

The London **Foundation** for Banking & Finance

Charity number: 297107

(previously called The London
Institute of Banking & Finance)



Trustees' report and financial statements
For the year ended **31 July 2023**

The London Foundation for Banking & Finance

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The London Foundation for Banking & Finance

Reference and administrative details of the Charity, its Trustees and advisers For the year ended 31 July 2023

Trustees	Steven Haberman, Chair Binta Darboe Sabrina Del Prete Shelley Doorey-Williams, ex-officio Paul Gordon David Kennedy Philip O'Shea Arjan Van Den Berkmortel
Charity registered number	297107
Principal office	8th Floor Peninsular House 36 Monument Street London EC3R 8LJ
Chief executive officer	Shelley Doorey-Williams
Independent auditors	Menzies LLP Chartered Accountants Registered Auditors Magna House 18-32 London Road Staines-Upon-Thames TW18 4BP
Bankers	HSBC UK Bank plc 9 Rose Lane Canterbury Kent CT1 2JP
Solicitors	Eversheds Sutherland (International) LLP One Wood Street London EC2V 7WS
Accountants	Kreston Reeves LLP 37 St Margaret's Street Canterbury Kent CT1 2TU

The London Foundation for Banking & Finance

Trustees' report For the year ended 31 July 2023

Welcome to The London Foundation for Banking & Finance (LFBF), a financial education charity incorporated by Royal Charter.

Our objective

Our charitable objective is the advancement of knowledge of and education in Financial Services and to carry out research and publish the useful results of such research for the benefit of the public. The changes we seek to make are to improve levels of financial literacy and enablement as well as support those working within or considering a career in the Financial Services industry.

Our history

Our story began in March 1879, when a group of bank workers came together to establish leadership and professional practice principles for the industry. They created the first Institute of Bankers in England and Wales to offer educational resources to anyone working in the sector.

Over the years, the organisation developed its own industry-leading qualifications to create a gold standard of banking and financial education and established itself as a leading voice in the Financial Services world, providing invaluable insights into all areas of the industry and promoting the highest standards of professional competency.

2023 year marked a significant chapter in our 140-year history. As outlined in our report last year, we completed a transaction with a large university group to divest of our direct delivery of financial qualification and education assets.

The Trustees reached the decision as we recognised that we did not have sufficient funds to enable scaling of our financial qualification and education assets for the future, for the benefit of the public. In the quest for a suitable counterpart we had in mind to source one with sufficient resources and know-how to enable the scaling that was required. We also had in mind to only partner with an organisation with a shared vision and commitment to widen access to education, in line with our charitable objective.

Our strategy

The funds received from this transaction will enable us, in our newly independent status, to fund projects to support financial education and inclusion, to provide support for people from underrepresented groups looking to develop careers in the Financial Services industry and to undertake research for the public good. Given the scope of the transaction we are undertaking a strategic review. As part of the review, we have commissioned two pieces of research, which will be completed in 2024 and will inform our long-term strategy.

Our significant activities

Our three core activities to fulfil the charity's objectives for the public benefit are as follows:

1. Grant financial awards to students wishing to pursue a career in Financial Services. This helps to achieve our objective of the advancement of knowledge of and education in Financial Services.
2. Recognise the highest level of professional competence by awarding chartered status to individuals who have demonstrated their commitment to continued education and professional excellence. This helps to achieve our objective of the advancement of knowledge of and education in Financial Services as membership offers access to ongoing learning and development.
3. Commissioning research in the field of financial education for the benefit of the public. This helps us to achieve our objective of publishing useful results for the benefit of the public.

Plans for the future

Our objective is just as relevant, perhaps even more so, today as it has been in our long history. We continue to create positive impact by consistently undertaking the three core activities to fulfil our charitable objectives. Looking ahead, as has already been highlighted, and in particular due to the nature and significance of the transaction, we are undertaking a thorough research and evidence-based review of the areas in which we operate. We will also decide upon appropriate criteria to track and report our success against our stated objectives as part of this review.

The London Foundation for Banking & Finance

Trustees' report (continued) For the year ended 31 July 2023

We will establish a refreshed and focused strategy befitting of our newly independent status in 2024.

Thank you for your interest in The London Foundation for Banking & Finance.

Achievements and performance

Financial Review – Results for the Year to 31 July 2023

The surplus of £11,965,000 for the year, shown in the consolidated statement of financial activities on page 13, has been achieved after taking into account the gain on the sale of the Charity's operations and assets of £9,391,000.

The Charity is supported in its activities by its wholly owned subsidiaries, LIBF Learning Ltd, whose main activities encompass sponsorship and events, The London Institute of Banking & Finance (MENA) Ltd, which covers all activities within Abu Dhabi and The London Institute of Banking & Finance (APAC) PTE Ltd which supports all activities within the APAC region. As part of the transaction in March 2023, only two of the subsidiaries remain; LIBF Learning Limited and Institute of Financial Services Limited.

The general fund is the primary fund against which underlying financial performance is measured. Previously we generated a surplus to produce sufficient cash to support strategic objectives. Whilst there are no income-generating activities at present, this will form part of our refreshed strategy going forward.

