

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**  
**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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 2023.

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.

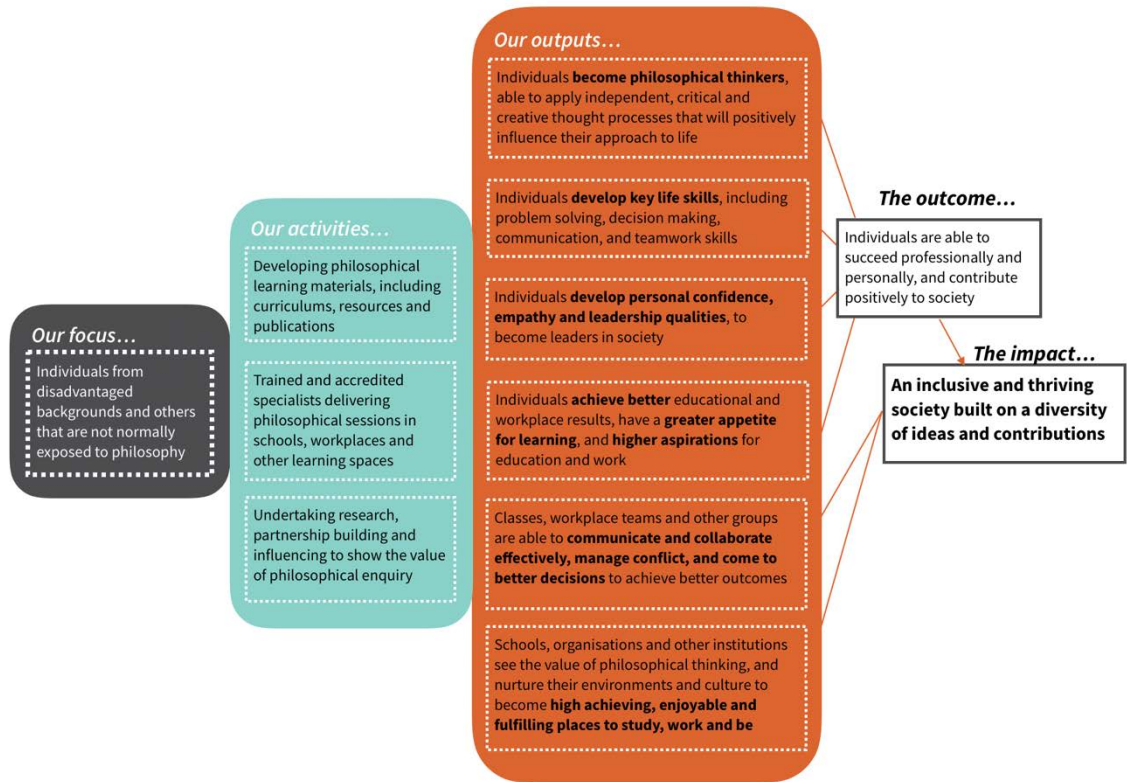
We have a commitment to encourage, support and sponsor non-privileged children to study philosophy at University.

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

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**  
  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**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 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**

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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.

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.

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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.
- 10) 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.

New elements to service delivery and model

- 1) Partnership with Teaching Times to provide an online course with coaching support for teachers nationally.

**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.

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*

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

With Covid-19 disrupting business for a year and a half we took the step to extend everyone's Trusteeship 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 2023 we had 6 trustees in place and a new Chair. Other roles to be appointed by the end of 2024 (vice and secretary)

*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 Chief Executive Officer, Mr S.P. Hoggins

**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.
- Loss of previous Co-CEO
- Low reserves
- Staff attrition if our security, remuneration or terms and conditions cannot meet the needs of our valued team.
- 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.

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**  
**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**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.
- We are a carbon neutral plus charity, producing 15 tonnes of CO<sub>2</sub>e and offsetting 30 tonnes. Our carbon intensity of 33% is lower than the average office.

**THE PHILOSOPHY FOUNDATION**  
**(A Company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Financial review****a. Going concern**

The charity incurred net expenditure for the year ended 31 August 2023 of £58,133. At 31 August 2023 the charity had net liabilities of £17,915, with a deficit of £40,223 being the balance carried forward on the general fund. A loan of £40,000, repayable over 3 years was negotiated in the year, which has provided working capital to enable the charity to meet its ongoing financial commitments. 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, plus dissolution costs, which for 22/23 equates to around £ 50,341. Due to the deficit on the general fund this policy was not complied with. 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 2023/24 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 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.

