



1509 Group

Annual Report & Financial Statements

For the Year Ended

31st July 2022

Charity Number 1084866
Company Number 4104101

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Directors

1509 Group is holding company of a number of organisations. All directors and members of 1509 Group are directors of Royal Grammar School Guildford and all are governors of the School.

DIRECTORS OF THE COMPANY			Appointed by
F,N, E,P	Mrs S K Creedy MA	Chairman of Governors	Board – co-opted
F, N,P	Mr P G Peel FCA	Chairman of the Finance and General Purposes Committee and Vice Chairman of Governors	Board – co-opted
E, N	Mr C D Barnett MA PGCE	Chairman of Education Committee and Vice Chairman of Governors Chairman of Nominations Committee. Resigned December 2021	Board – co-opted
P,N, E	Rev R L Cotton MA Dip Th	Chairman of RGSG Prep Committee. Vice Chairman of Governors from December 2021	Bishop of Guildford
F	Mr PW Fell BA FCA		Board – co-opted
E	Mr SGS Gimson, MSc (Def Tech)		Surrey County Council
E	Mr NEJ Vineall KC MA		Board – co-opted
MEMBERS OF THE COMPANY			
N, P	Mr CT Shorter CEng MIMStructE FConSE FFB	Resigned July 2022	Board – co-opted
F	Mr D J Counsell FCA		Board – co-opted
E	Professor SC Price MSc PhD FBTS ERT FHEA		Board – co-opted
E	Dr L S K Linton MA MB ChB MRCP		Staff
	The Earl of Onslow, High Steward of Guildford		Ex Officio
F	Mr J D Fairley BA		Board – co-opted
F	Mrs H Styche-Patel BSc, MBA		Board – co-opted
E	Mrs F E Carter BA PGCE	Appointed March 2022	RGSG Prep Parents’ Association (LPA)
F	Ms K Spasic ACMA CGMA	Appointed December 2021	Board – co-opted
P	Ms N Nelson-Smith		Guildford Borough Council
F	Mrs M-L Logue	Resigned LPA March 2022 Board co-opted March 2022	Board – co-opted
E	Prof MJ Humphreys MBE PhD LLB PFHEA		University of London
P	Mrs K Atkinson BDS		Board – co-opted
F	Mr T Lingard BSc MINSTP		RGSG Parents’ Association
E	Prof H Treharne BSc MSc PhD SFHEA FBCS		University of Surrey
E	Mr M Windsor		Board – co-opted
	Mr D Booth	Appointed May 2022	Ex Officio
F	Members of the Finance and General Purposes Committee		
P	RGSG Prep Committee		
E	Members of the Education Committee (formerly the Academic Committee)		
N	Members of the Nominations Committee		
Officers			
	The Headmaster	Dr JM Cox BSc PhD	
	Secretary & Treasurer	Mr RA Ukiah MA	
	The Head (RGSG Prep)	Mr T Freeman-Day	

Registered Office

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Principal Bankers

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Guildford Commercial Office
PO Box 1, 2nd Floor G3
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Auditors & Tax Advisors

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW

Principal Solicitors

Moore Barlow LLP
The Oriel
Sydenham Road
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Surrey GU1 3SR

The Members and Directors of 1509 Group present its annual report (including the Directors' Report and Strategic Report) together with the audited accounts for the year ended 31st July 2022 and confirm that it complies with the requirements of the Companies Act 2006, Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) 2019.

DIRECTORS' REPORT

THE STATUS OF THE GROUP

1509 Group (the Group) is a registered charity, number 1084866, and a company limited by guarantee, number 4104101.

1509 Group is the holding company of a number of subsidiaries which are outlined below. Further details of the organisational structure are included in the Group Structure and Relationships section.

- Royal Grammar School Guildford ('the School', 'RGSG') - a company limited by guarantee, company registration number 10874615 and charity number 1177353.
- Royal Grammar School, Guildford Foundation - a charitable company, company number 4232306 and charity number 1089955.
- The RGS Guildford International Limited – company number 09633181.
- The RGS Guildford International (Dubai) Ltd company number 11422203.
- The RGS Guildford International (China) Ltd company number 12104378.
- The RGS Guildford International (Oman) Ltd company number 13833679 (dormant)
- RGS Guildford Enterprises Ltd company number 12248925 (dormant)

Royal Grammar School Guildford ('The School', 'RGSG') is a company registered by guarantee incorporated in England and Wales, company number 10874615. It is also a registered charity, registered charity number 1177353.

The company Royal Grammar School Guildford is a subsidiary of 1509 Group, which is the sole shareholder of the School, company number 4104101 and charity number 1084866.

The School is a single entity operating on two school sites: the Royal Grammar School Guildford (RGSG) educates boys aged 11-18 while RGS Prep's pupils are aged 3-11.

As a result of its special relationship with the Cathedral (being the Choir School for the Cathedral) and with the Bishop of Guildford nominating a Governor, Royal Grammar School Guildford is designated as 'a School with a Religious Character'.

GOVERNANCE AND MANAGEMENT

Governing Body

Details of the directors and members of the Group, together with the Group's officers and principal advisers, are given on pages 1-2.

The directors and members are appointed from the governor body of Royal Grammar School Guildford. New governors are elected on the basis of nominations from the Nominations Committee based on the candidate's suitability for the vacancy.

The directors and members are aware of The Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The directors and members are satisfied that the Group applies the principles of the code within its current Governance arrangements.

Recruitment and Training of Governors

The Nominations Committee oversees the identification of potential governors and their induction. New governors are provided with the opportunity to view the School, provided with relevant background material about the School and the role of a charity trustee and provided with an experienced governor as a mentor during first year of appointment. Opportunities are provided to attend School events that may give insight into the working of the School and appropriate training courses are offered to governors. Particular attention is given to the identification of suitable courses for new governors. During the year governors attended seminars to enable them to remain up to date. The Chairman participates in the Chairman of Governors' Forum.

Organisational Management

The Board of Governors has established permanent committees: the Finance and General Purposes Committee to supervise the management and administration of the Group and School's affairs; the Education Committee to oversee curricular and educational matters; the RGSG Prep Committee to oversee all matters pertaining to RGSG Prep; and the Nominations Committee to review arrangements for the nomination of Directors of the Company and appointments to the Board of Governors and its committees, as well as conduct an annual review of strategic issues. Panels of Governors are selected to form disciplinary and appeals committees as required.

The Chairs of these Committees in the year were as follows:

Education Committee	Mr C Barnett – to December 2021 Mr M Windsor – from January 2022
RGSG Prep Committee	Rev RL Cotton
Finance and General Purposes Committee	Mr PG Peel
Nominations Committee	Mr C Barnett – to December 2021 Rev RL Cotton – from December 2021

There is a separate trust board for Royal Grammar School, Guildford Foundation and separate boards of directors for each of the subsidiaries which are not charities.

The Chief Operating Officer oversees the general business operations of the Group and in particular focuses on long-term building programmes, international developments and wider business opportunities, with the day to day running of the School delegated to the Heads and the Bursar. The Heads and Bursar are in turn supported by their Senior Management Teams and together these groups are the key management personnel.

Remuneration is set by the Board, with the objective of providing a competitive package to attract and retain the best possible staff.

The appropriateness and the relevance of remuneration is reviewed annually, including reference to benchmarking data of other similar independent schools to ensure that the Group remains sensitive to the broader issues of pay and employment conditions elsewhere.

The Group aims to recruit the best possible staff in all areas and from the widest pool of talent. Delivery of the Group's charitable vision and purpose is primarily dependent on key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

1509 Group is the holding company which retains control of Royal Grammar School Guildford and all other subsidiaries. 1509 Group is the sole voting member of The Royal Grammar School, Guildford Foundation ('the Foundation'), which works to promote, provide for and raise funds for the School. The Foundation is a charitable

company (company number 4232306 and charity number 1089955) and is also a subsidiary of 1509 Group. Considering the financial and non-financial benefit provided by the Foundation, the School has agreed to provide operational resources for the Foundation free of charge.

RGS Guildford International Ltd (company number 09633181), RGS Guildford International (Dubai) Ltd (company number 11422203) and RGS Guildford International (China) Ltd (company number 12104378) are all subsidiaries of the 1509 Group and supply intellectual property and guidance to our partners in Qatar, Dubai and China, to support the development and ongoing operation of their schools.

All companies are registered in England and Wales. All companies report independently but their figures are consolidated into those of 1509 Group.

Engagement with Employees and Employee Interests

Taking care of our people

The directors recognise the enormous contribution made by all staff and the importance of valuing and developing staff. The group reserves an extensive budget for training and development and staff are encouraged to consider their personal and professional development. The well-being of staff is of paramount importance, and mechanisms are in place to support staff and colleagues. This ranges from regular catch-up sessions with line managers, staff social events and school wide events to support from the school counsellor, school nurse and head of human resources.

Communication

Regular updates, meetings and briefings are provided to staff on the day to day operations of the organisation as well as sharing high level changes within the organisation as these arise. Financial updates are provided to staff so they are kept briefed on the financial stability of the organisation or risks that may be facing the group or the sector.

Staff observers are invited to attend the full board of directors' meetings, so they are aware of the high level issues being discussed.

Strategy groups meet regularly to determine the future direction of a range of areas within the School and each group contains a mix of staff who have volunteered to be a member of each group.

Benefits

Staff are eligible for a range of employee benefits including employer contributions to pensions and healthcare. Attention is paid to ensure that packages offered remain competitive against the market. Incentive schemes are not considered appropriate to our school environment and ethos, but success is shared and genuinely celebrated across the organisation, which operates in a supportive and collegiate manner to ensure that staff feel valued.

Training and Development

There are many opportunities for staff to develop their skills through training courses or taking on different roles within the organisation. Several staff have been trained as coaches and now coach and develop others. Staff have the opportunity to apply for additional responsibilities within the organisation and, on many occasions, senior roles are filled internally rather than bringing in external candidates. In general, staff who leave go on to more senior roles within other organisations.

Health and Safety

There is a health and safety policy group which covers the whole organisation, with separate committees for each site. These committees are formed of a range of staff based at each site and focus on the immediate needs of that site. All staff are trained in the key elements of health and safety and understand that everyone has a part to play in this area. A full time health and safety manager ensures that adequate time and resource is devoted to this area.

Diversity and Inclusion

The directors seek to recruit and retain the best staff they can and encourage applications from as wide a range of candidates as possible. We welcome all employees regardless of their age, gender, faith, disability, ethnic or racial origin, sexual orientation or gender identity. We take care to ensure that our employment policies and

practices are non-discriminatory and that all appointments are made solely on the basis of merit. As a result of an independent review of our recruitment process, a full-time recruitment manager has been appointed and other recommendations implemented.