Restricted funds include: The Grunfeld Fund, which supports the education of people working in banking and financial services in London and the Alumni and Scholarship Fund which incorporate the C. Hoare & Co Scholarship Programme and Principality Building Society which donated funds to support financial education or children in schools in Wales.

Going Concern

Following the sale of its operations and assets on 31 March 2023, the Charity and its group is holding substantial funds. The Trustees have considered the financial projections and cashflow forecasts to be able to continue in operation for the foreseeable future. Therefore they have adopted the going concern basis for the preparation of these financial statements.

Reserves Policy

Total funds at 31 July 2023 stood at £16.6m.

Funds are split between unrestricted and restricted and as at 31 July these amounted to £16m and £0.6m respectively. The current level of unrestricted reserves is significant as a result of the sale of educational business in the year which generated a profit on sale of £9.4m and has resulted to an increase in the unrestricted funds balance relative to prior year of £11.7m. These reserves will ensure that the charity can provide significant support to its charitable purpose for some time to come.

Currently the cash requirement is minimal. The charity continues to review its strategy and once finalised it is expected that this will increase, the likelihood is that the reserves will remain high relative to the annual spend requirement and will be sufficient to finance the charitable activities for a number of years.

The trustees aim to divide the funds held into

- 1) Working capital – immediate requirements
- 2) Liquidity reserve – 2-5 year expenditure requirements
- 3) Investment portfolio – post 5 year requirement

These are based on the immediacy of the need and have differing investment strategies – ranging from cash holdings, treasury deposits to equity investments planned to generate returns in excess of inflation.

The London Foundation for Banking & Finance

Trustees' report (continued) For the year ended 31 July 2023

The trustees consider the reserve requirements of the restricted funds separately from the unrestricted funds. The income from these restricted funds is generated from the donations received and invested. These funds are held for specific scholarship and grant making programmes funded by them. The funds retained at 31 July can be seen in Note 20 in the Notes to the financial statements where the purpose and background is described.

The trustees intend to continue to award scholarships and grants with the purpose specified by the donors as outlined in Note 20 referenced above.

The charity holds no functional assets which represent a commitment of the reserves.

Investments

At 31 July 2023, the charity held fixed-asset investments with a market value of £463,000 (compared with £1,087,000 in 2022).

The Trustees delegate the discretionary powers of management of our fixed-asset investments to investment manager Rathbones. The investment objective is to maximise long-term total return and it is measured against an agreed target. There is no specific direction given to the investment manager regarding social, environmental and ethical considerations.

Our bank balances are held in cash and in a range of fixed-term deposits with HSBC.

Risk management

Our risk management register was updated to reflect our newly independent status. We are reliant upon a Service Level Agreement between The London Foundation for Banking & Finance and LIBF Ltd. This agreement provides for a range of general business support and infrastructure. We work closely with LIBF Ltd to ensure we have a strong working relationship, and that the Charity received the very best value and support under the agreement. We are cognisant of our reliance upon the agreement and, as we move towards further independence, we will be migrating away from some aspects of what is provided by establishing our own support and infrastructure. We monitor this closely as a risk.

Statement of Corporate Governance

The governing body of The London Foundation for Banking & Finance is the Board of Governors, which comprises the Chair, the Chief Executive and up to 15 appointed members. As Governors, members of the Board of Governors have a single overarching responsibility, which is to ensure that we fulfil our object. In addition, the members of the Board of Governors are the Trustees of the charity.

Corporate Governance

We have adopted the Charity Governance Code published by the Charity Governance Code Steering Group (a cross-sector collaboration with an independent chair). The code is not mandatory, but we have decided to adopt it.

Constitution

The London Foundation for Banking & Finance was established in 1879 as the Institute of Bankers and has latterly used the working names Institute of Financial Services, ifs School of Finance, ifs University College and most recently The London Institute of Banking and Finance. It was incorporated by Royal Charter in February 1987 and registered as a charity in June 1987. Amendments to the Charter followed in February 2000, December 2003, July 2006, May 2008, July 2010, September 2016 and September 2023. These included formally changing the name and changes to the governance.

Charter

The Charter sets out our objects and powers. It requires us to establish a Board of Governors, who are the Trustees.

The London Foundation for Banking & Finance

Trustees' report (continued) For the year ended 31 July 2023

The object for which we are constituted is the advancement of knowledge of, and education in, financial services as the Board of Governors may determine from time to time, and to carry out research and publish the useful results of such research for the benefit of the public.

The Trustees are cognisant of the Charity Commission guidance on public benefit and, in particular, guidance for fee-charging charities. The Trustees are satisfied with the steps they have taken in this regard.

Board of Governors

Members of the Board of Governors include senior personnel within the financial services and educational sectors who 'donate' their expertise, experience and limited time on a voluntary basis to act as Governors.

The primary responsibility of the Board is to oversee our strategic direction and monitor the progress through regular, timely reporting, including reports from all of the sub-committees and reviews of key performance indicators. The Board also oversees the management of the finances, property and all business affairs.

Statement of Responsibilities of the Board of Governors (Trustees)

The Governors are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Governors to prepare financial statements for each financial year. The Governors have to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), including FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland. The Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of our state of affairs, and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain our transactions, disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of our Charter and Statutes. They are also responsible for safeguarding our assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on our website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board meets at least four times a year and receives regular reports from management on our operational aspects, including minutes from all of the sub-committees. At least one of the meetings includes a review of the strategy.

