

# City&Guilds of London Art School



## ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2023

COMPANY LIMITED BY GUARANTEE  
REGISTRATION NUMBER  
07817519  
(ENGLAND AND WALES)

CHARITY REGISTRATION NUMBER  
1144708



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# Reference and administrative information

## Trustees

Trustees in post as at January 2024; see Statement of Corporate Governance for details of Trustees serving during the course of 2022-23

Jamie Bill (Chair)  
Andrew Allen KC  
Laurence Benson (Vice-Chair)  
Dr Virginia Brooke  
Dr Caroline Campbell  
Edward Campbell-Johnston  
Paul Farmiloe  
Martin Hatfull  
James Kelly  
Tabish Khan  
Michael Osbaldeston  
Dr Michael Paraskos  
Prof Jane Rapley OBE  
Prof Elizabeth Rouse OBE  
Dr Lois Rowe  
Alexander Stitt  
Helen Sunderland-Cohen

## Company Secretary

Harriet Lam

## Senior Management Team

Principal	Dr Lois Rowe
Director of Resources & Operations	Nick Rampley
Head of Carving	Tom Young
Head of Art Histories	Tom Groves
Head of Fine Art	Robin Mason
Head of Foundation	Keith Price
Head of Conservation	Dr Marina Sokhan
Head of Access to Learning	Dr Matthew Rowe
Head of Development & External Relations	Hannah Travers

# Reference and administrative information

Registered and principal office	124 Kennington Park Road London SE11 4DJ
Telephone	020 7735 2306
Website	<a href="http://www.cityandguildsartschool.ac.uk">www.cityandguildsartschool.ac.uk</a>
Email	<a href="mailto:office@cityandguildsartschool.ac.uk">office@cityandguildsartschool.ac.uk</a>
Company registration number	07817519 (England and Wales)
Charity registration number	1144708
UKPRN	10039082
Bankers	Barclays Bank plc Southwark Branch 29 Borough High Street London SE1 1LY
Investment Managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

# Trustees' Report | Year to 31 August 2023

## Introduction

The Board of Trustees (“the Board”) of City and Guilds of London Art School Limited (“the Art School” or “the Charity” or “the charitable company”) presents its annual report and the audited financial statements for the year ended 31 August 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared under the accounting policies set out therein and comply with applicable law and 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 United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and comply with the Office for Students’ Accounts Direction.

## Constitution

The Art School is a charitable company, limited by guarantee, not having a share capital. The Art School’s governance is determined by its Articles of Association, dated 22 May 2019. As set out in the Articles the Directors of the Art School form the Art School Board of Trustees. To assist in exercising their duties, the Board has a number of Committees, which are detailed and governed by the Art School’s “How We Work: Governance and Management Handbook”.

The Charity was incorporated on 20 October 2011 to continue the educational activities that were transferred from City and Guilds Art School Property Trust (“the Property Trust”) on 31 March 2012 as part of a business transfer agreement.

The Art School is a Higher Education Provider registered with the Office for Students in its Approved Category.

## Principal aims and activities

Founded in 1879, and with a history dating back to 1854, the Art School is one of the UK’s oldest art educational institutions specialising in art, craft and conservation. Its original mission was to provide quality instruction in applied art and design for local people. This broadened over time and since World War II has encompassed restoration and conservation to assist, initially, with the effort to repair London’s monuments and heritage. Through this, it developed a strong reputation for excellence in both art and craft.

The Art School’s mission today is to nurture individual talent by providing an immersive learning environment with an emphasis on the dialogue between the eye, the hand and the material, informed by the study and analysis of historical and contemporary art and craft. This is delivered through a number of specialist courses including undergraduate and postgraduate courses in Fine Art, Carving (architectural stone and ornamental wood carving and gilding), Conservation of cultural artefacts (with a focus on three-dimensional objects, gilded and other decorative surfaces, and books and paper), as well as a Foundation Diploma in Art & Design. This activity is consistent with the objects contained within the Art School’s Articles of Association.

The Art School sets out to educate artists, craftspeople and conservators who will go on to make a significant contribution in their fields, through the pursuit of excellence in traditional skills as well as through creative innovation and enterprise and a commitment to offering students a high level of contact time working with some of the country's leading specialist practitioners.

Convinced of the social value and necessity of its subjects, not only for the creative and heritage sectors, but for society at large, the Art School champions the roles that art and craft play by engaging in national and international collaborations and through public facing events.

The Art School is committed to supporting the development of individuals from all backgrounds who have the potential to succeed in its subjects and motivating students to be inquisitive and resourceful, equipping them to go on learning through practice for the rest of their lives.

### Activities and achievements

In September 2022, the Art School was delighted to welcome Dr Lois Rowe as its new Principal of the Art School, as Tamiko O'Brien stepped down from the role. Lois took up the post in time to welcome students at the start of the new academic year. Lois joined the Art School following a successful career in Higher Education at the University of the Arts London (UAL), where she had been Programme Director Fine Art and the Lead of Knowledge Exchange for Fine Art at Camberwell College of Arts and Wimbledon College of Arts.

#### STUDENT NUMBERS AND ACADEMIC ACHIEVEMENTS

The number of students enrolled at the beginning of the 2022/23 academic year totalled 293 (271 in 2021/22).

Foundation Studies 95 students (85 in 2021/22) successfully completed their year of study and were awarded a Foundation Diploma in Art & Design from UAL Awarding Body (20 with Distinction), with many able to secure a place on the university course of their choice.

Fine Art 22 students (20 in 2021/22) were awarded BA (Hons) degrees in Fine Art; 12 Firsts and 10 Upper Seconds. 1 student was awarded a BA ordinary degree. 2 Students were awarded a Graduate Diploma (both with Distinction). 1 student was awarded a Certificate of Higher Education. 23 students (21 in 2021/22) were awarded MA Fine Art degrees; 13 with Distinction; 10 with Merit.

Conservation 11 students (4 in 2021/22) were awarded BA (Hons) Conservation Studies; 3 Firsts, 6 Upper Seconds, 1 Lower Second, and 1 Third. 3 students were awarded a Graduate Diploma (2 with Distinction). 1 Student was awarded a Certificate of Higher Education. 1 student was awarded MA Conservation Studies (with Distinction).

Carving 12 students (3 in 2021/22) were awarded BA (Hons) Carving; 4 Firsts, 5 Upper Seconds, 2 Lower seconds and 1 Third. 1 student was awarded a BA ordinary degree. 6 students were awarded a Graduate Diploma (1 with Distinction). 1 student was awarded a Diploma of Higher Education.

Art and Material Histories 3 students (5 in 2021/22) were awarded MA Art and Material Histories; 2 with Distinction, 1 with Merit.

### ACADEMIC PORTFOLIO DEVELOPMENTS

This was the third year, and the first in which students graduated, for the subject area of Conservation of Books and Paper following the successful validation of the new awards and fundraising for new specialist facilities in 2019/20. The third year of the course successfully recruited, and additional experts joined the department to deliver this important specialism, securing important skills and knowledge for the UK's heritage sector.

As part of the Royal Literary Fund Fellowship Scheme, the Art School continued to host a professional writer for two days each week during term time. The Writing Fellow offered individual appointments where students could discuss all aspects of their writing, such as structuring an argument, making essays clearer and improving style.

The Art School was delighted to take part in London Craft Week 2023, hosting a two-day event that presented specialist craft and hand skills to local school groups and the general public, and celebrated craftsmanship and creativity. The activities included exhibitions, conservation demonstrations from students and tutors, and print-making workshops in our historic etching room. Our annual two-day carving competition celebrated the life and work of Sir Christopher Wren in the tercentenary year of his death, and was judged by alumni and professional carvers Marcia Bennett-Male and Will Davies. During London Craft Week, the Art School hosted the Lettering Arts Trust's exhibition of work by graduates who have gone on to refine the skill of letter cutting via Fellowship schemes.

Extending our outreach activities and increasing engagement in the local community is a key component of our 2022-27 Strategic Plan. Following successful fundraising, in October 2022 the Art School launched its first Saturday Club for local 13-16 year-olds, in conjunction with the National Saturday Club under its Craft&Making programme. Participants were given the opportunity to learn and use traditional skills to make a series of hand-crafted artworks with a contemporary twist. The programme culminated in the National Saturday Club Summer Show, which took place at Somerset House in July, where participants exhibited their project outcomes.

In 2022/23 funding was secured and planning began for a new project, 'Tutors into Schools', which will build on our existing work with young people. This initiative will see Art School tutors, alumni and students going into the classrooms of local secondary schools to provide bespoke workshops in our specialisms. It will support art, design & craft teachers and curriculums, and engage over 1000 young people in the possible creative pathways for their next educational and career steps. This will give the learners opportunity to directly experience the skills taught on our courses, from their own classroom.

Following its past success, our Summer School programme, which delivers short courses in our specialisms, was significantly expanded for 2023. In addition, seed funding from the Fishmongers' Company also allowed the Art School to research and plan a new Evening Course Adult Learning programme to launch in October 2023 in partnership with Imperial College London.



MA Show 2022



Foundation Show Prize Winners 2023



Degree Show Ceremony 2023

### STUDENT SUCCESSES, COLLABORATIONS AND OTHER ACTIVITIES

The 2022 MA Show in September featured artworks from over 30 exhibitors in a celebration of the outstanding work of our postgraduate Fine Art, Art and Material Histories and Conservation students, as well as current work from our Co-Chairs of Students and Fellows. Concurrently, the Art School took part in Lambeth Heritage Festival. Nick Rampley, Director of Resources & Operations, gave a public talk as part of the Festival programming entitled “Seven turkeys, five sucking pigs, and three miniatures” – A History of Lambeth’s own Art School, City and Guilds of London Art School’.

In May 2023, the Art School held its annual Foundation Show, which celebrated the work of our 2023 graduates studying on the Foundation Diploma in Art & Design. During their year of exploration, our students had interrogated and extended their art practice, creating an impressive body of work displayed in the Show.

