

THE PHILOSOPHY FOUNDATION
(A company limited by guarantee)
UNAUDITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE PHILOSOPHY FOUNDATION
(A Company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of The Philosophy Foundation for the year ended 31 August 2022.

The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Mission and beliefs

We conduct philosophical enquiry with school age children, older students and adults. We believe that:

- Reasoning skills developed through philosophical enquiry are an indispensable foundation of all aspects of learning.
- Philosophy, like maths, music or physical education, is intrinsically worth doing and intrinsically engaging.

Our mission is to bring understanding, wisdom and *eudaimonia* to the heart of education for children and adults.

All our philosophers hold a bachelor's degree in philosophy, and are trained to work in the specific setting where they conduct their enquiries, from primary schools to global businesses.

Values

In all our work we strive to be:

Questioning – asking questions, and questioning the answers, is the foundation of all our work. A questioning approach informs all our activity, outside as well as inside the classroom.

Enthusiastic – we love our work. Our enthusiasm is an important part of what makes it enjoyable and effective for our beneficiaries.

Collaborative – our work of philosophical enquiry is a collaboration between philosophers and participants. We extend that collaborative spirit into the management of the Philosophy Foundation as an organisation.

Aims

Our aim when doing philosophy is to allow beneficiaries the opportunity to improve their communication skills and deepen their thinking, their understanding of the world and of themselves, their experiences and other people, by refining how they think about those things through collaborative, critical reflection.

Our goal is that, by doing philosophy, beneficiaries learn to think better, to act more wisely and thereby help to improve their educational opportunities as well as the quality of their and others' lives.

Our beneficiaries are both children and adults, with a focus on disadvantaged children and offenders in prison, and those who would be introduced to philosophy.

We have a commitment to encourage, support and sponsor non-privileged children to study philosophy at University.

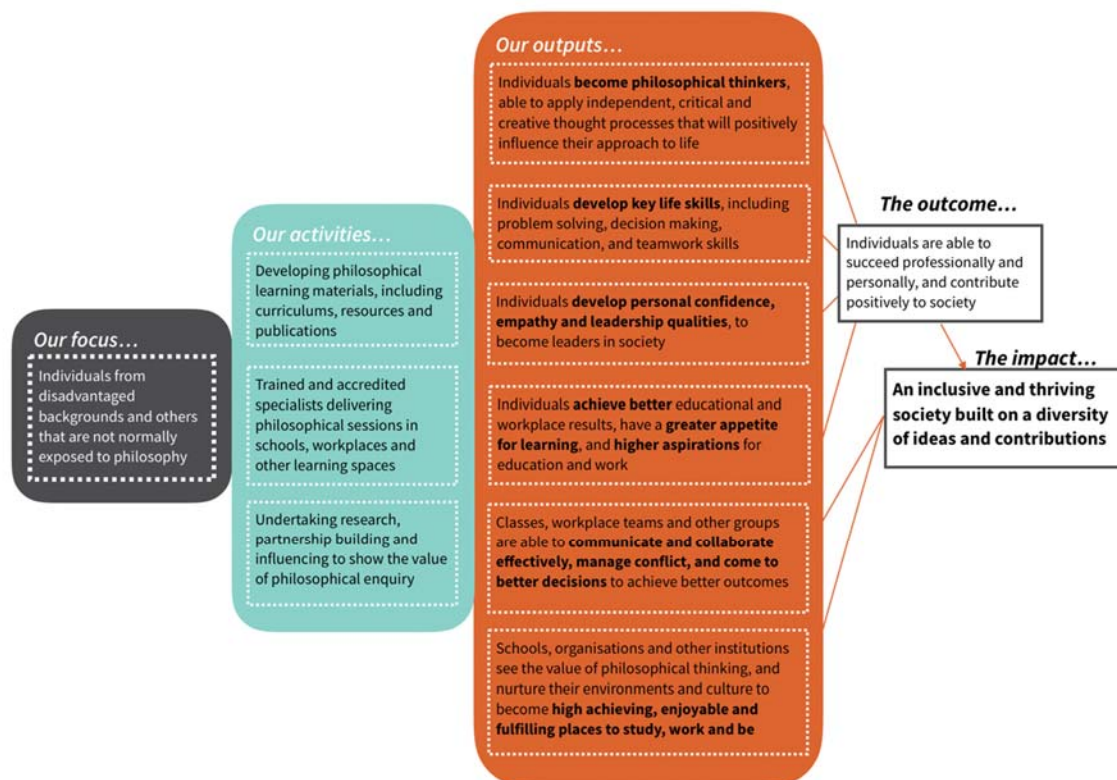
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Other important beneficiary groups include university students and adults in employment and the community.

