

THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

England & Wales · Charity number 1089955

Details

Status	Registered
Legal form	Charitable company
Company number	04232306
Registered	2002-01-03
Register	View on the Charity Commission register

Contact

Address	Royal Grammar School High Street Guildford GU1 3BB
Phone	01483880604
Email	RGSFoundation@rgsg.co.uk
Website	www.rgs-guildford.co.uk

Activities

Objects: THE FOUNDATION IS ESTABLISHED TO PROMOTE, PROVIDE FOR AND RAISE FUNDS FOR THE CHARITABLE PURPOSES OF KING EDWARD VI GRAMMAR SCHOOL INCORPORATING LANESBOROUGH SCHOOL AND OTHERWISE TO PROMOTE ANY OTHER CHARITABLE PURPOSES CONNECTED WITH OR OTHERWISE ASSOCIATED WITH THE SCHOOLS.

Activities: The Charity's Objects are to provide for and support the King Edward VI Grammar School, Guildford, registered charity 312028. Its Activities are solely in support of those Objects.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Area of benefit: GUILDFORD
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees	
2025-07-31		£0	£0	-	-
2024-07-31	£371,431	£2,808,066		-	-
2023-07-31	£709,471	£363,937	£2,436,635		0
2022-07-31	£1,434,329	£347,019	£2,091,101		0
2021-07-31	£841,514	£412,511	£1,003,791		0
2020-07-31	£624,216	£346,602	£574,788		0

Trustees

Name	Role	Appointed
Dr Henry Pearson	Chair	2023-07-05
Samuel Maiden		2026-06-01

THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

England & Wales - Charity number 1089955

Accounts

The Royal Grammar School, Guildford Foundation

Directors' Report & Financial Statements

For the Year Ended

31 July 2024

Company Number 04232306

Charity Number 1089955

The Royal Grammar School, Guildford Foundation

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REFERENCE AND ADMINISTRATIVE DETAILS

Directors

The Royal Grammar School Guildford	Appointed by RGS
H Styche-Patel	Appointed by the member
H Pearson	
G Williams	

Honorary Officers

The Headmaster	J M Cox
Secretary & Treasurer	C M Perceval

Registered Office

The Royal Grammar School
High Street
Guildford
Surrey GU1 3BB

Advisors

Principal Bankers	National Westminster Bank Plc Guildford Commercial Office PO Box 1, 2 nd Floor G3 Guildford Surrey GU1 3ZR
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Auditors & Tax Advisors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
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Solicitors	Barlow Robbins LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR
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Company Number	04232306
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Charity Number	1089955
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DIRECTORS' REPORT

AIMS, OBJECTIVES AND ACTIVITIES

The Directors, who are also the Trustees, of the Royal Grammar School, Guildford Foundation ('The Foundation') present their annual report and audited financial statements for the year ended 31 July 2024 and confirm they comply with the requirements of the Companies Act 2006, Charities Act 2011, the trust deed, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) Second Edition, effective 1 January 2019 and the FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

On 17 July 2024 the Foundation merged with, and became a cost centre of, Royal Grammar School Guildford ('the School'). In these financial statements, references to The Foundation's aims, objectives, functions, operations and activities refer to the period up to 17 July 2024, when The Foundation's operations, assets and liabilities transferred to the School. From 17 July 2024, the Development & Alumni Relations Office ('DARO') assumed and continued to carry out the functions of The Foundation as a cost centre of the School.

Our Aims

The Foundation is established to promote, provide and raise funds for the charitable purposes of Royal Grammar School Guildford (the School) and otherwise to promote any other charitable purpose connected or otherwise associated with the School.

The Trustees have considered the stated object in the light of the Charity Commission's general guidance on public benefit and the consultation draft on supplementary guidance on "Public Benefit and the Advancement of Education". They are satisfied that the object is for the advancement of education and that there is an identifiable public benefit that is available to a section of the public, being the pupils/recipients of education at the School.

Our Objectives

The Foundation has two key objectives: to raise funds, especially for bursaries, and to build a supportive community of parents, alumni and others who can offer financial and non-financial support to the School. Both are achieved by developing relationships with individuals within the wider School community.

The Trustees are aware that the generation of funds for the benefit of the School will assist it in its endeavour to ensure that all boys who meet the entrance criteria may have the opportunity to attend the School, regardless of the financial means of their parents.

Our Activities

The Foundation has a strategy based on developing a philanthropic culture and building a long-term fundraising plan for bursaries. The key priorities identified are to build a culture of giving through the school community, to steward existing donors so that their support would extend into the future and to give time and resource to a major donor programme

The Foundation's fundraising activities to date have been based on recruiting regular gifts to ensure predictable, tax efficient income streams. Initiatives include the operation of a Friends scheme and a variety of higher-level regular-giving opportunities. Legacy gifts are a less regular but highly valued contribution. Income is also sought from Trusts & Foundations in support of bursaries and from corporate sources for sponsorship activities such as events, technology or staff investment. Merchandise is sold to promote awareness of the School. Stewardship programmes are in place for the various fundraising initiatives. All activities promote ongoing engagement through sharing the impact of philanthropic support.

The Royal Grammar School, Guildford Foundation

On finishing school, all pupils become Old Guildfordians and are automatically included in the alumni programme. This programme of communications and events is managed and run by DARO.

DARO also manages a professional and social networking platform – RGS Connect. Launched in May 2017, it offers members of the RGS community the opportunity to ‘give back’ through the sharing of skills, knowledge and experience. The platform and other connections are also used to organise a series of sector-specific career seminars, in conjunction with the Higher Education & Careers team, for the benefit of boys at the School and pupils from the local secondary schools.

