

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2023**



**Central Foundation Schools of London**

Registered Charity No. 312695

Company No. 11294870

## INTRODUCTION

It is my pleasure to be introducing this year's annual report as the recently appointed Chief Executive at the Central Foundation Schools of London. After 9 months supporting their exciting and wide-ranging transition project, I was delighted to be asked to join the Foundation formally to work with the Board and our amazing schools to shape a fresh vision and develop a three-year strategy.

Creating the conditions for young people from any background to have opportunities and be recognised for who they are is core to my sense of purpose. Working with two schools in inner London for a charitable Foundation committed to supporting their students thrive therefore, has to be one of the best roles available.

As well as continuing to support the two Central Foundation Schools - through grants to the schools, bursaries and awards for students, and capital funding for major building projects - this year's Trustees' Report looks back at the period of transition the Board undertook in 2022-23. Having supported the Foundation through their transformation work I want to note particularly the work of the trustees who have given their time and skills directly to support the Foundation. From extensive building and legal experience to arranging speakers and visit for students at both schools, investment oversight to education insight, from people, finance, and project management skills and more, the Foundation would not function without their active involvement and commitment to education.

With the opening of the final phase of the Boys' School redevelopment ready for the new academic year and plans well progressed for an exciting development with the Girls' School, 2023-24 will be framed around the review and refresh our vision and mission. Reflecting and deciding on how we use our investments and resources to support current and future generations of students at the Central Foundation Schools to realise their potential is a truly inspiring prospect.

Sarah Gosling  
Chief Executive

# THE CENTRAL FOUNDATION SCHOOLS OF LONDON

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

#### OBJECTIVES AND ACTIVITIES

Central Foundation Schools of London (CFSL) was established as an Educational Charity in 1863. For over 150 years, the Foundation has supported two voluntary aided schools - the Girls' School in Tower Hamlets, and the Boys' School based in Cowper Street, Islington. The original vision of our Founder was to provide an extended education for students in the community, which remains at the heart of the Foundation's purpose today.

The primary activities of the Foundation cover:

- providing services and facilities to support both schools.
- supporting the continuing education of students or former students.
- giving grants and bursaries to current or former students to enable them to continue their education or assist their future employability.

Most recently the substantial focus has been on developing and maintaining the buildings and facilities at both schools through significant financial investment from the Foundation, complemented by the award of grants to students and general financial support to the schools. This continued in 2022-3 while in parallel the Foundation embarked on an exciting year of transformation and development informed by the recommendations of the 2021 Governance Review.

#### **Public Benefit**

In shaping our objectives for the year and planning our activities, the Trustees confirm they have considered the Charity Commission's guidance on public benefit, including the guidance "Public Benefit: Running a Charity (PB2)". The charity provides funding for facilities and services to two schools in inner London serving their local communities and makes available grants and assistance to individual students. The Trustees' Report provides an explanation of the activities undertaken by the charity - in line with our purposes - and demonstrates the difference they are making.

#### ACHIEVEMENTS AND PERFORMANCE

The Foundation is proud of its achievements and development over the last 12 months. The 2021 Governance Review recommended the Foundation establish a clearer separation between executive (staff) and non-executive (trustee) responsibilities and review and update its policies and controls. In response the Board ringfenced a budget from its free reserves for the review and transition of its people, governance, systems, and processes. With the support of a specialist change consultant and now the appointment of the charity's first chief executive from 1 April 2023, the Foundation has fully refreshed its internal working practices and structures and begun reviewing its purpose and vision.

In 2022 – 23 the Trustees focused their work on four main areas:

- Organisation Transition
- Governance Development
- Major Projects
- Schools Support

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

- a. **Organisation Transition** - This 9-month programme delivered:
- a. An assessment and update of the organisation's financial controls and processes.
  - b. Review of the Foundation's investments to support completion of the current major building programmes and existing financial commitments.
  - c. Refreshed IT systems and working protocols.
  - d. A depth review of the organisation's HR policies establishing a new staff handbook and contracts.
  - e. A new staff structure to take the Foundation forwards from 1 April 2023 while a new strategy is established and to facilitate succession for two retiring staff.
- b. **Governance Development** – Alongside the organisation transition, the Foundation gave attention to the governance recommendations of the 2021 Governance Review and good practice guidance within the Charity Governance Code, including:
- Review of Board composition including a skills and diversity audit.
  - Appointment of five new trustees (three nominative, two co-opted) allowing the Board to diversify its profile - moving from 80% white at the start of the year to 69% white and 31% from a wider range of ethnic backgrounds, recruiting more trustees aged 30 -50 and increasing the number of women on the Board from 27% to 38% during the year.
  - Succession planning for two further nominative trustee vacancies which will arise later in 2023.
  - Review and refresh of trustee recruitment and pre-appointment practices, an updated induction handbook and introduction of 1:1 induction session to support new trustees into the Foundation.
  - Realignment of committee structures, delegated authorities and terms of reference.
  - Engagement of a specialist minutes secretary for 6 months to support Board and Committee meetings releasing staff and trustee time for wider transition work.
  - Development of a trustee training plan for 2023-24.
  - Strengthening the relationship and collaboration with the nominating bodies to attract and engage trustees with skills, experience and backgrounds which the Foundation needs.

In addition, a conversation has been initiated on the Foundation's role in appointing the majority of governors at both schools and how it can strengthen the support it gives both governing bodies. Work to review the Foundation's role in the appointments process for new governors and confirming reappointments will continue in 2023-24.

- c. **Major Projects** have been a key part of the Foundation's support to both schools in recent years. The sale of land and buildings owned by the Foundation over several years created the unexpected opportunity for significant investment in the infrastructure of both schools. The two current programmes will conclude this period of major investment.

**The Boys' School Project** – being the substantive funder for the extensive redevelopment and refurbishment of the Boys' School has been a critical Foundation programme over the last 10 years. The final phase will be open for the new academic year in September 2023. It includes a partly sunken sports hall with improved changing facilities, a newly landscaped large two-level outside courtyard, the repurposing of spaces for art classrooms and music practice rooms and the beautiful restoration and refurbishment of the old chapel space to be a performing arts centre.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

The Boys' School has already been able to extend its student numbers knowing these new facilities will be added to their teaching and activities offer widening the impact of a school with a reputation of academic excellence to reach even more boys in Islington. This overall project has been a significant undertaking by the Foundation and the Boys' School to carefully restore the historic school site, create a learning environment which inspires and a school campus that reflects and supports our shared commitment to educational excellence.