The Philosophy Foundation is in a point of transition. The restructuring of the Executive team has given the Foundation a new CEO and a new direction is forming. TPF is in the process of professionalising and systematising all its processes to provide a strong foundation for growth.

- 2) Improved communication, reporting and accountability between the executive and the board.
- 3) Improving communication, accountability and relationship between freelance specialists and TPF.
- 4) Improved relationships with schools through regular newsletters, free resources and webinars.
- 5) Policies and procedures to clarify and cement best working practices and enable clearer accountability.
- 6) Contracts for staff, Service level agreements (SLA) for new clients and renewed SLA's for continuing clients
- 7) Job descriptions for all staff and RACI matrixing
- 8) Transitioning of IT services from paid to funded, through Microsoft.
- 9) Consolidation of current programmes, to ensure they are feasible and sustainable.
- 10) Quarterly Financial reporting and monitoring
- 11) Hiring of a development director & Fundraiser
- 12) Hiring of a dedicated bookkeeper

We continue to look for opportunities through partnerships that grow our current programmes (rather than creating new programmes)

In 2023-24 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:

Mr S. Edginton - Director

*S. Edginton*

Date: 28 May 2024



**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the Company, its Trustees and advisers</b>	<b>1</b>
<b>Independent examiner's report</b>	<b>2</b>
<b>Statement of financial activities</b>	<b>3</b>
<b>Balance sheet</b>	<b>4 - 5</b>
<b>Notes to the financial statements</b>	<b>6 - 19</b>

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Trustees**

Ms K.L.B Finch  
Ms C.R. Tupman  
Ms S.G. Sequeira, Chair (resigned 1 March 2023)  
Mr J.D. Douglas (resigned 1 May 2023)  
Mr J.E. Skelton  
Ms R. Urang (resigned 3 April 2023)  
Ms S. Gershenson (appointed 24 August 2023)  
Mr S. Edginton (appointed 4 April 2023)  
Mr K.C Rajan (appointed 1 March 2023)  
Mr K. McArevey

**Company registered number**

07416912

**Charity registered number**

1140338

**Registered office**

21-27 Lamb's Conduit Street  
London  
WC1N 3GS

**Company Secretary**

Mr S.P. Hoggins

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

Ms E.J. Swinn (until July 2023)  
Mr S.P. Hoggins (from August 2023)

**Accountants**

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

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**INDEPENDENT EXAMINER'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**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 2023.

**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*

Dated: 6/6/2024

Richard Hill

FCA

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

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>					
Donations and legacies	3	45,634	28,739	74,373	35,164
Charitable activities	4	-	113,557	113,557	175,040
Other trading activities	5	-	907	907	2,175
<b>Total income</b>		<b>45,634</b>	<b>143,203</b>	<b>188,837</b>	<b>212,379</b>
<b>Expenditure on:</b>					
Raising funds	6	-	21,204	21,204	22,135
Charitable activities	7	24,401	201,365	225,766	219,363
<b>Total expenditure</b>		<b>24,401</b>	<b>222,569</b>	<b>246,970</b>	<b>241,498</b>
<b>Net income/(expenditure)</b>		<b>21,233</b>	<b>(79,366)</b>	<b>(58,133)</b>	<b>(29,119)</b>
Transfers between funds	17	(4,302)	4,302	-	-
<b>Net movement in funds</b>		<b>16,931</b>	<b>(75,064)</b>	<b>(58,133)</b>	<b>(29,119)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		5,377	34,841	40,218	69,337
Net movement in funds		16,931	(75,064)	(58,133)	(29,119)
<b>Total funds carried forward</b>		<b>22,308</b>	<b>(40,223)</b>	<b>(17,915)</b>	<b>40,218</b>

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

The notes on pages 6 to 19 form part of these financial statements.

