from other bodies	5,232	5,232	5,397	5,397
Fee income for research awards (exclusive of VAT)	497	497	517	517
Fee income from non-qualifying courses (exclusive of VAT)	11	11	22	22
Fee income for taught awards (exclusive of VAT)	9,208	9,208	8,196	8,196
	18,234	18,234	17,469	17,469
7. Staff costs				
Salaries	11,175	10,458	9,696	9,098
Social security costs	1,438	1,370	1,159	1,106
Other pension costs	1,598	1,540	1,457	1,406
	14,211	13,368	12,312	11,610
Movement on USS pension provision	-	-	(6,037)	(6,037)

As set out in Note 26, a deficit recovery plan, which was put in place as part of the USS valuation in 2020, was no longer required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The provision for deficit recovery contributions, which had been in place at 31 July 2023, was released to the income and expenditure account in the prior year.

There was one redundancy as at year end 31st July, 2025 with total redundancy pay of £4,961 (2024: no redundancies during the year).

Directors Emoluments

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Emoluments of the Director:				
Salary	227	227	220	220
Performance related pay and other bonuses	22	22	-	-
Pension contributions to USS	33	33	38	38
	282	282	258	258

The Courtauld Institute of Art is a world-leading centre for the study of art, conservation, and curating. It delivers undergraduate and postgraduate courses and undertakes internationally important research in its field. It also houses the Courtauld Gallery which, in particular, curates and exhibits an internationally important art collection including the UK's most important collection of Impressionist and post-Impressionist paintings and works on paper. The role of Director has primary responsibility for the success and long-term sustainability of all these activities, including securing the philanthropic financial support required to undertake them effectively. The role has also had specific responsibility in recent years for the fundraising and the overall project management of the Courtauld Campus project, which will transform the physical infrastructure and capacity and capabilities of the organisation. Taken as a whole, these represent a role for which the remuneration package is more than justified.

Notes to the Financial Statements

Year ended 31 July 2025

The relationship between the Director's remuneration and that for all other employees, expressed as a pay multiple, is set out below:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Director's basic salary as a multiple of the median pay of staff on a full-time equivalent basis	4.92	4.83	4.81	4.81
Director's total remuneration as a multiple of the median total remuneration of staff on a full-time equivalent basis	5.35	5.25	4.95	4.81

Remuneration of higher paid staff, including the Director, excluding employer's pension contributions on a full-time equivalent basis was:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
£100,000 to £104,999	-	-	1	1
£105,000 to £109,999	1	1	1	1
£110,000 to £114,999	1	1	-	-
£125,000 to £129,999	-	-	1	1
£130,000 to £134,999	2	2	-	-
£170,000 to £174,999	-	-	1	1
£180,000 to £184,999	1	1	-	-
£220,000 to £224,999	-	-	1	1
£245,000 to £249,999	1	1	-	-
	6	6	5	5

Average staff numbers by major category on a full-time equivalent basis:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated No.	Institute No.	Consolidated No.	Institute No.
Teaching departments	48	48	45	45
Gallery and libraries	27	27	28	28
Administration and central services	81	81	73	73
Premises	10	10	8	8
Other	15	2	17	2
	181	168	171	156

Average staff numbers including casual staff

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activites of the Institute. Staff costs include compensation paid to key management personnel.

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Key management personnel compensation	1,213	1,213	931	931

8. Interest and other finance costs

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Loan interest	60	60	60	60
Net charge on pension scheme	-	-	139	139
	60	60	199	199

9. Analysis of total expenditure by activity

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated No.	Institute No.	Consolidated No.	Institute No.
Teaching departments	8,199	8,199	6,964	6,964
Academic information services	681	681	752	752
Gallery	4,072	4,072	2,822	2,822
Administration and central services	12,760	12,760	11,920	11,920
Movement on USS pension provision	-	-	(6,037)	(6,037)
Premises costs	4,667	4,667	4,667	4,667
Planned maintenance	257	257	212	212
Courtauld Campus project costs	2,348	2,348	669	669
Other income generating activities – Institute	489	489	800	800
Other income generating activities – subsidiaries	1,527	-	1,081	-
	35,000	33,473	23,850	22,769