It is part of our ethos that all our people have a fundamental right to respect and dignity in the workplace. We actively promote these behaviours and do not tolerate disrespect or discrimination in any form. We continually review how we can best promote and advance a culture in which all staff feel comfortable being themselves in the workplace and to ensure a diverse workforce is recruited for the benefit of the pupils and the wider organisation. A working party meets regularly to seek to further improve the School's performance in this area on an ongoing basis.

All staff and governors continue to receive diversity and inclusion training.

Stakeholder Relations

1509 Group has a wide community of stakeholders including pupils, employees, parents of pupils, directors, suppliers and our local community. As further outlined in the Strategic Report, a wide range of activities is undertaken by pupils and staff as part of the local and extended community. The directors aim for the organisation to be run in the best possible way and strict adherence to regulatory and legal requirements is of paramount importance. RGSG is inspected by the Independent Schools Inspectorate and this covers compliance with a range of regulatory matters as well as the educational provision for pupils. The financial operations of the all subsidiaries are independently audited each year and other audits and regulatory inspections happen on a regular basis. There is a wide range of policies for staff which set out what is expected in respect of Health and Safety, GDPR, Safeguarding, anti-bribery and corruption through to whistle blowing and a staff code of conduct. The IT systems are carefully managed to ensure the safety and security of all data. Staff use devices issued by the organisation and training and security measures are regularly reviewed and updated. General Data Protection Regulations are complied with and any new systems or associated processes are subject to a risk assessment to ensure they are compliant with the existing systems. Staff receive training and updates in this area.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the charity to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The charity is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity 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 the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE VALUES AND AIMS OF THE GROUP

The object of the holding company, 1509 Group, is 'to promote and provide for the advancement of education in the United Kingdom and any part of the World and, in particular, but without limitation to the foregoing:

- to conduct, acquire and carry on, any boarding or day schools for the education of children of either sex or both sexes in all disciplines and fields of study, or otherwise provide education to persons, and
- provide scholarships, exhibitions and bursaries for young persons, to enable them to further their education

The Group's objects are fulfilled through the running of the School and other subsidiaries, whose activities and financial performance are reflected in these statements.

The object of the School, as described in its charity commission scheme, is the provision in or near Guildford of either a day school or a day and boarding school for boys, and ancillary thereto, the advancement of education. A preparatory school may be maintained at the discretion of the charity.

The current School priorities are:

- Collaboration;
- Diversity and Inclusion;
- Student Experience

In pursuit of these aims, RGSG holds and promotes the following values:

- Inclusivity: we remain loyal to our founding principles to educate bright local students, irrespective of background or financial circumstances, and we inherently believe in establishing a culture of diversity and acceptance, and in educating our students in a welcoming, tolerant community where each individual is valued and enjoys a deep sense of belonging.
- Scholarship: we encourage the growth of intellectual curiosity, independence, creativity, innovation and habits of learning within a scholarly community through inspirational subject specialists who provoke and stretch the students' minds and inculcate a lifelong love of learning.
- Integrity: we promote the development of self-discipline and responsibility, spirituality and a personal moral code, and cultivate an ethos where qualities of decency, honesty, courtesy, humility and good humour are celebrated.
- Respect: we nurture an atmosphere of mutual respect between all members of our community, and foster self-respect and self-esteem in terms of physical health, emotional maturity and personal well-being, while establishing lasting friendships in a positive, happy environment.
- Courage: we develop leadership, teamwork, resilience and life skills through a diverse range of activities where all students, regardless of their talents and attributes, are encouraged to challenge themselves, take appropriate risks and work hard to fulfil their potential.
- Collaboration: we work closely with others for mutual enrichment, and encourage a spirit of generosity and service, a sense of perspective, and a firm belief that we can work in partnership with others, locally and internationally, to make a difference and have a positive impact on society.

The Directors aim to provide public benefit and are mindful of the requirements of the Charities Act 2011. The Directors have monitored closely the guidance on public benefit produced by the Charities Commission together with its supplementary guidance on fee-charging.

STRATEGIES TO ACHIEVE THE AIMS OF THE SCHOOL

The Directors' objectives for the School are established to deliver a wide-ranging, high quality education to students from Guildford and the surrounding area.

The School is focused on achieving the School's main objective and has developed both long term and short-term plans to achieve this. Governors monitor the School's progress by regularly reviewing the academic and extra-curricular work. This is achieved through the Education Committee and RGSG Prep Committee plus a programme of Governor visits.

All pupils are now required to have a specified mobile personal computer to support quality remote and in-class teaching and learning. The School continues to evolve its strategy around use of devices, to seek continuous improvements and achieve the best educational outcomes and to mitigate against future disturbances.

RGS Guildford has established an exceptional educational reputation in the UK. We have decided to develop this by opening first class schools overseas. RGS Guildford Qatar opened in 2016, RGS Guildford Nanjing opened in September 2020 and, most recently, RGS Guildford Dubai opened in September 2021. Opportunities to open further schools are being explored.

These schools are being opened together with local partners and are long term collaborations which allow us to share our expertise globally while learning from other cultures. Our partners share our educational ethos and have the desire and resources to deliver international schools with fantastic facilities that will share our values.

The reasons for our international expansion are many: partnership; engagement in global cultures; enhanced reputation for the school; and an income which will be used primarily to support bursary funding for boys attending our school in Guildford.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

Royal Grammar School Guildford

The School was pleased to welcome the Independent Schools Inspectorate to Royal Grammar School Guildford – Senior and Prep - in February 2022 and they spoke in glowing terms about all aspects of school life. The School was awarded "Excellent", the highest possible rating, in every category. The report celebrated the quality of our boys' academic and other achievements, as well as their personal development. In particular, the inspectors captured the essence and spirit of the School which makes us such a close-knit and special community where the richness of opportunity, as well as the culture of humility and decency, tolerance and mutual respect are noted as defining qualities.

The report can be accessed in full, from both the School and the ISI website.

After an extended period of disruption due to the pandemic, we enjoyed a return to more normal routines both in terms of teaching and the co-curricular life of the School. At the Senior school, following two years of Centre Assessed Grades and Teacher Assessed Grades, students sat formal public examinations for the first time since 2019. The School achieved another outstanding set of A Level results: the most common grade achieved by RGSG students was the A* with 50.1% of all grades being the top, gold-star standard. 80.9% of all grades – or in total 334 grades – were awarded at A* or A. From a cohort of 129 students, 42 boys achieved 3 or more A*s: an incredible achievement in traditionally robust, rigorous subjects. At GCSE, the most common grade achieved by our students was the gold-standard grade 9; in total 874 grade 9s were achieved, 56% of all grades. In addition, 386 grade 8s were also secured by this impressive cohort: 80% of grades were at grade 9 or 8. 78 students achieved ten or more grade 8 and 9s; 30 boys secured 10 or more grade 9s.

RGSg students continued to secure places on the most competitive courses at the leading universities in the country; 95% of all offers held to UK institutions were to Russell Group Universities or Times Top 20 institutions. Of a talented cohort, 14 students received offers from Cambridge and Oxford Universities; in the last 10 years, RGSg boys have received just under 300 offers from Oxford and Cambridge Universities. Cambridge, Exeter, Durham and Bath have been in the top five every year for the last six years in terms of the number of RGSg boys accepting places; Exeter was the most popular university destination, closely followed by Bristol and Durham. Again this year, RGSg boys were accepted to study a wide range of different courses at university ranging from Modern Languages to Medicine, Physics to PPE and Economics to Engineering. Sciences as well as business/management/finance/economics and also engineering remained the most popular choices.

RGSg Prep students were awarded 9 scholarships for their chosen senior schools, including Music, Drama, Sport and Academic scholarships. A further 15 scholarships were offered but declined. In total 18 students received scholarship offers. Other academic achievements included bronze, silver or gold awards for 47 pupils in the Junior Maths Challenge and awards to 10 pupils from the Primary Maths Challenge bonus round.

A full and varied co-curricular programme provided the springboard for diverse achievement and experience, as well as the further nurturing of the Learning Habits and School Values which are at the heart of school life. The following provides a very brief and selective overview:

- Charitable initiatives and volunteering opportunities abounded as RGSg boys of all ages and staff gave practical, hands-on help and support to a number of local, environmental and community initiatives.
- £25,000 was raised for the nominated school charities during the year, as the School continued to adhere to its value of service to make a difference to others, with fundraising from small to grand scale – cake and doughnut sales, home clothes days and House charity events and Harvest food bank drives.
- The School continued to nurture and establish partnerships with local partners and those further afield to share our expertise from an academic, co-curricular and philanthropic perspective. Our Masterclass programme, our Tudor project and our Strings Scheme were just some of the events which stretched and challenged local pupils.
- Academic, adventurous, cultural and sporting trips made a welcome return after the pandemic, as the School continued to look for every opportunity to support learning inside and outside the classroom.
- A significant number of boys achieved national or international sporting recognition from the mainstream sports to more minor sports. The School continued to impress on a challenging circuit in the major sports – rugby, hockey, and cricket – as well as enjoying notable success in fencing, shooting, skiing and sailing, among others.
- From the Arts' perspective, concerts, plays and exhibitions of breath-taking quality were experienced by parents, residents and the wider community: both staged at school as well as at a number of local and national venues. The Choristers continued to perform wonderfully at Evensong and Sunday services alongside additional performances, including with world-renowned conductor John Rutter.
- RGSg boys enjoyed national profile in the Model United Nations, Young Enterprise, Science Olympiads, debating, national essay and engineering competitions. Of particular note were our Young Enterprise Company Showersmart who, after being crowned Best Overall Company in the Young Enterprise National South-East region, went on to participate in the UK finals.

Public benefit

The main beneficiaries of the School's work are boys aged 3 to 18 attending the School. Governors have given due consideration to the Charities Commission guidance on Public Benefit under Charities Act 2011 when considering activities in this area.

Governors wish the School's education to be widely available and so bursary applications are welcomed from families who could not otherwise afford to send their son to the School. Support is given to cover up to 100% of fees. In certain circumstances support for lunches, travel costs, course and examination fees are also considered on top of this.

In the year, 73 boys benefitted from bursary funding of over £1 million.

In addition to bursaries, the School gives opportunities to pupils of local schools to share the School's expertise, facilities and resources, and contributes widely to the local community in many ways. The School is also involved in developing relationships and partnerships with an ever widening range of educational organisations.