The Directors have considered all the activities of the Charity against the Commission’s Public Benefit Guidance and are of the opinion that the mix of practical support for education and fundraising for a registered educational establishment and the provision of educational events to which other schools are invited delivers public benefit consistent with the Charity’s aims and thereby meets the public benefit principles. In particular, fundraising for bursaries generates funds intended to ensure that access to the School is as open as possible to families of all means.

STATUS, GOVERNANCE AND MANAGEMENT

The Status of the Foundation

The Foundation is a Company limited by guarantee and has no share capital. The Foundation has one voting member, 1509 Group, which undertakes to contribute an amount not exceeding £10 to the assets of the Foundation in the event of it being wound up whilst it is a member, or within one year of its ceasing to be a member. If, on the winding up or dissolution of the Foundation, there remains any property this shall be distributed to 1509 Group or to some other charitable institute or institutions having objects similar to the objects of the Foundation. The 1509 Group is the parent undertaking of the Foundation. The 1509 Group is the holding company of both Foundation and Royal Grammar School Guildford.

Merger of The Foundation with Royal Grammar School Guildford

On 17 July 2024 the Foundation merged with, and became a cost centre of, Royal Grammar School Guildford (‘the School’). In these financial statements, references to The Foundation’s aims, objectives, functions, operations and activities apply to the period up to 17 July 2024, when The Foundation’s operations, assets and liabilities transferred to the School, with the DARO assuming and continuing to carry out the functions of The Foundation as a cost centre of the School.

The Directors, Officers and Advisors

There are currently four Directors. 1509 Group appointed one Director. The remaining Directors were appointed by the member, on the recommendation of the School. The names of all the Directors of The Royal Grammar School, Guildford Foundation and of the Officers and Advisors to the Foundation are set out on page 1.

Directors, who are also charity trustees, are selected for their commitment to our philanthropic ambitions, their networks and connections to help raise funds and their knowledge and experience of the School.

All Directors give their time freely and no remuneration or expenses were paid in the year. No Director or person connected with a Director received any benefit from either means tested bursaries or scholarships awarded to the School’s pupils.

Recruitment and Training of Trustees

The Headmaster, Chair of Governors and existing trustees work with the Development Director to identify prospective Trustees and assist in their induction. Prospective trustees are invited to a number of School events in order to meet members of the school leadership team and are given considerable background

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material regarding the School, its philanthropic history and current fundraising strategy. The legal and fiduciary responsibilities as a charity trustee are made clear as well as the primary role of Foundation trustees as fundraisers and networkers. Every prospective trustee will meet at least one other existing trustee independently before taking up the position. Induction includes a visit to the School, the opportunity to meet key staff members and sessions with the Development Director and Bursar regarding fundraising and the Foundation strategy, School and Foundation finances and School governance respectively. Most trustees will have been recruited through an existing trustee who will provide mentoring support as needed. Where a trustee has been recruited by a staff member or School leadership, a trustee will be appointed to offer this support.

Trustee Terms of Reference and a Memorandum of Understanding between the School and Foundation are both in place.

Administration

The Directors are responsible for the strategic management of the Foundation. By agreement between the School and the Foundation, the School provides administrative resources for the Foundation free of charge, thus allowing the Directors and officers to concentrate their efforts on the tasks of supporting the School and of fundraising. Day to day operational management is delegated to the Development Director, who is not a director of the Company. Financial matters are overseen by the Treasurer.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the Directors' responsibilities for the Financial Statements from those of the auditors as stated in their report.

Company and Charity law require the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those Financial Statements the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state where applicable United Kingdom Accounting Standards have been followed, subject to any material departures in the financial statements disclosed and explained;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRATEGIC REPORT

REVIEW OF ACTIVITIES AND ACHIEVEMENTS 2023-24

Fundraising

The Foundation generated incoming resources of £371k for the period up to the merger on 17 July 2024. This included £320k of donations and £51k income from investments and trading.

Principal Income sources included:

- a) Major Donor regular giving
- b) 'Class of...' fellowship giving from the parents of U6 Leavers
- c) Friends of the RGS
- d) Sales of merchandise
- e) Unsolicited gifts

Some of the funds raised by the Foundation are made tax efficiently through the government's Gift Aid scheme. Donations are allocated in line with donors' wishes where specified. Unrestricted funds are currently applied to the School's funding priority, which is bursaries. The day to day running costs of the Foundation and DARO are met by the School, not from donated income.

Donor stewardship remains central to the Foundation's Fundraising activity. DARO continued to produce the annual Supporters Review publication, which celebrates the impact of giving to the Bursary Campaign. Supporters were also invited to the annual Supporters Reception to celebrate, alongside members of the community which includes OGs, parents and former parents, governors and staff as well as former bursary holders the Foundation's philanthropic successes.

Alumni Relations & Communications

DARO maintained contact with the alumni and former, as well as current, parent community through a full series of printed and online communications as well as in person and online events. The various activities included:

- a) One online alumni (OG) quiz organised by a current staff member and OG
- b) A legacy 'lunch' meeting for the Beckingham Society, for members who have made provisions for the School in their wills
- c) A King's Lecture with an OG TV Sporting Personality
- d) Regular concert services at Holy Trinity Church
- e) Continued stewardship of older OGs through personalised birthday cards for all OGs over 75 years of age sent each year
- f) Production of the OG magazine DialOGue sent to all OGs by post and digitally to all the other members of the community: retired staff, governors, current and former parents
- g) Weekly email newsletters to the RGS Community informing them of notable events in the alumni and School community
- h) Anniversary reunions celebrating the OG graduation years: 30th Reunion, 50th Reunions and other ad-hoc events
- i) Invitations to special OG organised reunions overseas: Singapore & New York

Careers & Pupil support

In 2023-24, DARO continued to provide help and assistance as well as organisation and logistics to the Careers programme held in School and aimed at a wider audience of current students, including state school pupils from the wider Surrey area. Support was provided in the organisation of the Career programme aimed at future Lawyers and Medics. Eight young Old Guildfordians practising Medicine and Law came back to share

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valuable insights from their practices with hundreds of current students. The audiences were current RGS students as well as students from local state schools.