Image 1: Boys' School Courtyard - Before



Image 2: Boys' School Courtyard - Vision

Image 3: Boys' School Courtyard - Now



**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

**The Girls' School Sixth Form Project** is in its design phase. The school provides a highly valued sixth form education offer. In recent years they have been at full capacity and unable to accommodate all the students who want to continue their studies to A' level at the school. In 2022-23 the Girls' School and the Foundation started planning for an extension to the sixth form building to enable provision to be increased both in number of students and the range of subjects available. The Foundation has approved the progression of the programme to the detailed planning stage, drawing on funding set aside to support the school. This exciting initiative will be developed to a full proposition in 2023-24. It is hoped work will commence by the end of 2024 and by September 2026 will add 80-100 further opportunities for students to study at sixth form level within the Tower Hamlets community.

**d. Schools Support**

**Dulwich Grants** are a critical part of the annual funding for both schools. In 2022-23 £757,041 was made available to the schools.

The Boys' School used these funds to support five main areas of its offer which would not otherwise be available to students. This included continuing its exceptional music provision where over a quarter of the School is involved in the Music School, either singing in a choir or as part of their extensive instrumental offer. The Dulwich Grant helped meet the cost of eight music tutors (covering woodwind, strings, piano, brass, drums, singing and guitar). Extending and improving sporting provision is part of the development plan for the School. The Grant allowed the school to maintain a full time PE administrator and continue to rebuild sporting provision post Covid. It also allowed expansion of extra-curricular sports provision and running football camps in school holiday periods.

The opportunity for students to learn outside of school, both abroad and in the UK, is valued by the Boys' School and is only possible with the Dulwich Grant. An impact of Covid-19 was that fewer school trips had been organised in the previous 3 years so in 2022-23, the Grant allowed a range of both local and international trips to be hosted. The Dulwich Grant also provided funding to continue the extended school day programme which is provided free of charge to parents and part-funded a Social Mobility Programme for students with the potential to study at Oxford, Cambridge and other leading universities and a Central Futures Programme that aims to help students secure work experience, apprenticeship or employment.

At the Girls' School the Dulwich Grant responded to three priority needs at the school. Recruiting quality staff, particularly in shortage areas is increasingly difficult so the Girls' School used the Dulwich Grant to on board two Teach First candidates in Maths and Geography and provide them with a training year and their ECT1 year, so they can gain Qualified Teacher Status. This added capacity and the potential for succession planning to the school teaching staff team. The Girls' School continues to strengthen its raising achievement agenda through a range of targeted interventions and support. In 2022-23 the Dulwich Grant funded a wide-ranging programme of support including funding a staff post offering in-school counselling and providing learning mentors to students in need of support at Key Stage 3, 4 and 5 students. As over 40 % of parents in London pay for their children to have private tutoring at some point in their secondary education, which the majority of Girls' School parents cannot afford, the school, working with Queen Mary University, also used the Dulwich Grant to

## THE CENTRAL FOUNDATION SCHOOLS OF LONDON TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

provide students with free access to an undergraduate tutor where additional help is needed. The final priority the Dulwich Grant funded focused on broadening students' horizons and cultural capital by enabling them to participate in a variety of experiences outside the curriculum. This included a performance and creative arts curriculum, an extra-curricular programme offering after school activities every weekday and extensive holiday programmes for Years 7-13. Although open to all students who have the highest levels of deprivation or those with social or emotional needs are particularly supported.

**Foundation Bursaries and Awards** are a continuing part of the Foundation's direct work with both schools. In 2022-23 the Foundation provided bursaries, awards and financial assistance to the Schools directly as well as through the annual distribution of funds from the Dulwich Estate. The annual Prize Giving at the Girls' School and Founder's Day at the Boys' School, supported by the Foundation, gave the opportunity for students to be recognised and celebrated.

In 2022-23 the Foundation started to review the funds it holds for bursaries and awards and how these are used. With the new strategy it expects to take the opportunity to review and potentially refresh the approach in line with current and emerging needs in collaboration with the Schools and their governing bodies.

### Case Study: Boys' School Bursaries

*SITUATION: Return of public examinations for Year 13 cohort leaving in summer 2022, and widespread financial challenges facing the boys and their families.*

*SUPPORT: The Foundation's bursary support enabled the Boys' School to recognise ten students who had performed exceptionally well in their qualifications for their results, their attendance and punctuality, or their overall attitude to learning. The awards were made to students in need of financial assistance and will support them in pursuing the post-18 destinations of their choice.*

**School Buildings** require ongoing maintenance, which falls to each school and local authority to cover. The Foundation has a supporting commitment alongside the respective local authorities, to contribute to each school for their annual buildings and maintenance support costs which continued in 2022-23. In addition, the Foundation provided funding support to the Girls' School to aid in meeting their PFI commitments.

**School Governing Bodies** have professional clerking support, and as part of its role in ensuring the effective governance of the two schools the Foundation contributes to these costs. A review of how the Foundation can best support the governing bodies to be effective and oversee excellence in the full education experience at each school is expected to inform the funding and nature of supporting activities for governing body in 2023-24.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

**Speakers and Visits** are part of the wider opportunities offered by both schools. In 2022-23 members of the Foundation Board offered their time and connections to broaden this programme. Opportunities arranged in 2022-23 included a visit to the Royal College of Needlework for a group from the Girls' School and a number of visiting speakers for each school.

**Additional Support** is provided from time to time on an exception basis. For example, as the financial year ended, discussion had started with both schools about possible additional support for students sitting their A' levels who had not previously had the experience of public exams due to the Covid impact on assessments.

**Case Study: Role Models**

*SITUATION: Students from all backgrounds need to see people like themselves in professional and public life to inspire and raise their aspirations.*

*SUPPORT: One of the Foundation's trustees collaborated with both schools to give students access to visits and speakers.*

*OUTCOME: The newsreader, journalist and author Fatima Manji spoke to a group of Year 10, 12 and 13 students. Students from the Girls' School working on a podcast were granted an interview with Fatima and received advice and feedback to encourage them in their journey. Students shared how Fatima's talk had touched them – from experiences in the Afghanistan War or the daughter of a former Saudi Royal Family member reaching out to her to share how she and her sisters and mother were kept locked up.*

*"It gives us a different perspective (which) can then be used in later education and can further influence young people who want to achieve the success she has." Girls' School Student*

## THE CENTRAL FOUNDATION SCHOOLS OF LONDON TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

### FUTURE PLANS

With the opening of the new Boys' School facilities ready for 2023-24 academic year and development of the Girls' School Sixth Form project progressing, the Foundation is taking the opportunity to step back and consider its longer-term vision and purpose. In April 2023 a Board and Staff Away Day initiated the conversation on the future priorities of the organisation.