Through leadership of the Board, the Chair plays a key role in our business, ensuring that we are well connected with our stakeholders. The Chair promotes the well-being and efficient operation of the Board, and ensures that members work together effectively and have confidence in the procedures laid down for the conduct of business. The Chair ensures that committees play a central role in the proper conduct of the Board's business by exercising delegated powers and reporting back to the Board appropriately. The Chair should not be drawn into the day-to-day executive management.

Day-to-day responsibility is delegated to the Chief Executive. The Chief Executive is responsible to the Board of Governors for business and financial affairs, and for advising the Board on strategic direction.

The London Foundation for Banking & Finance

Trustees' report (continued) For the year ended 31 July 2023

Board of Governors (Trustees)

The Trustees as at 31 July 2023 are as follows:

Steven Haberman (Chair)

Steven is currently Professor of Actuarial Science at Cass Business School, City, University of London. From 2002 to 2012, he was Deputy Dean and Director of Cass Business School, and then Dean for three years to the end of 2015.

Steven graduated in mathematics at the University of Cambridge. He qualified as a Fellow of the Institute of Actuaries in 1975, and obtained his PhD and DSc in actuarial science from City University. He is also a Fellow of the Royal Statistical Society and of the Institute of Mathematics and an Honorary Fellow of the Italian Institute of Actuaries.

Steven has worked at Prudential Assurance and for the Government Actuary's Department, and has been a member of the Council of the Institute and Faculty of Actuaries (for two terms). He has also been a member of TheCityUK Advisory Council, Governor of the City of London Academy Islington, and a member of the External Advisory Panel to the Morris Review of the UK Actuarial Profession, as well as a founder member of the Financial Reporting Council's Board for Actuarial Standards. He has acted as a consultant to Deutsche Bank, Swiss Re, the Financial Services Authority and the National Audit Office, among others.

He is currently a member of Legal & General's Longevity Science Panel.

He has co-authored 5 books and has written over 190 papers on a wide range of topics, including mortality and morbidity models, annuities, insurance pricing and pensions. His papers have won research prizes from the Institute of Actuaries (UK) and Society of Actuaries (US). He has also successfully supervised 33 doctoral students.

Other members of the Board of Governors (Trustees) are:

- Binta Darboe
- Sabrina Del Prete
- Shelley Doorey-Williams*
- Paul Gordon
- David Kennedy
- Philip O'Shea
- Arjan van den Berkmortel

*This Trustee resigned from the role of Deputy Chair on 3 October 2023 taking up the role as Chief Executive, she remains a Trustee ex officio.

The following Trustees served during the year but were not Board members when this report was signed:

- Alex Fraser (resigned on 31 March 2023)
- Ali Miraj (resigned on 31 March 2023)
- Sakhila Mirza (resigned on 31 March 2023)
- Damian Ward (resigned on 31 March 2023)
- Eddie Webb Student Representative (resigned on 31 March 2023)

Audit and Risk Committee

The basic responsibility of the Audit and Risk Committee, which meets at least twice a year, is to satisfy itself as far as it can that the annual accounts follow approved accounting principles and give an accurate account of our affairs in as comprehensible a way as possible. It must satisfy itself that the external auditors have no cause for disquiet about any aspect of the accounts or of our control and audit procedures. The Committee also monitors the risk management and internal control processes and provides the Board of Governors with an annual report of its work. The Audit and Risk Committee is chaired by a member of the Board of Governors.

The London Foundation for Banking & Finance

Trustees' report (continued) For the year ended 31 July 2023

Members of the Audit and Risk Committee are:

- David Kennedy (Chair)
- Paul Gordon
- Philip O'Shea

The following served during the year but was not a member when this report was signed:

- Hanif Barma (resigned on 31 March 2023)

Nominations and Remuneration Committee

The Chair of the Board of Governors chairs the Nominations and Remuneration Committee, which meets at least once a year. It is responsible for making recommendations to the Board of Governors on the appointment of Governors, the Chair of the Board, the Chief Executive and Chairs of Committees.

The Committee determines and approves a framework and consistent policy on remuneration and pension arrangements. It is specifically responsible for setting the terms of service of the Chief Executive and Secretary to the Board and considers, where necessary and subject to the legislation and regulations applying to charitable bodies, any remuneration for the Chairs of the Board and the Audit Committee.

Members of the Nominations and Remuneration Committee are:

- Steven Haberman (Chair)
- Arjan van den Berkmortel
- Binta Darboe
- Sabrina del Prete

The following served during the year but were not members when this report was signed:

- Shelley Doorey-Williams (resigned on 3 October 2023)
- Sakhila Mirza (resigned on 31 March 2023)
- Damian Ward (resigned on 31 March 2023)

Chartered Membership Committee

Due to our newly independent status, our activities in relation to the conferring of Chartered Status are managed in partnership with LIBF Ltd (the purchasing organisation in the transaction in March 2023). In order to facilitate this process, we established a new sub-committee of the Board of Governors after the end of the financial year, called the Chartered Membership Committee. They play a lead role in reviewing recommendations and deciding upon which individuals to confer Chartered Status to.