FUTURE PLANS

“Road to 2035” Campaign

The Headmaster’s long-term widening access vision, that the School will be able to achieve full merit-based open access within a generation, continued to influence and shape future strategic development plans. Our aim is for every boy who earns his place at the School by merit is able to take it up, irrespective of financial circumstances. The vision led to the creation of the “Road to 2035” Campaign which aims to build a long-term investment fund (circa £13.5 million at the time of writing) to support bursaries long into the future for the School. This would mark the special celebration of the School’s 525th Anniversary in 2035.

The “Road to 2035” Campaign aims to encourage major donations from existing constituents: OGs, parents, former parents giving alongside regular cycle of donations. Key to this strategy is to continue to seek major giving prospects from the current database of School contacts as well as embed the ethos of ‘widening access’ at all levels of the RGS community to build a shared philanthropic culture so that by 2035, the School will be in a position to provide bursary support to every boy who applies and successfully qualifies for a bursary place. In practical terms, and with projected student bursary demands, this means the School would be able to double its provision for transformative bursary support.

FINANCIAL REVIEW

The Foundation received £320,494 (2022-23: £690,593) through donations, with restricted donations totalling £320,171 (2022-23: £690,002). Sale of merchandise generated a further £3,952 (2022-23: £4,733) during the year. Corresponding cost of sales came to £3,620 (2022-23: £2,342). The Foundation donated £366,015 (2022-23: £345,881) to the School during the year.

Until the merger on 17 July 2024 the School provided, free of charge, the administrative resources for the Foundation’s fundraising, alumni relations and development work in the expectation that significant donations and other benefits will be generated for the School.

On 17 July 2024 the Foundation merged with, and became a cost centre of, the School with the operations, assets and liabilities of The Foundation transferred to the School. Total net assets of £2,433k were donated to the School. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern. The trustees have considered the non-applicability of the going concern assumption to the carrying value of the Foundation’s asset and liabilities, comprising gift aid receivable and a corresponding amount due to the School. The trustees consider that the merger did not affect the valuation of the Foundation’s remaining net assets in these financial statements and that therefore no re-valuation is required.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors review the Foundation’s risk assessments at least annually, and more frequently if appropriate to take into account changing circumstances.

The main risks are identified as:

- a) Failure of the School to adopt a fully integrated approach to fundraising, from strategy to communications, leading to an inability to realise the philanthropic funds needed to achieve the School’s stated aim of full merit-based open access within a generation. The Governors have convened a working party of Governors, Trustees and staff to address this issue and make recommendations to the School.

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- b) Cyber-attack, causing major theft, loss or corruption of data or systems, which could damage the Foundation's operations 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.
- c) Data protection changes which could lead to a significant drop in the number of those from the RGS community with whom the Foundation can communicate. Work is ongoing with the Bursar to ensure that data capture and collection activity continues to be legal and effective for fundraising and marketing purposes.
- d) Cost of living pressures on the donor community.

Sources of Funding

Almost all of The Foundation's funding comes from alumni of the School (called Old Guildfordians) and parents and staff, past and present. In recent years profits from the overseas ventures of the 1509 Group have also been gifted to the Foundation to support bursaries. Additionally, in years where there is a surplus of bursary budget over bursary need in the School, the balance is gifted to Foundation to support future bursaries. A small number of Trusts & Foundations also offer their support.

The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. No professional fundraising organisations or commercial participators are currently used by the Foundation. 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 is 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. There were no complaints received by the Foundation in respect of fundraising activity.

Investment and Reserves Policy

The Foundation's investments and reserves transferred to the School as part of the merger on 17 July 2024 and are therefore now covered by the School's investments and reserve policies set out in the School's 2023-24 financial statements.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors' Report and Strategic Report were approved by the Directors and signed on their behalf by:



Henry Pearson

Director

Date: 25/03/25



Garth Williams

Director

Date: 25/03/25

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

Opinion

We have audited the financial statements of The Royal Grammar School, Guildford Foundation for the year ended 31 July 2024 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 July 2024 and of the charitable company's net movement in funds, including the income 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 charity 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.

Emphasis of matter – non-going concern basis of accounting

We draw attention to note 1 Accounting policies: Basis of accounting on page 15 of the financial statements which states that the financial statements have not been prepared on the going concern basis. Our opinion is not modified in this regard.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Royal Grammar School, Guildford Foundation

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the Directors' 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.

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

The Royal Grammar School, Guildford Foundation

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to GDPR and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to regulations related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

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

A further description of our responsibilities 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.

Use of our report

This report is made solely to the charitable company's member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditor
Date: 6 June 2025

10 Queen Street Place
London
EC4R 1AG

Company Number 04232306

	Notes	Unrestricted Funds £	Restricted Funds £	2023-2024 Total £	2022-2023 Total £
Income From:					
Donations and legacies	2 (a)	323	320,171	320,494	690,593
Income from trading activities	2 (b)	3,952	0	3,952	4,733
Investment Income	2 (c)	46,985	0	46,985	14,145
Total income		51,260	320,171	371,431	709,471
Expenditure on:					
Cost of generating funds					
Charitable activities	3 (a)	323	366,015	366,338	345,881
Raising funds	3 (b)	3,684	4,831	8,515	18,056
Donation of Net Assets to RGSG	10	183,097	2,250,116	2,433,213	0
Total expenditure		187,104	2,620,962	2,808,066	363,937
NET MOVEMENT IN FUNDS		(135,844)	(2,300,791)	(2,436,635)	345,534
Fund balances brought forward at 1 August		135,844	2,300,791	2,436,635	2,091,101
Fund balances carried forward at 31 July		0	0	0	2,436,635

The Company has no gains or losses that are not shown above.

