

Company registered number: 10388335  
Charity registered number: 1169925

**THE ROYAL FEMALE SCHOOL OF ART FOUNDATION**  
(A company limited by guarantee)

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2023**

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**THE ROYAL FEMALE SCHOOL OF ART FOUNDATION**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 JULY 2023**

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<b>Trustees</b>	Lora De Felice, Co-opted Trustee, Chair Mark Miller, Co-opted Trustee Barbara Burman, Co-opted Trustee Adrian Capps, Co-opted Trustee, Vice Chair John Parmiter, Nominee of the University of the Arts London Alison Lowton, Nominee of the Mary Ward Settlement Alexi Marmot, Nominee of the Working Mens's College Darius Farrokh Pocha, Co-opted Trustee
<b>Company registered number</b>	10388335
<b>Charity registered number</b>	1169925
<b>Registered office</b>	85 Great Portland Street First Floor London W 1W 7LT
<b>Company secretary</b>	Catherine Armstrong
<b>Independent Examiner</b>	John Howard FCA Azets Audit Services Limited 2 <sup>nd</sup> Floor, Regis House 45 King William Street London. EC4R 9AN
<b>Bankers</b>	CAF Bank Ltd PO Box 289 West Malling Kent ME19 4TA
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR
<b>Investment Managers</b>	CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET

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

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The Trustees present their annual report together with the audited financial statements of the charitable company, The Royal Female School of Art Foundation, for the year 1 August 2022 to 31 July 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015) and Update Bulletin 2 (effective 5 October 2018).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**Structure, governance and management**

The charity is a company limited by guarantee, incorporated on 21 September 2016 and registered as a charity on 27 October 2016 with the Charity Commission. The incorporated charity is governed by its Memorandum and Articles of Association. The charity was considered dormant until 31 January 2018, upon which date the assets and liabilities (excluding the investment property asset, which was transferred on 1 February 2019) were transferred from the original unincorporated charity (registered charity number 1006880), also called the Royal Female School of Art Foundation, to this new incorporated charity (registered charity number 1169925).

**Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are listed on Page 1.

The Board of Trustees is constituted as follows, up to a maximum number of eight Trustees:

- (1) one Foundation Trustee appointed by the Working Men's College (or its successor(s));
- (2) one Foundation Trustee appointed by the University of the Arts London (or its successor(s));
- (3) one Foundation Trustee appointed by the Mary Ward Centre (or its successor(s)); and
- (4) a minimum of four Co-opted Trustees, appointed unanimously by the Trustees.

Historically, the three named organisations have nominated Trustees. Since their nominating bodies are also eligible to be recipients of the Foundation's grants, a greater number of co-opted Trustees are also recruited in order to guarantee the objectivity of the Board's decisions and to manage potential conflicts of interest.

Trustees may hold office for a period of four years and may be re-appointed by their appointing organisation, in the case of a Foundation Trustee, or the Trustees, in the case of a Co-opted Trustee, upon expiry of their initial term for one further period of four years. No Foundation Trustee or Co-opted Trustee may be an officer, director or employee of any appointing organisation.

**Nominated Trustees**

The Mary Ward Centre nominated Alison Lowton to serve as a Trustee from 3 December 2019 until 2 December 2023.

The University of the Arts, London nominated John Parmiter to serve as a Trustee from 2 July 2018 until 1 July 2022. John Parmiter was re-elected for a final 4 year term, to 1 July 2026.

The Working Men's College nominated Alexi Marmot to serve as a Trustee on 3 September 2020 until 2 September 2024.

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**TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023**

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**Co-opted Trustees**

The RFSA Trustees co-opted trustees each bring specialist expertise to the Board of Trustees. Trustees utilise both online advertisement and, if required, the services of a trustee recruitment specialist to recruit additional co-opted Trustees as required. New Trustees are provided with a paper-based induction and induction meeting(s), in the latter case the number dependent on their expertise and personal requirements.

In order to maintain Board numbers and continuation of knowledge, the Trustees shall retire through a staggered arrangement. Commencing from the first meeting of the Trustees in the *third* calendar year following incorporation of the charity, and each year thereafter, one Foundation Trustee or one Co-opted Trustee must retire from office. However, if Trustee resignations have occurred during the year, prior to term end dates, further staggered retirements as above can be delayed to ensure continuation of knowledge within the Board.

The Trustees usually meet four times per year but meet more frequently should the business of the Foundation require it. General practice is that the Chair is appointed during the first meeting of the calendar year for a period of three years, and a Vice Chair for a period of two years, rotating between the Trustees.