Other operating expenses include:

External auditors remuneration in respect of audit services (current year)	98	93	87	82
External auditors remuneration in respect of audit services (prior year)	-	-	53	50
External auditors remuneration in respect of non-audit services	-	-	-	-
Operating lease payments	2,141	2,141	2,104	2,104
Foreign currency exchange loss/(gain)	(8)	(10)	9	7

9b Access and participation

Access investment	311	311	349	349
Financial support	156	156	168	168
Disability support	48	48	66	66
Research and evaluation	20	20	26	26
	535	535	609	609

£362,000 (2023/24: £421,000) of these costs are already included in the overall staff costs figures included in the financial statements, see Note 7 (consolidated and institute).

The published access and participation plan can be found at <https://courtauld.ac.uk/about/policies/office-for-students>.

Notes to the Financial Statements

Year ended 31 July 2025

10. Intangible assets

	2025	2025	2024	2024
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Cost or valuation				
1 August	708	670	598	598
Additions	47	47	110	72
Disposals	-	-	-	-
31 July	755	717	708	670
Amortisation				
1 August	423	423	268	268
Charge for the year	153	146	154	154
Disposals	-	-	-	-
31 July	576	569	422	422
Net book value				
31 July	179	148	286	248

11. Fixed assets and heritage assets

	Leasehold land and buildings	Assets in the course of construction	Computer equipment	General equipment	Total Fixed Assets	Rare books and artefacts
	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated						
Cost or valuation						
1 August 2024	38,662	-	1,395	6,267	46,324	4,409
Reclassification	-	-	-	-	-	-
Additions	177	-	27	121	325	67
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	-	-	(450)
31 July 2025	38,839	-	1,422	6,388	46,649	4,026
Depreciation and impairment						
1 August 2024	9,637	-	1,271	4,408	15,316	-
Reclassification	-	-	-	-	-	-
Charge for the year	1,825	-	79	312	2,216	-
Disposals	-	-	-	-	-	-
31 July 2025	11,462	-	1,350	4,720	17,532	-
Net book value						
31 July 2025	27,377	-	72	1,668	29,117	4,026
31 July 2024	29,025	-	124	1,859	31,008	4,409
Institute						
Cost and valuation						
1 August 2024	38,662	-	1,392	6,254	46,308	4,409
Reclassification	-	-	-	-	-	-
Additions	177	-	27	86	290	67
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	-	-	(450)
31 July 2025	38,839	-	1,419	6,340	46,598	4,026
Depreciation and impairment						
1 August 2024	9,638	-	1,268	4,402	15,308	-
Reclassification	-	-	-	-	-	-
Charge for the year	1,825	-	78	309	2,212	-
Disposals	-	-	-	-	-	-
31 July 2025	11,463	-	1,346	4,711	17,520	-
Net book value						
31 July 2025	27,376	-	73	1,629	29,078	4,026
31 July 2024	29,024	-	124	1,852	31,000	4,409

The Institute's rare book collection was revalued in July 2024 by Rupert Powell, Managing Director and Head of Books at Forum Auctions.

Included in the cost of leasehold land and buildings is £38m related to Phase I of Courtauld Connects. This was partly funded by the National Lottery Heritage Fund, which now holds a charge over the north block of Somerset House.

Notes to the Financial Statements

Year ended 31 July 2025

12. Investments

	Notes	2025 £'000	2024 £'000
Consolidated and Institute			
Fixed asset investments			
Balance brought forward at 1 August		32,242	30,064
Additions		314	788
Investment income		189	70
Increase in market value of investments held		2,699	2,799
Disposal/redemption of investments		(2,681)	(1,479)
Balance at 31 July		32,763	32,242
Represented by:			
Unit Trusts and Investment Trusts		23,702	23,142
Cash balances and cash on deposit		9,011	9,026
Forward hedging contract debtor		50	74
		32,763	32,242
Endowment assets			
Balance brought forward at 1 August			
Capital		29,140	28,172
Unapplied Total Returns		12,535	10,501
		41,675	38,673
Additions (Note 19)	19	3,747	521
Investment income		252	89
Increase in market value of investments held		3,576	3,563
Disposal/redemption of investments		(1,449)	(1,171)
Balance at 31 July		47,801	41,675
Represented by:			
Unit Trusts and Investment Trusts		34,580	29,912
Cash balances and cash on deposit		13,147	11,667
Forward hedging contract debtor		74	96
		47,801	41,675
Total investment assets		80,564	73,917
Represented by:			
Unit Trusts and Investment Trusts		58,282	53,055
Cash balances and cash on deposit		22,158	20,692
Forward hedging contract debtor		124	170
		80,564	73,917