At the end of June 2023, our final year undergraduate students celebrated their graduation from the Art School at our annual Degree Show Ceremony and Prize Giving. The show exhibited the work of our graduands from our undergraduate Fine Art, Conservation and Carving courses. 24 prizes were awarded to those graduating, and 11 prizes were awarded to continuing students from across our courses. 6 of those prizes went towards international study and research trips, others included recognition of drawing and printmaking skills.

The Venice Trip for second year Carving and Conservation students returned for the first time since 2019, and took place in late October 2022. 20 students attended this year’s trip, during which they engaged directly with Venice’s art and architecture under the guidance and expertise of their tutors over five days.

In November 2022, we were pleased to welcome History of Art students from The Courtauld Institute of Art to our historic Print Room to spend time with our printmaking tutors to learn traditional etching techniques.

In January 2023, a new student-led series of weekly Skill Share Workshops launched. This was an opportunity for students from all disciplines to come together to share specialist skills with one another, including Paper Marbling, Bookbinding and Crochet.

The Art School was included as an example of good practice in the European Training Foundation (ETF)’s policy briefing on crafts, titled: “The future is in our hands: Recognising emerging skills needs in the craft sector in the EU Neighbourhood and Central Asia”. It explored the current key forces of change in the crafts sector, and the emerging skills that require support in order to facilitate these new trends.



BA (Hons) Carving students on the annual Paris Study Trip

Over thirty BA Carving and BA Conservation Students went to Paris in February for the annual first year Study Trip. From behind-the-scenes studio visits to seeing Versailles, libraries and cathedrals, our students were able to see a huge amount across the 5-day trip, which was generously subsidised by the Stuart Heath Charitable Settlement.

In March 2023, in partnership with University of the Arts London and OCAD University, we were delighted to launch a two-part international online research practice event, 'Come Together, Right Now', that aimed to form a new online community of artists.

We were proud to be a training provider / support organisation for a number of craft skills featured on the 2023 Red List of Endangered Crafts, which was published in May 2023. The Art School is dedicated to passing on specialist craft skills to new generations of artists and makers through our undergraduate, postgraduate, foundation and short course programmes.

The Art School took part in Southwark Cathedral's Mudlarking and Heritage Craft Day in July 2023. Over 2000 people came through the event, which celebrated the crafts used to build London. Attendees had the opportunity to get hands on with traditional skills, many of which were shown by Art School staff, students and alumni.

In March 2023, the Art School was invited to present at a seminar co-hosted by Heritage Crafts and Derby Museums: 'Craft Skills for the Future – Inspiring the next generation'. Camilla Robinson, Widening Participation Co-ordinator, represented the Art School and shared insight on the impact of the National Saturday Club programme, both on a national level and at the Art School.

The Art School hosted an exhibition stand at the Kennington Park Festival in July with demonstrations from BA Carving: Woodcarving and Gilding graduates.

### Conservation

- The Conservation department's longstanding partnership with Rochester Cathedral continued in 2022/23 with BA (Hons) Conservation: Stone, Wood & Decorative Surfaces students involved in the cleaning of the Lapidarium's collection.
- In December Conservation student Justyna Medon was announced as a QEST Scholar, with funding support towards her studies and final project to conserve a Tabula Stritta comprised of lithographs of Napoleon Bonaparte, the Duke Wellington and Empress Eugenia.
- MA Conservation student Charlotte Jones began work on an English carved 'mecca' silver gilded picture frame, from c.1660, loaned by the Thomas Plume Library.



BA (Hons) Conservation: Stone Wood & Decorative Surfaces students Savannah Grieve and Ally Wingate-Saul working at Tsurumi University



Gilding Tutor and Art School alumna Rian Kanduth named as a finalist in the 2023 Heritage Crafts Awards



BA (Hons) Conservation: Books & Paper students learning about leather conservation a day trip to Northamptonshire

- In January 2022, the Art School Conservation studios hosted The Institute of Conservation for their 3-day practical workshop on leather conservation.
- For the stone module of the second year of BA Conservation: Stone, Wood and Decorative Surfaces, students were assigned a commemorative marble tablet that had been stored in the crypt at Kensal Green Cemetery, one of the “Magnificent Seven” cemeteries that opened within London in the 1830’s and 1840’s. Students assessed, proposed a treatment and carried out conservation work.
- In February 2022, second year BA (Hons) Conservation: Books & Paper students went on a day trip to Northamptonshire to visit three sites to learn about leather conservation: Harmatan Leather, a specialised tannery, the Leather Conservation Centre and the Museum of Leathercraft, where they were privileged to be given a private tour of the premises, and look at rare collectibles.
- Gilding Tutor and Art School alumna Rian Kanduth was named as a finalist in the 2023 Heritage Crafts Awards in the category ‘Heritage Crafts/Marsh Trainer of the Year’. The Art School nominated Rian in recognition of her expert teaching of gilding and lacquer techniques at the Art School, many of which are endangered.
- BA and MA Conservation: Books and Paper students visited Christie’s Auction House for a private view of a display of rarely seen maps and atlases from the Sunderland Collection.
- The Britain-Australia Society Education Trust (BASET) and the Art School came together again to offer financial support to a talented and deserving person with a passion for conservation. The Endeavour Award is open to an Australian national to study on the Art School’s 3-year BA Conservation: Stone, Wood & Decorative Surfaces or BA Conservation: Books & Paper courses.
- Two third year BA (Hons) Conservation: Stone, Wood & Decorative Surfaces students took part in a three-week Urushi Internship over their summer break at Tsurumi University in Yokohama, Japan.
- Over the Summer of 2023, students went on a variety of work placements including to Lambeth Palace Library, the Wellcome Collection, The Museum of English Rural Life, Greens Books and the British Museum.



BA (Hons) Carving: Woodcarving and Gilding student Joanne Grogan announced as a QEST Scholar



BA (Hons) Carving: Woodcarving and Gilding student Max Reynolds working on the cassone for Knole



Tom Young appointed as the new Head of Carving

## Carving

- Third Year BA Carving: Woodcarving & Gilding student Tom Buchanan and Postgraduate Diploma student Simon Whitworth were commissioned by the Fishmongers' Company to carve new Coats of Arms for the Hall for recent Past Masters.
- The second year of a collaborative project with Knole, a National Trust Property in Kent, began for BA (Hons) Woodcarving and Gilding student Max Reynolds to carve a reproduction of a 16th century Cassone for the collection.
- The Department's partnership with workwear brand Carhartt Europe continued in 2022/23, with all new students provided with aprons and third year Tom Buchanan becoming the CGLAS x Carhartt Ambassador.
- In December BA Woodcarving & Gilding student Joanne Grogan was announced as a QEST Scholar, with funding support towards her studies.
- BA Carving student Elizabeth Allen won the Art School-wide annual Fishmongers' Company Menu Design Prize. Her design will be used by the Company throughout the rest of the year at their events.
- BA Woodcarving & Gilding student Joanne Grogan was featured in the March edition of Country Life magazine, photographed in her workshop at the Art School in the process of completing her final year project, Rocialle Morphosis, an ornate carved frame.
- Students Judith Letchford (GradDip Arts: Carving) won first place, and Joanne Grogan (BA Hons: Woodcarving and Gilding) won second place at the Worshipful Company of Joiners & Ceilers' annual national woodcarving competition.
- In Summer 2023 the Art School appointed Tom Young as its new Head of Carving. Tom has over 20 years extensive experience as a lettering designer and carver, and has run his own business alongside developing his teaching practice. Having taught Lettering at the Art School since 2006, he has held the position of Senior Lettering tutor since 2014. Professionally, he has worked with organisations such as the Fishmongers' Company, the Olympic Park, Old Royal Navy College Greenwich, Eton College and many others.
- Two Carving students, Kate Holmes (first year BA (Hons) Carving: Architectural Stone) and Henry Brown (second year BA (Hons) Carving: Woodcarving and Gilding) had their work accepted for the 30th anniversary exhibition of the British Art Medal Society Student Medal Project.



MA Fine Art graduate Simon Bejer - recipient of the CGLAS Painter-Stainers Decorative Surfaces Fellowship 2022/23



BA (Hons) Fine Art student Sophie Lloyd's interview in the a-n Degree Shows Guide



BA (Hons) Fine Art student Eddie Jones, one of the winners of the 2023 Freelands Painting Prize

## Fine Art

- Professor Norman Ackroyd CBE RA ARCA was presented with an Honorary Fellowship of the Art School in September 2022, in recognition of his tremendous work redesigning the Art School's Print Room, and for his advisory role spanning over 27 years, establishing the Print Room as a thriving centre for teaching and practice.
- The Art School launched a new Fellowship for a contemporary Glass Artist in 2022/23. The Fellow works within the Glass Studio testing out the possibilities of the facility and supporting student projects.
- In November, alumni, students, tutors and fellows exhibited work at the 2022 Woolwich Contemporary Print Fair. The Art School's annual prize awarded to an external printmaker exhibiting at the fair was given to Nina Gross, providing 3 days in the Art School Print Room working alongside tutors, fellows and students. The Art School Print Room 2020 Boxset was on show and available to buy, with all proceeds going to the Ukraine Humanitarian Appeal.
- At the mid-point of the course, MA Fine Art and Art & Material Histories students produce an interim show at the Art School for the community of students and staff to present their work in an exhibition format.
- A new gift from the Anthony Caro Centre was announced to support 2 new initiatives to assist Fine Art students with a focus on sculpture: The Anthony Caro Sculpture Prize, to be awarded to a graduating third year BA Fine Art student, and The Anthony Caro Sculpture Bursary, to be allocated towards tuition fees for an MA Fine Art student.
- New grant support was secured to expand the Art School's bursary programme. The Bloomfield Bursaries will offer a BA Fine Art Student and an MA Fine Art student funding for full home fees, plus a stipend towards living costs and materials.
- MA Fine Art student Camilla Dilshat was in a four-person exhibition titled "What Do We Become" at the Barbican Centre as part of their Young Creatives programme and spoke to themes of identity, home and belonging.
- Final year BA Fine Art student Eddie Jones was nominated for the Freelands Painting Prize 2023 and was selected as one of the winners. Art Schools from across the UK are invited to nominate a painting student, submissions are then reviewed anonymously by a jury of artists, curators, gallerists & writers. The Art School is the only art school to have had a winner every year since the Prize was founded in 2017.
- BA Fine Art students Sophie Lloyd and Savannah du Quercy were featured in this year's The Artists Information Co. Degree Shows Guide.