- The School is an associate member of the local Learning Partners (LP) Multi Academy Trust (MAT). The Headmaster of RGSG is an LP Trustee, an RGSG Deputy Head is a member of the Guildford County School Governing Board, the RGSG Bursar is a member of the Sandfield Primary School Governing Board, the RGSG head of human resources a member of Loseley Fields Primary School Governing Board and an Assistant Head a member of the Kings College Governing Board.
 - Some RGSG staff are deployed to teach in LP schools: Throughout the year RGSG staff provided Physics tuition for Y11 Kings College pupils, Physics tuition for A-Level Fullbrook School pupils and French lessons for Y5&6 Sandfield Primary School pupils. Additionally, during the Summer Term, Chemistry revision classes were provided for Y13 Fullbrook School Pupils.
 - The Enquiring Teacher Partnership, which facilitates teachers engaging in action research in their schools, is a flagship partnership programme and is jointly led and administrated with the LP schools and Epsom College. RGSG oversaw the publication of the 2021 "Enquiring Schools: A Journal of Evidence-Based Enquiry"; This annual record is a wonderful publication bringing together all of the research from last academic year. Additionally, RGSG hosted the end-of-programme celebration dinner where participants presented their findings to an audience of headteachers, governors and trustees.
 - As part of our partnership with LP, the School continued to support specifically a local Secondary School (Kings College). An RGSG Assistant Head continued to act as the Governor with specific responsibility for Safeguarding. The RGSG Physics department continued to support the Kings triple science pupils by delivery of Physics lessons and revision classes. Pleasingly we were able to resume the Y9 Problem Solving Maths sessions for Kings pupils delivered by our Sixth Form via the P8 programme.
 - The RGSG Head of History and a teacher of English, both visited George Abbot School to deliver a CPD session regarding challenging and stretching more able students. Delegates in attendance included trainee teachers from across Surrey and Hampshire. Discussion included differentiating work towards the higher end of the ability spectrum, making work more engaging through academia and use of the Harkness discussion method at the RGSG and how it can be easily transferred to any classroom.
 - Following the success of last year, an RGSG Physics teacher supported Science events at LP Primary schools (Loseley Fields, Boxgrove and Guildford Grove) by delivering practical Science enrichment activities.
 - Working with the Headteacher at Sandfield we established a mentoring scheme with 8 of our Y11 pupils supporting 8 Sandfield Y6 pupils. The programme was designed by the Sandfield Headteacher and the RGSG pupils were given training in mentoring as well as safeguarding. The RGSG pupils volunteered during their lunchtimes and independently walked to Sandfield – the scheme featured in the Sandfield newsletter.
 - Working with the Northmead Junior School Headteacher, we established a reading mentoring scheme with four of our Y9 pupils travelling to Northmead to support a small group of their target boys in Y5/6 to help with their reading.
- The School is a member of the Guildford 11-19 Partnership, which mainly exists to help pupils most at risk of dropping out of school by offering alternative educational provision. It also provides links to other

educational providers and sharing of provision. In the past year the RGSG Assistant Head Partnerships chaired the Steering Group. RGSG continued to lead an innovative project to enable any pupil at member schools to attend a joint programme of academic enrichment events (IMAG). In 2021-22 we ran 12 events at 7 different locations with a total of over 200 students attending from 9 different schools. (www.imag.education)

- Several Royal Grammar School Guildford staff act as governors or trustees at other schools and organisations:
 - Learning Partners MAT (LP)- Board Trustee
 - Merchant Taylors' School - Governor (Indep.)
 - Bourne Education Trust MAT – Board Trustee
 - Aldro School - Governor (Indep.)
 - Guildford County School - Community Governor (LP)
 - Sandfield School, Community - Governor (LP)
 - Hampton Wick School, Kingston - Governor
 - Kings College - Governor, Safeguarding (LP)
 - Loseley Fields - Primary School Governor, Chair of the Resources committee, Safeguarding (LP)
 - Raleigh School, West Horsley - H&S Governor
 - Pond Meadow School, Bellfields - Children & Learning committee
 - Broadwater School - Finance & Resources Governor
 - Heathlands School, Hounslow - Governor
 - Twickenham School, Whitton - Governor
 - Busbridge Junior School - Parent Governor
 - Twickenham Prep School - Governor, Education and Planning committee (Indep.)
 - Walsh C of E primary school, Ash - Governor
 - Southern Pro Musica - Educational Outreach Officer
- The School also supports significant Outreach programmes for Primary and secondary pupils. For example:
 - The **RGSG Strings Scheme** teaches all year 4 pupils in three Guildford primary schools (St Thomas', Sandfield and Boxgrove) to play the violin or cello through weekly sessions over the course of a year. Over 200 pupils now take part in the scheme each week. Due to covid restrictions the usual concerts at RGSG were not possible, but school performances were and were also recorded for on-line sharing with parents. This scheme is only possible due to the generous support of our principal donors: The Investec International Music Festival (IIMF), Community Foundation for Surrey (CFS), Southern Pro Musica Orchestra and Mila Charity. The 'Strictly Strings Orchestra' hosted at RGSG allows approximately 30 graduates of the string Schemes to continue to play in an orchestra to complement their individual tuition. This orchestra is generously funded by Southern Pro Musica and The Mila Trust. The orchestra continued with social distancing and performed a concert at the end of the year live for parents.
 - Pleasingly, **RGSG Primary Masterclasses** were possible again and we hosted c.120 Y6 pupils from over 20 different Primary schools for lessons on four Saturday mornings in September and October. Students picked from a suite of six 'strands': Creative Arts (Drama, Music, Art, Writing); Design Technology; Humanities (History, Politics, Geography, RE); Mathematics; MFL (Arabic, Chinese, Russian, Japanese); and Science (Biology, Chemistry, Physics, Forensics). We receive wonderful feedback from these sessions which are designed to provide inspirational, stretching and enriching lessons to boost confidence and aid transition to secondary school. Comments included: *"Everyone was so warm and welcoming, this is a fantastic opportunity for my son. He got to do so much, making biodegradable plastic and dissecting a heart was definitely a highlight but all the teachers made lessons so much fun."*; *"Thank you so much to you and your team for sacrificing your Saturday.... Wilf & Toby were full of praise for your Masterclass they attended this morning. They really enjoyed the entire RGSG experience, and they are both looking forward to next week's sessions."*

- The **Primary Tudor Experience** was still disrupted by Covid restrictions in the 2021-22 year as some visiting schools were still not running trips. However, we did host 2-3 schools who study the Tudors in Y5. The aim is to build on their knowledge of the Tudor period and develop a greater understanding of life at that time. Pupils learn about the history of the school in Tudor times and enjoy sessions on Tudor art, music and heraldry and finish by making a movie of their day.
- Our Sixth Form pupils are able to volunteer to support and to serve the local community via a number of different avenues: Charity fundraising for local national and international charities. Volunteering for conservation work and visits to local care homes; DoE volunteering; Period 8 activities and General Studies activities. In the latter two categories, our Sixth Form groups: Established and ran the chess club at Sandfield Primary; Delivered a Maths club, a chess club and Hockey club at Holy Trinity Primary School; Delivered Y9 Maths problem solving for Kings pupils; and visited Abbots Hospital residents to record oral histories.
- At secondary school level, pupils from other local schools are invited to attend various events each year; Although the offering was still reduced this year, other schools were invited to attend lectures or events, for example: The RGSG Scholarship Conference, Classics Society lectures and a robotics talk; the Careers Seminars, drama and music performances, author visits etc. Academic support was also given to pupils from other schools (such as Fullbrook School, George Abbot School, Guildford County School) for preparation with Oxbridge and medical school interviews as well as more general university application advice by a range of departments. A representative from George Abbot school was co-ordinating on behalf of the wider academy trust and said *"RGSG was a huge support to some of our Early Entry candidates... Many thanks for your support and working with Guildford state schools."*
- At an international level, the Royal Grammar School, working in partnership with Tormead School, has close links with schools in Besisahar, Nepal. Unfortunately, no exchanges were possible in the 2021-2022 year but, as soon as travel restrictions were lifted, plans were made for pupil expeditions in the coming years.
- During the 2021-22 year we also established some links with a couple of Refugee charities. We were able to provide facilities to host two new events:
 - On Tuesdays throughout the summer holidays, the Sixth Form Centre and quad hosted the GUkraine organisation for a drop in Ukrainian Hub. Each session saw about 100 people – mainly women and children – for a variety of activities from art/craft to chess to nail/beauty to table tennis and, of course, shared food, drinks and chat. The final Tuesday had a party atmosphere with live music, balloons and cake; The Mayor and Mayoress (Denis and Mary Booth) attended as guests of honour. Debra of GUkraine commented: *"We cannot thank you and RGSG enough for the amazing support you have given to GUkraine and the Ukrainian community in Guildford / surrounding villages. Without you this would not have been possible. The final party was amazing, but so too were each of the Tuesdays in their own way."*
 - We also hosted the 'Big Leaf' charity to run an informal evening of football. Big Leaf work with 16-25 year-old displaced people from any country. Local accountancy firm Aristar Accounting Sponsored the event and their staff and some RGSG pupils participated.
- Other outreach included:
 - **Art:** During the Lent term and the Easter Holiday, the Art department worked with Stamford Green Primary school students to design and paint a mural: *"I would like to thank you for the art resources that you donated to Stamford Green Primary school and for sourcing cover for Ruth to attend a school trip with us as part of our exciting mural project for disadvantaged children. The children are very lucky to have Ruth on board and we appreciate your generosity. Art co-ordinator at Stamford Green"*
 - **Heritage Open Day:** is hosted annually, when the tudor Old Building and chained library is open to members of the public.

- **Library:** As part of Guildford Book Festival, RGSG hosted author Chris Wakling to speak to RGSG pupils and also pupils from nearby Sandfield school. Separately, the School librarian visited Guildford Grove school to provide advice on options for developing their library space.
- **Model United Nations:** The first 'in-person' Model United Nations conference since 2019 was hosted at the school in November 2021, with over 150 delegates from 9 schools.
- **Careers –** Over 60 pupils from St John the Baptist; St Peter's; St Catherine's; Heathside; George Abbot; Collingwood; Tormead; Guildford County attended our 6th form Careers in Engineering Seminar.
- **Careers:** On Friday 29 April the RGSG opened its doors for the annual Careers Convention and welcomed over 250 people to the event. We had invited 7 other local schools (Guildford County, George Abbot, King's College, Christ's College, St Peter's, GHS and Tormead). After missing a year, students were extremely grateful to have the opportunity to discuss career possibilities face-to-face.

SECTION 172 (1) STATEMENT

The Directors of a Company must act in accordance with a set of general duties. These duties are detailed in in section 172 (1) of the U.K. Companies Act 2006, which is summarised as follows with reference to Charitable Companies

'A Director of a Company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company in achieving its charitable purposes, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Company's employees
3. The need to foster the Company's business relationships with suppliers, beneficiaries and others
4. The impact of the Company's operations on the community and the environment
5. The desirability of the Company maintaining a reputation for high standards of business conduct, and
6. The need to act fairly as between beneficiaries of the Company

Beneficiaries

The beneficiaries of the organisation are the pupils, and the Directors aim to ensure they are provided with the highest quality of education available, in terms of academic, co-curricular and pastoral input. Our aims and performance in this area are further detailed under the headings **The values and aims of the group and achievements and performance**, above.