**Management**

Trustees appointed a Foundation Secretary & Grants Manager from December 2017 to provide administrative services. Azets has been appointed as accountant and auditor through a tender process in 2021 and this is reviewed annually. The Trustees have appointed CCLA Investment Management Limited (COIF Trustees) to manage investments. The Trustees obtain legal, insurance and valuers' advice as necessary.

**Key Management Personnel**

The Trustees consider the Board of Trustees and the Foundation Secretary & Grants Manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in the accounts.

Trustees are required to disclose all relevant interests and register them with the Foundation Secretary & Grants Manager and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

The salary of the Charity's Foundation Secretary & Grants Manager is reviewed annually. The remuneration is bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

**Objectives and activities**

The charity's objects are specifically restricted to advancing the education (including social and physical training) of students:

1. who reside in the Greater London area or study in the Greater London area but reside elsewhere; and
2. primarily but not exclusively who may suffer disadvantage by reason of pregnancy, childbirth, caring or parenthood, with a preference for education in the subjects of art and design.

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**TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023**

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**Objectives and activities (continued)**

The Trustees have powers to:

1. award scholarships, bursaries, maintenance allowances or grants tenable for the benefit of students at any educational establishment approved by the Trustees;
2. provide financial assistance, tools, instruments or books to assist students to pursue their education, undertake travel, or to prepare for or enter a profession or occupation on graduation;
3. make grants to educational institutions which provide facilities for promoting the education of students;
4. make grants to educational institutions to support students (including prospective students) who by reason of pregnancy, childbirth, caring or parenthood suffer disadvantage.

To direct the majority of its income to its purpose, the Trustees invite applications once each year from selected educational organisations for projects which seek to enhance and facilitate education in the arts provided to those residing or studying within the Greater London area. Monitoring reports on all bids are required to be submitted part way through, and one year following the award. This allows Trustees to assess the impact and benefit of the grants allocated.

**Strategic Planning**

The Foundation's strategy and policies are reviewed at Board meetings and through setting key objectives for governance, administration, investment and grant making. Strategy Away Days are held at least every five years and provide a forum to reflect on the impact and future direction for the charity.

The first Strategy Away Day of the newly incorporated charity was held in October 2018, culminating in the creation and later adoption of a Strategic Plan covering strategic priorities over the 5 years to 2024. The Strategic Plan is based around key priorities and ambitions, alongside relevant strategic actions. The priorities for the final year of the Strategic Plan to March 2024 focussed on Partnerships, Research and Raising Awareness.

The Strategic Plan and its actions are reviewed at each Board meeting, with subgroups, actions and timescales assigned to each priority. A full strategic review will be undertaken in Spring 2024.

The Trustees have paid regard to the Charity Commission's guidance on public benefit when deciding on the Charity's activities for the year, details of which are set out below. Consideration was also given to meeting the public benefit during review of the charity's own objectives through the Strategic Plan.

**Impact of Global Financial Uncertainty**

The long-term effects of Brexit, Covid-19, the war in Ukraine and the energy crisis on the global market performance and the degree to which the RFSA investment assets with CCLA will be affected is yet to be fully realised. In the shorter term, the larger cash proportion within the fund shielded the RFSA portfolio from the full impact of the market volatility.

The Trustee policy to award grants up to the value of expected income, to ensure the sustainability of the investment asset and future grant-making capacity of the charity, was closely upheld. This was particularly in light of the ongoing global issues and impact on the world economy and investments. When making decisions in terms of how to fund grants, the trustees attempt to balance the increasing needs of students with the requirement to ensure financial sustainability in the long term.

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**TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023**

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**Achievements and Performance - Meeting the Public Benefit Requirement**

For the forthcoming 2023-24 academic year, the Charity invited applications from eight educational institutions providing arts education to students studying or residing in Greater London. Nine proposals of a total value of £145,271 were received in May 2023, an increase of 40% on the previous year. Anticipated income being a maximum of £70,000, the Trustees awarded grants based upon both application scores and quantitative feedback to ensure transparency. Funds were awarded for hardship bursary funding only, allowing the RFSA to again concentrate on its core historical mission in the 2023-24 academic year.

From the applications, seven grants totalling £70,000 were agreed in June 2023, with one multi-year grant being rejected. All these grants were to support students in financial hardship through the provision of bursaries, for example to cover tuition fees, equipment, books, and course materials. These bursaries seek to ensure continued access to education by students who otherwise might not be able to take up or continue their education, hence meeting the public benefit requirement.