Members of the Chartered Membership Committee are:

- Phil O'Shea (Chair)
- David Kennedy
- Claire Harding (representing LIBF Ltd)

Investment Committee

After the end of the financial year a new Investment Committee was formed.

The Investment Committee's role is one of strategic direction and oversight of the Charity's investment assets.

The investment portfolio represents an important asset for the Charity, with investment income representing a significant part of annual total income. The Committee fulfils an essential role in the long-term stewardship of these assets in order to best further the aims of the Charity.

The London Foundation for Banking & Finance

Trustees' report (continued) For the year ended 31 July 2023

The Committee is established to determine, implement and review an investment strategy to deliver our agreed investment objectives as follows:

- to at least maintain the real value of the investment portfolio over the long term;
- to generate a consistent and sustainable return to fund annual expenditure;
- to align return expectations and 'pay out' strategy with budget requirements to deliver the investment objectives within an acceptable level of risk.

The Investment Committee is responsible for establishing a detailed Investment Policy, within the powers conferred under our governing documents and incorporation under the Royal Charter, and relevant legislation and guidance as per The Charities Commission. This will be established in the context of our overall strategy to fulfil our charitable objectives.

The Investment Policy will set out the investment objectives, risk tolerance, liquidity requirements, time horizon, responsible investment policy and operational arrangements for implementation, monitoring and reporting. Members of the Investment Committee are:

- Arjan van den Berkmortel (Chair)
- Paul Gordon
- Binta Darboe

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as the trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware, and
- the trustee has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditor

BDO LLP ceased to act as auditors in 2023 and Menzies LLP were appointed to fill a casual vacancy and have been appointed as auditors for the ensuing period.

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



Steven Haberman
Chair of the Board of Governors (Trustees)
Date: 2 May 2024

The London Foundation for Banking & Finance

Independent auditors' report to the Members of The London Foundation for Banking & Finance

Opinion

We have audited the consolidated financial statements of The London Foundation for Banking & Finance (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 July 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 consolidated financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the consolidated 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 charity'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.

Other information

The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the consolidated 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the consolidated financial statements themselves. 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.

The London Foundation for Banking & Finance

Independent auditors' report to the Members of The London Foundation for Banking & Finance (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the 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 group'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 group or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report to the Members of The London Foundation for Banking & Finance
(continued)**

Auditors' responsibilities for the audit of the consolidated 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- The group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Charities Act 2011, GDPR and the OfS (Office for Students) regulatory framework. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the group's consolidated financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered that the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the posting of fraudulent journal entries, fictitious employees and timing of revenue recognition.

Audit procedures performed by the engagement team and component auditors included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Carrying out checks to establish the validity of employees, and
- Reviewing and verifying the basis on which income is recognised in the accounts

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the consolidated financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the consolidated financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

The London Foundation for Banking & Finance

Independent auditors' report to the Members of The London Foundation for Banking & Finance (continued)

Use of our report

This report is made solely to the group's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the group's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

634F24DF92A4471...
Menzies LLP

Chartered Accountants
Statutory Auditor

Magna House

18-32 London Road

Staines-Upon-Thames

TW18 4BP

09-May-2024

The London Foundation for Banking & Finance

Consolidated Statement of financial activities
For the year ended 31 July 2023

		Restricted funds 2023	Unrestricted funds 2023	Continuing operations 2023	Discontinued operations 2023	Total funds 2023	Continuing operations 2022	Discontinued operations 2022	Total funds 2022
	Note	£000	£000	£000	£000	£000	£000	£000	£000
Income from:									
Donations and legacies	4	202	-	202	-	202	1	18	19
Charitable activities	5	-	14,038	-	14,038	14,038	-	17,501	17,501
Investments	6	12	220	12	220	232	10	60	70
Other income	7	-	1,452	-	1,452	1,452	-	1,593	1,593
Total income		214	15,710	214	15,710	15,924	11	19,172	19,183
Expenditure on:									
Charitable activities	8	18	13,315	18	13,315	13,333	31	19,306	19,337
Total expenditure		18	13,315	18	13,315	13,333	31	19,306	19,337
Net income/(expenditure) before net losses on investments		196	2,395	196	2,395	2,591	(20)	(134)	(154)
Net losses on investments	14	(8)	(9)	(8)	(9)	(17)	(33)	(86)	(119)
Net movement in funds before other recognised gains/(losses)		188	2,386	188	2,386	2,574	(53)	(220)	(273)
Actuarial gain in respect of pension schemes	26	-	-	-	-	-	-	248	248
Gain on sale of Charity's operations	11	-	9,391	-	9,391	9,391	-	-	-
Net movement in funds		188	11,777	188	11,777	11,965	(53)	28	(25)

The London Foundation for Banking & Finance

Consolidated Statement of financial activities (continued)
For the year ended 31 July 2023

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Continuing operations 2023 £000	Discontinued operations 2023 £000	Total funds 2023 £000	Continuing operations 2022 £000	Discontinued operations 2022 £000	Total funds 2022 £000
Note								
Reconciliation of funds:								
Total funds brought forward	431	4,185	431	4,185	4,616	484	4,157	4,641
Net movement in funds	188	11,777	188	11,777	11,965	(53)	28	(25)
Total funds carried forward	619	15,962	619	15,962	16,581	431	4,185	4,616

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

The notes on pages 18 to 36 form part of these financial statements.