Employees

All staff, both teachers and support staff, work hard to achieve the School's aims in delivering the highest possible standard of education to the pupils. It is the hard work, dedication and professionalism of these staff that achieve the outcomes for the pupils.

The recruitment, retention, development and welfare of staff is crucial to the successful running of the organisation and is considered, by the directors, to be of great importance. Further detail is provided under **Organisational Management** in the Directors' report.

Community and Environment

The school is at the heart of the Guildford community and many activities take place that involve the local and wider community. This ranges from pupil and staff fundraising and participation in events to the sharing of resources with others. Extensive details on this are provided in the **Public benefit** section of the Strategic Report.

Decision making, risk management and governance and performance oversight

The full board of directors meets three times a year with additional committee meetings taking place each term. As outlined under **Organisational Management** in the Directors' report, each committee has a specific focus, but considers the overall impact of decisions on the wider organisation.

Culture and Values

The values of each school are embedded within the curriculum to form a way of life for both pupils and staff.

ENERGY AND EMISSIONS REPORT

Energy Consumption

Streamlined Energy & Carbon Reporting (SECR) is a legislative reporting requirement in the Directors' Report for Year Ends on or after 31 March 2020. It mandates that all large companies must report on their operational energy consumption and associated emissions.

A high level breakdown of energy used, and emissions generated by Royal Grammar School Guildford is included in the table below.

		kWh	Mileage	KgCO ₂ e	tCO ₂ e
Gas	2021-22	1,854,861	n/a	333,875	334
	2020-21	2,897,813	n/a	530,763	531
	2019-20	1,637,475	n/a	301,082	301
Electricity	2021-22	984,477	n/a	190,378	190
	2020-21	1,004,177	n/a	213,217	213
	2019-20	1,039,759	n/a	242,409	242
Transport	2021-22	73,368	49,240	17,608	18
	2020-21	86,800	56,000	20,559	21
	2019-20	108,173	68,900	26,023	26
Total	2021-22	2,912,715	49,240	541,861	542
	2020-21	3,988,790	56,000	764,540	765
	2019-20	2,785,407	68,900	569,515	570

UK energy use covers all educational and ancillary activities across the School.

Associated Greenhouse gases have been calculated using 2022 conversion factors advised by the UK Government Department for Business, Energy and Industrial Strategy.

Intensity Metric

An intensity metric gives an indicator of carbon performance calculated per unit of an operational driver of the Schools activities. For Royal Grammar School Guildford we have used the average number of pupils over the year as the relevant operational driver. **In 2021/22 1,289 pupils accounted for emissions of on average 542 kgCo₂e each (2020/21 1,288 pupils accounted for emissions of on average 765 kgCo₂e each).** The intensity metric for 2020/21 appears significantly higher than that reported for 19/20 and 21/22 and this is largely driven by gas consumption. During this year, school buildings remained open through the January to March lockdown for

children of essential workers and, from March 21 for all pupils. Classroom windows were kept open, to improve ventilation, for much of this time resulting in significant heat loss and consequently gas consumption. A return to more normal operating conditions was seen in 2021-22.

Continuing our rolling programme of maintenance and refurbishment, the School took the following energy efficient actions during the year:

- We continued our roll out of energy efficient LED fittings across all sites;
- Ongoing replacement of single glazed windows with double glazed units;
- Continued replacement of internal and external doors to reduce heat loss;
- Boilers replaced with more energy efficient models;
- Washroom areas which have been refurbished have had mixer taps with improved flow regulation and effective thermostatic mixing valves installed;
- During refurbishment works, use of skips is minimised in favour of appropriate recycling and use of registered waste carriers.

Additionally:

- A study has been carried out with the University of Surrey to monitor CO2 levels within the buildings;
- While planning for future building enhancements and developments, sustainability considerations have been a high priority;
- Food waste is collected separately and the volume closely monitored by our catering contractors;
- General and recycling waste is carefully monitored with placement and style of receptacles recently reviewed;
- Further electric car charging points have been installed.

FINANCIAL REVIEW

Results for the year

The Group is pleased to report the generation of a net increase in funds of £1.3m in the year ended 31st July 2022 (2021: £2.4m). £2.3m of this increase arose from the operation of the School and subsidiaries and included a very generous legacy of £1m in support of the School's bursary programme. Offsetting this result is an actuarial loss, now quantified and provided for, of withdrawal from the Surrey County Council Superannuation Fund of £1.1m (2021: unrealised actuarial gain £0.9m). The Group also generated a cash surplus which was sufficient to cover planned annual investment in its facilities, servicing of loan financing of major capital investment projects and increase the Group's cash balance at year end. This further strengthened the Group's ability to ensure that costs can be met as they fall due.

The value of fee remissions awarded varies from year to year, depending on prevailing circumstances and the needs of each cohort. While non means-tested remissions are being managed downwards, over time the value of means-tested remissions awarded is growing, in line with the School's ambition for its education to be as widely accessible as possible.

Total income includes investment income of £4k (2021: £1k) and also £1.4m (2021: £584k) of donations.

The 2021-22 school year saw a welcome return to uninterrupted in-person, on-site learning for the Royal Grammar School Guildford (RGSG). A full programme of sporting activities and clubs could resume and, from the Trinity term onwards, overseas trips could once more be planned. With the return to on-site learning and an increased range of activities, expenditure on resources and running of the school buildings returned to pre-pandemic levels.

With effect from 31st August 2021, the RGSG has elected to withdraw from the Surrey County Council Superannuation Fund and finalise its pension liability, in respect of this scheme, as at that date. A final valuation invoice for £1.7m, which is favourable to previous estimates, has been received from the Fund and is fully provided for in these accounts.

RGS Guildford Qatar has continued to operate successfully. The school educates around 680 students and is likely to increase numbers in coming years. A new secondary school building was opened in October 2022. Income arising from the Qatari school has returned to being received without significant delay.

RGSGI Dubai opened successfully in September 2021. The outlook for the school is good with steady increases in student numbers and income confidently expected.

In China, the operating environment for RGSGI Nanjing continues to be difficult due to covid restrictions and regulations on private education in China. We hope that the covid situation will improve over 2022-23 but predict that regulations on private education in China will continue to affect and may restrict future business opportunities of RGSGI China Ltd. Financial results, nonetheless, were favourable to budget.

With the ongoing war in Ukraine, we continue to see challenges around energy prices, rising interest rates, inflation and public finances and expect the economic outlook to remain unpredictable and turbulent for the immediate future. Despite this outlook, demand for the schools remain high and it is believed likely that pupil numbers will be maintained in the foreseeable future and collection of fee income continues to be positive. The Directors have considered the impact of these factors on the Group's operating model and financial position and this is further detailed in the 'Reserves level and policy, and financial viability' section, below.

Reserves level and policy, and financial viability

The vast majority of the Group's funds are held in the form of the buildings and physical assets of the School. At year end the Group reports total funds of £41.8m (2021: £40.6m) which includes £2.1m of unspent restricted income (2021: £1.1m). Net current assets – broadly equivalent to liquid reserves- of £8.3m were held at the end of the year (2021: £5.2m).

The Group seeks to carry sufficient but not significant levels of free reserves for contingency purposes. Throughout the year the level of liquid reserves was adequate to meet commitments as they fell due, without recourse to additional borrowing. Free reserves as at 31 July 2022 equalled £6.1m (2021: £5.4m).

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. Demand for places at the School remains strong. Nonetheless, these scenarios consider reduced pupil numbers, delayed fee payment and potential bad debts, cost inflation and increased interest rates. Sensitivity around these assumptions has also been considered in our forecasting. The scenarios also consider the terms and conditions of the existing bank facilities. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are sufficient to meet the charity's obligations as they fall due.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy, objectives and performance

The Group reviews its investment policy annually and adapts it if appropriate. The policy is based on the following principles:

- Prudent investment for income and growth based on the two principles of diversity and reduction of risk
- Speculative and very high-risk investments should be avoided
- Investments will be made in appropriate Common Investment Funds (CIFs) which have an established market and are readily realisable
- Account must be taken of the School's charitable status
- Appropriate advice should be sought from professional advisors on any proposal to invest other than in CIFs and, if necessary, on the choice of CIF
- Investments should be reviewed annually by the Finance and General Purposes Committee (F&GP)
- The Investment Policy should be reviewed and endorsed annually by the Governors

- Investments will be made on the instruction of the F&GP
- Money held as cash on behalf of Restricted funds will be credited with interest at the School's marginal borrowing rate
- Money held on deposit should be reviewed periodically to ensure that it is earning the maximum interest for the Schools.

The performance of investments has been in line with expectations.

For more detailed information about the Group's investments, please refer to note 7.

Fundraising

Fundraising for the Group's funding priorities is carried out by the Royal Grammar School, Guildford Foundation Limited, which raises funds for bursaries. The costs of the Foundation are met entirely by the School.

The Foundation's fundraising activities are exclusively carried out by an in-house staff team, funded by the School. The Foundation adheres to the Code of Fundraising Practice when undertaking fundraising activity. Fundraising activity is limited to those with an existing connection to the School and includes a limited amount of funding from Trusts. Major donor and one-to-one fundraising are the Foundation's key mode of fundraising which helps to ensure that philanthropic relationships are not developed with anyone who might be vulnerable or be in vulnerable circumstances.

FUTURE PLANS

The Group's development plans were agreed by Governors and are subject to annual review. The main plans for the next year to help the School achieve its objectives are:

- To fulfil the School's charitable aims by spreading educational best practice, offering bursaries, and benefitting the community.
- To continue to develop mutually beneficial partnerships with other educational establishments at a local, national and international level.
- To enhance further the support for students' and staff welfare and personal development.
- To foster outstanding teaching and learning
- To continue to work towards widening access to the School for students with limited means

These plans underpin individual detailed development plans for each area, which will enhance the Group's ability to provide an exceptional education.

RISK MANAGEMENT

The Directors have examined the principal areas of the Group's operations and considered the major risks faced in each of these areas. The risk assessment is updated at least annually, and more frequently if appropriate to take into account changing circumstances. The risk assessments are considered by the RGSG Education committee, the RGS Prep committee and the boards of the individual companies as appropriate before passing to the F&GP committee and the Board for discussion.

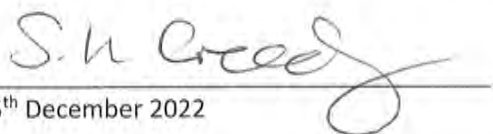
The main risks that have been identified are:

- Cyber-attack, causing major theft, loss or corruption of data or systems that could damage the school's operations, finances or reputation. The safety of systems is regularly reviewed along with the development of disaster recovery systems, the review of policies and passwords, with updates and training for staff on these.
- Failure to retain the Headmaster of the RGSG or RGSG Prep could detrimentally affect the schools' admissions and performance. The development of members of the senior team in each school and ongoing support of the governors will help reduce the impact of a change of Head.