Theory of change

In 2017-18 we ran an internal values exercise and consultation with Trustees to ensure that our values, theory of change and current pedagogy were aligned, and could be aligned with our work in business. This was primarily done to see if we needed a new trading arm for this work, which we want to develop to underpin the finances of our main work with young people. After consulting all staff and freelance philosophers, the Trustees worked with the core team, the Executive and with freelance representatives to develop an enhanced Theory as shown below.



Our current theory of change explains how the work we do in schools (our main output) enables children to participate more fully in society (the impact we seek to deliver). The stages are:

Output	Children and adults engage in philosophical enquiry
Immediate outcome	People who participate gain improved philosophical skills; becoming more reasoning, reflective and re-evaluative
Longer term outcome	Improved philosophical skills enable people to perform better in school, work, and deal more effectively with issues in their daily lives
Impact	Better school results and better living skills enable people to participate more fully in society

A full evaluation of any theory of change is expensive and time consuming. However, evidence is mounting in support of our theory of change, from our own work, as well as work being carried out around

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the world. From 2017-2019 we worked with King's College London to establish if doing philosophical enquiry impacted on critical thinking and metacognitive skills – some of the philosophical skills cited in the 'immediate outcome' above. In 2017 *King's College London* and *The Philosophy Foundation* conducted a study into the teaching of critical thinking skills in primary school classes with children aged 8-10. The study showed a **63% increase in successful use of critical thinking and metacognitive skills** through philosophical enquiry over just one term

- Over the 12 weeks the control group increased their successful use of CT skills and MC skills from 20.75 in week 1 to 26.25 in week 12. This is a 26% increase.
- The intervention group raised their successful use of CT and MC skills from 24 in week 1 to 39.25 in week 12, a 63% increase.
- The quantitative and qualitative data suggest that this development does enhance children's use and successful use of CT and MC skills, above normal PhiE sessions.
- As metacognition increased in both the control and intervention group it is possible to say that PhiE helps children develop metacognitive skills, although a larger scale study would need to confirm this finding.
- Ben Kilby (Monash University) has written a meta-analysis on P4wC around the world (currently unpublished) and used the data in this research as part of his paper. He found,
 - The use of CT and MC skills to have an effect size of 2.0
 - The successful use of CT and MC skills to have an effect size of 1.4
- Hattie 0.4 effect size in education is average, so 1.4 and 2.0 are large effect sizes – equivalent to typically advancing learners' achievement by one year, or improving the rate of learning by 50%, or a 2 grade leap in GCSE.

The [Education Endowment Foundation](#) has a Toolbox of interventions that teachers can use to improve the learning of students, particularly those who are affected by poverty and disadvantage. They have synthesised evidence, summarizing the best available evidence on teaching and learning in accessible way, they also generate evidence through funding independent evaluations of programmes and approaches that aim to raise the attainment of children and young people from socio-economically disadvantaged backgrounds.

Metacognition and self-regulation approaches to teaching support pupils to think about their own learning more explicitly, often by teaching them specific strategies for planning, monitoring and evaluating their learning.