For the purpose of managing the investment portfolio and for all other management and administrative purposes, the endowment asset investments and fixed asset investments continue to be administered jointly in a single fund which was valued at £81m at 31 July 2025 (31 July 2024: £74m).

The Courtauld operates a 50% hedging programme against exposure to the dollar and euro in the endowment and fixed asset investments. At the year end date there was a debtor on the forward hedging contract of £123,916 (2024: £169,527 debtor) which has been recognised in the investment assets' value. The balance was settled in October 2025 (2024: in October 2024).

13. Stock

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Finished goods	206	-	224	-

14. Trade and other receivables

Amounts falling due within one year:				
Trade and student debtors	82	22	228	99
Amounts due from subsidiary undertakings	-	692	-	520
Taxation and VAT recoverable	386	386	254	254
Other accrued revenue	8,074	8,061	457	445
Other debtors	127	127	156	155
Prepayments	495	462	968	939
	9,164	9,750	2,063	2,412

15. Creditors: amounts falling due within one year

Arts Council England loan	44	44	-	-
Trade creditors	830	772	819	790
Social security and other taxation payable	419	354	380	274
Accruals and deferred income	3,382	3,253	3,220	3,065
Other creditors	10	10	67	67
	4,685	4,433	4,486	4,196

Accruals and deferred income

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

Grants from trusts and foundations	276	276	821	821
Research grants	302	302	2	2
Other grant income	89	89	88	88
Other income	1,046	1,017	965	860
	1,713	1,684	1,876	1,771

Deferred income movements

Brought forward	1,876	1,771	1,546	1,528
Released in the year	(644)	(539)	(5,280)	(5,262)
Deferred in the year	481	452	5,610	5,505
Carried forward	1,713	1,684	1,876	1,771

Notes to the Financial Statements

Year ended 31 July 2025

16. Creditors: amounts falling due after more than one year

	Notes	2025	2025	2024	2024
		Consolidated £'000	Institute £'000	Consolidated £'000	Institute £'000
Arts Council England loan		2,956	2,956	3,085	3,085
		2,956	2,956	3,085	3,085
Analysis of secured and unsecured loans:					
Due within one year or on demand	15	44	44	-	-
Due between one and two years		171	171	129	129
Due between two and five years		533	533	523	523
Due after more than five years		2,252	2,252	2,433	2,433
Total secured and unsecured loans		3,000	3,000	3,085	3,085

17. Provisions for liabilities

	Other Provisions
Consolidated	
At 1 August 2024	(14)
Utilised in year	3
Charge in year	-
At 31 July 2025	(11)
Institute	
At 1 August 2024	(14)
Utilised in year	3
Charge in year	-
At 31 July 2025	(11)

18. Financial assets and liabilities

	2025			2024		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Financial assets						
Investments	-	80,564	80,564	-	73,917	73,917
Trade and other receivables	209	-	209	384	-	384
Cash	19,528	-	19,528	14,028	-	14,028
	19,737	80,564	100,301	14,412	73,917	88,329
Financial liabilities						
Arts Council England loan	(44)	(2,956)	(3,000)	-	(3,085)	(3,085)
Trade and other payables	(840)	-	(840)	(887)	-	(887)
	(884)	(2,956)	(3,840)	(887)	(3,085)	(3,972)
Total financial assets	18,853	77,608	96,461	13,525	70,832	84,357

A 20-year Culture Recovery Fund Loan from Arts Council England of £3million was agreed on 22 March 2021 with a four-year repayment holiday. The first repayment was made on 25 March 2025. Interest is payable at a rate of 2%.