- Uncertainties for the economy post Brexit could further affect parents' finances and could lead to increased debts to the school and burden on the hardship bursary provision. Careful consideration of budgeting, cost management and fee levels and debt management will be made and kept under review.
- Changes in the political climate could lead to the introduction of legislation that could lead to financial pressure on independent schools. The outcomes of policies publicised by political parties are kept under review.
- Incidents that have the potential to damage the reputation of the School. This could cover a wide range of incidents so careful consideration to legislation, regulations, school policies, health and safety etc must be maintained and reviewed by staff and governors to ensure compliance in all areas.
- Incidence of a pandemic adversely impacting on the schools' ability to deliver education combined with the economic impact affecting parents' finances and ability to pay school fees. Excellent remote teaching and learning capability was rolled out and enhanced by the school during the initial period of lockdown, significantly mitigating the risk of the schools being unable to deliver quality education. Special regular meetings of the Senior Management Teams of both schools are convened to address the emerging issues for Covid-19 on a day-by-day basis, with regular updates to directors, and performance against revised forecasts is reviewed regularly to monitor cash and resources. These continued throughout the Summer and remain ongoing in the following school year

The Group has established a review system and allocated sufficient resources to ensure that those risks identified have been mitigated to a level acceptable for the Group's day to day operations. The Group regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for the School and other group organisations.

The Annual Report which includes the Strategic Report was approved by the Charity and signed on its behalf by:



5th December 2022

Mrs S K Creedy

Independent Auditor's Report to the Members of 1509 Group

Opinion

We have audited the financial statements of the 1509 Group ('the charitable company') and its subsidiaries ('the group') for the year ended 31st July 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, 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 and the charitable company's affairs as at 31st July 2022 and of the group's income and receipts of endowments and expenditure, 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 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 group 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 trustee's 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 or the group'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 trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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 and proper accounting records have not been kept; or
- 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, employment legislation and general data protection legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws

and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of non-fee income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 16 December 2022

Consolidated	Note	Unrestricted Funds	Restricted Funds	2021-2022 Total	2020-2021 Total
		£000	£000	£000	£000
Income from:					
Charitable Activities					
School fees receivable	2 (a)	23,295	0	23,295	21,780
Other educational income	4 (a)	1,045	0	1,045	587
Other ancillary trading income	4 (b)	600	0	600	791
Donations and Legacies					
Donations and legacies		0	1,431	1,431	584
Investments					
Income from Investments		4	0	4	1
Other Income	4 (c)	273	0	273	189
Total Income		25,217	1,431	26,648	23,932
Expenditure on:					
Raising Funds					
Financing costs under					
Advance Fee contracts		2	0	2	2
Bank interest		66	0	66	50
Corporation Tax		0	0	0	1
Pension Commitment net financial Costs	17	0	0	0	76
Fundraising costs	5 (a)	68	0	68	129
Charitable activities					
Schools and grantmaking	5 (b)	23,859	362	24,221	22,301
Ancillary Trading		2	0	2	4
Total Expenditure		23,929	362	24,291	22,434
NET INCOMING FUNDS FROM OPERATIONS BEFORE TRANSFERS AND INVESTMENT GAINS					
		1,288	1,069	2,357	1,498
Net (losses)/gains on investments		(8)	0	(8)	(1)
Pension Cessation Actuarial (Loss)	17 (v)	(1,070)	0	(1,070)	0
NET INCOME		210	1,069	1,279	1,497
Transfers between funds	14 (d)	0	0	0	0
Pension Scheme Actuarial Gains/(Losses)	17 (v)	0	0	0	905
NET MOVEMENT IN FUNDS		210	1,069	1,279	2,402
Fund balances brought forward at 1 August 2021	21	39,509	1,060	40,569	38,167
FUND BALANCES carried forward at 31 July 2022		39,719	2,129	41,848	40,569

The School has no gains or losses that are not shown above. All operations are continuing.

The accounting policies and notes on pages 26 to 43 form part of these Financial Statements.

Company number 4104101

	Notes	2022 £000	2021 £000
FIXED ASSETS			
Investment in group company share capital		300	0
CURRENT ASSETS			
Cash		71	14
		<u>71</u>	<u>14</u>
CREDITORS: due within one year			
Amounts owed to the School for recharges	11	(6)	(5)
		<u>(6)</u>	<u>(5)</u>
NET CURRENT ASSETS		<u>65</u>	<u>9</u>
TOTAL NET ASSETS		<u><u>365</u></u>	<u><u>9</u></u>
Represented by:			
RESTRICTED FUNDS		13	13
UNRESTRICTED FUNDS		352	(4)
Total funds		<u><u>365</u></u>	<u><u>9</u></u>

The unconsolidated surplus of the company was £366,122 (2021: Deficit £970)

Approved by the Board of The 1509 Group on 5th December 2022 and signed on its behalf by:


)
) Board Member
)

)
) Board Member
)

The accounting policies and notes on pages 26 to 43 form part of these Financial Statements.

Company number 4104101
Consolidated

	Note	2022 £000	2021 £000
FIXED ASSETS			
Tangible fixed assets	7	38,093	39,106
Investment assets	8	153	160
		<u>38,246</u>	<u>39,266</u>
CURRENT ASSETS			
Stocks	9	87	77
Debtors	10	548	613
Cash and deposits		13,061	10,245
		<u>13,696</u>	<u>10,935</u>
CURRENT LIABILITIES			
Creditors payable within one year	11	(5,413)	(5,733)
Pension Scheme Liabilities	17 (i)	(1,754)	0
		<u></u>	<u></u>
NET CURRENT ASSETS		6,529	5,202
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,775</u>	<u>44,468</u>
CREDITORS: due after more than one year	12	(2,927)	(3,215)
NET ASSETS BEFORE PENSION SCHEME LIABILITIES		<u>41,848</u>	<u>41,253</u>
Pension Scheme Liabilities	17 (i)	0	(684)
		<u></u>	<u></u>
TOTAL NET ASSETS		<u>41,848</u>	<u>40,569</u>
Represented by:	14		
RESTRICTED FUNDS			
		2,129	1,060
UNRESTRICTED FUNDS			
Designated		33,644	34,113
General		6,075	5,396
UNRESTRICTED FUNDS		<u>39,719</u>	<u>39,509</u>
		<u></u>	<u></u>
TOTAL FUNDS		<u>41,848</u>	<u>40,569</u>

Approved by the Board of 1509 Group on 5th December 2022 and signed on behalf of the Company by:

)
) Board Member
)
)
)
) Board Member
)

The accounting policies and notes on pages 26 to 43 form part of these Financial Statements.

Consolidated	Note	£000	2022 £000	2021 £000
Net cash inflow from operations				
Net cash provided by operating activities			4,006	3,219
Cash flows from investing activities:				
Payments for tangible fixed assets	7	(584)	(468)	
Proceeds on sale of tangible fixed assets		7	68	
Additions to investments	8	0	1	
Withdrawals from investment portfolio	8	0	0	
Investment income and bank interest received		4	1	
Net cash (used in) investing activities			(573)	(398)
Cash flows from financing activities:				
Finance costs paid		(617)	(228)	
Net cash provided by financing activities			(617)	(228)
Change in cash and cash equivalents in the year			2,816	2,593
Cash and cash equivalents at 1 August 2021			10,245	7,652
Cash and cash equivalents at 31 July 2022			13,061	10,245

Net Cash Inflow from Operating Activities		2022	2021
Net incoming resources		2,357	1,498
Elimination of non-operating cash flows:			
- Investment Income		(4)	(1)
- Finance Costs		617	228
Defined benefit pension scheme adjustments	17	0	(233)
Depreciation	7	1,597	1,707
(Profit) on sale of fixed assets		(7)	(22)
(Increase)/Decrease in stocks		(10)	4
Decrease/(Increase) in debtors		65	(4)
(Decrease)/Increase in creditors		(773)	131
Increase/(Decrease) in fees in advance scheme creditors		63	(149)
Increase in parents' deposits		101	60
		4,006	3,219

Changes in Cash and Cash equivalents

Analysis of balances	Change in Year	2022	2021
Balances at 31 July			
Cash	0	4	4
Cash Equivalents (Deposits of < 3 Months)	2,816	13,057	10,241
Changes in Cash and Cash equivalents from the School's operations	2,816	13,061	10,245

The accounting policies and notes on pages 26 to 43 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, and the 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).

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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

They are drawn up under the historical cost convention as modified by the revaluation, at fair value, of investments.

At the time of approval of the Annual Report, turbulence continues to be experienced in the UK economy, with rising interest and inflation rates, and the long term impact on the charity, in common with other businesses, remains unknown. The charity holds significant cash balances supplemented, if needed, by an overdraft facility. Demand for school places at Royal Grammar School Guildford remains strong, with continuing high numbers enrolled for the academic year 2022/23. Collection of fee income continues to be robust. Conservative cash flow modelling with sensitivity analysis indicates that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due. Accordingly, the Directors believe the Group's financial resources are sufficient to ensure the Group will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

The functional currency of the Group is considered to be GBP because that is the currency of the primary economic environment in which the Group operates.

The Group is a Public Benefit Entity registered as a charity in England and Wales, Company Number 1084866, Charity Number 4104101. Its registered office is The Royal Grammar School Guildford, High Street, Guildford, Surrey GU1 3BB.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities - the charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 16.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements:

Statement of Financial Activities (SOFA)

The Group has two types of fund:

Restricted – where the purposes for which the funds may be used have been restricted by donors; and

Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the School. These include Designated Funds, where the funds are unrestricted, but the Directors have designated them for a specific purpose.

Income and Expenditure

Income and Expenditure is accounted for on an accruals basis with the exception of income from gifts and legacies. These are recognised when the charity is legally entitled to the income, the amount can be measured with reasonable accuracy, and the economic benefit to the School is considered probable.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deductible allowances, scholarships and remissions allowed by The School, but include contributions received from Bursaries funds.

Donations and Legacies

Donations received for the general purpose of the Group are credited to income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or used within the year for the appropriate purpose. Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the Group in the case of donated services or facilities.

Legacies are taken to unrestricted funds unless specified for a particular purpose in which case they are taken to restricted funds.

Income from Government Grants

No Government grant income was received in the year. Government grant income received in the prior year – and specifically that received under the Coronavirus Job Retention Scheme – is reported under the heading Other Income and separately identified in the notes to the accounts. Such income has been recognised under the accrual model whereby grant income is recognised in the period in which the expense to which it relates was incurred.

Expenditure

Expenditure is accrued as soon as the liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Irrecoverable VAT is included in the Statement of Financial Activities with the expenditure to which it relates.

Governance costs are those costs incurred in the safeguarding of the School's assets associated with constitutional and statutory requirements.

Investments

Investments are shown at their fair values at the year end. Realised and unrealised gains and losses on investments are accounted for through unrestricted or restricted funds as appropriate and are accounted for in the SOFA.