According to the EEF Metacognition and self-regulation has a very high impact for very low cost based on extensive evidence. The average impact of metacognition and self-regulation strategies is an additional seven months' progress over the course of a year, and the EEF says that when taught in collaborative groups the strategies can be more effective as learners can support each other and make their thinking explicit through discussion.

Closely linked with Metacognition strategies on the EEF website are **oral language** and **collaborative learning** interventions – both which are part of The Philosophy Foundation's philosophical enquiry method. On average, oral language approaches have a high impact on pupil outcomes of 6 months' additional progress. Oral language interventions (also known as oracy or speaking and listening skills) refer to approaches that emphasise the importance of spoken language and verbal interaction in the classroom.

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The impact of collaborative learning approaches is consistently positive, although there is a wide variety of interventions that can work. This approach can add an additional 5-months progress to students learning, but students have to learn how to think and work together – and most of the positive approaches include the promotion of talk and interaction between learners. This can be done through philosophical enquiry.

These results help to establish the connection between the immediate and longer-term outcomes in our theory of change, as well as a connection with our impact.

Further work to establish the impact of participation on children's philosophical skills will be carried out over the next five year strategic cycle, which will take us to 2028.

Current service delivery and business model

The key elements of our delivery / business model are:

- 1) Recruit and train philosophers direct from universities. This activity is paid for by universities and/or students themselves. Students who are suitably skilled and motivated will go on to deliver philosophy sessions in schools.
- 2) Deliver philosophical enquiry sessions in schools (ranging from nursery to sixth form). This is mostly paid for by the schools themselves, though some free taster sessions are offered, which normally lead to schools paying for further sessions.
- 3) Free sessions are offered through funding by the Royal Institute of Philosophy who have been supporting our work in schools since 2014
- 4) Deliver teacher training for teachers in participating schools to enable them to support philosophical enquiry. This is also paid for by the schools.
- 5) Sell books and resources for teachers to be able to run philosophy sessions with their classes
- 6) Deliver philosophy in other educational spaces, such as prisons, hospitals and the community, as well as online.
- 7) Deliver occasional philosophical in business sessions for commercial companies which pay for this service to develop the skills of their employees.
- 8) Research and develop new or improved services, including through evaluations, mostly paid for by charitable trusts.
- 9) Fundraise for additional and/or core activities, mostly from charitable trusts.

New elements to service delivery and model

- 1) Philosophical Coaching to individuals, using a pay-it-forward model, whereby those who can afford to pay more so that we can support the most vulnerable.
- 2) Offering philosophical coaching to businesses.
- 3) Training people to do philosophical coaching

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee (charity number 1140338) by a Memorandum of Association on 22 October 2010.

The principal object of the charitable company in the year under review was that of the provision of philosophy services and training for the benefit of individuals and communities.

b. Method of appointment or election of Trustees

Trustees are appointed because of their expertise, experience and interest in the field of Philosophy, Education, Charity, Finance, Fundraising, Business and Law.

Trustees serve a term of the minimum of a year and should they wish to retire the other Trustees may appoint a person who is willing to act to serve as a Trustee for such term as they shall see fit, either to fill a vacancy or as an additional Trustee.

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Trustees serve a maximum of two terms (we have a three-year term of office), but always making sure there are a majority of trustees who have served over a year at any one time. A recommended Notice Period of 6 months is asked to be given by trustees wishing to retire.

Covid-19 contingency and re-balancing timings

With Covid-19 disrupting business for a year and a half we took the step to extend everyone's Trustee ship for a year, and then altered the timings of people leaving, so that in the future we are not in the position where 4 Trustees leave in close proximity.

The timings have now been altered so that 2 positions become available every year over the next 3 years, and then repeat every 2 terms as necessary.

Once future trustees are selected we will invite them along as observers initially, and then when a trustee resigns their position can be filled with someone who already knows the charity and has been recruited for a specific role on the Board.

At the end of 2022 we had 7 trustees in place and two appointed observers ready to take up positions in February and April 2023. When a new Chair takes on the role, and Vice Chair will be appointed.