Five key areas of focus have been established by the Board for the year ahead:

1. **Strategy:** Establish a new 3-year strategy and supporting plan for the Foundation.
2. **People:** Successfully complete the planned staffing transition and agree the future people resources for the Foundation to support the implementation of the new strategy.
3. **Finance:** With the substantial capital investments with both schools in recent years, undertake a review of the performance and future requirements for our endowments and investments, and supporting financial policies.
4. **Relationships:** Further strengthen relationships with both Schools exploring how the Foundation ensures excellence in education and opportunities for its students and supports an effective governing body at each school.
5. **External Engagement:** Review and strengthen the external relationships and profile of the Foundation, including relationships with funders and nominating bodies, and consciously develop the external profile on the impact and work of the Foundation.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

FINANCIAL REVIEW

The financial statements have been prepared in accordance with the accounting policies set out on pages 25 to 27 therein and comply with the charity's scheme, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland (FRS102).

The Foundation has continued to operate on a sound financial basis, despite investment market pressures in 2022-23, and transition of assets from investments to land and buildings through the major Boys' school building project.

**Financial Policies**

As part of the transition programme, in 2022-23 the Foundation completed a full review of its financial controls, banking and investment structures and updated its financial practices.

**Expenditure**

Grants and overall support totalling £1.44m were made in the year to the two schools. The expenditure in direct support to the schools is summarised below:

<b>Support to schools</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Boys'</b>	<b>Girls'</b>	<b>Total</b>
	<b>School</b>	<b>School</b>	
<b>Grants to schools *</b>	<b>367</b>	<b>937</b>	<b>1,304</b>
<b>Premises costs</b>	<b>20</b>	<b>-</b>	<b>20</b>
<b>Awards &amp; prizes</b>	<b>24</b>	<b>27</b>	<b>51</b>
<b>Support costs</b>	<b>30</b>	<b>9</b>	<b>39</b>
<b>Other costs</b>	<b>21</b>	<b>4</b>	<b>25</b>
<b>Total</b>	<b>462</b>	<b>977</b>	<b>1,439</b>

\*This amount includes a grant to the Girls' School to fund the capital element of a PFI contract.

The drawdown of funds for the Boys' School building project continued through 2022-23. With a total expected cost of £41m, of which £33m is being funded by the Foundation. In the year £11,276,000 was funded.

**Fixed Assets**

Details of the Foundation's tangible fixed assets are disclosed in note 10 to the accounts.

# THE CENTRAL FOUNDATION SCHOOLS OF LONDON

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

#### **Investment Policy**

The overall objectives of the investment portfolio(s) are to create sufficient income and capital growth to enable the Foundation to carry out its purposes and commitments year by year. The trustees currently delegate the management of the Foundation's investments to three investment managers while retaining overall responsibility for managing the portfolio. Trustees review the investment strategy annually with the Investment Committee and Fund Managers to ensure the Foundation can achieve its short- and medium-term goals and confirm decisions made by the Fund Managers are within agreed levels of risk and ethical considerations. Specifically, the trustees preclude investment in tobacco companies, and asks its investment managers to demonstrate that they monitor Environmental, Social and Governance (ESG) factors and actively engage to promote improved management of ESG risks. In addition, the Foundation's policy sets out any specific portfolio requirements, particularly relating to the Boys' and Girls' School ringfenced funding.

#### **Investment Overview**

Each investment portfolio has clearly designated goals and, where appropriate, separate goals for designated funds. The Investment Committee met with the Investment Fund Managers during the year to discuss and monitor performance, current positioning and outlook based on our key investment goals. The impact of the war in Ukraine, escalating energy bills, the change in government leadership and September Budget as well as the cost-of-living crisis and the rising rate of inflation all had an impact on the Foundation's endowments and investment portfolios.

In 2022-3 the Foundation drew down the full value of the ring-fenced fund allocated to support the Boys' School Project and, as agreed with the Charity Commission, released a further portion of its permanent endowments to fund the balance. Our Fund Managers worked in partnership with us to create a smooth drawdown path to minimise the risk of losses from our portfolio. Briefly:

1. Rathbones main portfolio to be invested to generate returns guarding against erosion by inflation over the medium to long term. By agreement, the portfolio is managed with a medium risk profile and generates a monthly income for the day to day running costs and regular Foundation funding commitments.

In addition, Rathbones managed the Foundation's account for the Boys' School Redevelopment project to meet scheduled funding commitments with minimal risk to the capital value. That portfolio was managed with a low risk profile.

2. JM Finn manages the Foundation's portfolio to generate monthly income based on a medium risk profile and to support some capital growth. They also manage a number of ringfenced funds in line with the income and reinvestment requirements defined by the Foundation.
3. Veritas support the Foundation's longer term investment growth strategy. Their portfolio objectives focus on generating returns on a 5-year rolling view with emphasis on capital growth, drawing a small income quarterly, with an agreed risk profile of medium-high.

Details of the value and income from the Foundation's investments and endowments are disclosed in notes 11 and 14 to the accounts.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

**Reserves Policy**

As stated above, in the Investments policy the trustees aim to create sufficient income and capital growth to enable the Foundation to carry out its purposes and commitments year by year. The trustees consider it prudent to have a blend of funds invested for growth and medium-term investments which create a continuous income for the Foundation. In addition, the Foundation manages its level of liquid assets to meet its ongoing funding needs for at least 6 months.

Following the 2021 Governance Review, the trustees agreed an investment in 2022-23 of up to £50,000 from the Foundation's reserves for the transition and transformation of the charity's operation and governance and make it fit for purpose for the 21<sup>st</sup> century. Looking ahead to 2023-24 to allow a period of dual running for staff transition, handover and the development of the new strategy, an additional allowance of £25,000 has been set aside. From April 2024 it is the intent of the Board to revert to all day-to-day operating expenses being fully funded by income from our investments.

Each year the application of the Foundation's Reserves policy considers the agreed commitments, and how these are drawdown against endowment, restricted and unrestricted funds. With the significant committed investment for the Boys' and Girls' Schools' infrastructure currently, the Foundation is intentionally applying part of its endowments towards the ongoing capital works (following Charity Commission approval) as well as some of its restricted and unrestricted funds. An additional injection of funds from the sale of the land adjoining the Boys' School has supported the completion of this work. Finally, the Foundation agreed to dispose of a small rental property in Islington which was no longer fulfilling its intended purpose. This is expected to be completed in late summer 2023 and will be added to the Foundation's investments to increase the asset value from which annual income can be drawn.