Financial risk management objectives and policies

Market risk

The primary objective of the holding in endowment assets is to ensure that the Courtauld has enduring support for its academic mission. Market risk arises from the endowment investment holdings. The Courtauld aims to minimise its market risk by establishing investment objectives, asset allocation policy and investment strategies for each class of asset within the portfolio. The Investments Committee reviews against these objectives and formally reviews the asset allocation at least once per year.

Foreign currency risk

As noted above, the primary objective of the holding in endowment assets is to ensure that the Courtauld has enduring support for its academic mission. The Courtauld is exposed to foreign currency risk resulting from endowment assets held in other currencies, primarily the US dollar and euro. The Courtauld aims to reduce its exposure to foreign currency risk by hedging 50% of foreign currency exposure to the US dollar and euro. The Investments Committee reviews the hedging approach at least once per year.

Liquidity risk

The primary objective is to ensure that the Courtauld has sufficient funds available to meet its financial obligations as they fall due. This is achieved by aligning the timing of withdrawal of investments with forecast cash flows. Cash flow forecasts are regularly reviewed to ensure continuity of funding.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Courtauld. Credit risk arises from exposures to trade and student debtors. The maximum credit risk is limited to the carrying value of the trade receivables above. The level of bad debt provision is less than 1% of total income before donations and endowments.

Notes to the Financial Statements

Year ended 31 July 2025

19. Endowment reserves

Restricted net assets relating to endowments are as follows:

	Notes	Permanent Restricted	Permanent Unrestricted	Total Permanent	Expendable Restricted	Total 2025	Total 2024
				£'000	£'000	£'000	£'000
Endowments							
Consolidated and Institute							
At 1 August 2024							
Capital		18,196	2,048	20,244	8,896	29,140	28,172
Unapplied Total Returns		10,635	1,900	12,535		12,535	10,501
		28,831	3,948	32,779	8,896	41,675	38,673
Received in the year	6	3,675	-	3,675	72	3,747	521
Investment income	5	176	23	199	53	252	89
Gains in market value		2,502	329	2,831	745	3,576	3,563
Total returns available for transfer to income & expenditure account		(2,678)	(352)	(3,030)	(798)	(3,828)	(3,653)
Unapplied total returns retained in endowment reserves		1,714	193	1,907	472	2,379	2,482
At 31 July 2025							
Capital		21,871	2,048	23,919	9,440	33,359	29,140
Unapplied Total Returns		12,349	2,093	14,442	-	14,442	12,535
		34,220	4,141	38,361	9,440	47,801	41,675
Representing							
Fellowships and scholarships funds		7,207	377	7,584	4,709	12,293	11,484
Prizes funds		2,648	-	2,648	-	2,648	2,527
Chair and lectureships funds		17,445	-	17,445	2,699	20,144	15,571
Other funds		6,920	3,764	10,684	2,032	12,716	12,093
		34,220	4,141	38,361	9,440	47,801	41,675

Fellowships and scholarships funds

These provide a range of bursary support to undergraduate students and scholarship support to postgraduate students, and include the J Paul Getty Trust fund as detailed below.

Prizes funds

These provide a range of support to students, including additional scholarships.

Chairs and lectureships funds

These provide funding support for specific academic and teaching posts, and include the Deborah Loeb Brice Foundation fund and the Robert H.N. Ho Family Foundation fund as detailed below.

Other funds

These represent unrestricted, gallery and library funds that are expended in support of general operating expenditure.

The Board has resolved that income up to a maximum of 4% of the current value of unrestricted endowments should be released to the income & expenditure account, to cover any residual operating deficit of the Institute. Occasionally, the Governing Board may determine that a capital withdrawal may be appropriate for investment in the Courtauld's future.

The Institute operates a total returns policy in respect of its endowment and fixed asset investments. Releases to the income & expenditure account and transfers to general reserves are accordingly based on income and growth realised during the year, subject to the conditions for the use of funds being met in the case of restricted funds and the limits imposed by the Board in the case of unrestricted funds.