Tangible Fixed Assets

Expenditure on individual fixtures, fittings and equipment, motor vehicles, grounds and maintenance equipment and IT that are over £5,000 and capital in nature are capitalised, together with any spending of a capital nature relating to buildings.

Certain artefacts owned by the School are considered to be inalienable. It would be both difficult and costly to attribute a cost or valuation to these assets. In the event of future acquisitions of inalienable assets, such assets would be capitalised. Any proceeds on the disposal of such assets would be accounted for through the appropriate fund in the SOFA.

Heritage Assets

The School holds the Town Wall (or Garden Wall) that at one time divided the School's property from the neighbouring Duke of Somerset's House and is also the old boundary between the Stoke and Christchurch Wards of Guildford. From time to time members of the public are permitted access to view the wall along with the Old Building and other items of historical interest that are held and used primarily for educational purposes. The Wall is maintained as part of the School's general care of its buildings, but also having regard to its commitment to the local community to care for a historical property. The Governors do not regard it practicable to obtain a valuation of the Wall and, accordingly, no value is ascribed to it.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any estimated residual value based on current market prices, evenly over its expected useful life. New capital developments are depreciated only when work has been completed and they are brought into use. The depreciation rates for the principal categories are:

Freehold Buildings	- 2% per annum on a straight-line basis
Furniture & Fittings	- 15% per annum on a straight-line basis
Computer Equipment	- 25% per annum on a straight-line basis
Photocopiers	- 20% per annum on a straight-line basis
Motor Vehicles	- 20% per annum on a straight line basis
Playing Field Equipment	- 12.5% per annum on a straight-line basis
Leasehold Property	- over the length of lease
Leasehold Improvements	- over the length of lease
Major Refurbishment	- 4% per annum on a straight-line basis

Stock

Stocks are valued at the lower of cost and net realisable value.

Operating Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Finance Leases

Assets held under finance leases are capitalised at their fair value and depreciated over their estimated useful economic lives. Future obligations under finance leases are included in creditors, net of finance charges. Payments are apportioned between the finance element, which is charged to the Statement of Financial Activities as interest, and the capital element, which reduces the outstanding obligations.

Pensions and Post Retirement Benefit Schemes

a) Defined Benefit Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary. The Scheme is a defined contribution 'Multi-Employer' scheme, and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

The School also contributed to the Surrey County Council Superannuation Fund for 1 month of the year. This is a defined benefit scheme for support staff, and is closed to new entrants from the School. With effect from 31st August 2021, as a consequence of dwindling employee membership, the School withdrew from this scheme.

The School has fully adopted FRS 102 and, in accordance with this the following elements are charged to the SOFA:

- i. The service costs of pension provision relating to the year, together with the cost of any benefits relating to past service.
- ii. The net finance cost represented by a charge equal to the increase in the present value of the Scheme liabilities and a credit equivalent to the long term expected return on assets.
- iii. The actuarial gain or loss on the Scheme assets and liabilities.

The difference between the market value of assets of the Scheme and the present value of accrued pension liabilities is shown as a liability on the Balance Sheet.

Investments in funds are valued at bid price quoted by the investment manager at the Balance Sheet dates.

The closing liability of the School in respect of the Surrey County Council Superannuation Fund is included in creditor balances at year end.

b) Defined Contribution Schemes

The pension cost charged to the SOFA represents the contributions payable by the School under the rules of the Scheme.

Advanced Fees

The School has accepted advance fee lump sum payments in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31st July 2022. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return the relevant unspent portion of the capital payment without addition of interest or to continue to hold the remaining capital payment for payment of fees to a new educational establishment where appropriate. The School's liability in respect of advance fees has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full-term period of the contract entered into.

Deposits

The School receives a deposit from parents upon acceptance of a place for their son. The School refunds the deposit, less any appropriate deductions, after the pupil leaves the School. Under FRS 102 this year all deposits

are considered refundable within 12 months of the balance sheet date, under the terms of the contract and are classified within amounts due within one year.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A provision is made where the recovery of debts is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Taxation

As a registered charity The Group is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

	2022	2021
2. CHARITABLE ACTIVITIES - FEES RECEIVABLE		
	£000	£000
(a) The Group's school fee income comprised:		
Gross fees	24,629	23,211
Less: Total bursaries, scholarships and discounts	(1,674)	(1,798)
	22,955	21,413
Add back: Bursaries paid for by Restricted/Designated Funds	340	367
	23,295	21,780
	Restricted Funds	Unrestricted Funds
	2022	2021
	£000	£000
(b) Grants and awards paid for by Restricted/Designated Funds comprised		
Bursaries for pupils	340	0
	340	367

Bursaries were awarded from Restricted/General Funds to 73 individuals (2021: 77).

3. Subsidiary Results and Balance Sheets

The results and balance sheets of the subsidiaries of 1509 Group are shown in their summarised financial statements presented below. The Royal Grammar School Guildford International was incorporated on 10th June 2015, RGS Guildford International (Dubai) Ltd was incorporated on 19 June 2018 and RGS Guildford International (China) was incorporated on 15th July 2019.

All group organisations were registered in England and Wales and share the same registered office as the parent charity, at The Royal Grammar School, Guildford, High Street, Guildford, Surrey GU1 3BB.

The numbers include intercompany trading.

Financial year 2021/22

	Income £000	Expense £000	Net Result £000	Assets £000	Liabilities £000	Net assets £000
RGS and Lanesborough	25,225	24,160	1,065	49,367	9,158	40,209
Foundation	1,435	347	1,088	2,432	340	2,092
RGS Guildford International Ltd	158	99	59	563	177	386
RGS Guildford International (Dubai) Ltd	200	63	137	149	6	143
RGS Guildford International (China) Ltd	159	77	82	85	3	82

Financial year 2020/21

	Income £000	Expense £000	Net Result £000	Assets £000	Liabilities £000	Net assets £000
RGS and Lanesborough	23,177	21,236	1,941	48,878	9,734	39,144
Foundation	842	413	429	1,028	24	1,004
RGS Guildford International Ltd	250	327	(77)	113	86	27
RGS Guildford International (Dubai) Ltd	200	90	110	265	149	116
RGS Guildford International (China) Ltd	340	93	247	336	89	247

1509 GROUP	Company Number	Charity Number	% Ownership
RGS and Lanesborough	10874615	1177353	100%
Foundation	4232306	1089955	100%
RGS Guildford International Ltd	9633181	N/A	100%
RGS Guildford International (Dubai) Ltd	11422203	N/A	100%
RGS Guildford International (China) Ltd	12104378	N/A	100%
RGS Guildford International (Oman) Ltd	13833679	N/A	100%
RGS Guildford Enterprises Ltd	12248925	N/A	100%

This entity was dormant in 2021/22

This entity was dormant in 2021/22

1509 Group is availing itself of the exemptions under Section 394a (exemption from preparing accounts for a dormant subsidiary), Section 448a (exemption from filing accounts for a dormant subsidiary) and Section 479a (exemption from audit for a dormant subsidiary) of the Companies Act 2006 for RGS Guildford Enterprises Ltd and RGS Guildford International (Oman) Ltd.

4. CHARITABLE INCOME - OTHER

	2022		2021	
	£000		£000	
(a) Other educational income				
Registration fees		67		55
Sundry parental receipts		912		497
Sub-lettings		66		35
		<u>1,045</u>		<u>587</u>
(b) Other ancillary trading income				
Income from overseas activities		597		789
Sales of merchandise		3		2
Total for Group		<u>600</u>		<u>791</u>
(c) Other incoming resources				
	Restricted Funds	Unrestricted Funds	2022	2021
	£000	£000	£000	£000
Gains on sale of tangible fixed assets	0	7	7	22
Government Grant - Job Retention Scheme	0	0	0	131
Other	0	266	266	36
	<u>0</u>	<u>273</u>	<u>273</u>	<u>189</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other	Depreciation	2022	2021
	£000	£000	£000	Total £000	Total £000
(a) Cost of Raising Funds (School & Group)					
Finance costs - School & Group	0	68	0	68	129
Total for School & Group	<u>0</u>	<u>68</u>	<u>0</u>	<u>68</u>	<u>129</u>
(b) Charitable activities					
Schools and grant making					
Teaching	12,796	1,872	183	14,851	13,518
Welfare	78	1,182	0	1,260	990
Premises	486	2,438	1,055	3,979	3,695
Support costs of schooling	2,271	1,161	359	3,791	3,731
Grants, awards and prizes	0	340	0	340	367
Group's Operating Costs	<u>15,631</u>	<u>6,993</u>	<u>1,597</u>	<u>24,221</u>	<u>22,301</u>
Ancillary trading costs	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>4</u>
Total Charitable Expenditure	<u>15,631</u>	<u>6,995</u>	<u>1,597</u>	<u>24,223</u>	<u>22,305</u>
Total resources expended	<u>15,631</u>	<u>7,063</u>	<u>1,597</u>	<u>24,291</u>	<u>22,434</u>
(c) Governance costs included in support costs				2022	2021
				£000	£000
Auditors' remuneration *				43	43
1509 Group and RGS and Lanesborough				1	3
The RGS Guildford International Limited				2	3
The RGS Guildford International (Dubai) Limited				1	3
The RGS Guildford International (China) Limited				1	1
Other services				2	39
Other direct costs				6	0
Trustee's costs **				<u>56</u>	<u>92</u>

* Auditors' remuneration costs are inclusive of VAT.

** Trustees' costs related to the cost of Governor meetings £5,185, subscriptions £176 and expenses £624. There are 21 Governors who are directors of RGS and Lanesborough. There was no Trustee remuneration during the year.

6. EMPLOYEES

	Teaching £000	Other £000	2022 £000	2021 £000
Wages and salaries	9,347	2,221	11,568	10,685
Social security costs	1,078	230	1,308	1,220
Pension contributions	1,988	211	2,199	2,237
Other staff costs	383	173	556	490
	<u>12,796</u>	<u>2,835</u>	<u>15,631</u>	<u>14,632</u>

Average number of employees during the year

	2022		2021	
	Full time	Part time	Full time	Part time
Teaching	132	41	123	48
Non Teaching	69	48	65	47
	<u>201</u>	<u>89</u>	<u>188</u>	<u>95</u>

The number of employees whose emoluments, excluding employer's pensions contributions, exceeded £60,000 were:

	2022	2021
£60,001 - £70,000	28	25
£70,001 - £80,000	11	6
£80,001 - £90,000	2	3
£90,001 - £100,000	2	0
£100,001 - £110,000	1	1
£150,001 - £160,000	1	1
£220,001 - £230,000	0	1
£250,001 - £260,000	1	0
	<u>46</u>	<u>37</u>

A number of staff are not members of any pension scheme and the employer pension contribution is paid to them as part of their overall package and is included in the pay bands above.