The accounting policies and notes on pages 15 to 20 form part of these Financial Statements.

Company Number 04232306

	Notes	31 July 2024 £	31 July 2023 £
CURRENT ASSETS			
Stock	5 (a)	0	19,301
RGS Debtor		0	111,000
Gift Aid receivable		28,761	58,981
Cash		0	2,593,090
		<u>28,761</u>	<u>2,782,372</u>
CREDITORS: due within one year	5 (b)	<u>(28,761)</u>	<u>(345,737)</u>
TOTAL NET ASSETS	6	<u>0</u>	<u>2,436,635</u>
Represented by:			
RESTRICTED FUNDS	6	0	2,300,791
UNRESTRICTED FUNDS			
General funds	6	0	135,844
		<u>0</u>	<u>135,844</u>
Total funds		<u>0</u>	<u>2,436,635</u>

Approved by the Board of The Royal Grammar School, Guildford Foundation
and signed on behalf of the Company by



Henry Pearson

Director

Date: 25/03/25



Garth Williams

Director

Date: 25/03/25

The accounting policies and notes on pages 15 to 20 form part of these Financial Statements.

Company Number 04232306

	Notes	2023-2024		2022-2023	
		£	£	£	£
Cashflows from operating activities					
Net cash provided by operations	(i)		(2,640,075)		365,860
Cash flows from investing activities					
Investment income receipts		46,985		14,145	
			46,985		14,145
Changes in cash and cash equivalents in the reporting period			(2,593,090)		380,005
Cash and cash equivalents at 1 August			2,593,090		2,213,085
Cash and cash equivalents at 31 July		(ii)	0		2,593,090
			2023-2024		2022-2023
(i) Reconciliation of net income to net Cash Inflow/(Outflow) from Operating Activities			£		£
Net Movement in funds			(2,436,635)		345,534
Decrease in debtors and prepayments			141,220		28,072
(Decrease) / Increase in Creditors			(316,976)		5,269
Decrease in Stock			19,301		1,130
Investment income			(46,985)		(14,145)
			(2,640,075)		365,860
(ii) Analysis of changes in Cash and Cash Equivalents Analysis of Net Funds			As at 31 July 2024	Cash Flow	As at 31 July 2023
			000s	000s	000s
Net cash balances			0	(2,593,090)	2,593,090

The accounting policies and notes on pages 15 to 20 form part of these Financial Statements.

Company Number 04232306

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting Policies**Basis of accounting

The Financial Statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, 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) – Second Edition, effective 1 January 2019.

The accounts are drawn up on the historical cost accounting basis.

As detailed in the financial review, Royal Grammar School Guildford bears the costs of the Foundation's fundraising, alumni relations and development work.

On 17 July 2024 the Foundation merged with Royal Grammar School Guildford ('the School') and became a department/cost centre of the School with the operations, assets and liabilities transferred to School. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than group concern. The trustees have considered the non-applicability of the going concern assumption to the carrying value of the Foundation's remaining asset and liability, being a gift aid receivable and a corresponding amount due to the School. The trustees consider that the merger did not affect the valuation of the Foundation's remaining net assets in these financial statements and that therefore no re-valuation is required.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 11th June 2001 (company number 42323060) and registered as a charity on 3rd January 2002 (charity number 1089955). The Foundation's 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 judgement, 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 affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the directors no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Company Number 04232306

Statement of Financial Activities (SOFA)

Until the merger on 17 July 2024 The Foundation had two types of fund:

- Restricted – where the purposes for which the funds could be used have been restricted by donors; and
Unrestricted – where the fund was not restricted as to use other than in furthering the objects of the Foundation.

Stock

Stock was valued at the lower of cost and net realisable value until the merger on 17 July 2024.

Income and expenditure

With the exception of voluntary income, income and expenditure were accounted for on an accruals basis. Voluntary incoming resources were accounted for as and when entitlement arose, the amount could be reliably quantified, and the economic benefit to the company was considered probable.

Legacies subject to a life interest by another party were not recognised. Pecuniary legacies were recognised when the legacy was received or where there was sufficient evidence that receipt was probable. Residuary legacies were recognised at the earlier of cash received or notification of an interim distribution or estate accounts having been approved by the executors.

Expenditure

Expenditure was allocated to expense headings either on a direct cost basis or apportioned according to time spent. Expenditure was accrued as soon as a liability was considered probable, discounted to present value for longer term liabilities.

Taxation

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

Company Number 04232306

2. Income

- (a) Donations are received from Friends, other forms of regular donation, one-off gifts and legacies.
- (b) Foundation continued to sell merchandise until the merger. The trading turnover relating to those sales, which are included in the income from trading activities, can be found below.

	2023-24	2022-23
	£	£
Sales Turnover	3,952	4,733
Cost of Sales	(3,620)	(2,342)
Net Turnover	<u>332</u>	<u>2,391</u>

- (c) Investment income comprises interest on Gift Aid, bank interest and treasury deposit interest.