The London Foundation for Banking & Finance

Consolidated balance sheet As at 31 July 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	-	1,782
Investments	14	463	1,087
		463	2,869
Current assets			
Stocks	15	-	60
Debtors	16	105	4,041
Investments	17	15,000	-
Cash at bank and in hand		1,526	3,075
		16,631	7,176
Creditors: amounts falling due within one year	18	(513)	(5,330)
Net current assets		16,118	1,846
Total assets less current liabilities		16,581	4,715
Provisions for liabilities		-	(99)
Total net assets		16,581	4,616
Charity funds			
Restricted funds	20	619	431
Unrestricted funds	20	15,962	4,185
Total funds		16,581	4,616

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

DocuSigned by:

 68F9D80C0D634D7

Steven Haberman
 Chair
 Date: 2 May 2024

The notes on pages 18 to 36 form part of these financial statements.

The London Foundation for Banking & Finance

Charity balance sheet As at 31 July 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	-	1,782
Investments	14	463	1,087
		463	2,869
Current assets			
Stocks	15	-	60
Debtors	16	105	2,669
Investments	17	15,000	-
Cash at bank and in hand		1,526	2,721
		16,631	5,450
Creditors: amounts falling due within one year	18	(513)	(4,896)
Net current assets		16,118	554
Total assets less current liabilities		16,581	3,423
Provisions for liabilities		-	(99)
Total net assets		16,581	3,324
Charity funds			
Restricted funds	20	619	431
Unrestricted funds	20	15,962	2,893
Total funds		16,581	3,324

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

DocuSigned by:

68F9DB0C0D634D7

Steven Haberman

Date: 2 May 2024

The notes on pages 18 to 36 form part of these financial statements.

The London Foundation for Banking & Finance

**Consolidated statement of cash flows
For the year ended 31 July 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash generated by operating activities	22	1,592	271
Cash flows from investing activities			
Dividends, interests and rents from investments		232	70
Net proceeds from the sale of the Charity's operations		11,146	-
Purchase of tangible fixed assets		(130)	(153)
Proceeds from sale of investments		626	2,420
Purchase of investments		(19)	(126)
Investment in fixed term deposits		(15,000)	-
Net cash (used in)/provided by investing activities		(3,145)	2,211
Cash flows from financing activities			
Repayments of borrowing		-	(850)
Net cash (used in) financing activities		-	(850)
Change in cash and cash equivalents in the year		(1,553)	1,632
Cash and cash equivalents at the beginning of the year		3,079	1,447
Cash and cash equivalents at the end of the year	23	1,526	3,079

The notes on pages 18 to 36 form part of these financial statements

The London Foundation for Banking & Finance

Notes to the financial statements For the year ended 31 July 2023

1. General information

The London Foundation for Banking & Finance is a registered charity incorporated in England and Wales by Royal Charter (RC000719). Its principal office is 8th Floor, Peninsular House, 36 Monument Street, London EC3R 8LJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The Consolidated statement of financial activities and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

Overseas centres have not been consolidated on the basis that they operate as separate legal entities governed by their own constitution. The grants made to these centres are given on the express understanding that they will be applied wholly for educational purposes. Grants are included on the basis of amounts payable.

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

2.2 Going concern

Following the sale of its operations and assets on 31 March 2023, the charity and its group is holding substantial funds. The Trustees have considered the financial projections and cashflow forecasts to be able to continue in operation for the foreseeable future. Therefore they have adopted the going concern basis for the preparation of these financial statements.

**Notes to the financial statements
For the year ended 31 July 2023**

2. Accounting policies (continued)

2.3 Income

Income from tuition fees and education contracts was recognised over the length of the course being offered up until 31 March 2023.

Investment income is included on a receivable basis.

With no new life subscriptions being received, the balance is released to income over a 20-year period on a straight-line basis. Other subscriptions and income are included on the basis of amounts receivable and any amounts received in advance included within deferred income.

Donations are included in the financial statements on the basis of amounts received.

All other incoming resources are included in income and expenditure when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy. Any amounts received in advance are included within deferred income.

Gift Aid is recognised as a distribution at the point that a specific obligation has been created.

The Charity sold its operations on 31 March 2023. The sale price was based upon fees invoiced at that date with no account taken of invoices raised in advance or for invoices still to be raised for services provided. The financial statements do not include any adjustments in respect of these amounts.

2.4 Pensions

The Group operated a funded defined benefits pension scheme, the assets of which are held in a specific trust separately from those of the Group. Contributions to the scheme were charged to the statement of financial activities so as to spread the cost evenly over employees' working lives with the Group. The contributions were determined by a qualified actuary on the basis of triennial valuations using the projected unit method and discounted using an AA corporate bond rate. The pension scheme assets are valued at market rate. Pension fund deficits are recognised in the balance sheet, but surpluses are not recognised as assets where they cannot be recovered either through a refund from the scheme or reductions in future benefits.

The Group also operated a money purchase (defined contribution) pension scheme. Contributions payable to this scheme were charged to the statement of financial activities in the year to which they relate. These contributions were invested separately from the Group's assets in an independently administered fund.