It is the intention of the trustees to review its funding goals and reserves policy in light of the review of its purpose and strategy and appropriately adjust its investment portfolio and reserves policy.

See note 14 (analysis of charitable funds).

**Reserves Overview**

The unrestricted funds available to the Foundation not designated for existing activity at the end of 2022 – 23 is £9,986,000 (2021, £9,921,000).

**Fundraising**

The Charity does not conduct any direct fundraising activity. From time to time the Foundation has received legacies from former students and will continue to welcome these to enhance the support offered to both schools. A joint Committee between the Foundation, the Boys' School and the Girls' School looks at fundraising and profile-raising opportunities.

The Boys' School has established a capital project to raise funds towards the final phase of the Boys' School redevelopment. The Foundation is working closely with their recently appointed Director of Fundraising. £300,000 was secured from the Roy Bard Foundation to fund the equipping of the new performance space in the refurbished old chapel building. A target of a further £625,000 has been set with the School and will be a priority focus in 2023-24.

# THE CENTRAL FOUNDATION SCHOOLS OF LONDON TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Governing Document**

The Foundation is a Charity (charity number 312695) founded by a Trust Deed in February 1891 which has been amended over subsequent years and now operates under the 2010 Scheme of the Charity Commissioners, as amended by the Scheme dated 28 June 2018.

In 2018 the trustees passed a resolution to amend its governing document to allow for the appointment of a sole corporate trustee. The Charity Commission confirmed approval to appoint CFSL Trustee Limited as the sole corporate trustee of the Foundation on 1 July 2018. The sole corporate trustee, called CFSL Trustee Limited, is constituted as a non-charitable company limited by guarantee (company number 11294870). The directors of the corporate trustee act as the Board of Trustees of the charity and are referred to as such throughout this report.

### **Our Charitable Objects**

The object of the Foundation is *to advance the education (including the social and physical education) of persons under the age of 25 who are, or have been, students at one of the two Central Foundation Schools – The Central Foundation Boys' School in the London Borough of Islington and the Central Foundation Girls' School in Bow, London.*

### **Structure and Relationships with Schools**

Each school has its own Governing Body to which the Foundation appoints the majority (ten) of Governors. Three Governors from each school serve as trustees on the Foundation Board. The Foundation contributes to the costs of a clerk to support each Board of Governors.

### **Trustees**

The Foundation's Board of Trustees comprises up to 18 individuals - 8 appointed by nominating bodies<sup>1</sup> and 10 a by the Board as co-opted trustees. As of 31 March 2023, there was one nominative vacancy and one co-opted vacancy.

The nominating bodies identify and propose new trustees to the Foundation Board, working with the recently formed People & Nominations Committee to consider the skills, experience, and diversity profile the Board most needed. Co-opted trustees are selected for their specific knowledge to keep a balance of skills within the Board. As well as three Foundation Governors from each school, the Board also seeks to include at least one former student from one of the Central Foundation Schools who has achieved highly in their business lives.

---

<sup>1</sup> University of London (2), London Chamber of Commerce (1), City of London Corporation (1), Wardmote of the Ward of Bishopsgate (1), Bank of England (1), Dulwich Estate (1), Vestry of the Parish of St Botolph's Bishopsgate (1).

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

**Organisation Management**

The Board of Trustees has oversight of the finances, staff, properties and investments of the Foundation. In July 2023 the Foundation appointed a specialist consultant to lead the Transition programme.

In line with the Governance Review recommendations, the Board reviewed the size and composition of its staff function. This included succession planning for the retirement of two highly committed, long serving staff who want to retire in October 2023. A new staff structure was agreed to take effect from 1 April 2023. It gives clear executive leadership and provides strong financial management and governance support, while ensuring a smooth transition for the retiring staff midway through the next financial year.

The Board also realigned its own work and focus with more time available to set and ensure delivery of the new strategy, balanced with its oversight and compliance role. This included reviewing the supporting Committee structures and regular meeting cycle. The Board is now supported by three formal committees – People and Nominations, Investment Committee, and by a Finance and Audit Committee which has picked up the risk management and audit oversight from previous Compliance, Audit and Risk Committee. The streamlined meeting cycle means the Board and all Committees now meet quarterly, with Committees timed so they formally report to the Board each cycle. Alongside the formal governance committees, the Foundation continues to collaborate with both schools on fundraising and alumni relationship development through a Fundraising and External Communications Committee which meets termly. The Foundation also sits on the Project Board for the Boys' School redevelopment project, for which the Foundation is the key funder. This positive project set up will be replicated, with all the learning from the Boys' School experience, as the Girls' School start their major building project in 2024.

**Risk Management**

The trustees have examined the principal areas of the Foundation's operations and considered the major risks which could arise in each of these areas. In the opinion of the trustees, the Foundation has established the resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations.

The Foundation's principal assets comprise land, buildings and listed investments, the value of which is dependent on movements in the UK and overseas stock markets. The investments are managed by reputable professional investment managers who adhere to a policy agreed by the trustees and the Investment Committee. Regular meetings are held with the investment managers and their performance and that of the portfolio are monitored by the Foundation.

**Principal Risks and Uncertainties**

The trustees have put in place an annual review process, working through the committees, to revisit and update their risk management strategy. The principal risks considered over the last 12 months include:

- Financial controls and banking management.
- Financial market volatility and the impact on the Foundation's endowments and investments.
- Clarity of the Foundation's future purpose and structure.
- The Foundation's supporting infrastructure and resources (people, financial and process).
- Future changes in Education and the role of the Foundation.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

<b>Patron</b>	The Lord Mayor of the City of London	
<b>Trustees</b>	CFSL Trustee Limited (company registration number 11294870) is the sole corporate trustee of the charity.	
	The Directors of the corporate trustee during the year were:	
	Clive Arding	
	Revd David Armstrong	
	Dami Ayeko	Appointed 13 October 2022
	Jasmine Boadie	Resigned 31 July 2022
	Keith Bottomley	Resigned 13 October 2022
	Stephen Brown	Chair
	Avril Calder	Appointed 5 May 2022
	Simon Dodds	
	Hilary Evenett	Appointed 13 October 2022
	Barrington Gooden	
	Susanna Griffiths	Resigned 7 September 2023
	Madush Gupta	Appointed 13 October 2022
	Robert Howard	
	George Kegler	Retired 29 May 2023
	Dilnaz Khambata	
	Robert Maas	Retired 31 December 2022
	Joanna Plesniak	
	Amandeep Rehlon	Appointed 13 October 2022
	Francis Sumner	Retired 8 December 2022
	Mike Yershon	
<b>Chief Executive and Company Secretary</b>	Sarah Gosling	
<b>Registered charity number</b>	312695	
<b>Company number</b>	11294870	
<b>Address</b>	Central Foundation Trustees Office Central Foundation Boys' School Cowper Street London EC2A 4SH	