Retiring Trustees

Will be invited to take part in future projects, should they wish, as Alumni Group for Former Trustees. This means that certain projects started with specific Trustees can continue to have their support for this project should the trustee wish to continue to help and the organization would benefit from this support.

c. Organisational structure and decision making

The governance of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The day-to-day management of the charity is the responsibility of the Co-Chief Executive Officer, Mrs E.J. Swinn MBE.

d. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The primary risks to the organisation include:

- Tough operating environment due to government funding, public sector spending cuts and inflation.
- Competition within the market becoming stronger.
- Staff attrition if our security, remuneration or terms and conditions cannot meet the needs of our valued team.
- Demand in schools out-stretching the number of philosophers accredited and able to work with us.
- Demand in philosophers wanting to work, but not enough work to keep them working with us, and them becoming competition, or our strong reputation being compromised.
- Drop in quality of philosophy teachers due to either of the above issue.
- Lack of long-term data on social impact and outcomes which will help attract new financial investment, grants and sales.

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FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and Activities

a. Policies and objectives

The charity's objects are restricted specifically to the advancement of the education of the public in the subject of philosophy and to promote the skills which derive from philosophical learning and the application of philosophical methodology.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and consider that by the provision of educational services through its relationship with several established schools it is clearly able to meet the public benefit criteria.

Achievements and performance

a. Key financial performance indicators

The largest part of the charity's income is earned as a result of the charity facilitating the teaching of Philosophy within schools. In addition it has earned income from running courses to train teachers and philosophy graduates as specialists in teaching Philosophy.

b. Review of activities

Our aim is to bring philosophy to the wider community and particularly into disadvantaged schools to develop children's autonomous learning and higher-order thinking skills, equipping them for life-long learning and creative and critical thinking essential in the 21st Century. We also want to engage the general public in philosophy and its uses for everyday living.

This aim is put into practice by the following activities:

- We trained and accredited philosophy graduates through our training programme, and through University Courses.
- We placed accredited philosophy teachers in schools to run regular philosophy classes and work directly with students in infants, primary and secondary schools. Since Covid-19 we took this work online too and are now reaching new pupils across the country and internationally, including working with Ukrainian children as part of an effort to support them during the war.
- We trained teachers in the transferable skills of Philosophical Enquiry: questioning, critical and creative thinking.
- We have run sessions for business and individuals within business in person and online, and will continue to build on this.
- We promoted philosophy to the wider community and campaigned to have more philosophy in public life and education, e.g. we worked at Festivals, ran events, ran community philosophy groups and gave public talks about our work.
- We continue to develop and support books that promote philosophy in schools, and other education spaces, such as prisons, and still offer all our books to be used in the classroom and community to develop good thinking in all areas of learning.
- We continue to develop resources and share them for free on our website, which has over 3,000 members.
- We successfully continued doing Philosophy in Prisons in the UK. This work has been funded by the Royal Institute of Philosophy.
- We continued to research and develop new or improved services, including through evaluations, mostly paid for by charitable trusts. During 2020-21 we worked with King's College London to research the impact of philosophy on children's emotional development and results on this are currently being evaluated and a report produced in 2023.
- This year we produced our seventh Social Impact Report using data gathered.
- We are a carbon neutral plus charity, producing 15 tonnes of CO₂e and offsetting 30 tonnes. Our carbon intensity of 33% lower than the average office.

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Financial review

a. Going concern

The charity incurred net expenditure for the year ended 31 August 2022 of £29,119 with £24,031 relating to the general fund. At 31 August 2022 the charity had net assets of £40,218, with £34,841 being the balance carried forward on the general fund. After making appropriate enquiries and as expanded on within the reserves policy, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The Philosophy Foundation aims to have a minimum of 3 months of unrestricted recurring expenditure in reserve, which for 21/22 equates to around £52,000. The balance of free reserves (unrestricted funds less fixed assets) at 31 August 2022 was £34,461, representing a balance in reserve of just under 2 months of unrestricted recurring expenditure and therefore meaning that for this year we have not complied with our policy. The trustees and management of the charity remain mindful of the need to manage the liquidity of the charity carefully to ensure that its obligations continue to be met when they fall due and close attention will continue to be paid to this as we move forward in 2022/23 and beyond.