- The CGLAS Painter-Stainers Decorative Surfaces Fellowship for 2022/23 was awarded to MA Fine Art graduate Simon Bejer. The fellowship focuses on historic techniques such as gilding, fresco painting, trompe l'oeil and scagliola and provides specialist training in traditional processes with professional mentoring from the Painter-Stainers.
- BA Fine Art Year 1 and 2 students self-organised an offsite interim show of their work at Fabrix, Hymes Mews in Camden Town as part of their professional practice training.
- 5 alumni and one student have been selected for the prestigious New Contemporaries touring show 2023. New Contemporaries has held a vital role in the UK's contemporary art scene, showcasing emerging artists, some of whom have become the most internationally renowned artists of recent history.
- In February 2023, second year BA Fine Art students Orla Carolin and Jasper Lindsay took part in the Volunteering UK Diamond Anniversary event, which celebrated volunteers nationally. On the night of the fundraiser, a canvas measuring 170 x 185 cm was worked on by both artists, and a smaller work was selected for auction.

### Bursaries, scholarships, prizes and other support

The continued generosity of the Art School's many benefactors enabled fee bursary awards of £258,486 (£274,311 for the previous 12 months). Contributions made by way of direct applications for support by students amounted to an additional £23,684 for the academic year (£31,155 in the previous year). In the course of the 12 months to 31 August 2023, fee bursaries were given to a total of 67 students (61 in the previous year), representing more than 1 in 3 students on the Art School's undergraduate and postgraduate courses towards which bursary and scholarship support is primarily directed. New pledges for coming years have also been secured. Trustees continue to regard increasing the amount of bursary and scholarship funding available for students as a priority.

In addition, donations from benefactors funded the many prizes the Art School is able to award to its students and significant support was given to enable its outreach projects and capital improvements.



**£258,486**

in fee bursary awards



significant support continued to enable our outreach projects



more than 1 in 3 students with bursary and scholarship support

**+9.8%**

increase in number of students receiving fee bursaries

The Art School would like to thank the following whose support during the year has ensured the continuation and development of its educational activities:

## Trustees' Report | Year to 31 August 2023

AKO Foundation	Nina Lobanov-Rostovsky
Anna Plowden Trust	Norman Ackroyd CBE RA
Anthony Caro Centre	Prue McLeod
Artists' Collecting Society	Queen Elizabeth Scholarship Trust
Arts Society (National)	Radcliffe Trust
Barbara Whatmore Charitable Trust	Richard Broyd CBE
Baton Fine Art Prize	Roger de Grey Memorial Fund
Behrens Foundation	Royal Female School of Art Foundation
Brinsley Ford Charitable Trust	Royal Literary Fund (in kind)
CGLAS Board of Trustees	Sandy & Zorica Glen Charitable Settlement
Charlotte Bonham-Carter Charitable Trust	Sir Denis Mahon Foundation
City & Guilds Foundation	South Square Trust
City and Guilds of London Institute	Stanley Picker Trust
Colart	Stuart Heath Charitable Settlement
De Laszlo Foundation	Surveyors' Club Charitable Trust
Derek Hill Foundation	Swire Charitable Trust
Dick Onians	Taylor Pearce Ltd
D'Oyly Carte Charitable Trust	University of the Arts London
Drake Trust	Vandervell Foundation
Florian Kirchertz	Venice in Peril
Graham and Christine Benson	Worshipful Company of Builders Merchants
Harriet Anstruther	Worshipful Company of Carpenters/
Headley Trust	Norton Folgate Charitable Trust
Historic Houses Foundation	Worshipful Company of Drapers
Hiver Beer (in kind)	Worshipful Company of Dyers
Honourable Society of Knights of the Round Table	Worshipful Company of Fishmongers
Idun Ravndal Memorial Legacy Fund	Worshipful Company of Grocers
Jack Lander Foundation	Worshipful Company of Joiners and Ceilers
Joseph Holzer	Worshipful Company of Masons - Craft Fund
Leche Trust	Worshipful Company of Painter Stainers
Leverhulme Trust	Worshipful Company of Skinners
Master Carvers Association	

### Governance, structure and management

#### REVIEW

The current year saw further consolidation of the membership of the Board of Trustees: following an analysis of skills needs a recruitment exercise was undertaken and three new Trustees were appointed from the beginning of the year together with the appointment of the new Principal and ex officio Trustee, the retirement of the staff trustee on reaching the end of her term of office and the appointment of her successor and the retirement of the Board's student representative, whose appointment as Chair of Students expires on an annual basis.

Following the resolution of the Board at the end of the previous year to commission a Governance Review to inform its proceedings and meet the recommendations of the Office for Students, the Review was undertaken by an independent third party in Spring 2023; its helpful recommendations were accepted unreservedly and have since been implemented.

### ORGANISATION

The Trustees are directors of the company for the purposes of the Companies Act 2006 and are Trustees of the Charity for the purposes of Charity legislation.

The Board is the policy-making body of the Art School. It is assisted by the Secretary, who is appointed by the Board. The Board also operates through a number of committees, including: Audit & Risk Committee; Remuneration Committee; Investment Committee; and Nominations Committee.

Though the Board retains responsibility for the assurance of institutional quality and standards, the control of academic matters, including the structures, processes and regulatory frameworks through which academic matters are decided and overseen, resides with academic staff. Academic authority is exercised through the Academic Board, advised and supported by professional/ administrative colleagues and with the involvement of students. The Academic Board is chaired by the Principal and operates under delegated authority from the Board. It is supported by the various Boards of Studies for each of the Academic Departments. The Site & Environment Sub-Committee, established in October 2019, also reports to the Trustees through the Audit & Risk Committee.

### KEY MANAGEMENT PERSONNEL

The Principal of the Art School, who is ex officio Trustee, is charged with carrying out the policies agreed with the Trustees and with managing the Art School's academic activities and directing and running the organisation on a day-to-day basis. She is assisted in this by the Director of Resources & Operations and by the Heads of Department for each of: Access to Learning; Art Histories; Conservation; Fine Art; Foundation; and Carving; who, along with the Head of Finance and Head of Development & External Relations, form the Senior Management Team.

In addition, there are functional heads responsible for supervising certain key shared facilities such as the Site Manager, Librarian, Drawing Studio Manager and Print Room Manager.

The remuneration of key management personnel as well as the overall scheme for all staff is set and approved by the Trustees through the Remuneration Committee. Remuneration is reviewed annually, paying due regard to market rates and sector benchmarks.

### PERSONNEL

In line with the Art School's policy whereby students are largely taught by practising professionals, specialist tutors are engaged on an annual or term-by-term basis for a specified number of days. In this way, students are exposed to a wide variety of specialist skills, creative models and critical opinions, whilst continuity of academic progress is ensured by the Heads of Department. The Art School's non-academic activities (including administration, finance and development) are run by a small administrative team reporting to the Head of Resources & Operations.

### RISK MANAGEMENT

The Trustees have assessed the major risks to which the Art School is exposed. In particular, these relate to: academic standards and reputation; student recruitment and financial sustainability; and compliance with statutory and regulatory requirements, in particular those relating to: Office for Students Registration; Course validation and designation; Home Office Student Visa Sponsorship Duties; General Data Protection Regulations; and Health & Safety.

All areas of risk are monitored through the Art School's governance structure which identifies the lines of responsibility and decision making for each aspect of the Art School's operation, with the Audit & Risk Committee responsible for reviewing Risk Registers and reporting to the Board.

The Trustees and Senior Management Team ensure that the Art School's operations are protected against significant risk through annual monitoring, action planning and risk assessment procedures. The Art School has comprehensive insurance cover against key areas of risk; in addition to Public Liability Insurance cover of up to £10m and Directors' Liability cover of up to £2m, the Art School also has a business interruption insurance covering up to 24 months of fee income. The Art School's accommodation is insured by the Property Trust, at its full re-instatement value.

In addition, as part of the Office for Students application process, the Art School devised and has put in place a Student Protection Plan, which details how the Art School will support students to complete their studies, should the Art School face an extreme challenge leading to total or practical closure.

The Board is satisfied that systems are in place to mitigate, or control where possible, the Art School's exposure to the risks mentioned above.

### FUNDRAISING STATEMENT

The Art School adheres to good standards of ethical fundraising. Its Gift Acceptance Policy was reviewed and revised during 2021-22 and formalises the Art School's practices and ethical fundraising position. The Art School greatly values the support it receives from donors. The majority of its donations are received from institutions, which the Art School approaches from time to time. A small number of donations are received from individuals, including student alumni, who are approached from time to time via written correspondence, email or at events.

The Art School does not approach individuals for donations who are not known by the Art School, and does not canvas on the street for donations. The Art School does not employ any third parties to fundraise on its behalf, and no complaints have been received about its fundraising activity. Donors' personal data is not shared with any third party, and is stored safely and securely in line with the General Data Protection Regulations.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

A Statement of Trustees' responsibilities is included in the Statement of Corporate Governance and Internal Control.

### BOARD OF TRUSTEES

The members who are in office at the date of this report are listed on page 1 with dates of appointment during the course of the reporting year where applicable given below in the Statement of Corporate Governance

No Trustee has received any remuneration for services as a member of the Board (2022 - none).

The Statement of Corporate Governance and Internal control sets out the Trustees who were in office for the year ended 31 August 2023 and up until the date of approval of the financial statements (unless otherwise indicated).

### OBJECTIVES AND RELEVANT POLICIES

The Art School's objectives are set to reflect its educational aims and ethos. In setting these, the Trustees have given due consideration to the Charity Commission's general guidance on public benefit and to its supplementary benefit guidance on fee charging.