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07416912**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	-	377
		<hr/>	<hr/>
		-	377
<b>Current assets</b>			
Stocks	12	1,891	1,893
Debtors	13	40,506	3,589
Cash at bank and in hand		1,843	40,482
		<hr/>	<hr/>
		44,240	45,964
Creditors: amounts falling due within one year	14	(35,945)	(6,123)
		<hr/>	<hr/>
<b>Net current assets</b>		8,295	39,841
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		8,295	40,218
Creditors: amounts falling due after more than one year	15	(26,210)	-
		<hr/>	<hr/>
<b>Net assets</b>		(17,915)	40,218
		<hr/>	<hr/>
<b>Total net assets</b>		(17,915)	40,218
		<hr/> <hr/>	<hr/> <hr/>
<b>Charity funds</b>			
Restricted funds	17	22,308	5,377
Unrestricted funds	17	(40,223)	34,841
		<hr/>	<hr/>
<b>Total funds</b>		(17,915)	40,218
		<hr/> <hr/>	<hr/> <hr/>

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2023**

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:

*S. Edginton*

.....  
**Mr S. Edginton**

(Trustee)

Date: 28 May 2024

The notes on pages 6 to 19 form part of these financial statements.

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**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 Going concern**

At 31 August 2023 the charity had net liabilities of £17,915, with a deficit of £40,223 being the balance carried forward on the general fund. A loan of £40,000, repayable over 3 years was negotiated in the year, which has provided working capital to enable the charity to meet its ongoing financial commitments up to and including the date of the approval of these financial statements. The trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for at least a period of twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**2.3 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.

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.4 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.

**2.5 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.

**2.6 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.

**2.7 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



**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 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.

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**2. Accounting policies (continued)**

**2.15 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.

**3. Income from donations and legacies**

	<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Donations	-	2,739	<b>2,739</b>
Grants	45,634	26,000	<b>71,634</b>
	<u>45,634</u>	<u>28,739</u>	<u><b>74,373</b></u>
	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
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>

**THE PHILOSOPHY FOUNDATION**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**4. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Income from schools and groups	96,666	<b>96,666</b>
Income from courses run to train specialists	12,930	<b>12,930</b>
Income from business training	1,863	<b>1,863</b>
Income from other events and unique projects	398	<b>398</b>
Income from Philosophical coaching	1,700	<b>1,700</b>
	<hr/> 113,557 <hr/>	<hr/> <b>113,557</b> <hr/>
	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
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
	<hr/> 175,040 <hr/>	<hr/> 175,040 <hr/>

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**5. Income from other trading activities**

**Income from non charitable trading activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Sales of books and other merchandise	907	<b>907</b>

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

**6. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Wages and salaries	18,000	<b>18,000</b>
National Insurance	1,938	<b>1,938</b>
Pension costs	530	<b>530</b>
	<b>20,468</b>	<b>20,468</b>

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

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**6. Expenditure on raising funds (continued)**

**Other trading expenses**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>
Costs of books sold and given away	736	<b>736</b>

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

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2023 £</b>	<b>Unrestricted funds 2023 £</b>	<b>Total 2023 £</b>
Educational services provided from general funds	1,513	201,365	<b>202,878</b>
Educational services provided from restricted funds	22,888	-	<b>22,888</b>
	<b>24,401</b>	<b>201,365</b>	<b>225,766</b>

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

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational services provided from general funds	131,944	70,934	<b>202,878</b>
Educational services provided from restricted funds	21,188	1,700	<b>22,888</b>
	<u>153,132</u>	<u>72,634</u>	<u><b>225,766</b></u>

	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>

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2023 £</b>	Total funds 2022 £
Staff costs	<b>75,175</b>	66,822
Freelance teaching costs	<b>70,649</b>	78,161
Project delivery costs	<b>7,308</b>	-
	<b>153,132</b>	144,983

**Analysis of support costs**

	<b>Total funds 2023 £</b>	Total funds 2022 £
Staff costs	<b>56,109</b>	58,742
Legal and professional	<b>388</b>	13
Payroll fees	<b>1,194</b>	1,036
Travel expenses	<b>164</b>	(118)
Office costs	<b>5,463</b>	6,975
Bank charges and interest	<b>1,153</b>	590
Promotion and advertising	<b>716</b>	1,197
Depreciation	-	378
Profit on disposal of fixed assets	<b>(23)</b>	-
Continuing education	-	(35)
Sundry expenses	<b>294</b>	298
Bad debts	<b>995</b>	-
Accounts preparation and independent examination fees	<b>3,494</b>	2,835
Pension admin costs	<b>1,958</b>	2,118
Insurance	<b>729</b>	340
Motor Vehicle Expenses	-	11
	<b>72,634</b>	74,380

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**9. Staff costs**

	<b>2023</b> £	2022 £
Wages and salaries	<b>139,845</b>	134,639
Social security costs	<b>7,793</b>	7,407
Pension costs	<b>4,114</b>	4,199
	<u><b>151,752</b></u>	<u>146,245</u>

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

	<b>2023</b> No.	2022 No.
Teaching	<b>3</b>	3
Fundraising	<b>1</b>	1
Supporting charitable activities	<b>1</b>	1
	<u><b>5</b></u>	<u>5</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 £79,310 in the year (2022 - £78,709).