Plans for the future

Since forming as a social enterprise in 2007 we have worked directly with over 60,000 young people in schools - nursery, primary and secondary - helping them to develop vital cognitive and affective skills that enhance their schoolwork, and their life beyond school.

We are now able to offer a range of online teaching and learning opportunities, which we will continue to offer into the future, extending our reach internationally. We are also undertaking further research and development looking into supporting children's emotional well-being alongside the other benefits philosophy can bring.

We are able to offer sessions for children, training for teachers, training for philosophers, training for individuals or those in business, and sessions for adults through our new website booking system.

We will be looking at new ways to continue to diversify our income stream through online work, partnerships with new organisations and work in new areas.

TPF are in the on-going process of creating an All Party Parliamentary Group for Philosophical Education.

In 2022-23 we will be developing a new five year strategy to take us through to 2028.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Ms. S.G. Sequeira, Chair
Date:

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees

Ms K.L.B Finch
Ms C.R. Tupman
Ms S.G. Sequeira, Chair
Mr J.D. Douglas
Mr J.E. Skelton
Ms R. Urang
Mr K. McArevey (appointed 5 July 2022)
Ms T.J. Spruyt (resigned 22 June 2022)
Mr A. Russell (resigned 10 June 2022)

Company registered number

07416912

Charity registered number

1140338

Registered office

Forest Hill Library
Dartmouth Road
London
SE23 3HZ

Company Secretary

Ms E.J. Swinn

Co-Chief Executive Officer (responsible for day-to-day management)

Ms E.J. Swinn

Accountants

Griffin Stone Moscrop & Co
21 - 27 Lamb's Conduit Street
London
WC1N 3GS

THE PHILOSOPHY FOUNDATION
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Independent examiner's report to the Trustees of The Philosophy Foundation ('the Company')

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 August 2022.

Responsibilities and basis of report

As the Trustees of the Company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

This report is made solely to the Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Company's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Trustees as a body, for my work or for this report.

Signed:

Richard Hill

Griffin Stone Moscrop & Co
21 - 27 Lamb's Conduit Street
London
WC1N 3GS

Dated:

FCA

THE PHILOSOPHY FOUNDATION
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	23,727	11,437	35,164	54,935
Charitable activities	4	-	175,040	175,040	163,997
Other trading activities	5	-	2,175	2,175	850
		<u>23,727</u>	<u>188,652</u>	<u>212,379</u>	<u>219,782</u>
Total income					
Expenditure on:					
Raising funds	6	-	22,135	22,135	19,502
Charitable activities	7	32,149	187,214	219,363	197,891
		<u>32,149</u>	<u>209,349</u>	<u>241,498</u>	<u>217,393</u>
Total expenditure					
Net (expenditure)/income		(8,422)	(20,697)	(29,119)	2,389
Transfers between funds	17	3,334	(3,334)	-	-
		<u>(5,088)</u>	<u>(24,031)</u>	<u>(29,119)</u>	<u>2,389</u>
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		10,465	58,872	69,337	66,948
Net movement in funds		(5,088)	(24,031)	(29,119)	2,389
		<u>5,377</u>	<u>34,841</u>	<u>40,218</u>	<u>69,337</u>
Total funds carried forward					

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 6 to 20 form part of these financial statements.