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

<b>Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL	<b>Investment Managers</b>	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ
<b>Bankers</b>	Barclays Bank PLC Level 27 1 Churchill Place London E14 5HP		Veritas Investment Partners (UK) Ltd Riverside House 2a Southwark Bridge Road London SE1 9HA
<b>Solicitors</b>	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE		J M Finn & Co 25 Copthall Avenue London EC2R 7AH

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors of the corporate trustee ('the trustees') are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the charity trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts & Reports) Regulations 2008, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

Approved by the Board on 5 OCTOBER 2023

and signed on its behalf by:

Trustee

  
STEPHEN BROWN

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2023**

**Opinion**

We have audited the financial statements of The Central Foundation Schools of London (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

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

**Other information**

The trustee is responsible for the other information. The other information comprises the information included in the 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 we do not express any form of assurance conclusion thereon.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2023**

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the directors of the corporate trustee ('the Trustees') 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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2023**

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the activities of the charity. These included but were not limited to relevant financial reporting standards and the Charities Act 2011; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing trustee meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and representatives from those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested the authorisation of expenditure as part of our substantive testing thereon.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of trustee meetings; and
- enquiring of management and those charged with governance as to actual and potential litigation and claims.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2023**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**Use of our report**

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

Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

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

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
<b>INCOME</b>						
<b>Donations and legacies</b>						
Dulwich Estate	2	535	-	-	535	757
Legacy		-	-	-	-	665
Donation		-	300	-	300	-
<b>Investment income</b>						
Rental income	3	4	-	-	4	5
Bank and other interest		5	-	-	5	-
Dividend income		873	25	-	898	867
<b>Other income</b>						
Surplus on disposal of Cowper Street corner site		-	-	4,661	4,661	-
<b>Total income</b>		<u>1,417</u>	<u>325</u>	<u>4,661</u>	<u>6,403</u>	<u>2,294</u>
<b>EXPENDITURE</b>						
<b>Cost of raising funds</b>						
Investment management fees	4	39	4	176	219	213
<b>Charitable activities</b>						
Support to schools	5, 6	1,477	3	833	2,313	2,199
<b>Total expenditure</b>		<u>1,516</u>	<u>7</u>	<u>1,009</u>	<u>2,532</u>	<u>2,412</u>
<b>Net income (expenditure) before gains on investments</b>		( 99)	318	3,652	3,871	( 118)
Revaluation of investment property	10	-	-	-	-	550
Net deficits/gains on investments	11	( 317)	( 132)	( 2,797)	( 3,246)	1,094
<b>Net income and net movement in funds before transfers</b>		<u>( 416)</u>	<u>186</u>	<u>855</u>	<u>625</u>	<u>1,526</u>
Transfers between funds	14	-	( 653)	653	-	-
<b>Net movement in funds</b>		<u>( 416)</u>	<u>( 467)</u>	<u>1,508</u>	<u>625</u>	<u>1,526</u>
Balances brought forward at 1 April 2022		<u>11,888</u>	<u>1,807</u>	<u>126,010</u>	<u>139,705</u>	<u>138,179</u>
Balances carried forward at 31 March 2023		<u>11,472</u>	<u>1,340</u>	<u>127,518</u>	<u>140,330</u>	<u>139,705</u>

The notes on pages 25 to 37 form part of these accounts.  
Detailed comparative information is provided in note 15.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
BALANCE SHEET  
YEAR ENDED 31 MARCH 2023**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds 2023 £'000	Total Funds 2022 £'000
<b>FIXED ASSETS</b>						
Tangible assets	10	-	-	106,220	106,220	97,230
Investments	11	2,856	724	26,020	29,600	42,388
Total Fixed Assets		<u>2,856</u>	<u>724</u>	<u>132,240</u>	<u>135,820</u>	<u>139,618</u>
<b>CURRENT ASSETS</b>						
Debtors	12	571	-	-	571	27
Cash at bank and in hand		<u>10,311</u>	<u>616</u>	<u>(4,722)</u>	<u>6,205</u>	<u>1,291</u>
Total Current Assets		10,882	616	(4,722)	6,776	1,318
<b>CURRENT LIABILITIES</b>						
Creditors	13	<u>(2,266)</u>	-	-	<u>(2,266)</u>	<u>(1,231)</u>
<b>NET CURRENT ASSETS</b>		<u>8,616</u>	<u>616</u>	<u>(4,722)</u>	<u>4,510</u>	<u>87</u>
<b>TOTAL NET ASSETS</b>		<u>11,472</u>	<u>1,340</u>	<u>127,518</u>	<u>140,330</u>	<u>139,705</u>
<i>THE FUNDS OF THE CHARITY:</i>						
<b>PERMANENT ENDOWMENT FUNDS</b>	14	-	-	127,518	127,518	126,010
<b>RESTRICTED FUNDS</b>	14	-	1,340	-	1,340	1,807
<b>UNRESTRICTED FUNDS</b>	14					
General operational fund		9,986	-	-	9,986	9,922
Designated fund		<u>1,486</u>	-	-	<u>1,486</u>	<u>1,966</u>
<b>TOTAL FUNDS</b>		<u>11,472</u>	<u>1,340</u>	<u>127,518</u>	<u>140,330</u>	<u>139,705</u>

Approved by the trustee on

5 OCTOBER 2023

and signed on its behalf by:



Director of CFSL Trustee Limited

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2023**

	Notes	2023 £'000	2022 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(420)	(243)
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		907	872
Proceeds from the disposal of investments		13,063	6,383
Purchase of investments		(4,742)	(24,344)
Purchase of fixed assets		(6,161)	(5,763)
<b>Net cash generated by (used in) investing activities</b>		<u>4,113</u>	<u>(22,852)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(3,693)</b>	<b>(23,095)</b>
<b>Cash and cash equivalents at 1 April 2022</b>	B	<b>3,470</b>	<b>26,565</b>
<b>Cash and cash equivalents at 31 March 2023</b>	B	<u><b>7,163</b></u>	<u><b>3,470</b></u>

**NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR TO 31 MARCH 2023:**

**A. Reconciliation of net movement in funds to net cash used in operating activities**

	2023 £'000	2022 £'000
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>625</b>	<b>1,526</b>
<b>Adjustments for:</b>		
Surplus on disposal of fixed assets	(4,661)	-
Depreciation charge	786	801
Gains on investments	3,246	(1,644)
Dividends and interest from investments	(907)	(872)
(Increase) decrease (increase) in debtors	(544)	12
Increase (decrease) in creditors	1,035	(66)
<b>Net cash used in operating activities</b>	<u><b>(420)</b></u>	<u><b>(243)</b></u>

**B. Analysis of cash and cash equivalents**

	2023 £'000	2022 £'000
Cash at bank and in hand	6,205	1,291
Cash held by investment advisors	958	2,179
<b>Total cash and cash equivalents at 31 March 2023</b>	<u><b>7,163</b></u>	<u><b>3,470</b></u>

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

**a) Basis of preparation**

These accounts have been prepared for the year to 31 March 2023.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless stated in the relevant accounting policies below or notes to the accounts. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and 2022.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

**b) Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include estimating the useful economic life of tangible fixed assets.

**c) Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 March 2023, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' Report for more information).

**d) Income recognition**

Income comprises donations, investment income and other income including the surplus on the disposal of tangible fixed assets.

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**d) Income recognition (continued)**

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable.

Gifts in kind are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain facilities or services of equivalent economic benefit on the open market.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**e) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT. The classification between activities is as follows:

- Cost of raising funds comprises investment management fees incurred in generating investment income and capital appreciation.
- Expenditure on charitable activities includes all costs associated with the provision of support to the schools and where appropriate individual students and former students and include both the direct costs and governance costs relating to these activities.

Grants payable are included in the financial statements once a constructive or legal obligation exists.

**f) Tangible Fixed Assets and Depreciation**

Functional freehold properties were revalued on the basis of Fair Value as at 31 March 2016 and the revaluation has been adopted as at the transition date of 1 April 2014. As permitted by the transitional provisions of FRS 102 this valuation has been deemed to be cost.

Subsequent additions costing more than £1,000 are included at cost. The Foundation is responsible for contributing towards the upkeep of the original buildings at the Boys' School and Girls' School in a fit and useful condition, and such costs are written off as incurred.

Freehold buildings are depreciated at a rate of 2% per annum on a straight-line basis. No depreciation is charged in respect of freehold land.

Office equipment costing more than £1,000 is included at cost and depreciated at a rate of 25% per annum on a straight-line basis.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**g) Investments**

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

**h) Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**i) Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

**j) Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**k) Fund structure**

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

**l) Pensions**

The Foundation makes contributions to employees' personal pension plans. Contributions are charged to the SOFA when payable.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**2. DONATIONS AND LEGACIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment funds</b>	<b>Total funds 2023</b>	<i>Total funds 2022</i>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<i>£'000</i>
Dulwich estate	535	-	-	535	757
Legacy	-	-	-	-	665
Donation	-	300	-	300	-
<b>2023 Total funds:</b>	<b>535</b>	<b>300</b>	<b>-</b>	<b>835</b>	<i>1,422</i>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Endowment funds</i>	<i>Total funds</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Dulwich estate</i>	<i>757</i>	<i>-</i>	<i>-</i>	<i>757</i>	
<i>Legacy</i>	<i>-</i>	<i>665</i>	<i>-</i>	<i>665</i>	
<i>2022 Total funds:</i>	<i>757</i>	<i>665</i>	<i>-</i>	<i>1,422</i>	

**3. INVESTMENT INCOME**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment funds</b>	<b>Total funds 2023</b>	<i>Total funds 2022</i>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<i>£'000</i>
Rental income	4	-	-	4	5
Bank and other interest	5	-	-	5	-
Dividend income	873	25	-	898	867
<b>2023 Total funds</b>	<b>882</b>	<b>25</b>	<b>-</b>	<b>907</b>	<i>872</i>
	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment funds</i>	<i>Total funds</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Rental income</i>	<i>5</i>	<i>-</i>	<i>-</i>	<i>5</i>	
<i>Bank and other interest</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
<i>Dividend income</i>	<i>854</i>	<i>13</i>	<i>-</i>	<i>867</i>	
<i>2022 Total funds</i>	<i>859</i>	<i>13</i>	<i>-</i>	<i>872</i>	

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**4. COST OF RAISING FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
Investment management fees	31	4	176	211	207
Investment property costs	8	-	-	8	6
<b>2023 Total funds</b>	<b>39</b>	<b>4</b>	<b>176</b>	<b>219</b>	<b>213</b>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total funds 2022 £'000
Investment management fees	20	15	172	207
Investment property costs	6	-	-	6
<i>2022 Total funds</i>	<i>26</i>	<i>15</i>	<i>172</i>	<i>213</i>

**5. CHARITABLE ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
Support to schools (note 6)	1,388	3	47	1,438	1,341
Depreciation charge (note 10)	-	-	786	786	800
Governance costs (note 7)	89	-	-	89	58
<b>2023 Total funds</b>	<b>1,477</b>	<b>3</b>	<b>833</b>	<b>2,313</b>	<b>2,199</b>

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2022 £'000
<i>Support to schools (note 6)</i>	<i>1,302</i>	<i>6</i>	<i>33</i>	<i>1,341</i>
<i>Depreciation charge (note 10)</i>	<i>-</i>	<i>-</i>	<i>800</i>	<i>800</i>
<i>Governance costs (note 7)</i>	<i>58</i>	<i>-</i>	<i>-</i>	<i>58</i>
<i>2022 Total funds</i>	<i>1,360</i>	<i>6</i>	<i>833</i>	<i>2,199</i>

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**6. SUPPORT TO SCHOOLS**

	2023			2022		
	Boys' School £'000	Girls' School £'000	Total £'000	Boys' School £'000	Girls' School £'000	Total £'000
<b>Grants to Schools</b>						
Staff costs	18	3	21	19	1	20
Direct grants	349	454	803	286	599	885
Girls' School PFI payment	-	480	480	-	290	290
<b>Total</b>	<b>367</b>	<b>937</b>	<b>1,304</b>	<b>305</b>	<b>890</b>	<b>1,195</b>
<b>School Premises Costs</b>						
Other costs	20	-	20	62	-	62
<b>Awards and Prizes</b>						
Bursaries	21	26	47	15	18	33
Bendy awards	3	-	3	6	-	6
<b>Total</b>	<b>24</b>	<b>26</b>	<b>50</b>	<b>21</b>	<b>18</b>	<b>39</b>
<b>Support costs</b>						
Staff costs	30	9	39	9	3	12
<b>Other costs</b>						
Printing, stationery, postage, telephone	5	1	6	11	3	14
Computer support	7	2	9	8	2	10
Insurance	-	-	-	3	1	4
Website	-	-	-	4	1	5
Legal and professional	7	-	7	-	-	-
Transition costs	2	1	3	-	-	-
<b>Total</b>	<b>21</b>	<b>4</b>	<b>25</b>	<b>26</b>	<b>7</b>	<b>33</b>
<b>2023 Total funds</b>	<b>462</b>	<b>976</b>	<b>1,438</b>	<b>423</b>	<b>918</b>	<b>1,341</b>