The Queen's and William Atkinson Scholarships are usually awarded annually on merit to students at Central Saint Martins. These scholarships arise from the historic link between the Foundation (originally connected to an art school) and the College. Due to events at Central Saint Martin, outside of the Charity's control, the award of the Queens Prize has been delayed by one academic term, with the William Atkinson Prize being delayed by 12 months. The Charity has taken remedial action with Central Saint Martins to ensure a delay does not occur in the future with these long-standing awards.

The charity does not currently carry out any fundraising activities or use any third parties to fundraise on its behalf.

**Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable 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. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Reserves and Investments Policy**

The Trustees' historical reserves policy, adopted from the unincorporated charity, had been to use up to 50% of the invested fund (the unrestricted investment fund being c£2.6m), most of which is derived from the lease premium received in 2001, by the date at which the lease to the investment property expired (originally 31 July 2022). In this context, grants paid had in the past exceeded the charity's income each year. Trustees made the decision to change to a new, sustainable, reserve policy as part of a new strategic plan, in which expenses will no longer exceed income. As part of this ongoing review and in light of the continuing uncertainty in global financial markets, for the 2023-24 academic year Trustees have again awarded grants only up to the value of anticipated annual income, including any unclaimed grant awards from the previous academic year.

Trustees also made the decision to move away from the inherited investments policy as it is no longer in line with the future direction of the charity and its current Strategic Plan, with development of a new Investment Strategy.

The unrestricted investment fund of £2.6m is currently managed by CCLA, fund managers selected for their experience of managing charitable funds and understanding of ethical and responsible investment. The funds are invested in the COIF Charities Ethical Investment Fund, which aims to provide a long-term total return comprising growth in capital and distributions. The fund has a risk rating of 3 out of 7, which is a medium-low risk class. The COIF Ethical Investment Fund returned 0.42% (net of fees) for the year from 1 August 2022 to 31 July 2023. This is slightly below Trustees' expectations; however, it is in line with the risk averse manner in which the portfolio is managed, which the trustees are conscious of.

As part of the ongoing strategic development, the charity's reserves and investments policies are currently under review, to ensure they are supportive of and appropriate to the future direction of the charity.

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**TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023**

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**Financial review**

Dividends from the holdings in the COIF ethical investment units and interest on the income in the COIF deposit fund continue to be received quarterly (approximately £74,000 per annum). The Foundation's investment assets in property and common investment funds are held for the purpose of generating income which can be distributed as grants towards the Foundation's charitable purposes. The grants are made at the discretion of the Trustees and are not intended to bind the Trustees to awards in any subsequent years. Other expenditure relates to administrative and professional fees as required, where such costs are kept to a minimum. The overall income for the 2022-23 year was £172,189 and the overall expenditure was £153,789.

**Risk Management**

The Trustees have in place a risk policy: they manage risk actively throughout the year and undertake a full risk review on an annual basis, to discuss systems of risk mitigation and best practice in respect of these risks. The principal risks faced by the Charity lie in the performance of investments and operational risks from ineffective grant making and the capacity of the Charity to make effective grants. The Trustees consider variability of investment returns to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio.

**Future Activities**

Following the ongoing global financial uncertainty, the Charity will continue its grant giving in 2023/24 at the level of estimated net income, whilst the Trustees conclude the work programmes of the current strategic plan and undertake a full review of the strategy, reserves and investment policy during the next financial year.

The Trustees also anticipate certain legal and other costs related to the change in tenancy and new lease for the property asset at Queen Square. These costs have been professionally estimated and prepared for within the cash flow budget.

The Trustees will continue to work towards the conclusion of the strategic priorities, as set out in the current Strategic Plan. Review of the charity's reserves and investments policies will in part be dictated by the future use outcome of the charity's primary investment asset, the freehold property at Queen Square. A new conditional lease has been negotiated with tenants taking possession on 1 August 2023. The occupancy will occur under a Licence to Occupy, until such time as planning permission is granted for the necessary development, at which point the new 30-year lease becomes unconditional. The timings and outcome of this development will determine the type and level of future investment assets and income, which can be utilised by the charity to best achieve its strategic aims and public benefit requirements.

The future income of the charity is likely to increase significantly after changes are made to the use of the property in Queen Square. In anticipation, the trustees plan to give serious attention to the implications of increased income for the Strategic Plan, on the Reserves and Investments Policy and on the scale and direction of the Foundation's future activities. In anticipation of an increase in income the Trustees will be expanding the Boards skillset, with the appointment of a Treasurer and formation of a permanent Investments Committee.