The Art School's key objectives for the year included:

### ACCESS AND EQUALITY AND DIVERSITY

The Art School is committed to supporting the development of individuals from all backgrounds who have the potential to succeed in its subjects. It believes in the importance of a diverse student community. The Art School charges fees at a level commensurate with the majority of other institutions that offer higher education in art and design. Not all of the Art School's students are eligible for student loan support, so it seeks to provide financial support through bursaries from its own investment income, from funds raised specifically for this purpose from a wide range of charitable sources and by supporting students in their own search for financial support. The Board's policy is to provide fee bursaries on the basis of need and educational ability, subject to such restrictions as may have been imposed by the donors of the funds at its disposal, and within the capacity of the funds available.

The Art School is committed to promoting and upholding equality and diversity and is committed to a working environment which is free from discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation, disability or age. It anticipates the needs for a diverse range of learning styles and makes reasonable adjustments to meet the specific needs of students and staff who are, or become, disabled, functionally disabled or possess some other protected status.

### PUBLIC BENEFIT

The Trustees confirm that they have complied with their duties under section 4 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The Trustees' report gives a description of the activities undertaken by the Art School during the period to further its charitable purposes, and the Trustees are satisfied that such activities provide public benefit.

### INVESTMENT

The Art School's investments are managed by Cazenove Capital Management Limited. The Art School has a portfolio of investments with a market value including cash as at 31 August 2023 of £1,551,893 (2022: £1,582,720).

There are no extra-statutory restrictions on the Art School's power to invest. The investment strategy is set by an Investment Committee reporting to the Board of Trustees and considers capital growth and income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The overall investment policy is to provide the level of income sought by the Trustees whilst endeavouring to ensure that longer term capital values more than cover the impact of inflation. The performance of the portfolio is reviewed regularly by the Investment Committee.

## Financial Review

### RESULTS FOR THE YEAR

The Art School recorded a surplus before net losses on investments of £125,888 (2022: deficit of £151,351) for the year. Unrestricted funds recorded surplus of £44,988, after additional costs arising from increased premises costs of a new lease and significantly higher utilities costs.

Realised gains of £28,686 (2022: gains of £nil) and unrealised losses of £57,933 (2022: losses of £74,056) on the Art School's investments were recorded in its restricted and endowment funds.

### RESERVES

The Board has examined the requirement for free reserves i.e. those funds not invested in tangible fixed assets, not designated for specific purposes, not restricted and not otherwise committed. The Board intends to achieve, as circumstances permit, an increase in the free reserves from present levels in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital as the activities of the Art School grow. In the meantime, the Trustees have taken the view that the expendable endowments and free reserves (as calculated below) should be considered together and are satisfied that this is in line with the reserves policy. A target of three months' operating expenditure would be deemed appropriate.

### FINANCIAL POSITION

The balance sheet shows total funds of £1,409,794 (2022: £1,370,525). These funds include endowment funds of £671,764 (2022: £872,842). Whilst the income from these funds may be used for the general purposes of the Art School, permanent endowment fund balances are currently regarded as long-term capital.

Also included within total funds is an amount of £661,952 which is restricted (2022: £466,593). These monies have either been raised for, and their use is restricted to, specific purposes or they comprise donations subject to donor-imposed conditions. Details and an analysis of movements in the year of these endowment and restricted funds can be found in notes 15 and 16 to the financial statements.

Unrestricted funds, other than those held within expendable endowments, at 31 August 2023 are in a positive position of £76,078 (2022: positive £31,090). These funds are represented by general fund tangible fixed assets other than investments of £211,934 (2022: £180,961) and by free reserves, inclusive of expendable endowments, of £380,616 (2022: £552,965). The Trustees have considered the position in the context of known future sources of income, and also expendable endowments of £516,472 (2022: £702,836) which are available to provide liquidity to the Art School if needed, and thus consider the reserves position to be acceptable in the context of the reserves policy.

### INVESTMENT PERFORMANCE

During the year to 31 August 2023 the Charity's investments produced an overall income of £58,117 (2021/22: £2,904 after timing adjustments) and a net capital loss of £57,933 (2021/22: loss of £74,056).

The investment managers continued to invest in accordance with the Trustees' investment policy, which is reviewed by the Investment Committee and the Board annually, and which is based on an ethical investment approach. The Trustees are satisfied that their investment objectives are being met by the performance of the investments in the context of existing economic and investment conditions.

### Going Concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements and have considered the following:

- Latest operational plan for the remainder of the current 2023/24 academic year in response to ongoing external challenges;
- Revised budget and financial forecasting for the financial year 2023/24 and its impact on the financial plan associated with the Strategic Plan for the period 2022-2027
- Steps taken in pursuit of the objectives of the 2022-27 Strategic Plan, including in ensuring its student recruitment targets are met.

The Art School management's foremost priority continues to be to safeguard the quality of the student experience and ensure student progression. Withdrawals and Interruptions of Studies have remained at very low levels and the reputation of the Art School continues to rise. The 2022/23 intake has proved to be its largest yet and while recruitment into the 2023/24 academic year saw, in line with national trends, a significant fall in numbers on the Foundation course the outlook for 2024/25 remains stable with renewed marketing activities (especially in respect to International students) and plans for the introduction of a new course at degree level. In order to mitigate current financial challenges operational support remains a focus of the Art School's successful fundraising activity for the current year.

To provide additional working capital support if needed, the Art School took advantage of the Coronavirus Business Interruption Loan Scheme to secure a CBIL loan of £250,000, repayable over a period of 6 years from financial year 2021/22. At the year-end £138,889 of the Art School's £1,036,116 cash holdings were derived from the CBIL loan.

The Art School held free reserves of £380,616 as at 31 August 2023 (2022: £552,965) inclusive of expendable endowments available to provide additional financial support and liquidity to the Art School.

In light of the above, the Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Art School to continue as a going concern.

### Future Plans

The Art School has adopted a Strategic Plan 2022-2027 which sets out the targets by which the Art School intends to meet its Strategic Goals of:

- i) Promoting academic excellence and increased learning opportunities in its areas of expertise;
- ii) Enhancing its student and staff experience by ensuring its infrastructure supports its ambitions as a Centre of Excellence; and
- iii) Safeguarding and championing the Art School's ethos and values by ensuring sustainability and supporting future ambitions.

Under the first of these Goals, the Art School's objectives are:

1. to increase learning opportunities by increasing and diversifying the student body; and
2. to increase learning opportunities through Curriculum and Portfolio Development.

The Art School's objectives under the third of the goals are:

1. to support sustainability through improved Financial Performance; and
2. to enhance financial sustainability through increased Fundraising and Development activity and raising the Art School's public profile through increased partnerships, external projects and media coverage and increasing our presence and activity within the local community.

2023/24 will constitute the second year of the Strategic Plan and, although a fall in recruitment has meant the Art School's ambition for an improved financial position will not materialise in-year, its plans in support of these objectives include a move to a new validating partner, an expansion of its non-award bearing short course programme and the possible introduction of a new honours degree programme from 2024/25. The Art School therefore continues to position itself to meet its Strategic objectives within the purview of the Plan.

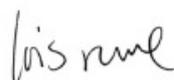
### The Charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Approved by the Board on 6 February 2024 and signed on its behalf by:



Jamie Bill  
Chair



Dr Lois Rowe  
Principal and Accountable Officer

## Statement of corporate governance and internal control Year to 31 August 2023

The following statement is provided to enable readers of the annual report and financial statements of City and Guilds of London Art School Limited. to obtain an understanding of its governance and legal structure. These are detailed and governed by the “How We Work” Governance and Management Handbook.

The statement covers the period from 1 September 2022 to 31 August 2023 and up to the date of the approval of the annual report and financial statements.

The Art School endeavours to conduct its business:

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector, and the Charities Act 2011.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities, in accordance with the Higher Education Code of Governance.

We have reported on our Corporate Governance arrangements by drawing upon best practice available, including all relevant aspects of the UK Corporate Governance Code, the Higher Education Code of Governance and the Charities Act 2011.

The Board of Trustees recognises that as a body entrusted with private funds, charitable funds and public funds where received, it has a particular duty to observe the highest standards of corporate governance at all times.

### Legal Status

City and Guilds of London Art School Limited is a charitable company, limited by guarantee, not having a share capital.

The Board of Trustees confirm that they have due regard for the Charity Commission’s guidance on public benefit and that the required statement appears elsewhere within the financial statements below.

### The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below.

## Statement of corporate governance and internal control Year to 31 August 2023

### The Board of Trustees (continued)

Trustee	Appointed / Resigned
Andrew Allen KC	
Laurence Benson (Vice-Chair)	
Nina Bilbey (Staff Trustee)	Resigned 30 September 2022
Jamie Bill (Chair)	
Dr Virginia Brooke	
Dr Caroline Campbell	
Edward Campbell-Johnston	Appointed 26 October 2022
Paul Farmiloe (Student Trustee)	Appointed 1 October 2023
Martin Hatfull	
James Kelly	
Tabish Khan	Appointed 26 October 2022
Michael Osbaldeston	
Dr Michael Paraskos (Staff Trustee)	Appointed 1 October 2022
Prof Jane Rapley OBE	
Theo Ritzinger (Student Trustee)	Resigned 30 September 2023
Tina Roe (Student Trustee)	Resigned 30 September 2022
Prof Elizabeth Rouse OBE	
Dr Lois Rowe (Principal and Accountable Officer)	
Alexander Stitt	
Helen Sunderland-Cohen	Appointed 26 October 2022
Benjamin Tucker	Resigned 31 August 2023

### Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year. Three members of the Board of Trustees have interests within the organisation, including two salaried members of staff: the Principal (ex-officio Trustee), the Staff Trustee (elected), and the Student Trustee (also known as Chair of Students); none of them receive remuneration for their services as members of the Board.

The Company Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees, updated annually.

### Statement of Trustees' responsibilities

The Trustees (who are also directors of the Art School for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

## Statement of corporate governance and internal control Year to 31 August 2023

### Statement of Trustees' responsibilities (continued)

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Trustees are also responsible for ensuring that the School continues to meet the conditions for Office for Students registration, and also safeguarding freedom of speech and academic freedom.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Reports include financial performance of the organisation together with other information such as recruitment, academic and quality matters, personnel-related matters, and health and safety matters. The Board of Trustees met 5 times in 2022/23. Full minutes are kept of all meetings.