**7. GOVERNANCE COSTS**

	2023 £'000	2022 £'000
Auditor's remuneration for audit	18	17
Trustee indemnity insurance	4	2
Professional fees	14	4
Governance Review	2	-
Staff costs	51	35
<b>2023 Total funds</b>	<b>89</b>	<b>58</b>

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**8. TOTAL STAFF COSTS – INCLUDED IN NOTES 6 & 7**

	2023	2022
	£'000	£'000
Salaries	64	67
Social security costs	5	4
Pension costs	3	3
Consultancy costs	56	-
	128	74

The average number of direct employees in the year was 2 (2021 - 2), neither of whose emoluments exceeded £60,000. The Foundation also engaged an external consultant in year and pay the costs of part-time clerks to the Boys' and Girls' Schools.

**9. REMUNERATION OF TRUSTEES AND KEY MANAGEMENT PERSONNEL**

The trustees consider that they comprise the key management personnel of the Foundation in charge of directing and controlling, running and operating the Foundation on a day-to-day basis.

No trustees received any remuneration during either the current or preceding financial year. No Trustee received travel expenses during the current or preceding financial year.

**10. TANGIBLE FIXED ASSETS**

	Office Equipment £'000	Freehold Property £'000	Assets under construction £'000	2023 Total £'000
Cost or valuation				
As at 1 April 2022	5	73,497	29,907	103,409
Additions	-	-	11,276	11,276
Disposals	-	(1,500)	-	(1,500)
As at 31 March 2023	5	71,997	41,183	113,185
Depreciation				
As at 1 April 2022	4	6,175	-	6,179
Charge for year	1	785	-	786
As at 31 March 2023	5	6,960	-	6,965
Net book value				
As at 31 March 2023	-	65,037	41,183	106,220
As at 31 March 2022	1	67,322	29,907	97,230

Functional freehold properties were revalued on the basis of Fair Value as at 31 March 2016 and the revaluation has been adopted as at the transition date of 1 April 2014. As permitted by the transitional provisions of FRS 102 this valuation has been treated as deemed cost.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**11. INVESTMENTS AT MARKET VALUE**

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total £'000	2022 Total £'000
Listed Investments	25,070	2,300	722	28,092	39,659
Dealing Account	950	6	2	958	2,179
Investment property	-	550	-	550	550
	<u>26,020</u>	<u>2,856</u>	<u>724</u>	<u>29,600</u>	<u>42,388</u>

**SUMMARY OF SHARES AND OTHER SECURITIES**

	Endowment Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	2023 Total £'000
As at 1 April 2022	35,842	2,616	1,201	39,659
Additions	4,031	414	297	4,742
Disposals	(12,005)	(414)	(644)	(13,063)
Realised and unrealised losses	(2,798)	(316)	(132)	(3,246)
As at 31 March 2023	<u>25,070</u>	<u>2,300</u>	<u>722</u>	<u>28,092</u>

**COST OF INVESTMENTS**

<b>31 March 2023</b>	<u>24,410</u>	<u>1,950</u>	<u>592</u>	<u>26,952</u>
<i>31 March 2022</i>	<u>33,130</u>	<u>1,894</u>	<u>584</u>	<u>35,608</u>

**SUMMARY OF INVESTMENT PROPERTY**

	2023 £'000
As at 1 April 2022	550
As at 31 March 2023	<u>550</u>

**12. DEBTORS**

	2023 £'000	2022 £'000
Prepayments	545	5
Accrued income	26	22
	<u>571</u>	<u>27</u>

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**13. CREDITORS**

	2023 £'000	2022 £'000
Trade creditors	123	64
Other creditors	-	-
Accruals	2,143	1,167
	<u>2,266</u>	<u>1,231</u>

**14. ANALYSIS OF CHARITABLE FUNDS**

	<i>At 1 April 2022</i> £'000	Income £'000	Resources expended £'000	Gains on investments £'000	Transfers between funds £'000	At 31 March 2023 £'000
<b>Permanent</b>						
<b>Endowments</b>						
Dulwich Estate	9,219	-	(14)	(335)	-	8,870
Newman Trust	2	-	-	-	-	2
Mrs Irene Buckman	20	-	-	-	-	20
Boys' School Fund	6,047	-	(11)	(144)	(5,892)	-
Girls' School Fund	9,224	-	(42)	(1,168)	-	8,014
Capital Growth Fund	6,674	-	(72)	(201)	(450)	5,951
Investment Property Fund						
City Road	7,562	-	(31)	(786)	(1,942)	4,803
College Terrace	2,019	-	(7)	(163)	-	1,849
Sale of Cowper Street Corner site	-	4,661	-	-	(839)	3,822
Bursaries & Prizes	961	-	(48)	-	-	913
Land and buildings	84,282	-	(784)	-	9,776	93,274
<b>Total endowments</b>	<u>126,010</u>	<u>4,661</u>	<u>(1,009)</u>	<u>(2,797)</u>	<u>653</u>	<u>127,518</u>
<b>Restricted funds</b>						
Prizes and grants	156	2	-	(10)	-	148
Bendy	972	23	(6)	(102)	-	887
Newman Trust	3	-	-	-	-	3
Mrs Irene Buckman	4	-	-	(2)	-	2
Reginald Gray Portfolio	672	-	(1)	(18)	(653)	-
Roy Bard Foundation	-	300	-	-	-	300
<b>Total restricted</b>	<u>1,807</u>	<u>325</u>	<u>(7)</u>	<u>(132)</u>	<u>(653)</u>	<u>1,340</u>
<b>General operational</b>						
<b>Fund</b>	9,922	1,417	(1,036)	(317)	-	9,986
<b>Designated funds</b>	1,966	-	(480)	-	-	1,486
<b>Total unrestricted</b>	<u>11,888</u>	<u>1,417</u>	<u>(1,516)</u>	<u>(317)</u>	<u>-</u>	<u>11,472</u>
<b>Total funds</b>	<u>139,705</u>	<u>6,403</u>	<u>(2,532)</u>	<u>(3,246)</u>	<u>-</u>	<u>140,330</u>

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**ENDOWMENT FUNDS**

The Dulwich Estate permanent endowment was created by capital distributions from the Dulwich Estate totalling £5,705,600 received in 1996, 2000, 2012, 2013 and 2014. The income can be used for the general purpose of the Foundation.