2.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated statement of financial activities.

**Notes to the financial statements
For the year ended 31 July 2023**

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following basis:

Freehold property	-	2%	on a straight line basis
Leasehold improvements	-	10%	on a straight line basis over the initial lease
			term
Computer hardware and software	-	33%	on a straight line basis
Office equipment	-	25%	on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.7 Investments

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

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 Stocks

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

2.9 Cash at bank and in hand

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

**Notes to the financial statements
For the year ended 31 July 2023**

2. Accounting policies (continued)

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into prior to the date of transition of the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.11 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The items in the financial statements where these judgements and estimates have been made include:

Defined benefit scheme – management's estimate of the scheme was based on a number of critical underlying assumptions such as rates of inflation, mortality and the investment returns of the scheme. The assumptions were reviewed annually with a qualified actuary. The defined benefit scheme was transferred during the year as a part of the sale of the Charity's assets and operations.

Useful lives of depreciable assets – management reviews its estimate of the useful lives of depreciable assets at each reporting date. Uncertainties in these estimates previously related to changes in the useful lives of certain software and IT hardware as well as the useful life and value of the building that the Charity owned. These assets were all sold during the year as a part of the sale of the Charity's assets and operations.

Post-retirement healthcare – management's estimate of the liability was based on assumptions about the discount rate, the rate of inflation as well as mortality. The assumptions were reviewed annually based on the prevailing marketing conditions. The liability was transferred during the year as a part of the sale of the Charity's assets and operations.

The London Foundation for Banking & Finance

Notes to the financial statements For the year ended 31 July 2023

4. Income from donations and legacies

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	202	-	202	1
Funding body grants	-	-	-	18
	<u>202</u>	<u>-</u>	<u>202</u>	<u>19</u>
Total 2022	<u>1</u>	<u>18</u>	<u>19</u>	

5. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Higher Education students:			
Full-time Home and EU students	2,725	2,725	2,202
Part-time students	412	412	611
Financial Education qualifications	2,351	2,351	2,449
Professional Education qualifications	8,550	8,550	12,239
	<u>14,038</u>	<u>14,038</u>	<u>17,501</u>
Total 2022	<u>17,501</u>	<u>17,501</u>	

Notes to the financial statements
For the year ended 31 July 2023

6. Investment income

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Investment income on restricted income	12	-	12	10
Other investment income	-	220	220	60
	<u>12</u>	<u>220</u>	<u>232</u>	<u>70</u>
Total 2022	<u>10</u>	<u>60</u>	<u>70</u>	

7. Other incoming resources

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Professional and alumni services	1,423	1,423	1,556
Rent receivable	29	29	37
	<u>1,452</u>	<u>1,452</u>	<u>1,593</u>
Total 2022	<u>1,593</u>	<u>1,593</u>	

Notes to the financial statements
For the year ended 31 July 2023

8. Analysis of expenditure on charitable activities

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total 2023 £000	Total 2022 £000
Staff costs	-	6,674	6,674	9,129
Other operating expenditure	18	6,488	6,506	9,965
Depreciation	-	153	153	219
Interest and other finance costs	-	-	-	24
	<u>18</u>	<u>13,315</u>	<u>13,333</u>	<u>19,337</u>
Total 2022	<u>31</u>	<u>19,306</u>	<u>19,337</u>	

9. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £40,500 (2022 - £54,000).

10. Staff costs

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Wages and salaries	5,739	7,839	4,910	6,980
Social security costs	520	718	515	711
Pension costs	415	572	371	558
	<u>6,674</u>	<u>9,129</u>	<u>5,796</u>	<u>8,249</u>

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

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Employees	119	167	108	167

As part of the arrangements for the sale of the charity and its group's operations on 31 March 2023, all of the employees were transferred under TUPE regulations to the purchaser.

**Notes to the financial statements
For the year ended 31 July 2023**

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	4	-
In the band £70,001 - £80,000	2	-
In the band £80,001 - £90,000	1	-
In the band £100,001 - £110,000	1	3
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-
In the band £150,001 - £160,000	-	1
In the band £210,001 - £220,000	-	1

Remuneration paid to key management personnel during the year was £1,065,000 (2022 - £1,541,000)

11. Gain on sale of the Charity's operations

On 31 March 2023, the Charity sold all of its operations and assets, other than those held for restricted purposes. All of the Charity's liabilities at that date were transferred as part of the sale. The sale included two of the charity's subsidiaries, The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking & Finance (APAC) PTE Ltd. After accounting for the costs associated with the sale, a net gain on sale of £9,391,000 has been recognised in these financial statements.

12. Trustees' remuneration and expenses

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

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

**Notes to the financial statements
For the year ended 31 July 2023**

13. Tangible fixed assets

Group and Charity

	Freehold property £000	Leasehold improvements £000	Computer installation, furniture and equipment £000	Total £000
Cost				
At 1 August 2022	1,664	1,560	1,775	4,999
Additions	-	5	125	130
Disposals	(1,664)	(1,565)	(1,900)	(5,129)
At 31 July 2023	-	-	-	-
Depreciation				
At 1 August 2022	202	1,469	1,546	3,217
Charge for the year	18	42	94	154
On disposals	(220)	(1,511)	(1,640)	(3,371)
At 31 July 2023	-	-	-	-
Net book value				
At 31 July 2023	-	-	-	-
At 31 July 2022	1,462	91	229	1,782

The cost of freehold property and the net book value prior to revaluation was £833,243. A valuation, based on existing use value, was carried out by a qualified chartered surveyor, Strutt and Parker, as at 31 July 2016, showing the value at £1.6m. The value of land included within freehold property is £NIL (2022 - £350,000).