Included within the table above, the Institute holds three permanent endowments that could be considered to be material charitable funds. The funds, each of which was given to support the long-term financial sustainability of the Institute, can be analysed as follows:

	The Deborah Loeb Brice Foundation	The Robert H.N. Ho Family Foundation	J. Paul Getty Trust
	£'000	£'000	£'000
At 1 August 2024			
Capital	2,491	2,500	3,873
Unapplied Total Returns	1,895	1,426	1,422
	4,386	3,926	5,295
Additions	-	-	-
Investment income	26	23	31
Gains in market value	365	327	441
Total Returns transferred to income & expenditure account	(391)	(349)	(472)
Unapplied total returns retained in endowment reserves	274	254	292
At 31 July 2025			
Capital	2,491	2,500	3,873
Unapplied Total Returns	2,169	1,680	1,714
	4,660	4,180	5,587

Notes to the Financial Statements

Year ended 31 July 2025

20. Restricted Reserves – Consolidated

Reserves with restrictions are as follows:

	Unspent capital gains	Courtauld Connects donations	Donations and grants	CIAF Reserves	Total
	£'000	£'000	£'000	£'000	£'000
Balances at 1 August 2024	2,049	6,794	3,196	750	12,789
New donations	-	11,137	2,592	-	13,729
Expenditure and transfers	(174)	(629)	(1,475)	(700)	(2,978)
	(174)	10,508	1,117	(700)	10,751
At 31 July 2025	1,875	17,302	4,313	50	23,540

Analysis of other restricted funds /donations by type of purpose:

	2025 Total
	£'000
Scholarships	1,297
Funded Posts	174
Gallery	1,703
Other	1,139
	4,313

21. Cash and cash equivalents

	At 1st August 2024	Cash Flows	At 31st July 2025
	£'000	£'000	£'000
Consolidated			
Cash and cash equivalents	14,028	5,500	19,528

22. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2025:

	2025 £'000	2024 £'000
Consolidated and Institute		
Commitments contracted for	101	-
Balance at 31 July	101	-

The commitment is for furniture and fire safety works that are in progress.

23. Lease obligations

Total rentals payable under operating leases:

	2025 £'000	2024 £'000
Consolidated and Institute		
Payable during the year	2,146	2,133
Future minimum lease payments due:		
Not later than 1 year	2,373	2,202
Later than 1 year and not later than 5 years	5,761	3,883
Later than 5 years	22,187	15,742
Total lease payments due	30,321	21,827

The Institute signed a new 68-year lease with a break clause after 23 years, 1 July 2042 and thereafter on 1 July 2067,(serving not less than 36 months notice) to occupy the North block of Somerset House on 6 March 2019. The annual rent payable under the terms of the lease was subject to a rent review at 1 July 2022 and then every five years (rebased on 1 July 2042 and 1 July 2067).

In May 2010, the Institute entered into a 30-year lease (with a break clause after 15 years) with the Duchy of Lancaster for the provision of student accommodation at Duchy House. In 2024, a Deed of Variation was agreed that included deletion of the break clause.

In August 2018, the Institute entered into a five-year lease (with a three-year break clause) for a building in Vernon Square, London that will temporarily house staff and students during the Courtauld Connects building works. This was extended for two years until August 2024, and has been further extended for three years until August 2027 with a break date in August 2026 subject to six months notice being given.

Notes to the Financial Statements

Year ended 31 July 2025

24. Related party transactions

During the year, the Institute paid £359,204 (2023/24: £266,099) to the University of London, of which the Institute is an independent College, for central university governance, the university Careers Group, Senate House Libraries, the University of London Union, examination services, and the private housing group.

During the year, the Institute acted as Custodian for the works of art displayed and stored in the Courtauld Gallery but owned by the Samuel Courtauld Trust and others. The Lord Browne of Madingley and Andrew Hochhauser were also Directors of the Samuel Courtauld Trust. During the year, the Samuel Courtauld Trust made a grant of £75,000 to the Institute (2023/24: £75,000).

SCTE Enterprises Limited ("SCTE") is a wholly owned subsidiary of the Courtauld Institute of Art ("CIA"). During the year, the Institute utilised its front-of-house services to support the Gallery ticketing activities, and sales of exhibition catalogues. Front of House staff services recharged in the year was £538,631 (2023/24: £411,699). CIA recharges for overhead costs relating to IT, Finance, Rent and People services cost, the recharges in the year were £110,000 (2023/24 £110,000). Excluding gift aid of profits, amounts owed to CIA on trade transactions was £69,849 (2023/24: £103,046) while amounts owed by CIA to SCTE stood at £54,405 (2023/24: £102,342). During the year, SCTE repaid the interest-free loan provided by CIA of £200,000. At the end of the year, SCTE accrued a Gift Aid payment to the Institute of £697,849 (2023/24: £319,965).