## Statement of corporate governance and internal control Year to 31 August 2023

### Meeting Procedures (continued)

The Art School has a strong and independent non-executive membership on the Board of Trustees and no individual or group dominates its decision-making process. The organisation is satisfied that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility between the roles of the Chair and Accountable Officer.

### Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole, as advised by the Nominations Committee.

### Board of Trustees Performance Oversight

The Board of Trustees exercise robust scrutiny of performance and challenge where necessary. Board meetings provide the opportunity for thorough discussion of issues arising. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business.

A review of individual Board members' roles and contributions is conducted annually by the Chair.

### Committees

During the 2022-23 session, the Board of Trustees received advice on the conduct of its business from four committees and the Academic Board. Each committee has its own terms of reference, approved by the Board of Trustees. The committees were: Audit and Risk Committee; Remuneration Committee; Investment Committee; and Nominations Committee. In addition, a Joint Development Advisory Working Group supported the fundraising activity of both the Art School and the Property Trust, a separate charity and landlord to the Art School.

	<b>AUDIT and RISK COMMITTEE</b>	<b>INVESTMENT COMMITTEE</b>	<b>NOMINATIONS COMMITTEE</b>	<b>REMUNERATION COMMITTEE</b>
<b>Frequency of meetings</b>	Minimum 4 p.a.	2 p.a.	Minimum 2 p.a.	Minimum 2 p.a.
<b>Chair</b>	Laurence Benson	James Kelly	Caroline Campbell	Laurence Benson
<b>Clerk</b>	Secretary to the Board	Director of Resources and Operations	Secretary to the Board	Secretary to the Board
<b>Trustees</b>	Virginia Brooke Martin Hatfull James Kelly Jane Rapley Michael Osbaldeston	Laurence Benson	Andrew Allen Jamie Bill Alex Stitt Ben Tucker Staff Trustee Student Trustee	Andrew Allen Jamie Bill Martin Hatfull Ben Tucker Staff Trustee Student Trustee

## Statement of corporate governance and internal control Year to 31 August 2023

<b>Non-Trustee Members</b>	Humphrey Carey (Property Trust) Tim Statham	Humphrey Carey (Property Trust) Rupert Asquith		
<b>In attendance</b>	Principal (ex-officio Trustee) Brendan Finucane (former Trustee) Director of Resources and Operations Head of Finance	Head of Finance Nick Orr, Cazenove Capital	Principal (ex-officio Trustee)	Principal (ex-officio Trustee) Director of Resources and Operations Head of Finance

### **Audit and Risk Committee**

The Audit and Risk Committee was responsible to the Board of Trustees in discharging its responsibilities for reporting its independent opinions on the risk management, controls, governance, and value for money arrangements of the Art School. The Committee was responsible for the following:

- To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings of the audit along with the included management letter and management responses.
- To review on a regular basis the Art School's Risk Register, advise the Board of Trustees of any significant changes/additions and to escalate any serious concerns to the Board.
- To commission audit reviews of anything that could potentially threaten or adversely affect the accomplishment of the aims and objectives of the Art School, or which potentially could put the Art School at financial or reputational risk.
- To ensure, on behalf of the Board of Trustees, that sound financial and governance controls are in place, and effectively implemented, including the endorsement of the Art School's Financial Regulations, Reserves Policies and arrangements for risk and business continuity management.

A **Site and Environment Sub-Committee** reporting to the Audit and Risk Committee was tasked with overseeing all matters relating to risk management and compliance with legal obligations relating to the physical, working and educational environments, including student and staff welfare provision and the Health and Safety of all the Art School's members and visitors.

### **Remuneration Committee**

The Remuneration Committee provided oversight of strategic staffing matters and determined policy on staff remuneration; and has delegated authority of the Board to determine the schema for staff pay increases and to decide the remuneration of the Principal and Senior Members of Staff.

### Committees (continued)

#### **Investment Committee**

The Investment Committee oversaw the management of the Art School's investment portfolio. Under delegated authority of the Board of Trustees, the Investment Committee is responsible for advising the Board on the appointment of the investment managers; for monitoring the performance of the portfolio and the effectiveness of the investment strategy; and for ensuring that the Art School's investments are handled responsibly and ethically.

#### **Nominations Committee**

The Nominations Committee oversees the process for the recruitment and appointment of members of the Board of Trustees and on the process for reviewing governance effectiveness. It keeps under review policies and processes relating to membership of the Board of Trustees including induction, training and development of the Trustees.

During the 2022-23 session, the Board commissioned an external consultant to undertake a Governance Review in line with the expectations of the Office for Students and the Chairs of University Councils (CUC) Higher Education Code of Governance. The Review made a number of recommendations relating to the terms of reference and membership of the Board's committees which were duly adopted. From 2023-24, the Board of Trustees receives advice on the conduct of its business from three committees: *Audit & Risk*, *Finance & General Purposes* (and its two sub-committees: *Investment* and *Remuneration*), and *Nominations*. It is also advised and informed by the Academic Board. Recently established, the *Access & Participation* (a sub-committee of both Academic Board and the Board of Trustees) also advises the Board. In addition, the Joint Development Advisory Group continues to support the fundraising activity of both the Art School and the Property Trust, a separate charity and landlord to the Art School.

#### **Academic Board**

The Academic Board is established by the Board of Trustees with delegated powers to oversee the Art School's academic activities on its behalf and to be the its supreme academic authority. Chaired by the Principal, the responsibilities delegated to Academic Board are to:

- Uphold the academic standards of the Art School's courses and the quality of its teaching and student welfare provision.
- Devise, maintain, amend, and in individual cases, suspend, the Student Regulations.
- Recommend the appointment of External Examiners for validated provision.
- Appoint External Examiners for non-validated provision.
- Confirm the students' results for those courses delivered independently of a validating partner.
- Elicit, receive and act upon student feedback.

***Committees (continued)***

***Academic Board*** (continued)

- Oversee all internal review and evaluation processes including periodic reviews by the Office for Students (via the QAA).
- Work to foster excellent relationships with the Art School's validating partners.

**Internal Control**

***Scope of responsibility***

The Board of Trustees is ultimately responsible for the organisation's system of internal control and for reviewing its effectiveness. Such a system incorporates risk management and is designed to manage the risk of failure to achieve academic, operational and financial objectives and is designed to provide reasonable assurance against material misstatement or loss, covering such areas as educational standards, safeguarding, IT and data protection, Health and Safety and Estates, HR matters and finance.

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the Art School's policies, aims and objectives, whilst safeguarding the funds received and assets. The Principal is responsible for reporting to the Board of Trustees, through the Audit and Risk Committee, any material weaknesses or failures in internal control.

***The system of internal control***

The system of internal control is designed to manage risk to a reasonable level and is based on an on-going process of identifying and prioritising the risks to the achievement of Art School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the Art School for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

***Capacity to handle risk***

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and governance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that an effective formal on-going process for identifying, evaluating and managing the Art School's significant risks has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

**Internal Control** (continued)

***The risk and control framework***

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- A comprehensive register of risks, updated and reviewed on a semi-annual basis
- annual budgeting with an annual budget reviewed and agreed by the Board of Trustees
- periodic reviews by the Board of Trustees of management accounts and financial reports which present and assess financial performance against budget and performance indicators

***Review of effectiveness***

As the Accountable Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. The Principal's review of the effectiveness of the system of internal control is informed by:

- the work of the external auditors;
- the work of the Head of Finance and other staff who have responsibility for the maintenance and development of the internal control framework;
- comments made by the Art School's financial statements and regularity auditors in their management letters and other reports; and
- advice provided by Trustees working through the Committees.

There are no significant internal control weaknesses reported for the period.

The Senior Management Team regularly reviews key performance and risk indicators and considers possible control issues brought to their attention. The Audit and Risk Committee receives regular reports, which include recommendations for improvement, and conducts an annual review of the arrangements for internal control. The Board of Trustees' agenda includes a regular item for consideration of risk and control and receives reports thereon from the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

Based on the above and on reports by the Principal, the Board of Trustees is of the opinion that the Art School has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2023 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

## Statement of corporate governance and internal control Year to 31 August 2023

### Internal Control (continued)

#### Regularity, propriety, and compliance

The Art School has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the Art School's, or material non-compliance with terms and conditions of funding under its financial regulations. As part of our consideration we have had due regard to our financial regulations. If any instances are identified after the date of this statement these will be notified to the Office for Students.

#### Going Concern

Details on the Board's going concern assessment are set out on pages 16-17.

Approved by order of the Board of Trustees on  
behalf by:

and signed on its



Jamie Bill  
Chair



Dr Lois Rowe  
Principal and Accountable Officer

## Independent auditor's report Year to 31 August 2023

### Independent auditor's report to the members of City and Guilds of London Art School Limited

#### Opinion

We have audited the financial statements of City and Guilds of London Art School Limited ('the charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with the financial reporting standards (FRS102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## **Independent auditor's report** Year to 31 August 2023

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

### **Opinions on other matters prescribed by the Office for Students**

In our opinion, in all material aspects:

- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the Office for Students and by Research England have been applied in accordance with the relevant terms and conditions; and
- meet the requirements of the latest Office for Student's Accounts Direction.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

## Independent auditor's report Year to 31 August 2023

### **Matters on which we are required to report by exception (continued)**

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of the following matters where the Office for Students requires us to report to you where:

- the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements, has been materially misstated.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## Independent auditor's report Year to 31 August 2023

### Auditor's responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006, those that relate to data protection (General Data Protection Regulation), certain conditions of OfS registration including compliance with the OfS' latest Accounts Direction; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- performed substantive testing over fee income to gain assurance that the income recognised was materially complete.