Pension contributions of £677k (2021 - £572k) were made into pension schemes in respect of higher paid employees during the year. Of this, contributions of £605k (2021 - £534k) were made into a defined benefit pension scheme.

The aggregate employee-benefits of key management personnel (the Senior Management Teams of both schools) including employers' pension contributions and National Insurance total £1,977k (2021 - £2,126k).

During the year there were three redundancy or termination payments totalling £13k (2021: £50k).

No remuneration was paid to Governors during 2022; expenses paid to Governors totalled £0.5k (2021: £0).

7. Tangible fixed assets - Consolidated Only**Cost and depreciation**

	Computer Equipment	Freehold land and buildings	Leasehold property	Fixtures, Fittings and Equipment	Total
Cost	£000	£000	£000	£000	£000
At beginning of year	1,250	49,546	2,129	4,059	56,984
Additions	47	66	0	471	584
Disposals	0	0	0	(300)	(300)
At end of year	<u>1,297</u>	<u>49,612</u>	<u>2,129</u>	<u>4,230</u>	<u>57,268</u>
Depreciation					
At beginning of year	964	13,010	1,135	2,769	17,878
Charge for the year	183	1,036	19	359	1,597
Eliminated on Disposal	0	0	0	(300)	(300)
At end of year	<u>1,147</u>	<u>14,046</u>	<u>1,154</u>	<u>2,828</u>	<u>19,175</u>
Net Book Value					
At end of year	<u>150</u>	<u>35,566</u>	<u>975</u>	<u>1,402</u>	<u>38,093</u>
At beginning of year	<u>286</u>	<u>36,536</u>	<u>994</u>	<u>1,290</u>	<u>39,106</u>

8. Investment assets

Group	Unrestricted funds £000	Restricted funds £000	Total £000
At beginning of year - (market value)	54	0	54
Additions	0	0	0
Unrealised loss	(8)	0	(8)
At end of year - (market value)	46	0	46
Cash at investment managers at beginning of year	0	107	107
Movement in year	0	0	0
At end of year - (market value)	0	107	107
At end of year - (market value)	46	107	153
At beginning of year - (market value)	54	107	161

Investments are held in Common Investment Funds (70% of total) and in cash.

9. Stocks - School and Consolidated

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Catering/cleaning stocks	23	0	14	0
School Items for resale	64	0	63	0
Total Stock	87	0	77	0

10. Debtors - School and Consolidated

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Fee debtors	155	0	189	0
Less Provision for bad debts	(58)	0	(73)	0
Other debtors and prepayments	451	0	725	0
Less Provision for bad debts	0	0	(228)	0
Total Debtors	548	0	613	0

11. Creditors: due within one year

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Bank loan (see below)	1,757	0	1,982	0
Trade and other creditors	872	0	818	0
Obligations under finance leases	4	0	8	0
Other taxes and social security	372	0	341	0
Accruals	194	0	349	0
Acceptance deposits	1,933	0	1,832	0
Fees received in advance	141	0	283	0
Advanced fees (see note 13)	140	0	120	0
Amount owing to RGS and Lanesborough	0	6	0	5
Total Creditors	5,413	6	5,733	5

The Governors have reviewed the contract terms under which acceptance fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2021 have been included within current liabilities. The prior year acceptance deposits balance has been similarly represented.

12. Creditors: due after more than one year - School and Consolidated

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Bank loan (see below)	2,808	0	3,134	0
Obligations under finance leases	0	0	5	0
Acceptance deposits repayable after final term	0	0	0	0
Advanced fees (see note 13)	119	0	76	0
	2,927	0	3,215	0

The bank loans, totalling £4.56m (2021: £5.12m) are secured by charges on the freehold land and buildings of the school. The older loan of £1.43m (2021: £1.65m) was repayable over 25 years commencing September 2003. In August 2018 this loan was reclassified as an overdraft, and included in entirety under Creditors: due within one year. An additional loan dated 23rd August 2017 was drawn down in 2017/18, with a balance at the end of the year of £3.13m (2021: £3.46m). The loan is split between £0.32m (2021: £0.33m) as a Creditor: due within one year and the balance due after more than one year. This loan was arranged to facilitate building works, with a total approved loan of £6m. Repayments started in April 2019 and a lump sum repayment of £2m was made during 2019/20. The final repayment date is September 2024.

The bank loans are repayable: - School and Consolidated

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
After 5 years	0	0	0	0
Within 2 to 5 years	2,479	0	2,799	0
Within 1 to 2 years	329	0	335	0
	2,808	0	3,134	0
After more than one year (see note 12)	2,808	0	3,134	0
Within one year (see note 11)	1,757	0	1,982	0
	4,565	0	5,116	0

The finance leases are payable: - School and Consolidated

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
After 5 years	0	0	0	0
Within 1 to 5 years	0	0	5	0
	0	0	5	0
After more than one year (see note 12)	0	0	5	0
Within one year (see note 11)	4	0	8	0
	4	0	13	0

Obligations under finance leases relate to photocopiers purchased for the School.

13. Advanced Fee Payments

Parents may enter into a contract to pay the School up to the equivalent of seven years' tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils will remain in the School, advance fees will be applied as follows:

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
After 5 years	0	0	0	0
Within 2 to 5 years	41	0	21	0
Within 1 to 2 years	78	0	55	0
After more than one year (see note 13)	119	0	76	0
Within one year (see note 12)	140	0	120	0
	<u>259</u>	<u>0</u>	<u>196</u>	<u>0</u>

The balance represents the accrued liability under the contracts. The movements during the year were:

	Group 2022 £000	Company 2022 £000	Group 2021 £000	Company 2021 £000
Balance at beginning of year	196	0	345	0
New contracts	201	0	39	0
Amounts accrued to contracts	2	0	2	0
	<u>399</u>	<u>0</u>	<u>386</u>	<u>0</u>
Amounts utilised:				
In payment of fees	(140)	0	(190)	0
Capital repayments	0	0	0	0
	<u>(140)</u>	<u>0</u>	<u>(190)</u>	<u>0</u>
Balance at end of year	<u>259</u>	<u>0</u>	<u>196</u>	<u>0</u>

14. Allocation of the charity net assets

The School has identified land which it owns and is considered permanently endowed. The value of this land has a historic cost of £554 and is fully written down within the financial statements. The Governors do not consider this material in the context of the overall financial statements and have therefore included these assets as part of the general funds within these financial statements.

Major Restricted Funds:

Restricted Funds within the 1509 Group are made up of the income and expenditure associated with the holding of property on behalf of the School, and the charitable deployment of any surpluses.

Restricted Funds within the Foundation are made up of funds held which have been restricted by the donor. When donations are passed to the School the restrictions remain with them.

The Restricted Minor Ad Hoc funds include the OGA Magazine Fund, which is to be used for the production of the Old Guildfordian magazine, which is now under the auspices of the Development and Alumni Relations Office.

Restricted Funds within the School are mainly made up of the Gieve Fund, which is the residue of a bequest held of the general benefit of choristers at Lanesborough School, and the Bursary Fund which receives restricted bursary donations. All restricted bursary receipts during the year are expended in current year bursaries.

Major Unrestricted Funds:

Unrestricted Funds within the 1509 Group are made up of the expenses as the parent company of the School, the management of restricted assets and company administration.

Unrestricted Funds within the Foundation are made up of unrestricted donations and other income received by the Foundation, less purchases made to generate that income.

Unrestricted Funds in the School are made up of designated and general funds:

- The Designated Tangible Net Fixed Asset Fund is a fund set up to represent tangible fixed assets less loans. A transfer will be made to or from this reserve each year to maintain the relationship.
- The Designated Prize Fund generates income each year which is used to make a contribution to prizes awarded to boys during the

(a) The consolidated net assets at 31st July 2022 are held for the various funds and advanced fees as follows:

	Buildings and Equipment £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Restricted					
Gieve	0	107	(3)	0	104
Bursaries	0	0	1	0	1
Ad hoc Minor Funds	0	0	63	0	63
Foundation	0	0	1,961	0	1,961
Total Restricted Funds (School & Total)	0	107	2,022	0	2,129
Unrestricted - designated funds					
Tangible Net Fixed Asset Fund ¹	38,093	0	(1,757)	(2,808)	33,528
Prize	0	47	4	0	51
Ad hoc Minor Funds	0	0	65	0	65
Total Designated Funds (School & Total)	38,093	47	(1,688)	(2,808)	33,644
Unrestricted - Royal Grammar School, Guildford					
General	0	0	365	0	365
Unrestricted - School/Capital Development	0	0	5,387	(119)	5,268
Unrestricted - Pension Fund Liability	0	0	0	0	0
Unrestricted - Foundation General	0	0	131	0	131
Unrestricted - International	0	0	86	0	86
Unrestricted - Dubai	0	0	143	0	143
Unrestricted - China	0	0	82	0	82
Total Unrestricted Funds	38,093	47	4,506	(2,927)	39,719
Total Funds	38,093	154	6,528	(2,927)	41,848

¹ The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2021 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Grants and allocations £000	Balance at 31 July 2022 £000
Bursary fund	1	0	0	340	(340)	1
Gieve fund	104	0	0	0	0	104
Ad hoc funds	80	0	0	0	(17)	63
Foundation	875	0	0	1,086	0	1,961
Total Restricted funds	1,060	0	0	1,426	(357)	2,129

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2021 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Donations £000	Balance at 31 July 2022 £000
Designated funds						
Tangible Net Fixed Asset Fund	33,990	0	0	(462)	0	33,528
Prize	58	0	(8)	1	0	51
Ad hoc funds	65	0	0	0	0	65
Total Designated funds	34,113	0	(8)	(461)	0	33,644
Not designated						
School General/Capital Development	5,552	4	0	1,466	0	7,022
Pension Fund Liability	(684)	0	0	(1,070)	0	(1,754)
Foundation General	129	0	0	2	0	131
Trustee General	9	0	0	356	0	365
International	27	0	0	59	0	86
Dubai	116	0	0	27	0	143
China	247	0	0	(165)	0	82
Total Unrestricted Funds	39,509	4	(8)	214	0	39,719

Comparative Allocation of group net assets

(a) The comparative consolidated net assets at 31st July 2021 are held for the various funds and advanced fees as follows:

	Buildings and Equipment £000	Investments £000	Net Current Assets £000	Long Term Liabilities £000	Total £000
Restricted					
The Royal Grammar School, Guildford	0	0	0	0	0
Gieve	0	106	(2)	0	104
Bursaries	0	0	1	0	1
Ad hoc Minor Funds	0	0	80	0	80
Foundation	0	0	875	0	875
Total Restricted Funds (School & Total)	0	106	954	0	1,060
Unrestricted - designated funds					
Tangible Net Fixed Asset Fund ¹	39,106	0	(1,982)	(3,134)	33,990
Prize	0	54	4	0	58
Ad hoc Minor Funds	0	0	65	0	65
Total Designated Funds (School & Total)	39,106	54	(1,913)	(3,134)	34,113
Unrestricted - Royal Grammar School, Guildford					
General	0	0	9	0	9
Unrestricted - School/Capital Development	0	0	5,633	(81)	5,552
Unrestricted - Pension Fund Liability	0	0	0	(684)	(684)
Unrestricted - Foundation General	0	0	129	0	129
Unrestricted - International	0	0	27	0	27
Unrestricted - Dubai	0	0	116	0	116
Unrestricted - China	0	0	247	0	247
Total Unrestricted Funds	39,106	54	4,248	(3,899)	39,509
Total Funds	39,106	160	5,202	(3,899)	40,569

¹ The Tangible Net Fixed Asset Fund represents tangible fixed assets net of depreciation and bank loans outstanding.