The Courtauld Institute of Art Fund (CIAF) is a charity whose principal activity is to raise funds for the benefit of the Institute. During the year, CIAF made grants of £1,072,317 to the Institute (2023/24: £1,490,437). At the year end, CIA owed £21,011 to CIAF (23/24: Nil).

During 2024/25, seven Trustees made donations totalling £18,500, all of which was received during the year (2023/24: eight Trustees made donations of £90,365).

Nothing was paid in 2024/25 to Directors for expenses relating to their role as a Director (2023/24: £nil).

Dr Gabriele Finaldi is Director of the National Gallery. During the year, the Institute made no payment to the National Gallery (2023/24: £4,936 for services provided on normal commercial terms).

Professor Julia Black was a board member of UK Research and Innovation for part of the year ended 31 July 2024 until her appointment ended. The Institute received funding of £3,882,709 from UKRI in the year (23/24: £3,918,000).

Professor Julia Black is President and a Trustee of the British Academy. During the year, the Institute received £90,888 from the British Academy towards postdoctoral fellowships (2023/24: £154,878).

25. Subsidiaries

SCT Enterprises Limited

SCT Enterprises Limited is a wholly owned subsidiary of the Courtauld Institute of Art and a private company limited by shares, domiciled in England and Wales, registration number 3137515. The registered office is Somerset House, Strand, London WC2R oRN. A summary of income and expenditure for the years to 31 July 2025 and 31 July 2024 and the net assets and liabilities as at these year-end dates are shown below.

	2025 £'000	2024 £'000
Income and expenditure account		
Income	2,413	1,585
Expenditure	(1,715)	(1,264)
Taxation	-	(1)
Surplus after taxation	698	320
Distributions to parent charity under Gift Aid	(665)	(765)
Retained earning carried forward	238	206
Balance sheet		
Assets	1,203	1,019
Liabilities	(965)	(813)
Net assets	238	206

The Courtauld Institute of Art Fund

The Courtauld Institute of Art Fund is a charity domiciled in England and Wales, Charity Commission registration number 288509. Its principal activity is to raise funds for the benefit of the Courtauld Institute of Art. In accordance with Section 97 of the Charities Act 2011, it is treated as a special trust for accounting purposes, and its activities and results have therefore been aggregated into the Institute's results for the year. The registered office is Somerset House, Strand, London WC2R oRN. A summary of income and expenditure for the years to 31 July 2025 and 31 July 2024 and the net assets and liabilities as at these year-end dates are shown below.

	2025 £'000	2024 £'000
Income and expenditure account		
Income	434	1,253
Expenditure	(1,134)	(1,503)
Surplus/(Deficit)	(700)	(250)
Balance sheet		
Assets	59	810
Liabilities	(9)	(60)
Net assets	50	750

Notes to the Financial Statements

Year ended 31 July 2025

26. Pension Schemes

The Courtauld Institute of Art participates in:

- the Universities’ Superannuation Scheme (USS); and
- the Superannuation Scheme of the University of London (SAUL).

Both schemes were defined benefit schemes contracted out of the State Second Pension (S2P) until 31 March 2016. With effect from 1 October 2016, the USS changed from a defined benefit only scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of both schemes are held in separate Trustee-administered funds.

The total cost charged to the income and expenditure account in respect of both schemes is shown below:

	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
USS	1,280	(4,774)
SAUL	260	283
	1,540	(4,491)

SCT Enterprises Limited contributed to a defined contribution scheme set up on 1 July 2021 and administered on behalf of the company by Aviva. £57,633 was charged to expenditure in the period (2023/24: £50,509).

(i) The Universities Superannuation Scheme

The USS is a multi-employer scheme where the assets are not attributed to individual employers and a scheme-wide contribution rate is set. The employer is therefore exposed to actuarial risks associated with other insititutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme. It therefore accounts for the scheme as if it were a defined contribution scheme as required by Section 28 of FRS 102 'Employee benefits'.