## Independent auditor's report Year to 31 August 2023

### Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

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

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

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson, Senior Statutory Auditor  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

07 February 2024

**Statement of financial activities (including income and expenditure statement, which includes statement of changes in reserves) Year to 31 August 2023**

	Notes	General fund £	Restricted funds £	Endowment funds £	Year to 31 August 2023 Total funds £	Year to 31 August 2022 Total funds £
<b>Income and expenditure</b>						
<b>Income and endowments from:</b>						
Charitable activities						
Art School fees	1	2,845,816	—	—	<b>2,845,816</b>	2,418,389
Donations and legacies		122,575	594,550	—	<b>717,125</b>	559,556
Investment income & interest received	2	46,784	13,086	—	<b>59,870</b>	2,904
Other		52,487	—	—	<b>52,487</b>	46,058
<b>Total income</b>		<b>3,067,662</b>	<b>607,636</b>	<b>—</b>	<b>3,675,298</b>	<b>3,026,907</b>
<b>Expenditure on:</b>						
Charitable activities						
. Costs of operating the Art School						
.. Teaching staff and personnel	6	1,207,582	44,669	112,175	<b>1,364,426</b>	1,277,003
.. Support costs	4	1,147,423	512	1,818	<b>1,149,753</b>	1,012,168
.. Premises		592,562	27,532	—	<b>620,094</b>	441,045
.. Promotions and publicity	3	71,902	—	—	<b>71,902</b>	69,079
. Bursaries, scholarships and prizes	5	3,205	324,630	15,400	<b>343,235</b>	378,963
<b>Total expenditure</b>		<b>3,022,674</b>	<b>397,343</b>	<b>129,393</b>	<b>3,549,410</b>	<b>3,178,258</b>
<b>Net income (expenditure) before gains on investments and transfers</b>	5	44,988	210,293	(129,393)	<b>125,888</b>	(151,351)
Net gains/(loss) on investments	10	—	(14,934)	(71,685)	<b>(86,619)</b>	(74,056)
<b>Net income / (expenditure) and net movement in funds</b>		<b>44,988</b>	<b>195,359</b>	<b>(201,078)</b>	<b>39,269</b>	<b>(225,407)</b>
<b>STATEMENT OF CHANGES IN RESERVES</b>						
<b>Net income / (expenditure) and net movement in funds</b>		<b>44,988</b>	<b>195,359</b>	<b>(201,078)</b>	<b>39,269</b>	<b>(225,407)</b>
<b>Reconciliation of Funds</b>						
<b>Fund balances brought forward on 1 September 2022</b>		<b>31,090</b>	<b>466,593</b>	<b>872,842</b>	<b>1,370,525</b>	<b>1,595,932</b>
<b>Fund balances carried forward at 31 August 2023</b>		<b>76,078</b>	<b>661,952</b>	<b>671,764</b>	<b>1,409,794</b>	<b>1,370,525</b>

All of the charitable company's activities are derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

## Balance sheet 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Tangible assets	9		<b>263,237</b>		180,961
Investments	10		<b>1,551,893</b>		<u>1,582,721</u>
			<b>1,815,130</b>		1,763,682
<b>Current assets</b>					
Stocks	11	<b>15,676</b>		23,826	
Debtors	12	<b>321,522</b>		157,516	
Cash at bank and in hand		<b>1,036,116</b>		1,188,823	
		<b>1,373,314</b>		<u>1,370,165</u>	
<b>Creditors: amounts falling due within one year</b>	13	<b>(1,681,428)</b>		<u>(1,628,316)</u>	
<b>Net current liabilities</b>			<b>(308,114)</b>		(258,151)
<b>Creditors: amounts falling due after one year</b>	14		<b>(97,222)</b>		(135,006)
<b>Total net assets</b>			<b><u>1,409,794</u></b>		<u>1,370,525</u>
<b>Represented by:</b>					
<b>The Funds of the Charity</b>					
Endowment funds	15		<b>671,764</b>		872,842
Income funds:					
Restricted funds	16		<b>661,952</b>		466,593
Unrestricted funds:					
General fund			<b>76,078</b>		<u>31,090</u>
			<b><u>1,409,794</u></b>		<u>1,370,525</u>

Approved by the Board on

and signed on its behalf by:

*Jamie Bill*

*Lois Rowe*

Jamie Bill

Dr Lois Rowe

City and Guilds of London Art School Limited: A company limited by guarantee, Company Registration No. 07817519 (England and Wales)

## Statement of cash flows 31 August 2023

	Notes	Year to 31 August 2023 £	Year to 31 August 2022 £
Net cash flows from operating activities	A	(22,934)	342,476
Net cash flows from investing activities	B	(120,136)	(152,996)
Change in cash and cash equivalents in the year		(143,070)	189,480
Cash and cash equivalents at the beginning of the year		1,223,242	1,033,762
Cash and cash equivalents at the end of the year	C	1,080,172	1,223,242

### Notes to the statement of cash flows for the year to 31 August 2023

#### A Reconciliation of net income (expenditure) to net cash (used in) provided by operating activities

	2023 £	2022 £
Net income (expenditure)	125,888	(151,351)
Depreciation charge	53,906	45,310
Dividends, interest and rents from investments	(59,870)	(2,904)
Effect of capitalisation of investment manager's fees	(2,330)	(2,422)
Decrease in stocks	8,150	645
(Increase) decrease in debtors	(164,006)	96,892
Increase in creditors	15,328	356,306
<b>Net cash (used by) provided by operating activities</b>	<b>(22,934)</b>	<b>342,476</b>

#### B Cash flows from investing activities:

	2023 £	2022 £
Dividends and interest from investments	59,870	2,904
Purchase of tangible fixed assets	(136,182)	(36,285)
Payments to acquire investments	(658,859)	(119,615)
Receipts from the disposal of investments	615,035	—
<b>Net cash (used in) provided by investing activities</b>	<b>(120,136)</b>	<b>(152,996)</b>

#### C Analysis of cash and cash equivalents

	31 August 2023 £	31 August 2022 £
Cash at bank and in hand	1,036,116	1,188,823
Cash held by investment managers	44,056	34,419
	<b>1,080,172</b>	<b>1,223,242</b>

## Principal accounting policies 31 August 2023

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared in accordance with 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) ('Charities FRS 102 SORP'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the latest Office for Students' Accounts Direction.

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

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

### **Critical accounting estimates and areas of judgement**

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

The items in the accounts where these judgements and estimates have been made include:

- the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- the provision against doubtful and bad debts in respect to Art School fees; and
- estimates in respect of accrued expenditure.

### **Going concern**

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

The Art School held free reserves of £380,616 as at 31 August 2023 (2022: £552,965) inclusive of expendable endowments available to provide additional financial support and liquidity to the Art School. The Board intends to achieve, as circumstances permit, an increase in the free reserves from present levels in order to provide liquidity to meet any future temporary shortfalls in income and to provide adequate working capital. The Art School now holds expendable endowments totalling £516,472 (2022: £702,836). These expendable endowments are available to provide liquidity to the Art School if needed.

In light of the above, the Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Art School to continue as a going concern.

## Principal accounting policies 31 August 2023

### Income

Income is recognised in the period in which the Art School is entitled to receipt and the amount can be measured with reasonable certainty.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from restricted funds for scholarships, bursaries and other grants.

Donations are recognised when received and are only accrued where the Art School can demonstrate entitlement to receipt and the amount is measurable and receipt is probable.

Investment income comprises dividends and interest receivable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest payable on investment assets is recognised on an accruals basis.

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

### Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. Expenditure comprises the following:

- 1 The costs of charitable activities involving expenditure on the Art School's primary charitable purpose, i.e. the operation of the Art School. In addition bursaries, scholarships and prizes are given to students.
  - 1.1 The costs of operating the Art School include the costs of premises, teaching staff and personnel, support costs including governance costs, and costs of promoting and publicising the Art School and its activities.

Included within support costs are 50% of the fees incurred in managing the School's investment portfolio. The remaining 50% of investment manager's fees are debited to the value of cash held by investment manager on the balance sheet (note 10) and also deducted from unrealised investment gains.
  - 1.2 Bursaries, scholarships and prizes payable by the restricted funds are included in the statement of financial activities when approved, and when set off against the fees to which they relate.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure includes any attributable VAT which cannot be recovered. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs.

## Principal accounting policies 31 August 2023

### Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised.

Assets are included in these financial statements at cost at the date of acquisition together with the cost of additions and improvements to date.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

□ Fixtures and fittings	10% on cost
□ Tools and equipment	20% on cost
□ Computer and hi-tech equipment	33% on cost
□ Website	20% on cost

### Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

### Cash at bank and in hand

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

### Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the Charity anticipates it will pay to settle the debt.

### Investments

Investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

### Financial instruments

The Art School only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Art School and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

## Principal accounting policies 31 August 2023

### **Financial instruments** (continued)

*Financial liabilities* – trade creditors, accruals, the loan and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Stocks**

Stocks, comprising artists' materials for resale, are stated at cost.

### **Fund accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Art School at the discretion of the Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to conditions imposed by the donor.

The endowment funds comprise both permanent and expendable endowments. Permanent endowments are monies which must be held as capital indefinitely. The income therefrom can be used for general purposes and is credited directly to unrestricted funds.

Expendable endowments are monies which were given to the Art School as capital but there is no restriction on them being converted into expendable income.

### **Leased assets**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged on a straight-line basis over the lease term.

### **Pension costs**

Contributions to employees' personal pension plans are debited to the statement of financial activities in the year in which they are payable to the relevant plans.

## Notes to the financial statements 31 August 2023

### 1 Grant and fee income

	Year to 31 August 2023 £	Year to 31 August 2022 £
Fee income for taught awards	2,845,816	2,418,389
<b>Total grant and fee income</b>	<b>2,845,816</b>	<b>2,418,389</b>

The School had no other types of grant and fee income as detailed in clause 23 of the Office for Students Accounts Direction.