THE PHILOSOPHY FOUNDATION
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REGISTERED NUMBER: 07416912

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	377	755
		<u>377</u>	<u>755</u>
Current assets			
Stocks	12	1,893	3,036
Debtors	13	3,589	6,027
Cash at bank and in hand		40,482	65,347
		<u>45,964</u>	<u>74,410</u>
Creditors: amounts falling due within one year	14	(6,123)	(5,828)
Net current assets		<u>39,841</u>	<u>68,582</u>
Total assets less current liabilities		<u>40,218</u>	<u>69,337</u>
Net assets		<u>40,218</u>	<u>69,337</u>
Total net assets		<u><u>40,218</u></u>	<u><u>69,337</u></u>
Charity funds			
Restricted funds	17	5,377	10,465
Unrestricted funds	17	34,841	58,872
Total funds		<u><u>40,218</u></u>	<u><u>69,337</u></u>

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BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ms S.G. Sequeira
(Chair of Trustees)
Date:

The notes on pages 6 to 20 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

The Philosophy Foundation is a charitable company registered in England. Its registered office address is Forest Hill Library, Dartmouth Road, London, SE23 3HZ.

The Philosophy Foundation is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The financial statements are prepared in sterling, which is the functional currency, and are rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Philosophy Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Computer equipment	- 25% straight line
Website development	- 25% straight line

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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2. Accounting policies (continued)

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities 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.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Company operates a defined benefits pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.14 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Donations	-	303	303
Grants	23,727	10,000	33,727
CJRS Grant	-	1,134	1,134
	<u>23,727</u>	<u>11,437</u>	<u>35,164</u>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	9,013	9,013
Grants	19,799	10,000	29,799
CJRS Grant	-	16,123	16,123
	<u>19,799</u>	<u>35,136</u>	<u>54,935</u>

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4. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Income from schools and groups	148,034	148,034
Income from courses run to train specialists	24,223	24,223
Income from business training	1,490	1,490
Income from other events and unique projects	1,093	1,093
Income from Philosophical coaching	200	200
	<u>175,040</u>	<u>175,040</u>
	Unrestricted funds 2021 £	Total funds 2021 £
Income from schools and groups	140,863	140,863
Income from courses run to train specialists	20,142	20,142
Income from other events and unique projects	2,992	2,992
	<u>163,997</u>	<u>163,997</u>

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5. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £
Sales of books and other merchandise	2,175	2,175

	Unrestricted funds 2021 £	Total funds 2021 £
Sales of book and other merchandise	850	850

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £
Wages and salaries	18,149	18,149
National Insurance	1,959	1,959
Pension costs	573	573
	20,681	20,681

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6. Expenditure on raising funds (continued)

	Unrestricted funds 2021 £	Total funds 2021 £
Wages and salaries	16,625	16,625
National Insurance	1,686	1,686
Pension costs	525	525
	<u>18,836</u>	<u>18,836</u>

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £
Costs of books sold and given away	<u>1,454</u>	<u>1,454</u>

	Unrestricted funds 2021 £	Total funds 2021 £
Costs of books sold and given away	<u>666</u>	<u>666</u>

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7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Educational services provided from general funds	-	187,214	187,214
Educational services provided from restricted funds	32,149	-	32,149
	<u>32,149</u>	<u>187,214</u>	<u>219,363</u>

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Educational services provided from general funds	-	178,718	178,718
Educational services provided from restricted funds	19,173	-	19,173
	<u>19,173</u>	<u>178,718</u>	<u>197,891</u>

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8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational services provided from general funds	131,399	55,815	187,214
Educational services provided from restricted funds	13,584	18,565	32,149
	<u>144,983</u>	<u>74,380</u>	<u>219,363</u>
	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Educational services provided from general funds	126,163	52,555	178,718
Educational services provided from restricted funds	4,428	14,745	19,173
	<u>130,591</u>	<u>67,300</u>	<u>197,891</u>

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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	66,822	60,485
Freelance teaching costs	78,161	70,106
	144,983	130,591