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 Institution 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 in the prior year.

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

Since the Courtauld cannot identify its share of the Retirement Income Builder, the defined benefit part of the scheme, the following disclosures reflect those relevant for the scheme as a whole.

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

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

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations.)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030.
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all 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.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on updated 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:

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% pa for males and 1.60% pa for females.

The current life expectancies on retirement are:

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

Notes to the Financial Statements

Year ended 31 July 2025

(ii) The Superannuation Arrangements of the University of London (SAUL)

SAUL is a multi-employer scheme and it is not possible to identify an individual employer's underlying assets and liabilities so it is treated as if it were a defined contribution scheme. The Courtauld Institute of Art is not expected to be liable to SAUL for any other current participating employers' obligations under the Rules of SAUL, but, in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

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

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

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

At the 31 March 2023 valuation, SAUL was fully funded on its Technical Provisions basis, so no deficit contributions were required. The Trustee and the Employers agreed that the ongoing Employers' contributions would decrease from a rate of 21% of CARE Salaries to 19% of CARE Salaries from 1 September 2024.

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2023 was £3,096million representing 105% of the liabilities for benefits accrued up to 31 March 2023.

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

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

27. Taxation

Reconciliation of effective tax rate	2025 £'000	2024 £'000
Consolidated		
Surplus-(Deficit) before tax	16,782	15,212
Tax on taxable profit for the year	4,196	3,803
Effect of: Profit not subject to Corporation Tax	(4,196)	(3,803)
Corporation Tax Payable	-	-

28. Accounting estimates and judgements

Critical accounting judgements

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS and SAUL. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in surplus or deficit. The Directors are satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions, where applicable, under the funding plan in existence at the date of approving the financial statements.

Key sources of estimation uncertainty

The liability recognised in the prior year in respect of the USS provision was determined relying on estimates and assumptions. Pension figures are particularly sensitive to changes in assumptions for discount rates, mortality and inflation rates. Judgement was used in determining the assumptions to be adopted including taking guidance from the actuarial advisor to the British Universities Finance Directors' Group.

The investment valuation includes an element of estimation for some of the private equity investments that are only revalued at the calendar quarter ends and for which there is a lag in reporting. The estimates were provided by investment advisors and were reviewed after the year end to ensure that the overall investment valuation reported was appropriate.

The Institute entered into a 68-year lease to occupy the North Block of Somerset House on 6 March 2019. The annual rent payable under the terms of the lease was subject to a rent review at 1 July 2022 and then every five years (rebased on 1 July 2042 and 1 July 2067). The Institute has made the judgement from the inception of the lease to treat this arrangement as an operating lease under FRS 102, due to the fact that substantially all of the risks and rewards of ownership remain with the lessor and the terms of the lease state that the North Block will be returned to the lessor at the end of the agreement.

Change in accounting estimates

During the financial year ended 31 July 2025, the Board reviewed the useful economic life and depreciation method used for Courtauld Connects building assets within Land and Buildings and implemented a component-based depreciation approach. This change was made to reflect more accurately the utilisation of economic benefits over the useful life of the asset. The construction costs were allocated to components with the support of professional advisors in accordance with RICS guidance. Component lifespans were set based on RICS recommendations and ranged from 5 to 60 years. Revised depreciation was calculated for components on a straight-line basis from the date the Gallery opened to the public on 19 November 2021. Previously the total cost was depreciated on a straight-line basis to the first break clause date in the lease on 30 June 2042. The impact of the change in estimate of useful economic life has been applied prospectively from 2024/25 and resulted in an increase in depreciation charged in the year of £33,698.

29. Events after the end of the reporting period

In October 2025 a pledged donation of £30 million from the Reuben Foundation was announced.