3. Charitable activities

- (a) Donations received by the Foundation are passed on to the School following reclaim of tax under the Gift Aid scheme.
- (b) Costs in support of charitable activities include bank charges and the rental of equipment to allow acceptance of donations by debit and credit card, and totalled £4,896 (2023 - £4,482) in the year.
- (c) Until the merger the School made available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School.

4. Governance costs

Insurance premiums, audit fees and other statutory costs were paid for by the School on behalf of the Foundation.

The Directors were not in receipt of any remuneration or expenses during the year.

5. Current assets

- (a) Stock consisted of various merchandise unsold which was transferred to the School as part of the merger on 17th July 2024.

(b) Creditors: amounts falling due within one year	As at 31 July	As at 31 July
	2024	2023
	£	£
RGSG creditor	28,761	345,737
	<u>28,761</u>	<u>345,737</u>

Company Number 04232306

6. Allocation of the Charity net assets**Restricted Funds**

Restricted Funds within the Foundation were made up of funds held which have been restricted by the donor. When donations are passed to the school the restrictions remain with them. Restricted funds were mainly made up of the Bursary Fund which receives restricted bursary donations. The Foundation funds were transferred to the School as part of the merger on 17 July 2024.

(a) The net assets at the prior year balance sheet date were held for the various funds as follows :

	Net current Assets/ (Liabilities) 2024 £	Net current Assets/ (Liabilities) 2023 £
Restricted	0	2,300,791
Unrestricted - general	<u>0</u>	<u>135,844</u>
Total Funds	<u>0</u>	<u>2,436,635</u>

(b) Funds: movements in the year:	Balance at 31 July 2023 £	Net Income / (expense) £	Donations £	Grants and Allocations £	Balance at 31 July 2024 £
Restricted	2,300,791	(4,831)	320,171	(2,616,131)	0
Unrestricted - General	135,844	47,253	323	(183,420)	0
	<u>2,436,635</u>	<u>42,422</u>	<u>320,494</u>	<u>(2,799,551)</u>	<u>0</u>

Comparative Allocation of the Charity net assets

Funds: movements in the year:	Balance at 31 July 2022 £	Net Income / (expense) £	Donations £	Grants and Allocations £	Balance at 31 July 2023 £
Restricted	1,960,527	(4,448)	690,002	(345,290)	2,300,791
Unrestricted - General	130,574	5,270	591	(591)	135,844
	<u>2,091,101</u>	<u>822</u>	<u>690,593</u>	<u>(345,881)</u>	<u>2,436,635</u>

Company Number 04232306

7. Employee Information

There were no employees of the company during the year.

8. Related party transactions

1509 Group is the sole voting Member of the Foundation, thus making it the Ultimate Parent Undertaking of both the Foundation and the School. Until the merger the School made available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School. At the date of the merger the Foundation owed the school £349,915 (2023: £345,737) and the School owed the Foundation's Enduring Bursary Fund £55,000 (2022: £111,000). At 31 July 2024 the Foundation owed the School £28,761.

1509 Group is the holding company of both Foundation and Royal Grammar School Guildford. Copies of the consolidated accounts for the 1509 Group are available from the registered office at The Royal Grammar School, High Street, Guildford, Surrey GU1 3BB.

In 2023/24, £366,338 (2022/23, £345,881) of donations was passed from Foundation to the School, to be used for the purposes for which the donations were nominated.

In 2023/24, the School made a no charge for financial administration costs (a £9,000 charge was made for 2022/23).

Neither the trustees nor persons connected with them received any remuneration or other benefits from the Foundation or any connected organisations. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman. No expenses were reimbursed during the period.

The Trustees donated £2,000 (excluding Gift Aid) to the Foundation in the year (2022/23 £676).

9. Prior Year Statement of Financial Activities

Income and Expenditure Account	Unrestricted Funds	Restricted Funds	2022-23 Total
	£	£	£
Income From			
Donations and legacies	591	690,002	690,593
Income from trading activities	4,733	0	4,733
Investment Income	14,145	0	14,145
Income	<u>19,469</u>	<u>690,002</u>	<u>709,471</u>
Expenditure			
Charitable activities	591	345,290	345,881
Raising funds	13,608	4,448	18,056
Total expenditure	<u>14,199</u>	<u>349,738</u>	<u>363,937</u>
Net Movement in Funds	5,270	340,264	345,534
Fund balances brought forward at 1 August 2022	130,574	1,960,527	2,091,101
Fund balances carried forward at 31 July 2023	<u><u>135,844</u></u>	<u><u>2,300,791</u></u>	<u><u>2,436,635</u></u>

Company Number 04232306

10. Transfer of assets and liabilities to Royal Grammar School, Guildford.

On 17 July 2024 the operations, assets and liabilities of the Foundation were transferred to the School. The following table shows the net assets transferred to the School.

	£'000
Cash	2,695
Other net liabilities	(262)
	<hr/> <u>2,433</u>

THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

England & Wales - Charity number 1089955

Accounts

The Royal Grammar School, Guildford Foundation

Directors' Report & Financial Statements

For the Year Ended

31st July 2023

Company Number 4232306

Charity Number 1089955

The Royal Grammar School, Guildford Foundation

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AIMS, OBJECTIVES AND ACTIVITIES

1. The Directors, who are also the Trustees, of the Royal Grammar School, Guildford Foundation ('The Foundation') present their annual report and audited financial statements for the year ended 31st July 2023 and confirm they comply with the requirements of the Companies Act 2006, Charities Act 2011, the trust deed, the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) Second Edition, effective 1 January 2019 and the FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Our Aims

2. The Foundation is established to promote, provide and raise funds for the charitable purposes of Royal Grammar School Guildford (the School) and otherwise to promote any other charitable purpose connected or otherwise associated with the School.