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	58,742	51,799
Legal and professional	13	13
Payroll fees	1,036	1,312
Travel expenses	(118)	93
Office costs	6,975	7,016
Bank charges	590	552
Promotion and advertising	1,197	382
Depreciation	378	700
Continuing education	(35)	303
Sundry expenses	298	60
Independent examiner fees	2,835	2,982
Pension admin costs	2,118	2,088
Insurance	340	-
Motor Vehicle Expenses	11	-
	74,380	67,300

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9. Staff costs

	2022	2021
	£	£
Wages and salaries	134,639	120,777
Social security costs	7,407	6,691
Pension costs	4,199	3,652
	<u>146,245</u>	<u>131,120</u>

The average number of persons employed by the Company during the year was as follows:

	2022	2021
	No.	No.
Teaching	3	2
Fundraising	1	1
Supporting charitable activities	1	1
	<u>5</u>	<u>4</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel, comprising of the Co-Chief Executive Officers, received total consideration of £78,709 in the year (2021 - £72,100).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

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11. Tangible fixed assets

	Computer equipment £	Other fixed assets £	Total £
Cost or valuation			
At 1 September 2021	4,007	7,977	11,984
At 31 August 2022	4,007	7,977	11,984
Depreciation			
At 1 September 2021	3,252	7,977	11,229
Charge for the year	378	-	378
At 31 August 2022	3,630	7,977	11,607
Net book value			
At 31 August 2022	377	-	377
At 31 August 2021	755	-	755

12. Stocks

	2022 £	2021 £
Books for sale	1,893	3,036

13. Debtors

	2022 £	2021 £
Due within one year		
Income due from schools, courses and book sales	3,105	5,624
Prepayments	484	403
	3,589	6,027

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14. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	2,555	1,063
Other creditors	30	1,254
Accruals and deferred income	3,538	3,511
	<u>6,123</u>	<u>5,828</u>

15. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently-administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £4,199 (2021 - £3,652). £30 of pension contributions were owed to the pension fund at 31 August 2022 and included in other creditors (2021 - £1,004).

16. Financial instruments

	2022	2021
	£	£
Financial assets		
Financial assets measured at amortised cost	<u>40,482</u>	<u>65,347</u>

Financial assets measured at amortised cost through income and expenditure comprises of cash at bank and in hand.

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17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds - all funds	58,872	188,652	(209,349)	(3,334)	34,841
Restricted funds					
Research into Metacognition	4,302	-	-	-	4,302
Philosophy in Prisons	2,050	12,609	(13,584)	-	1,075
Office administrator funding	4,113	-	(7,447)	3,334	-
Charity works-Kickstart	-	11,118	(11,118)	-	-
	10,465	23,727	(32,149)	3,334	5,377
Total of funds	69,337	212,379	(241,498)	-	40,218

Restricted income and expenditure is represented by the following funds:

- Research into Metacognition is a project with King's College London to see if the teaching of critical thinking skills to young children in the classroom will improve their metacognition (learning to learn, knowing what they need to do to progress).
- Philosophers in Prison involves philosophy sessions in prisons with offenders. Income this year included funding from King's College London and the Royal Institute of Philosophy. These funds were spent working in HMP Belmarsh, HMP Brixton, HMP Pentonville and HMP Wandsworth. The funds left over from previous years fed into this restricted funding to support this work.
- Office administrator funding - Grant received to fund a project/office manager.
- Kickstart funding - money received to fund new starters over their initial 6 month placement with the charity.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
General funds	58,872	188,652	(209,349)	(3,334)	34,841
Restricted funds	10,465	23,727	(32,149)	3,334	5,377
	<u>69,337</u>	<u>212,379</u>	<u>(241,498)</u>	<u>-</u>	<u>40,218</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	377	377
Current assets	5,377	40,587	45,964
Creditors due within one year	-	(6,123)	(6,123)
Total	<u>5,377</u>	<u>34,841</u>	<u>40,218</u>

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	755	755
Current assets	10,465	63,945	74,410
Creditors due within one year	-	(5,828)	(5,828)
Total	<u>10,465</u>	<u>58,872</u>	<u>69,337</u>