Newman Trust was established in 1998 from a transfer of funds from The Bishopsgate Foundation. The fund is for the provision of prizes and to help and support needy pupils.

Mrs Irene Buckman, a former pupil of the Girls' School and a former governor and trustee, donated £16,667 in the year ended 31 March 2005, the income from which is to be used for girls who go on to higher education.

The Investment Property Fund represents the net proceeds from the sale of land bordering City Road, and land at College Terrace in Tower Hamlets. These form part of the permanent endowment, and the income can be used for the general purposes of the Foundation. With permission of the Charity Commission part of these funds have been drawn to fund the Boys' School Project and the funds spent to date transferred to the land and buildings endowment fund. The sale of the Cowper Street Corner Site represents the net proceeds from the sale of land bordering Cowper Street and Tabernacle Street in February 2023. The Charity Commissioners have directed that the net proceeds be included as part of the permanent endowment funds and granted permission for their use for Phase 2 of the Boys' School Project.

A Bursaries and Prize fund was created from the Endowment Funds as at 1 April 2018. The interest from these funds to be distributed to the two beneficiaries.

**RESTRICTED FUNDS**

The separate prizes and grants funds were merged with the Foundation under S74 of the Charities Act 1993 in 1996. The income and any accumulation of income is to be applied in promoting the education of the pupils attending the Boys' and Girls' Schools.

The Bendy fund was created in November 1999 by a legacy from a former pupil of the Central Foundation Boys' School, Mr Wilfred Bendy and Mrs Bendy. A Trustees Resolution under Section 275 of the Charities Act 2011 dated 18 June 2012 amended the purposes of the legacy to read:

To advance education in engineering, science, technology and mathematics by:

- 1) the provision of grants, bursaries, scholarships, prizes, financial assistance and provisions of equipment to students at the Central Foundation Boys' School (the "School") and to persons who have been students at the School (in relation to the latter, in order to assist them to continue their education at University or other place of learning or to undertake training with a preference for those who go on to study or undertake training in engineering or related subjects);

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON  
NOTES TO THE ACCOUNTS  
YEAR ENDED 31 MARCH 2023**

- 2) the provision of facilities, equipment and services at the School.
- 3) the establishment and provision for the benefit of students at the school of after school, or other out of hours, clubs, courses and extra-curricular activities:
- 4) the provision and facilitation for the benefit of students at the School of careers advice, work experience, mentoring and related activities with the aim of assisting and encouraging students to undertake further education or training in engineering, science, technology and mathematics.

The Newman Trust and Mrs Irene Buckman funds represent income from the endowments described above.

**UNRESTRICTED FUNDS**

The General operational fund represents the free funds of the Foundation which are not designated for particular purposes.

The designated funds represent reserves set aside by the trustees to cover the present value of the Foundation's commitment to the Girls' School PFI contract, together with the income generated from the Boys' School and Girls' School endowment funds, which has been set aside for use by the Schools.

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**15. COMPARATIVE INFORMATION**

Analysis of income and expenditure in the year ended 31 March 2022 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2022</i>
	£'000	£'000	£'000	£'000
<i>INCOME</i>				
<i>Donations and legacies</i>	-	665	-	665
<i>Dulwich Estate</i>	757	-	-	757
<i>Investment income</i>				
<i>Rental income</i>	5	-	-	5
<i>Bank and other interest</i>	3	-	-	4
<i>Dividend income</i>	854	13	-	867
<i>Total income</i>	<u>1,610</u>	<u>17</u>	<u>1,281</u>	<u>2,908</u>
<i>EXPENDITURE</i>				
<i>Cost of raising funds</i>				
<i>Investment management fees</i>	26	15	172	213
<i>Charitable activities</i>				
<i>Support to schools</i>	1,360	6	833	2,199
<i>Total expenditure</i>	<u>1,386</u>	<u>21</u>	<u>1,005</u>	<u>2,412</u>
<i>Net income before gains on investments</i>	230	657	(1,005)	(118)
<i>Revaluation of Property</i>	550	-	-	550
<i>Net gains on investments</i>	37	20	1,037	1,094
<i>Net income and net movement in funds</i>	<u>817</u>	<u>677</u>	<u>32</u>	<u>1,526</u>
<i>Reconciliation of funds</i>				
<i>Balances brought forward at 1 April 2021</i>	<u>11,070</u>	<u>1,130</u>	<u>125,979</u>	<u>138,179</u>
<i>Balances carried forward at 31 March 2022</i>	<u>11,887</u>	<u>1,807</u>	<u>126,011</u>	<u>139,705</u>

**THE CENTRAL FOUNDATION SCHOOLS OF LONDON**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MARCH 2023**

**15. COMPARATIVE INFORMATION (CONTINUED)**

Analysis of balance sheet at 31 March 2022 between restricted, unrestricted and endowment funds:

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total Funds 2022</i>
	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>				
<i>Tangible assets</i>	1	-	97,229	97,230
<i>Investments</i>	3,584	1,509	37,295	42,388
<i>Total Fixed Assets</i>	3,585	1,509	134,524	139,618
<b>CURRENT ASSETS</b>				
<i>Debtors</i>	27	-	-	27
<i>Cash at bank and in hand</i>	8,363	298	(7,370)	1,291
<i>Total Current Assets</i>	8,390	298	(7,370)	1,318
<b>CURRENT LIABILITIES</b>				
<i>Creditors</i>	(88)	-	(1,143)	(1,231)
<b>NET CURRENT ASSETS</b>	8,302	298	(8,513)	87
<b>TOTAL NET ASSETS</b>	11,887	1,807	126,011	139,705
<b>THE FUNDS OF THE CHARITY:</b>				
<b>PERMANENT</b>				
<i>ENDOWMENT FUNDS</i>	-	-	126,011	126,011
<i>RESTRICTED FUNDS</i>	-	1,807	-	1,807
<b>UNRESTRICTED FUNDS</b>				
<i>General operational fund</i>	9,921	-	-	9,921
<i>Designated fund</i>	1,966	-	-	1,966
<b>TOTAL FUNDS</b>	11,887	1,807	126,011	139,705