3. The Trustees have considered the stated object in the light of the Charity Commission's general guidance on public benefit and the consultation draft on supplementary guidance on "Public Benefit and the Advancement of Education". They are satisfied that the object is for the advancement of education and that there is an identifiable public benefit that is available to a section of the public, being the pupils/recipients of education at the School.

Our Objectives

4. The Foundation has two key objectives: to raise funds, especially for bursaries, and to build a supportive community of parents, alumni and others who can offer financial and non-financial support to the School. Both are achieved by developing relationships with individuals within the wider School community.

5. The Trustees are aware that the generation of funds for the benefit of the School will assist it in its endeavour to ensure that all boys who meet the entrance criteria may have the opportunity to attend the School, regardless of the financial means of their parents.

Our Activities

6. The Foundation has a strategy based on developing a philanthropic culture and building a long-term fundraising plan for bursaries. The key priorities identified are to build a culture of giving through the school community, to steward existing donors so that their support would extend into the future and to give time and resource to a major donor programme

7. The Foundation's fundraising activities to date have been based on recruiting regular gifts to ensure predictable, tax efficient income streams. Initiatives include the operation of a Friends scheme and a variety of higher-level regular-giving opportunities. Legacy gifts are a less regular but highly valued contribution. Income is also sought from Trusts & Foundations in support of bursaries and from corporate sources for sponsorship activities such as events, technology or staff investment. Merchandise is sold to promote awareness of the School. Stewardship programmes are in place for the various fundraising initiatives. All activities promote ongoing engagement through sharing the impact of philanthropic support.

8. On finishing school, all pupils become Old Guildfordians and are automatically included in the alumni programme. This programme of communications and events is managed and run by the Development & Alumni Relations office (DARO).

9. The Development & Alumni Relations Office also manages a professional and social networking platform – RGS Connect. Launched in May 2017, it offers members of the RGS community the opportunity to ‘give back’ through the sharing of skills, knowledge and experience. The platform and other connections are also used to organise a series of sector-specific career seminars, in conjunction with the Higher Education & Careers team, for the benefit of boys at the School and pupils from the local secondary schools.

10. The Directors have considered all the activities of the Charity against the Commission’s Public Benefit Guidance and are of the opinion that the mix of practical support for education and fundraising for a registered educational establishment and the provision of educational events to which other schools are invited delivers public benefit consistent with the Charity’s aims and thereby meets the public benefit principles. In particular, fundraising for bursaries generates funds intended to ensure that access to the School is as open as possible to families of all means.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS 2022-23

Fundraising

11. The Foundation generated incoming resources of £709k for the year 2022-23. This included £302k of fundraising income and a £278k gift from 1509 Group’s International subsidiaries.

Principal Income sources included:

- a) Major Donor regular giving
- b) ‘Class of...’ fellowship giving from the parents of U6 Leavers
- c) Friends of the RGS
- d) Gift from 1509 Group International companies
- e) Sales of merchandise
- f) Unsolicited gifts

12. Some of the funds raised by the Foundation are made tax efficiently through the government’s Gift Aid scheme. Donations are allocated in line with donors’ wishes where specified. Unrestricted funds are currently applied to the School’s funding priority, which is bursaries. The day to day running costs of the Foundation and the Development & Alumni Relations Office are met by the School, not from donated income.

13. Donor stewardship remains central to the Foundation’s Fundraising activity. The development and alumni office continued to produce the annual Supporters Review publication, which celebrates the impact of giving to the Bursary Campaign. Supporters were also invited to the annual Supporters Reception to celebrate, alongside members of the community which includes OGs, parents and former parents, governors and staff as well as former bursary holders the Foundation’s philanthropic successes.

Alumni Relations & Communications

14. The Development and Alumni Relations Office maintained contact with the alumni and former, as well as current, parent community through a full series of printed and online communications as well as in person and online events. The various activities included:

- a) One online alumni (OG) quiz organised by a current staff member and OG
- b) A legacy 'lunch' meeting for the Beckingham Society, for members who have made provisions for the School in their wills
- c) A King's Lecture with an OG TV Sporting Personality
- d) A regular concert services at Holy Trinity Church
- e) Continued stewardship of older OGs through personalised birthday cards for all OGs over 75 years of age sent each year
- f) Production of the OG magazine DialOGue sent to all OGs by post and digitally to all the other members of the community: retired staff, governors, current and former parents
- g) Weekly email newsletters to the RGS Community informing them of notable events in the alumni and School community
- h) Anniversary reunions celebrating the OG graduation years: 30th Reunion, 50th Reunions and other ad-hoc events
- i) Invitations to special OG organised reunions overseas: Singapore & New York

Careers & Pupil support

15. In 2022-23, the development and alumni office continued to provide help and assistance as well as organisation and logistics to the Careers programme held in School and aimed at a wider audience of current students, including state school pupils from the wider Surrey area. Support was provided in the organisation of the Career programme aimed at future Lawyers and Medics. Eight young Old Guildfordians practising Medicine and Law came back to share valuable insights from their practices with hundreds of current students. The audiences were current RGS students as well as students from local state schools.

FUTURE PLANS (see also paragraph 27)"Road to 2035" Campaign

16. The Headmaster's long-term widening access vision, that the School will be able to achieve full merit-based open access within a generation, continued to influence and shape future strategic development plans. Our aim is for every boy who earns his place at the School by merit is able to take it up, irrespective of financial circumstances. The vision led to the creation of the "Road to 2035" Campaign which aims to build a long-term investment fund (circa £13.5 million at the time of writing) to support bursaries long into the future for the School. This would mark the special celebration of the School's 525th Anniversary in 2035.