The Charity will also strengthen its partnerships, including with its grant recipient organisations, commencing with hosting its first networking conference in early 2024.

This report has been prepared taking advantage of the small companies' exemption of the Companies Act 2006.

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



Lora De Felice

Date:

29-2-2024



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

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**Independent examiner's report to the Trustees of The Royal Female School of Art Foundation ('the Charitable Company')**

I report to the charity Trustees on my examination of the accounts of the Charitable Company for the year ended 31 July 2023.

**Responsibilities and basis of report**

As the Trustees of the Charitable 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 Charitable 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 Charitable 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 that in any material respect:

1. accounting records were not kept in respect of the Charitable 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.



J Howard FCA  
Azets Audit Services  
2nd Floor, Regis House  
45 King William Street  
London  
EC4R 9AN

Date: 6 March 2024  
Date: .....

**THE ROYAL FEMALE SCHOOL OF ART FOUNDATION**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 JULY 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>				
Donations:				
Queens prize		600	600	500
Government Grants		-	-	700
Investments	3	171,589	171,589	95,774
		<b>172,189</b>	<b>172,189</b>	96,974
<b>Total income</b>				
<b>Expenditure on:</b>		153,789	153,789	105,298
Charitable activities	4	153,789	153,789	105,298
<b>Total expenditure</b>				
<b>Net (expenditure) before net gains on investments</b>		<b>18,400</b>	<b>18,400</b>	(8,324)
		<b>(70,806)</b>	<b>(70,806)</b>	(40,173)
Net loss investments	10			
<b>Net movement in funds before other recognised gains</b>		(52,406)	(52,406)	(48,497)
<b>Other recognised gains:</b>				
Gains on revaluation of fixed assets	9	-	-	-
		<b>(52,406)</b>	<b>(52,406)</b>	(48,497)
<b>Net movement in funds</b>				
<b>Reconciliation of funds:</b>				
Total funds brought forward		12,513,503	12,513,503	12,562,000
Net movement in funds		(52,406)	(52,406)	(48,497)
<b>Total funds carried forward</b>		<b>12,461,097</b>	<b>12,461,097</b>	12,513,503

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

In 2022/23 all income and expenditure was allocated to / from the Unrestricted fund.

All income and expenditure derive from continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

**THE ROYAL FEMALE SCHOOL OF ART FOUNDATION**  
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**BALANCE SHEET**  
**AS AT 31 JULY 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	10	2,503,680	2,574,486
Investment property	9	10,000,000	10,000,000
		<b>12,503,680</b>	<b>12,574,486</b>
<b>Current assets</b>			
Debtors	11	18,648	18,836
Cash at bank and in hand		85,992	65,721
		<b>104,640</b>	<b>84,557</b>
Creditors: amounts falling due within one year	12	(147,223)	(145,540)
<b>Net current liabilities</b>		<b>(42,583)</b>	<b>(60,983)</b>
<b>Total net assets</b>		<b>12,461,097</b>	<b>12,513,503</b>
<b>Charity funds</b>			
Unrestricted funds		12,461,097	12,513,503
<b>Total funds</b>		<b>12,461,097</b>	<b>12,513,503</b>

The Charitable 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:



**Lora De Felice**

Date: 29-2-2024

The notes on pages 11 to 21 form part of these financial statements.

**THE ROYAL FEMALE SCHOOL OF ART FOUNDATION**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2023**

	<b>Note</b>	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	13	<b>(151,318)</b>	(111,578)
<b>Cash flows from investing activities</b>			
Investment income		<b>171,589</b>	95,774
Proceeds from sale of investments		-	-
<b>Net cash provided by investing activities</b>		<b>171,589</b>	95,774
<b>Change in cash and cash equivalents in the year</b>		<b>20,271</b>	(15,804)
Cash and cash equivalents at the beginning of the year		<b>65,721</b>	81,525
<b>Cash and cash equivalents at the end of the year</b>	14	<b>85,992</b>	65,721

The notes on pages 11 to 21 form part of these financial statements

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

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**1. General information**

The Royal Female School of Art Foundation is an incorporated Charity and is registered with the Charity Commission (Charity Registered Number 1169925) and Registrar of Companies (Company Registration Number 10388335) in England and Wales.

In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

The address of the registered office is given in the Charitable Company information on page 1 of these financial statements.