Notes to the Financial Statements

Year ended 31 July 2025

30. US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

Primary Reserve Ratio			Year ended 31 July 2025 £000s		Year ended 31 July 2024 £000s	
			Expendable Net Assets			
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions	-	63,791	-	63,884
Balance Sheet	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions	-	71,341	-	54,464
Note 24	Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
Note 24	Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable	-	-	-	-
Notes 10, 11, 15, 16	Statement of Financial Position – Property, plant and equipment, net	Property, plant and equipment, net (includes construction in progress)	33,322	-	35,702	-
Notes 10, 11, 15, 16	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – pre-implementation	Property, plant and equipment – pre-implementation	-	(6,469)	-	-3,377
	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – post-implementation with outstanding debt for original purchase	Property, plant and equipment – post-implementation with outstanding debt for original purchase	-	-	-	-
Notes 10, 11	Note of the Financial Statements – Statement of Financial Position – Property, Plant and Equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase	-	39,791	-	39,079
Note 11	Note of the Financial Statements – Statement of Financial Position – Construction in process	Construction in process	-	-	-	-
Notes 15, 16	Statement of Financial Position – Lease right-of-use assets, net	Lease right-of-use asset, net	-	-	-	-
Notes 15, 16	Note of Financial Statements – Statement of Financial Position – Lease – right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	-	-

Primary Reserve Ratio			Year ended 31 July 2025 £000s		Year ended 31 July 2024 £000s	
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-	-	-	-
	Statement of Financial Position – Goodwill	Intangible assets	-	-	-	-
Note 17	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities	-	-	-	0
Note 16	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes	2,956	-	3,085	-
Note 16	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes pre-implementation	-	2,956	-	3,000
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes post-implementation	-	-	-	-
	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of credit for construction in process	-	-	-	-
Notes 15, 16	Statement of Financial Position – Lease right-of-use of asset liability	Lease right-of-use asset liability	-	-	-	-
Notes 15, 16	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	-	-
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Post-implementation right-of-use leases	-	-	-	-
	Statement of Financial Position – Annuities	Annuities with donor restrictions	-	-	-	-
	Statement of Financial Position – Term endowments	Term endowments with donor restrictions	-	-	-	-
	Statement of Financial Position – Life income funds	Life income funds with donor restrictions	-	-	-	-
Note 19	Statement of Financial Position – Perpetual funds	Net assets with donor restrictions: restricted in perpetuity	-	38,361	-	32,779
Total Expenses and Losses						
Note 9 less movement on USS and SAUL provision (Note 7)	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions – taken directly from Statement of Activities	-	35,000	-	29,888
Statement of Comprehensive Income and Expenditure and Notes 7, 19	Statement of Activities Non-Operating (Investment return appropriated for spending). Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss). (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	-	(2,699)	-	-8,836
Statement of Comprehensive Income and Expenditure and Note 19	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending gain (loss)	Net investment losses	-	(2,699)	-	-2,799
Note 7	Statement of Activities – Pension – related changes other than periodic pension	Pension-related changes other than net periodic costs	-	0	-	(6,037)

Notes to the Financial Statements

Year ended 31 July 2025

Equity ratio			Year ended 31 July 2025 £000s		Year ended 31 July 2024 £000s	
			Modified Net Assets			
Balance Sheet	Statement of Financial Position – Net Assets without Donor Restrictions	Net assets without donor restrictions	-	63,791	-	63,884
Balance Sheet	Statement of Financial Position – Total Net Assets with Donor Restriction	Net assets with donor restrictions	-	71,341	-	54,464
	Statement of Financial Position – Goodwill	Intangible assets	-	-	-	-
	Statement of Financial Position – Related party receivable and related party note disclosure	Secured and unsecured related party receivable	-	-	-	-
	Statement of Financial Position – Related party receivable and related party note disclosure	Unsecured related party receivables	-	-	-	-
			Modified Assets			
Balance Sheet	Statement of Financial Position – Total assets	Total assets	-	142,784	-	125,934
	Note of Financial Statements – Statement of Financial Position – Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-	-	-	-
	Statement of Financial Position – Lease right-of-use of asset liability pre-implementation	Pre-implementation right-of-use leases	-	-	-	-
	Statement of Financial Position – Goodwill	Intangible assets	-	-	-	-
	Statement of Financial Position – Related party receivable and related party note disclosure	Secured and unsecured related party receivable	-	-	-	-
	Statement of Financial Position – Related party receivable and related party note disclosure	Unsecured related party receivables	-	-	-	-





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