17. The "Road to 2035" Campaign aims to encourage major donations from existing constituents: OGs, parents, former parents giving alongside regular cycle of donations. Key to this strategy is to continue to seek major giving prospects from the current database of School contacts as well as embed the ethos of 'widening access' at all levels of the RGS community to build a shared philanthropic culture so that by 2035, the School will be in a position to provide bursary support to every boy who applies and successfully qualifies for a bursary place. In practical terms, and with projected student bursary demands, this means the School would be able to double its provision for transformative bursary support.

STATUS, GOVERNANCE AND MANAGEMENT

The Status of the Foundation

18. The Foundation is a Company limited by guarantee and has no share capital. The Foundation has one voting member, 1509 Group, which undertakes to contribute an amount not exceeding £10 to the assets of the Foundation in the event of it being wound up whilst it is a member, or within one year of its ceasing to be a member. If, on the winding up or dissolution of the Foundation, there remains any property this shall be distributed to 1509 Group or to some other charitable institute or institutions having objects similar to the objects of the Foundation. The 1509 Group is the parent undertaking of the Foundation. The 1509 Group is the holding company of both Foundation and Royal Grammar School Guildford.

The Directors, Officers and Advisors

19. There are currently four Directors. 1509 Group appointed one Director. The remaining Directors were appointed by the member, on the recommendation of the School. We were pleased to welcome Henry Pearson and Garth Williams to the Board in July 2023. The names of all the Directors of The Royal Grammar School, Guildford Foundation and of the Officers and Advisors to the Foundation are set out on page 7.

20. Directors, who are also charity trustees, are selected for their commitment to our philanthropic ambitions, their networks and connections to help raise funds and their knowledge and experience of the School.

21. All Directors give their time freely and no remuneration or expenses were paid in the year. No Director or person connected with a Director received any benefit from either means tested bursaries or scholarships awarded to the School's pupils.

Recruitment and Training of Trustees

22. The Headmaster, Chair of Governors and existing trustees work with the Development Director to identify prospective Trustees and assist in their induction. Prospective trustees are invited to a number of School events in order to meet members of the school leadership team and are given considerable background material regarding the School, its philanthropic history and current fundraising strategy. The legal and fiduciary responsibilities as a charity trustee are made clear as well as the primary role of Foundation trustees as fundraisers and networkers. Every prospective trustee will meet at least one other existing trustee independently before taking up the position. Induction includes a visit to the School, the opportunity to meet key staff members and sessions with the Development Director and Bursar regarding fundraising and the Foundation strategy, School and Foundation finances and School governance respectively. Most trustees will have been recruited through an existing trustee who will provide mentoring support as needed. Where a trustee has been recruited by a staff member or School leadership, a trustee will be appointed to offer this support.

23. Trustee Terms of Reference and a Memorandum of Understanding between the School and Foundation are both in place.

Administration

24. The Directors are responsible for the strategic management of the Foundation. By agreement between the School and the Foundation, the School provides administrative resources for the Foundation free of charge, thus allowing the Directors and officers to concentrate their efforts on the tasks of supporting the School and of fundraising. Day to day operational management is delegated to the Development Director, who is not a director of the Company. Financial matters are overseen by the Treasurer.

FINANCIAL REVIEW

25. The Foundation received £690,593 (2021-22: £1,431,678) through donations, with restricted donations totalling £690,002 (2021-22: £1,431,055). Sale of merchandise generated a further £4,733 (2021-22: £2,518) during the year. Corresponding cost of sales came to £2,342 (2021-22: £1,815). The Foundation donated £345,881 (2021-22: £340,161) to the School during the year.

26. The School has agreed to provide, free of charge, the administrative resources for the Foundation's fundraising, alumni relations and development work in the expectation that significant donations and other benefits will be generated for the School.

27. It is intended during 2023-24 that the Foundation will merge with Royal Grammar School Guildford ('the School') and become a department or cost centre of the School with the assets, liabilities and activities transferred to School. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern. The trustees have considered the non-applicability of the going concern assumption to the carrying value of the Foundation's asset and liabilities, comprising cash, amounts due to and from the School, gift aid receivable and a small amount of stock, all of which will transfer to the School at the point of merger. The trustees consider that the planned merger does not affect the valuation of the Foundation's net assets in these financial statements and that therefore no re-valuation is required.

PRINCIPAL RISKS AND UNCERTAINTIES

28. The Directors review the Foundation's risk assessments at least annually, and more frequently if appropriate to take into account changing circumstances.

The main risks are identified as:

- a) Failure of the School to adopt a fully integrated approach to fundraising, from strategy to communications, leading to an inability to realise the philanthropic funds needed to achieve the School's stated aim of full merit-based open access within a generation. The Governors have convened a working party of Governors, Trustees and staff to address this issue and make recommendations to the School.
- b) Cyber-attack, causing major theft, loss or corruption of data or systems, which could damage the Foundation's operations 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.
- c) Data protection changes which could lead to a significant drop in the number of those from the RGS community with whom the Foundation can communicate. Work is ongoing with the Bursar to ensure that data capture and collection activity continues to be legal and effective for fundraising and marketing purposes.
- d) Cost of living pressures on the donor community.

Sources of Funding

29. Almost all of our funding comes from alumni of the School (called Old Guildfordians) and parents and staff, past and present. In recent years profits from the overseas ventures of the 1509 Group have also been gifted to the Foundation to support bursaries. Additionally, in years where there is a surplus of bursary budget over bursary need in the School, the balance is gifted to Foundation to support future bursaries. A small number of Trusts & Foundations also offer their support.