The nature of the Charitable Company's operations and principal activities are providing financial assistance in the form of grants, bursaries, and maintenance allowances to assist students with their education in the fields of art and design.

**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 Royal Female School of Art 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.

The financial statements are presented in sterling which is the functional currency of the Charitable Company and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern for the foreseeable future.

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

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**2. Accounting policies (continued)**

**2.3 Income**

All income is recognised once the Charitable 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.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy, the investment income is reported net of these costs. Costs are recognised on a gross basis when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charitable Company's right to receive payment is established.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Government grants relating to income are recognised as income over the periods when the related costs are incurred. The grants received in the year relate to The Coronavirus Job Retention Scheme.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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

**2.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

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

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**2. Accounting policies (continued)**

**2.7 Investment property**

The investment property is measured at fair value at each reporting date. Fair value is attributed on the basis of a yield on the rental income which is based on a surveyors' estimate. No value is attributed to the underlying land. The Trustees review this valuation annually with any changes in the fair value being recognised under the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

**2.8 Operating leases**

Rents received under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**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 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 Charitable 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.

**2.12 Financial instruments**

The Charity holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Financial assets - accrued income is classified as a basic financial instrument and debt instrument measured at amortised cost as shown in Note 11. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Investments - all investments are classified as basic financial instruments and held at their fairvalue.

Financial liabilities - accruals and grants payable are classified as basic financial instruments, and are measured at amortised cost as shown in Note 12.

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

**2.13 Pensions**

When employees have rendered service to the charitable company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charitable company offers a stakeholder pension scheme which is open to all employees. Employer contributions are charged to the Statement of Financial Activities in the period in which they are incurred.

**2.14 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 Charitable Company and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Property rental income	95,000	<b>95,000</b>	21,411
Listed investments - dividend income	75,170	<b>75,170</b>	74,219
Bank interest	1,419	<b>1,419</b>	144
<b>Total 2023</b>	<b>171,589</b>	<b>171,589</b>	95,774
 <b>Total 2022</b>	 <b>95,774</b>	 <b>95,774</b>	



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**4. Analysis of expenditure on charitable activities - by type**

	<b>Grant funding of activities 2023 £</b>	<b>Support costs 2023 £</b>	<b>Total 2023 £</b>
Charitable activities	69,447	84,342	<b>153,789</b>

	<i>Grant funding of activities 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total 2022 £</i>
Charitable activities	62,478	42,820	105,298

**Analysis of support costs**

	<b>Activities 2023 £</b>	<b>Total 2023 £</b>	<i>Total 2022 £</i>
Staff costs	26,390	<b>26,390</b>	23,171
Sundry expenditure	-	-	171
Governance costs	9,257	<b>9,257</b>	5,864
Professional fees	48,695	<b>48,695</b>	13,614
	84,342	<b>84,342</b>	42,820

**5. Governance costs**

Governance costs include expenses related to insurance services, administrative costs, accounting and examination costs.

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**5. Governance costs (continued)**

	<b>2023</b> £	<b>2022</b> £
The Independent Examiner's remuneration for the year was:		
- Examination of the financial statements	2,150	1,850
- Financial statements preparation	2,700	2,500
	<b>4,850</b>	<b>4,350</b>

**6. Grants payable**

	<b>2023</b> £	<b>2022</b> £
<b>Grants to institutions</b>		
Working Men's College	<b>5,000</b>	4,900
Mary Ward Centre	<b>9,000</b>	11,000
Morley College	<b>10,000</b>	10,700
Birkbeck College	<b>7,000</b>	8,800
City Literary Institute	<b>8,000</b>	-
City & Guilds of London Art School	<b>7,000</b>	7,000
University of the Arts London	<b>17,000</b>	20,600
AAD School London Metropolitan University	<b>7,000</b>	7,000
Grants authorised in previous years but not taken up	-	(9,022)
Grants written off in the period to 31/07/2023	<b>(553)</b>	-
	<b>69,447</b>	60,978
<b>Grants to individuals</b>		
Queen's Scholarship	<b>1,000</b>	1,000
William Atkinson Scholarship	-	500
	<b>1,000</b>	1,500
	<b>70,447</b>	62,478

During the year one grant (2022 - two grants) was made from the Queen's Scholarship fund and no grants (2022 - one grant) from the William Atkinson Fund.

Grant awards are made by the Charity for in-house projects and also for allocation to individual students. The awards are summarised above by reference to each institution/college.

The University of the Arts London includes: Central Saint Martins, London College of Fashion, London College of Communication, Camberwell College of Arts, Chelsea College of Arts and Wimbledon College of Arts.