### 2 Investment income and interest receivable

	General fund £	Restricted and endowment funds £	Year to 31 August 2023 total £
Income from UK investments			
. Unit trusts and common investment funds	45,031	13,086	58,117
Bank interest	1,753	—	1,753
	46,784	13,086	59,870

	General fund £	Restricted and endowment funds £	Year to 31 August 2022 total £
<i>Income from UK investments</i>			
. Unit trusts and common investment funds	(7,575)	10,425	2,850
Bank interest	54	—	54
	(7,521)	10,425	2,904

### 3 Promotion and publicity

	General fund £	Restricted and endowment funds £	Year to 31 August 2023 total £
Marketing	71,902	—	71,902
	71,902	—	71,902

	General fund £	Restricted and endowment funds £	Year to 31 August 2022 total £
<i>Marketing</i>	69,079	—	69,079
	69,079	—	69,079

## Notes to the financial statements 31 August 2023

### 4 Support costs

	General fund £	Restricted and endowment funds £	Year to 31 August 2023 total £
Staff costs	640,428	—	<b>640,428</b>
Equipment, IT and depreciation	163,373	—	<b>163,373</b>
Student materials and project expenses	138,495	—	<b>138,495</b>
Other support costs	153,909	2,330	<b>156,239</b>
Governance costs:			
. Legal and professional fees	27,277	—	<b>27,277</b>
. Statutory audit services	17,820	—	<b>17,820</b>
. Non statutory audit services	6,120	—	<b>6,120</b>
	<b>1,147,422</b>	<b>2,330</b>	<b>1,149,752</b>
	General fund £	Restricted and endowment funds £	Year to 31 August 2022 total £
Staff costs	581,712	—	581,712
Equipment, IT and depreciation	151,015	—	151,015
Student materials and project expenses	103,298	—	103,298
Other support costs	146,378	2,422	148,800
Governance costs:			
. Legal and professional fees	10,233	—	10,233
. Statutory audit services	15,120	—	15,120
. Non statutory audit services	1,990	—	1,990
	<b>1,009,746</b>	<b>2,422</b>	<b>1,012,168</b>

### 5 Net expenditure

This is stated after charging:

	General fund £	Restricted and endowment funds £	Year to 31 August 2023 total £
Staff costs (note 6)	1,864,854	140,000	<b>2,004,854</b>
Auditor's remuneration:			
. Statutory audit services	17,820	—	<b>17,820</b>
. Non-statutory audit services	6,120	—	<b>6,120</b>
Depreciation and loss on disposals	49,163	—	<b>49,163</b>
Operating lease rentals			
. Land and buildings	364,493	—	<b>364,493</b>
. Equipment	30,226	—	<b>30,226</b>
Bursaries, scholarships and prizes	3,205	324,630	<b>327,835</b>

## Notes to the financial statements 31 August 2023

### 5 Net expenditure (continued)

This is stated after charging:

	General fund £	Restricted and endowment funds £	Year to 31 August 2022 total £
Staff costs (note 6)	1,658,715	200,000	1,858,715
Auditor's remuneration:			
. Statutory audit services	15,120	—	15,120
. Non-statutory audit services	1,990	—	1,990
Depreciation and loss on disposals	45,310	—	45,310
Operating lease rentals			
. Land and buildings	295,224	—	295,224
. Equipment	29,241	—	29,241
Bursaries, scholarships and prizes	—	378,963	378,963

Bursaries were paid to 67 individuals (2022 – 61) during the year.

### 6 Staff costs and Trustees' remuneration

	Year to 31 August 2023 £	Year to 31 August 2022 £
Staff costs during the year were as follows:		
Salaries	1,505,129	1,384,962
Social security costs	122,273	108,214
Pension	66,775	63,118
	<b>1,694,177</b>	<b>1,556,294</b>
Self-employed tutors	298,767	283,308
Other staff costs	11,910	19,113
	<b>2,004,854</b>	<b>1,858,715</b>

Staff costs analysed by function were as follows:

	Year to 31 August 2023 £	Year to 31 August 2022 £
Teaching	1,364,426	1,247,003
Support, administration and management	640,428	581,712
	<b>2,004,854</b>	<b>1,858,715</b>

The average number of employees, all of whom are engaged in the operation of the Art School, analysed by function and on a full time equivalent basis was:

	Year to 31 August 2023	Year to 31 August 2022
Teaching	31	30
Support, administration and management	15	13
	<b>46</b>	<b>43</b>

**6 Staff costs and Trustees' remuneration (continued)**

The average number of employees, all of whom are engaged in the operation of the Art School, was 86 (2022 – 88) for the year ended 31 August 2023. Many of these are employed on a part-time basis.

The Principal's total remuneration in the year ended 31 August 2023 was as follows:

	2023 £	2022 £
Basic salary	87,000	72,709
Pension contribution	3,263	3,635
	<b>90,263</b>	<b>76,344</b>

The Board of Trustees Remuneration Committee considers the case for annual pay increases. The Principal is line managed by the Chair of the Board and their salary, together with all other salaries, is considered by the Remuneration Committee with proposals made to the full Board. The Principal and Director of Resources and Operations attend to provide information. The Company Secretary is the Clerk to the Committee. The Principal, Director of Resources and Operations and Company Secretary are not members of the Remuneration Committee, and do not attend when their own salaries are under consideration. The Art School has given regard to the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs.

As at 31 August 2023, the Accountable Officer's basic salary was 2.62 times (2022 – 2.45 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for all staff contracted on an annual salary basis. There were no performance related payments made to the Accountable Officer in 2022/23.

No Trustees received any remuneration or other emoluments in respect of their services as a member of the Board during the year (2022 – none). In addition to the Accountable Officer, there was one further Trustee who was employed by the School part-time in the year ended 31 August 2023 and received gross pay of £8,259 (2022 - £24,133) and employer's pension contributions of £413 (2022 - £1,207) in respect of that employment. No expenses were reimbursed to Trustees during the year (2022 – none). The numbers of employees earning greater than £60,000 during the year were as follows:

	2023 No.	2022 No.
£60,001 - £70,000	1	—
£70,001 - £75,000	—	1
£85,001 - £90,000	1	—
	<b>2</b>	<b>1</b>

Pension contributions in respect of these employees amounted to £ 6,272 (2022 – £3,635).

The aggregate remuneration, including employer's pension contributions paid to key management personnel and employer's national insurance, was £496,920 (2022 – £492,237).

## Notes to the financial statements 31 August 2023

### 6 Staff costs and Trustees' remuneration (continued)

Key management personnel during the year consisted of the Principal, Director of Resources and Operations, four academic Heads of Department, Head of Finance and the Head of Development and External Relations.

The Art School has purchased insurance to protect itself from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium provided cover of up to a maximum of £2 million.

### 7 Comparative information

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

	Notes	General fund £	Restricted funds £	Endowment funds £	Year to 31 August 2022 Total funds £
<i>Income and expenditure</i>					
<i>Income and endowments from:</i>					
<i>Charitable activities</i>					
Art School fees	1	2,418,389	—	—	2,418,389
Donations and legacies		150,535	409,021	—	559,556
Investment income & interest received	2	(7,521)	10,425	—	2,904
Other		46,058	—	—	46,058
<b>Total income</b>		<b>2,607,461</b>	<b>419,446</b>	<b>—</b>	<b>3,026,907</b>
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
<i>. Costs of operating the Art School</i>					
.. Teaching staff and personnel	6	1,077,003	—	200,000	1,277,003
.. Support costs	4	1,009,746	515	1,907	1,012,168
.. Premises		441,045	—	—	441,045
.. Promotions and publicity	3	69,079	—	—	69,079
. Bursaries, scholarships and prizes	5	—	366,413	12,550	378,963
<b>Total expenditure</b>		<b>2,596,873</b>	<b>366,928</b>	<b>214,457</b>	<b>3,178,258</b>
<i>Net (expenditure) income before gains on investments and transfers</i>	5	10,588	52,518	(214,457)	(151,351)
<i>Net gains/(loss) on investments</i>	10	—	(14,690)	(59,366)	(74,056)
<i>Net (expenditure) / income and net movement in funds</i>		10,588	37,828	(273,823)	(225,407)
<b>STATEMENT OF CHANGES IN RESERVES</b>					
<i>Net (expenditure) / income and net movement in funds</i>		10,588	37,828	(273,823)	(225,407)
<i>Reconciliation of Funds</i>					
<i>Fund balances brought forward on 1 September 2021</i>		20,502	428,765	1,146,665	1,595,932
<i>Fund balances carried forward at 31 August 2022</i>		31,090	466,593	872,842	1,370,525

## Notes to the financial statements 31 August 2023

### 8 Taxation

City and Guilds of London Art School Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 9 Tangible fixed assets

	Fixtures and fittings £	Website £	Tools and equipment £	New computer equipment £	Total £
<b>Cost</b>					
At 1 September 2022	448,374	24,186	231,786	118,674	<b>823,020</b>
Additions	120,675	—	4,106	11,401	<b>136,182</b>
At 31 August 2023	<u>569,049</u>	<u>24,186</u>	<u>235,892</u>	<u>130,075</u>	<b>959,202</b>
<b>Depreciation</b>					
At 1 September 2022	298,351	24,186	208,000	111,522	<b>642,059</b>
Charge for year	40,047	—	9,457	4,402	<b>53,906</b>
At 31 August 2023	<u>338,398</u>	<u>24,186</u>	<u>217,457</u>	<u>115,924</u>	<b>695,965</b>
<b>Net book values</b>					
At 31 August 2023	<u>230,651</u>	<u>—</u>	<u>18,435</u>	<u>14,151</u>	<b>263,237</b>
At 1 September 2022	<u>150,023</u>	<u>—</u>	<u>23,786</u>	<u>7,152</u>	<b>180,961</b>

### 10 Investments

	2023 £	2022 £
<b>Listed investments and cash</b>		
Opening market value at 1 September	<b>1,548,301</b>	1,500,319
Additions	<b>658,865</b>	119,616
Disposals	<b>(643,725)</b>	—
Capitalised investment manager's fees	<b>2,330</b>	2,422
Unrealised investment (losses) gains	<b>(57,934)</b>	(74,056)
	<b>1,507,837</b>	1,548,301
Cash held by investment manager	<b>44,056</b>	34,419
Total market value of investments at 31 August	<b>1,551,893</b>	1,582,720
Cost of listed investments - 31 August	<b>1,491,803</b>	1,450,141

Listed investments and cash held at 31 August 2023 comprised the following:

	2023 £	2022 £
Charity Multi Asset Funds	<b>1,507,837</b>	1,548,301
	<b>1,507,837</b>	1,548,301
Cash held by investment managers	<b>44,056</b>	34,419
	<b>1,551,893</b>	1,582,720

## Notes to the financial statements 31 August 2023

### Investments (continued)

All investments were dealt in on a recognised stock exchange.