**Notes to the financial statements
For the year ended 31 July 2023**

14. Fixed asset investments

Group	Managed funds £000
Valuation	
At 1 August 2022	1,087
Additions	19
Disposals	(626)
Revaluations	(17)
At 31 July 2023	<u>463</u>
Charity	Managed funds £000
Cost / valuation	
At 1 August 2022	1,087
Additions	19
Disposals	(626)
Revaluations	(17)
At 31 July 2023	<u>463</u>

Managed funds were managed during the year by Rathbones. Fees are charged separately to the Charity and deducted from the investment portfolio.

At 31 July 2023, the original cost of the Managed funds was £435,000 (2022 - £531,000).

The Managed Funds were held in the following classes of investments:

	2023 £000	2022 £000
UK equities	463	686
Overseas equities	-	243
UK fixed interest	-	56
Alternatives	-	98
Cash	-	4
	<u>463</u>	<u>1,087</u>

The London Foundation for Banking & Finance

Notes to the financial statements For the year ended 31 July 2023

Principal subsidiaries

The following were subsidiary undertakings of the Charity and are included within the consolidated financial statements:

Names	Company number	Incorporated	Nature of Business	Class of shares	Holding
LIBF Learning Limited	02087869	England and Wales	Events, sponsorship	£1 Ordinary	100%
Institute of Financial Services Limited	03637677	England and Wales	Dormant	£1 Ordinary	100%
ifs ProShare Limited	06769997	England and Wales	Dormant	£1 Ordinary	100%
The London Institute of Banking & Finance (MENA) Ltd		Abu Dhabi	Education in MENA region	\$1 Ordinary	100%
The London Institute of Banking & Finance (APAC) PTE Ltd		Singapore	Education in APAC region	\$1 Ordinary	100%

The financial results of the subsidiaries included in the consolidated financial statements for the year were:

Names	Income £000	Expenditure £000	Profit/(Loss) / Surplus/ (Deficit) for the year £000
LIBF Learning Limited	85	(85)	-
The London Institute of Banking & Finance (MENA) Ltd	2,580	(1,764)	816
The London Institute of Banking & Finance (APAC) PTE Ltd	63	(202)	(139)

The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking & Finance (APAC) PTE Ltd were both sold during the year.

Since the year end, ifs ProShare Limited has been dissolved.

15. Stocks

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Publications and sundry stock	-	60	-	60

**Notes to the financial statements
For the year ended 31 July 2023**

16. Debtors

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Due after more than one year				
Members and trade receivables	-	42	-	42
	<hr/>	<hr/>	<hr/>	<hr/>
	-	42	-	42
Due within one year				
Members and trade receivables	-	3,215	-	1,214
Amounts owed by group undertakings	-	-	-	637
Other debtors	-	11	-	11
Prepayments and accrued income	105	773	105	765
	<hr/>	<hr/>	<hr/>	<hr/>
	105	4,041	105	2,669
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17. Current asset investments

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Fixed term deposits	15,000	-	15,000	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements
For the year ended 31 July 2023

18. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade payables	-	614	-	603
Other taxation and social security	-	239	-	221
Other creditors and accruals	513	1,352	513	948
Deferred income (see below)	-	3,125	-	3,124
	513	5,330	513	4,896

Included within deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Subscriptions	-	350	-	350
Qualifications	-	1,470	-	1,470
Life subscriptions	-	54	-	54
Other fees	-	1,251	-	1,250
	-	3,125	-	3,124

19. Provisions

Group and Charity

	Post-Retirement Healthcare £000
At 1 August 2022	99
Amounts reversed	(99)
	-

Up until the sale of operations on 31 March 2023, the Charity continued to provide post-retirement healthcare benefits to certain retired employees and their spouses, a benefit that ceased to be offered to existing staff some years ago. A provision was made in line with FRS 102 using a discount rate in the prior year of 5.0% and a rate of increase in medical costs of 9%. This provision was transferred as part of the sale of operations.

Notes to the financial statements
For the year ended 31 July 2023

20. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 July 2023 £000
Unrestricted funds					
General Fund	4,185	15,710	(13,315)	9,382	15,962
Restricted funds					
Alumni and Scholarship Fund	264	209	(15)	(5)	453
Bursary Fund	137	4	(3)	(3)	135
Grunfeld Fund	26	1	-	-	27
Strudwick Prize Fund	4	-	-	-	4
	431	214	(18)	(8)	619
Total of funds	4,616	15,924	(13,333)	9,374	16,581

The Alumni and Scholarship Fund gives past students the opportunity to participate in this vision and support diverse future generations of financial services professionals. The primary purpose of the fund is to provide support for students undertaking the charity's full-time undergraduate degree programmes. Included within this fund is an unspent balance of £117,000 derived from funding provided by C. Hoare & Co. One Hoare's Scholarship is available each year for students beginning their second year of Higher Education study. The award is worth £7,000 per year (with a maximum of two years). Certain criteria apply for the selection of students for the Scholarship Awards. Students are assessed against those criteria and recommendations are made to and approved by the Scholarships and Bursaries Group. Since the inception of the Fund, four students have received the Scholarship Award.