(b) Restricted funds: movements in the year

	Balance at 31 July 2020 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Grants and allocations £000	Balance at 31 July 2021 £000
The Royal Grammar School, Guildford	0	0	0	0	0	0
Bursary fund	1	0	0	367	(367)	1
Gieve fund	104	0	0	0	0	104
Ad hoc funds	105	0	0	0	(25)	80
Foundation	410	0	0	465	0	875
Total Restricted funds	620	0	0	832	(392)	1,060

(c) Unrestricted funds: movements in the year

	Balance at 31 July 2020 £000	Investment income £000	Investment gains £000	Transfers/ net income £000	Donations £000	Balance at 31 July 2021 £000
Designated funds						
Tangible Net Fixed Asset Fund	35,101	0	0	(1,111)	0	33,990
Prize	58	0	0	0	0	58
Ad hoc funds	65	0	0	0	0	65
Total Designated funds	35,224	0	0	(1,111)	0	34,113
Not designated						
School General/Capital Development	3,609	1	(1)	1,943	0	5,552
Pension Fund Liability	(1,822)	0	0	1,138	0	(684)
Foundation General	165	0	0	(36)	0	129
Trustee General	10	0	0	(1)	0	9
International	178	0	0	(151)	0	27
Dubai	85	0	0	31	0	116
China	98	0	0	149	0	247
Total Unrestricted Funds	37,547	1	(1)	1,962	0	39,509

(d) Transfers between funds

	Unrestricted Funds		Restricted Funds
	General £000	Designated £000	Restricted £000
	462	(462)	0
	462	(462)	0

15. Operating Leases

As at 31st July 2022, the minimum lease payments to which the School is committed under non-cancellable operating leases are:

Land and Buildings	2022 £000	2021 £000
Under 1 year	124	124
More than 1 year and less than 5 years	176	176
Greater than 5 years	0	0
	300	300

Operating lease payments (Land and Buildings and Other) provided for as an expense in 2022 were £124,200 (2020 - £134,123).

16. Capital Commitments

At 31st July 2022 there were no capital works authorised and contracted for but not provided for in these Accounts (2021 - £0).

17. Pension Obligations

The School operates the following pension schemes:

- a. The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,886,950 (2020/21 - £1,801,367) and at the year end £0 (2020/21 - £0) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism revision is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

- b. A defined benefit scheme for non-teaching staff, the Surrey County Council Superannuation Scheme, which is administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 until 31st August 2021. The charge to the cessation date of 31st August 2021 was £4,096 plus a compensation payment in respect of one employee to the value of £10,592 (2019/20 - £58,938). At the year end £0 (2019/20 - £0) was accrued in respect of contributions to this scheme.

The School withdrew from the Surrey County Council Superannuation Scheme during the year, with a cessation date of 31st August 2021. This crystallises the School's portion of the pension scheme deficit, and the value of the cessation deficit as at 31st August 2021 is £1,754,000. This liability appears in creditors at 31st July 2022.

The net pension liability on the Balance Sheet at 31st July 2021 of £684,000 was calculated on an FRS 102 accounting basis at that date. The net pension liability on the Balance Sheet at 31st July 2022 of £1,754,000 is the liability at the point of cessation on 31st August 2021, which is calculated as an update to the most recent full revaluation of the scheme at 31st March 2019. A reconciliation from the full revaluation at 31st March 2019 to the cessation valuation in these accounts is provided in Note (iv) below.

	Cessation Valuation 31/8/2021	Valuation 31/3/2019
i) Funding Position at 31st August 2021 (cessation date):	£000	£000
Liabilities		
Active	0	2,066
Deferred	2,078	517
Pensioner	6,272	2,589
	<u>8,350</u>	<u>5,172</u>
Assets	6,596	5,916
Surplus/(Deficit)	<u>(1,754)</u>	<u>744</u>
ii) Actuarial Assumptions - Financial Assumption:	£000	£000
Discount rate/anticipated investment returns		
Pre-retirement	1.0%	4.2%
Post-retirement	1.0%	4.2%
Salary increases	3.3%	3.2%
Benefit increases	2.4%	2.3%
iii) Actuarial Assumptions - Longevity Assumption:	£000	£000
Life expectancy from age 65 years		
Current pensioners		
Male	22.3	22.1
Female	24.4	24.3
Future pensioners		
Male	23.4	22.9
Female	26.1	25.7
iv) Changes in the fair value of the scheme assets are as follows:	£000	£000
Surplus/(deficit) at 31st March 2019		744
Interest on surplus/(deficit)	78	
Investment outperformance	318	
Contributions greater than cost of accrual	394	
Change in market conditions	(63)	
Move to cessation funding assumptions	(3,077)	
Membership experience	(148)	
		<u>(2,498)</u>
Surplus/(deficit) at 31st August 2022		<u>(1,754)</u>
v) The amounts included in the Statement of Financial Activities are as follows:	2022	2021
	£000	£000
Total Amount Charged to the Statement of Financial Activities	0	76
Net actuarial gains/(losses) recognised in the year	(1,070)	905

- c. A defined contribution scheme for non-teaching staff - the Prudential TUC Stakeholder Pension Scheme. The assets for the Scheme are held separately from those of the School. The charge for the year was £43,962 (2020/21 - £52,263). At the year end £0 (2020/21 - £0) was accrued in respect of contributions to this scheme. The scheme is now closed to new entrants as it does not fulfil auto enrolment requirements.
- d. A new defined contribution scheme for non-teaching staff in line with auto enrolment guidance issued by the Pensions Regulator - the Standard Life Pension Scheme. The assets for the Scheme are held separately from those of the School, and are managed by a multi asset investing team. The charge for the year was £218,458 (2020/21 - £190,931). At the year end £0 (2020/21 - £0) was accrued in respect of contributions to this scheme.
- e. During the 2021/22 financial year, contributions started to be made into a SIPP in respect of one employee. The charge for the year was £25,790 (2020/21 £0).

18. Analysis of Net Funds/(Debt)

	As at 31 July 2021 £000	Cash Flow £000	As at 31 July 2022 £000
Net cash balances	10,245	2,816	13,061
Creditors: due within one year			
Finance leases	8	(4)	4
Loans	(1,982)	225	(1,757)
Advance Fee agreements	(120)	(20)	(140)
Creditors: due after more than one year			
Finance leases	(5)	5	0
Loans	(3,134)	326	(2,808)
Advance Fee agreements	(76)	(43)	(119)
	<u>4,936</u>	<u>3,305</u>	<u>8,241</u>

19. Related party transactions

1509 Group is the parent undertaking of the Royal Grammar School Guildford, charity number 1177353, company number 10874615 and also of the Foundation (The Royal Grammar School, Guildford Foundation), charity number 1089955, company number 4232306, and is the ultimate parent company of the group. The RGS Guildford International Limited, company number 09633181, RGS Guildford International (Dubai) Limited, company number 11422203, RGS Guildford International (China) Limited, company number 12104738, RGS Guildford Enterprises Limited, company number 12248925 and RGS Guildford International (Oman) Limited, company number 13833679 are all subsidiaries of the 1509 Group.

Neither 1509 Group nor persons connected with it received any remuneration or other benefits from the School or any connected organisation. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman of Governors. 1509 Group claimed no expenses relating to the administration of the Charity.

During the year the Royal Grammar School Guildford charged the RGS Guildford International Ltd £89,117 (2021 - £82,616) relating to time spent on International work. At the end of the year RGS Guildford International Ltd owed the School £154,497 (2021 - £82,616).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (Dubai) Ltd £51,995 (2021 - £82,616) relating to time spent on International work. At the end of the year RGS Guildford International (Dubai) Ltd owed the School £1,583 (2021 - £126,361).

During the year the Royal Grammar School Guildford charged the RGS Guildford International (China) Ltd £72,474 (2021 - £82,616) relating to time spent on International work. At the end of the year RGS Guildford International (China) Ltd owed the School £754 (2021 - £86,451).

The Foundation transferred £340,161 of donations to the school for the year (2021: £339,500). The Foundation's costs of £272,518 (2021: £274,131), for both fundraising and alumni work were covered by the School during the year. At the end of the year the Foundation owed the School £349,414 (2021: £21,904). The School made a transfer to the Foundation of £136,000 in 2022 (2020: £91,000) for the Foundation's Enduring Bursary Fund.

The Directors of 1509 Group donated £9,847 (2021: £10,584) - (excluding gift aid) to the Foundation during the year.

20. Post Balance Sheet Events

On 3rd November 2022 the School repaid the Natwest Bank Loan in full, at the balance outstanding at that date of £3,048,410. The overdraft remains in place.

21. Statement of Financial Activities - Comparative figures by fund type

Year Ended 31st July 2021	Unrestricted		Restricted £000	Funds Total £000
	General £000	Designated £000		
Income from Charitable Activities				
School Fees	21,780	0	0	21,780
Other educational income	587	0	0	587
Other ancillary trading income	791	0	0	791
Incoming Resources from Generated Funds				
Donations and Legacies				
Donations and legacies	0	2	582	584
Investments				
Income from Investments	1	0	0	1
Other Income	189	0	0	189
Total Income	23,348	2	582	23,932
Expenditure on Raising Funds				
Fundraising Costs	129	0	0	129
Expenditure on Charitable activities				
Schools and grantmaking	21,902	0	399	22,301
Ancillary Trading	4	0	0	4
Total Expenditure	22,035	0	399	22,434
NET INCOMING FUNDS FROM OPERATIONS BEFORE INVESTMENT GAINS	1,313	2	183	1,498
Net gains/(losses) on investments	(1)	0	0	(1)
NET INCOME/(EXPENDITURE)	1,312	2	183	1,497
Transfers between funds	853	-1,110	257	0
Actuarial loss on Defined Benefit Pension Scheme	905	0	0	905
NET MOVEMENT IN FUNDS FOR THE YEAR	3,070	-1,108	440	2,402
Fund balances at 1 August 2020	2,323	35,224	620	38,167
FUND BALANCES at 31 July 2021	5,393	34,116	1,060	40,569