**10. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).



**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**11. Tangible fixed assets**

	<b>Computer equipment £</b>
<b>Cost or valuation</b>	
At 1 September 2022	4,007
Disposals	(1,511)
	<hr/>
At 31 August 2023	2,496
	<hr/>
<b>Depreciation</b>	
At 1 September 2022	3,630
On disposals	(1,134)
	<hr/>
At 31 August 2023	2,496
	<hr/>
<b>Net book value</b>	
At 31 August 2023	-
	<hr/> <hr/>
At 31 August 2022	377
	<hr/> <hr/>

**12. Stocks**

	<b>2023 £</b>	<b>2022 £</b>
Books for sale	1,891	1,893
	<hr/> <hr/>	<hr/> <hr/>

**13. Debtors**

	<b>2023 £</b>	<b>2022 £</b>
<b>Due within one year</b>		
Income due from schools, courses and book sales	40,022	3,105
Prepayments	484	484
	<hr/>	<hr/>
	40,506	3,589
	<hr/> <hr/>	<hr/> <hr/>

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**14. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Bank loans	13,790	-
Other taxation and social security	1,460	2,555
Other creditors	2,594	30
Accruals and deferred income	18,101	3,538
	<u>35,945</u>	<u>6,123</u>

The bank loan is secured by a floating charge over the assets of the charitable company.

**15. Creditors: Amounts falling due after more than one year**

	2023 £	2022 £
Bank loans	<u>26,210</u>	<u>-</u>

**16. 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 £4,113 (2022 - £4,199). £2,594 (2022 - £30) of pension contributions were yet to be paid over at 31 August 2023 and were included in other creditors.

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**17. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
<b>Unrestricted funds</b>					
General Funds - all funds	34,841	143,203	(222,569)	4,302	(40,223)
<b>Restricted funds</b>					
Research into Metacognition	4,302	-	-	(4,302)	-
Philosophy in Prisons	1,075	-	(1,075)	-	-
John Lyon's Foundation	-	3,900	(1,448)	-	2,452
Reading Project - Republic Island	-	41,734	(21,878)	-	19,856
	5,377	45,634	(24,401)	(4,302)	22,308
<b>Total of funds</b>	40,218	188,837	(246,970)	-	(17,915)

Restricted income and expenditure for the year is represented by the following funds:

- The Institute of Philosophy's aim is to promote and facilitate high quality research in philosophy, making it available to the widest possible audience both inside and outside the UK's academic community. They have provided funding of the CORE activities of the charity as well as supporting the Reading Project - Republic Island.
- John Lyon's Foundation's aim is to maximise the opportunities for children and young people by enabling them to realise their potential, broadened their horizons and ultimately enable them to experience and enjoy a better quality of life.
- Reading Project - Republic Island is a 5-day holiday where young people work together to explore big ideas through the creation of an Island Community. Republic Island is a narrative story over five days and asks the students to consider how to build a society.

**THE PHILOSOPHY FOUNDATION**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**18. Summary of funds**

**Summary of funds - current year**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2023 £
General funds	34,841	143,203	(222,569)	4,302	(40,223)
Restricted funds	5,377	45,634	(24,401)	(4,302)	22,308
	<u>40,218</u>	<u>188,837</u>	<u>(246,970)</u>	<u>-</u>	<u>(17,915)</u>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Current assets	33,147	11,093	44,240
Creditors due within one year	(10,839)	(25,106)	(35,945)
Creditors due in more than one year	-	(26,210)	(26,210)
<b>Total</b>	<u>22,308</u>	<u>(40,223)</u>	<u>(17,915)</u>

**Analysis of net assets between funds - prior 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)
<b>Total</b>	<u>5,377</u>	<u>34,841</u>	<u>40,218</u>