The Bursary Fund provides means-tested assistance to both full and part-time students.

The Grunfeld Fund was received by the charity from the Henry Grunfeld Foundation in March 1999 on the undertaking that it would fulfil the foundation's existing obligations and hold the balance of the fund for the purposes of the education of persons working in banking and financial services in London.

The Strudwick Prize Fund was received as bequest under the will of Mr HEH Strudwick, FCIB on the undertaking that the £30,000 be used to support a prize in his name.

The London Foundation for Banking & Finance

Notes to the financial statements
For the year ended 31 July 2023

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 July 2022 £000
Unrestricted funds					
General Fund	4,157	19,172	(19,306)	162	4,185
Restricted funds					
Alumni and Scholarship Fund	296	7	(19)	(20)	264
Bursary Fund	157	3	(12)	(11)	137
Grunfeld Fund	27	1	-	(2)	26
Strudwick Prize Fund	4	-	-	-	4
	484	11	(31)	(33)	431
Total of funds	4,641	19,183	(19,337)	129	4,616

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £000	Unrestricted funds 2023 £000	Total funds 2023 £000
Fixed asset investments	463	-	463
Current assets	156	16,475	16,631
Creditors due within one year	-	(513)	(513)
Total	619	15,962	16,581

Notes to the financial statements
For the year ended 31 July 2023

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2022 £000	Unrestricted funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	1,782	1,782
Fixed asset investments	460	627	1,087
Debtors due after more than one year	-	42	42
Current assets	5	7,129	7,134
Creditors due within one year	(34)	(5,296)	(5,330)
Provisions for liabilities and charges	-	(99)	(99)
Total	<u>431</u>	<u>4,185</u>	<u>4,616</u>

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

	Group 2023 £000	Group 2022 £000
Net income/expenditure for the year (as per Statement of Financial Activities)	2,574	(273)
Adjustments for:		
Depreciation, profit on sale and amortisation	153	219
Losses on investments	17	119
Dividends, interests and rents from investments	(232)	(70)
Decrease/(increase) in stocks	60	(30)
Decrease/(increase) in debtors	3,936	(1,034)
(Decrease)/increase in creditors	(4,817)	1,337
(Decrease) / increase in pension provision	-	3
(Decrease) in other provisions	(99)	-
Net cash provided by operating activities	<u>1,592</u>	<u>271</u>

**Notes to the financial statements
For the year ended 31 July 2023**

23. Analysis of cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash in hand	1,526	3,075
Cash held with investments	-	4
Total cash and cash equivalents	1,526	3,079

24. Analysis of changes in net debt

	At 1 August 2022 £000	Cash flows £000	At 31 July 2023 £000
Cash at bank and in hand	3,075	(1,549)	1,526
Cash held with investments	4	(4)	-
Fixed term deposits	-	15,000	15,000
	3,079	13,447	16,526

**Notes to the financial statements
For the year ended 31 July 2023**

25. Pension scheme

The Charity previously operated two pension schemes, a defined contribution scheme that was available to new employees and a defined benefit scheme that closed to future accrual on 31 March 2009. Contributions to the defined benefit scheme for the year were £50,000 (2022 -£100,000).

On 31 March 2023, the Charity sold all of its operations. The defined benefit scheme was transferred with them under the terms of the sale agreement.

The most recent full actuarial valuation was completed as at 31 December 2019 and the results from that valuation were updated to 31 July 2022 by a qualified independent actuary, using the following principal assumptions:

Discount rate - 3.5%
Price inflation (CPI) - 2.8%
Pension increases pre 2006 excess over GMP - 2.8%
Pension increases post 2006 pension - 2.0%

Assumed life expectations on retirement age at age 60 were:

Retiring today - Males - 27.1
Retiring today - Females - 29.7
Retiring in 20 years' time - Males - 28.6
Retiring in 20 years' time - Females - 31.1

The assets in the scheme at that date were:

	£000
Investment fund	14,062
Matching fund	25,267
	<u>39,329</u>

The actual return on assets over the year ended 31 July 2022 was £(7,779,000).

The irrecoverable surplus in the scheme at 31 July 2022 was £2,425,000.

26. Operating lease commitments

At 31 July 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Not later than 1 year	-	943	-	943
Later than 1 year and not later than 5 years	-	2,790	-	2,790
Later than 5 years	-	854	-	854
	<u>-</u>	<u>4,587</u>	<u>-</u>	<u>4,587</u>

The London Foundation for Banking & Finance

Notes to the financial statements For the year ended 31 July 2023

27. Related party transactions

The London Foundation for Banking & Finance has taken advantage of the exemption available under FRS102 Related Party Transactions not to disclose transactions included within the group.

The London **Foundation** for Banking & Finance

(previously called The London
Institute of Banking & Finance)

We are The London Foundation for Banking & Finance, a charity incorporated by Royal Charter dedicated to supporting knowledge and lifelong education in financial services.