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**7. Staff costs**

	<b>2023</b>	<i>2022</i>
	<b>£</b>	<b>£</b>
Wages and salaries	23,644	20,850
Social security costs	2,058	1,691
Contribution to defined contribution pension schemes	688	630
	<u><b>26,390</b></u>	<u><b>23,171</b></u>

The Charitable Company contributes to its staff member's pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension costs charge represents contributions payable by the charitable company to the fund and amounted to £ 688 (2022: £630).

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

	<b>2023</b>	<i>2022</i>
	<b>No.</b>	<b>No.</b>
Employees	<u><b>1</b></u>	<u><b>1</b></u>

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

The Trustees consider the Board of Trustees and the Foundation Secretary & Grants Manager to be the Key Management Personnel of the Charitable Company. Total remuneration received by Key Management Personnel was £ 26,390 (2022 - £23,171).

**8. Trustees' remuneration and expenses**

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

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

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**9. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 August 2022	<b>10,000,000</b>
Surplus on revaluation	-
At 31 July 2023	<u><u>10,000,000</u></u>

The Trustees have reassessed the valuation of the property based on discussions with property experts and examination of the local market. Based on these discussions, the Trustees consider a reasonable estimate of the fair value of the property as at 31st July 2023 to be £10million.

**10. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 August 2022	<b>2,574,486</b>
Disposals	-
Revaluations	(70,806)
At 31 July 2023	<u><u>2,503,680</u></u>
<b>Net book value</b>	
<b>At 31 July 2023</b>	<b>2,503,680</b>
<i>At 31 July 2022</i>	<i>2,574,486</i>

The CCLA investment management costs cannot easily be identified as investments are held in a "pooled fund", and hence are not disclosed as costs of raising funds, however the 'ongoing charges figure' for the Ethical Fund for the year ended 31 July 2023 was 0.6% of capital value.

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**11. Debtors**

	<b>2023</b> £	2022 £
<b>Due within one year</b>		
Prepayments and accrued income	18,648	18,836
	<u><b>18,648</b></u>	<u><b>18,836</b></u>

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

	<b>2023</b> £	2022 £
Other taxation and social security	510	327
Other creditors	353	353
Accruals	4,850	4,359
Grant commitments	141,510	140,510
	<u><b>147,223</b></u>	<u><b>145,540</b></u>

**13. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2023</b> £	2022 £
Net income for the year (as per Statement of Financial Activities)	<b>(52,406)</b>	(48,497)
<b>Adjustments for:</b>		
Net loss/ (gains) on investments	70,806	40,173
Investment income	<b>(171,589)</b>	(95,774)
(Increase) in debtors	<b>188</b>	(217)
(Decrease) in creditors	<b>1,683</b>	(7,263)
<b>Net cash used in operating activities</b>	<u><b>(151,318)</b></u>	<u><b>(111,578)</b></u>

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**14. Analysis of cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash in hand	85,992	65,721
<b>Total cash and cash equivalents</b>	<b>85,992</b>	<b>65,721</b>

**15. Analysis of changes in net debt**

	<b>At 1 August 2022</b>	<b>Cash flows</b>	<b>At 31 July 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	65,721	20,271	85,992
	<b>65,721</b>	<b>20,271</b>	<b>85,992</b>

**16. Related party transactions**

During the year the RFSA gave grants to a number of organisations that have nominated Trustees to the charitable company.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Alison Lowton - nominated by the Mary Ward Settlement	<b>9,000</b>	11,000
Alexi Marmot - nominated by the Working Men's College	<b>5,000</b>	4,900
John Parmiter - nominated by the University of Arts London	<b>17,000</b>	20,600
	<b>31,000</b>	<b>36,500</b>

In addition, the Mary Ward Settlement leases the Charity's property until 31 July 2023, when Mary Ward Settlement vacated.

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**16. Related party transactions (continued)**

Alison Lowton is a Trustee nominated by the Mary Ward Settlement (MWS), the Mary Ward Settlement leases the Charity's property. The MWS Nominated Trustee is not privy to any information or discussion related to the property asset. Trustees are required to complete a Declaration of Interest form prior to appointment. Should any potential conflict of interest arise, Board members follow the Board policy and will seek professional advice if necessary, and vote on whether and to what degree to exclude that Trustee from information, discussion and voting on that issue or item.

The Trustees have taken proper action for transactions relating to the payment of grants to be carried out on an at 'arms length basis' through the use of a conflict of interest policy.