At 31 August 2023, the following individual holdings were deemed material in the light of the market value of the portfolios:

	% of portfolio	Market value £
Cazenove Charity Multi Asset Fund S Units GBP Distribution	70.1	450,286
SUTL Cazenove Charity Responsible	29.9	1,057,551

At 31 August 2022, the following individual holdings were deemed material in the light of the market value of the portfolios:

	% of portfolio	Market value £
Cazenove Charity Multi Asset Fund S Units GBP Accumulation	16.5	256,072
Cazenove Charity Multi Asset Fund S Units GBP Distribution	54.5	843,823
SUTL Cazenove Charity Responsible	29.0	448,405

### 11 Stocks

	2023 £	2022 £
Materials for resale	15,676	23,826

### 12 Debtors

	2023 £	2022 £
Student fees outstanding	114,877	70,784
Other debtors	633	—
Prepayments and accrued income	148,607	86,732
City and Guilds Art School Property Trust	57,405	—
	<b>321,522</b>	<b>157,516</b>

### 13 Creditors: amounts falling due within one year

	2023 £	2022 £
Student fees in advance	1,324,291	1,308,408
Trade creditors	25,504	31,634
Taxation and social security	35,516	26,827
Other creditors	99,095	25,969
CBIL Loan	41,667	41,667
Accruals and other deferred income	155,355	126,934
City and Guilds Art School Property Trust	—	66,877
	<b>1,681,428</b>	<b>1,628,316</b>

## Notes to the financial statements 31 August 2023

### 14 Creditors: amounts falling due after one year

	2023 £	2022 £
CBIL Loan – payable between two and five years	97,222	135,006
	<b>97,222</b>	<b>135,006</b>

The interest rate attached to the loan is based on a floating rate, and will be less than 2.9905% per annum.

### 15 Endowment funds

The capital funds of the Art School include permanent endowments and expendable endowments. The permanent endowments are comprised of monies which must be retained as capital indefinitely. The expendable endowments are comprised of monies which were given to the Art School as capital but there is no restriction on them being converted into expendable income.

	At 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2023 £
<b>Permanent endowments</b>					
Edward Chadwyck-Healey Bequest and Memorial Appeal Fund	170,006	—	(754)	(13,960)	<b>155,292</b>
	170,006	—	(754)	(13,960)	<b>155,292</b>
<b>Expendable endowments</b>					
Margaret Ballardie bequest	298,357	—	(112,175)	(24,511)	<b>161,671</b>
Idun Ravndal Memorial Legacy	237,665	—	(15,000)	(19,518)	<b>203,147</b>
Other endowments	166,814	—	(1,464)	(13,696)	<b>151,654</b>
	702,836	—	(128,639)	(57,725)	<b>516,472</b>
<b>Total endowments</b>	<b>872,842</b>	<b>—</b>	<b>(129,393)</b>	<b>(71,685)</b>	<b>671,764</b>

The income from the endowment funds is included in unrestricted general funds.

	At 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 August 2022 £
<i>Permanent endowments</i>					
<i>Edward Chadwyck-Healey Bequest and Memorial Appeal Fund</i>	179,814	—	(499)	(9,309)	170,006
	179,814	—	(499)	(9,309)	170,006
<i>Expendable endowments</i>					
<i>Margaret Ballardie bequest</i>	526,096	—	(200,500)	(27,239)	298,357
<i>Idun Ravndal Memorial Legacy</i>	261,188	—	(10,000)	(13,523)	237,665
<i>Other endowments</i>	179,567	—	(3,458)	(9,295)	166,814
	966,851	—	(213,958)	(50,057)	702,836
<b>Total endowments</b>	<b>1,146,665</b>	<b>—</b>	<b>(214,457)</b>	<b>(59,366)</b>	<b>872,842</b>

## Notes to the financial statements 31 August 2023

### 16 Restricted funds

The income funds of the Art School include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	Balance at 1 September 2022 £	Income from investments £	Donations £	Expenditure £	Realised/unrealised gains on investments £	Balance at 31 August 2023 £
Annual Bursaries Fund	128,354	—	523,474	(355,596)	—	<b>296,232</b>
Saul Bursary Fund	42,428	2,186	—	(88)	(3,478)	<b>41,048</b>
Charles Noble/Peter Chance Scholarship F	27,406	1,413	—	(57)	(2,250)	<b>26,512</b>
Rodney Burn RA Scholarship Fund	45,034	2,318	—	(94)	(3,690)	<b>43,568</b>
Simon Birch Memorial Bursary Fund	79,222	4,578	—	(168)	(1,392)	<b>82,240</b>
Edith and Stephen Burnett Memorial Fund	4,209	214	—	(9)	(341)	<b>4,073</b>
David Ballardie Memorial Award Fund	38,516	1,981	—	(1,417)	(3,153)	<b>35,927</b>
Idun Ravndal Travel Award	934	48	—	(230)	(77)	<b>675</b>
Other prize and special funds	15,462	348	14,876	(7,116)	(553)	<b>23,017</b>
Books & Paper Conservation Project	85,028	—	—	(27,825)	—	<b>57,201</b>
Recovery Appeal	—	—	56,200	(4,743)	—	<b>51,457</b>
	<b>466,593</b>	<b>13,086</b>	<b>594,550</b>	<b>(397,343)</b>	<b>(14,934)</b>	<b>661,952</b>

Funds related to bursaries are now included in the top line “Annual Bursaries Fund”

The specific purposes for which the funds are to be applied are given by their descriptions in the table above. The main purposes are the awarding of scholarships, bursaries and prizes.

	Balance at 1 September 2021 £	Income from investments £	Donations £	Expenditure £	Realised/unrealised gains on investments £	Balance at 31 August 2022 £
Annual Bursaries Fund	25,107	—	395,260	(292,013)	—	128,354
Saul Bursary Fund	44,196	1,699	—	(1,073)	(2,394)	42,428
Charles Noble/Peter Chance Scholarship F	27,890	1,072	—	(46)	(1,510)	27,406
Rodney Burn RA Scholarship Fund	45,831	1,761	—	(76)	(2,482)	45,034
Simon Birch Memorial Bursary Fund	80,705	3,102	—	(214)	(4,371)	79,222
Edith and Stephen Burnett Memorial Fund	4,283	165	—	(7)	(232)	4,209
David Ballardie Memorial Award Fund	41,734	1,604	—	(2,562)	(2,260)	38,516
Idun Ravndal Travel Award	2,055	79	—	(1,089)	(111)	934
Other prize and special funds	24,556	944	13,760	(22,468)	(1,330)	15,462
Books & Paper Conservation Project	112,408	—	—	(27,380)	—	85,028
Recovery Appeal	20,000	—	—	(20,000)	—	—
	<b>428,765</b>	<b>10,425</b>	<b>409,020</b>	<b>(366,928)</b>	<b>(14,690)</b>	<b>466,593</b>

## Notes to the financial statements 31 August 2023

### 17 Analysis of net assets between funds

	General fund £	Restricted funds £	Endowment funds £	Total 2023 £
<b>Fund balances at 31 August 2023</b>				
<b>are represented by:</b>				
Tangible fixed assets	211,934	51,303	—	<b>263,237</b>
Investments	224,342	655,787	671,764	<b>1,551,893</b>
Current assets	1,366,574	6,740	—	<b>1,373,314</b>
Creditors: amounts falling due within one year	(1,629,550)	(51,878)	—	<b>(1,687,593)</b>
Creditors: amounts falling due after one year	(97,222)	—	—	<b>(97,222)</b>
<b>Total net assets</b>	<b>76,078</b>	<b>661,952</b>	<b>671,764</b>	<b>1,409,794</b>
	General fund £	Restricted funds £	Endowment funds £	Total 2022 £
<b>Fund balances at 31 August 2022</b>				
<b>are represented by:</b>				
Tangible fixed assets	180,961	—	—	180,961
Investments	243,286	466,593	872,842	1,582,721
Current assets	1,370,165	—	—	1,370,165
Creditors: amounts falling due within one year	(1,628,316)	—	—	(1,628,316)
Creditors: amounts falling due after one year	(135,006)	—	—	(135,006)
<b>Total net assets</b>	<b>31,090</b>	<b>466,593</b>	<b>872,842</b>	<b>1,370,525</b>

The total unrealised gains as at 31 August 2023 constitute movement on revaluation and are as follows:

	2023 £	2022 £
<b>Unrealised (losses) gains included above</b>		
On listed investments as at 31 August 2023	<b>(57,934)</b>	(74,056)
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 September 2022	<b>265,710</b>	339,766
Unrealised (losses) gains on listed investments arising in the year	<b>(57,934)</b>	(74,056)
<b>Total unrealised gains at 31 August 2023</b>	<b>207,776</b>	265,710

### 18 Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Art School being wound up members are required to contribute an amount not exceeding £1 each.

## 19 Leasing commitments

### *Operating leases*

At 31 August 2023 the Art School had the following commitments under non-cancellable operating leases:

	Land and buildings		Equipment	
	2023 £	2022 £	2023 £	2022 £
Operating leases which expire:				
Within one year	<b>367,785</b>	190,063	<b>31,101</b>	31,714
Between two and five years	<b>1,512,647</b>	799,032	—	31,101
Over five years	<b>796,338</b>	864,898	—	—
	<b>2,676,770</b>	1,853,993	<b>31,101</b>	62,815

The land and buildings operating leases relate to the site at Kennington Park Road and the sub-lease of premises in the Old Vauxhall Telephone Exchange in nearby Kennings Way from the Property Trust for the period up to the first break clause. The previous lease for the latter expired in late September 2022 and Heads of Terms for a new lease from the date of that expiry were agreed at an increased rental which was duly accounted for in 2022/23.

## 20 Related party transactions

The City and Guilds Art School Property Trust has senior management in common with the Art School. The Art School charged a management fee of £57,405 (2022 – £51,921) to the Property Trust during the year. The Property Trust charged the Art School rent, including VAT, of £364,493 (2022 – £300,369). The Trust charged no management fee to the Art School (2022 – £14,376). No grants were received from the Property Trust in respect of the year (2022 – £nil).

## 21 Post balance sheet events

There were no post balance sheet events to consider.