30. The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. No professional fundraising organisations or commercial participators are currently used by the Foundation. 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 is 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. There were no complaints received by the Foundation in respect of fundraising activity.

Investment and Reserves Policy

31. The Foundation's Enduring Bursary Fund continues to grow, in line with its long term strategy. The fund is grown using specific legacy and restricted gifts, any surplus in unrestricted gifts to the Foundation and any unspent funds from the School's annual bursary allocation. Funds are currently being held on deposit. The Fund may be used if there is a shortfall in philanthropic funding in a given year, to meet bursary commitments.

32. The Foundation's total reserves of £2,437k at the year-end (2021-22: £2,091k) included £2,301k of unspent restricted income (2021-22: £1,961k), and £136k of unrestricted income (2021-22: £131k). The Foundation does not seek to carry significant levels of free reserves for contingency purposes as there are minimal operating costs.

33. Funds and other donations received for the School have been passed on in a timely manner, to be used for the purposes for which they were nominated.

Disclosure of Information to Auditors

34. The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

The Royal Grammar School Guildford
H Styche-Patel
H Pearson
G Williams

Appointed by RGS
Appointed by the member
Appointed 5 July 2023
Appointed 5 July 2023

C Alder
J Eves

Resigned on 7 March 2023
Resigned on 20 July 2023

Honorary Officers

The Headmaster

J M Cox

Secretary & Treasurer

C M Perceval

Registered Office

The Royal Grammar School
High Street
Guildford
Surrey GU1 3BB

Advisors

Principal Bankers

National Westminster Bank Plc
Guildford Commercial Office
PO Box 1, 2nd Floor G3
Guildford
Surrey GU1 3ZR

Auditors & Tax Advisors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Solicitors

Barlow Robbins LLP
The Oriel
Sydenham Road
Guildford
Surrey GU1 3SR

Company Number

04232306

Charity Number

1089955

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the Directors' responsibilities for the Financial Statements from those of the auditors as stated in their report.

Company and Charity law require the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those Financial Statements the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state where applicable United Kingdom Accounting Standards have been followed, subject to any material departures in the financial statements disclosed and explained;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditor, Haysmacintyre LLP were appointed in the year and a resolution concerning their appointment was approved at the Annual General Meeting.

Approved by the Directors and signed on their behalf by:



Henry Pearson

Director

Date 23 January 2024



Garth Williams

Director

Date 23 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATIONOpinion

We have audited the financial statements of The Royal Grammar School, Guildford Foundation for the year ended 31 July 2023 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 July 2023 and of the charitable company's net movement in funds, including the income 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 charity 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.

Emphasis of matter – non-going concern basis of accounting

We draw attention to note 1 Accounting policies: Basis of accounting on page 15 of the financial statements which states that the financial statements have not been prepared on the going concern basis. Our opinion is not modified in this regard.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 for the financial statements

As explained more fully in the Directors' 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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to GDPR and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to regulations related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

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

A further description of our responsibilities 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.

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.



Tracey young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory
Auditor

10 Queen Street Place
London
EC4R 1AG

Date: 6 February 2024

Company Number 4232306

	Notes	Unrestricted Funds £	Restricted Funds £	2022-2023 Total £	2021-2022 Total £
Income From:					
Donations and legacies	2 (a)	591	690,002	690,593	1,431,678
Income from trading activities	2 (b)	4,733	0	4,733	2,518
Investment Income	2 (c)	14,145	0	14,145	133
Total income		19,469	690,002	709,471	1,434,329
Expenditure on:					
Cost of generating funds					
Charitable activities	3 (a)	591	345,290	345,881	340,161
Raising funds	3 (b)	13,608	4,448	18,056	6,858
Total expenditure		14,199	349,738	363,937	347,019
NET MOVEMENT IN FUNDS		5,270	340,264	345,534	1,087,310
Fund balances brought forward at 1 August 2022		130,574	1,960,527	2,091,101	1,003,791
Fund balances carried forward at 31 July 2023		135,844	2,300,791	2,436,635	2,091,101

The Company has no gains or losses that are not shown above.

The accounting policies and notes on pages 15 to 20 form part of these Financial Statements.

Company Number 4232306

	Notes	31st July 2023 £	31st July 2022 £
CURRENT ASSETS			
Stock	5 (a)	19,301	20,430
RGS Debtor		111,000	136,000
Gift Aid receivable		58,981	61,513
Prepayments		0	541
Cash		2,593,090	2,213,085
		<hr/>	<hr/>
		2,782,372	2,431,569
CREDITORS: due within one year	5 (b)	(345,737)	(340,468)
		<hr/>	<hr/>
TOTAL NET ASSETS	6	2,436,635	2,091,101
		<hr/> <hr/>	<hr/> <hr/>
Represented by:			
RESTRICTED FUNDS	6	2,300,791	1,960,527
UNRESTRICTED FUNDS			
General funds	6	135,844	130,574
		<hr/>	<hr/>
Total funds		2,436,635	2,091,101
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Board of The Royal Grammar School , Guildford Foundation
and signed on behalf of the Company by

Henry Pearson

GT Williams

Henry Pearson

Garth Williams

Director

Director

Date 23 January 2024

Date 23 January 2024

The accounting policies and notes on pages 15 to 20 form part of these Financial Statements.

Company Number 4232306

	Notes	2022-2023	2021-2022
Cashflows from operating activities			
Net cash provided by operations	(i)	365,860	1,308,691
Cash flows from investing activities			
Investment income receipts		<u>14,145</u>	<u>133</u>
		14,145	133
Changes in cash and cash equivalents in the reporting period		380,005	1,308,824
Cash and cash equivalents at 1 August		2,213,085	904,261
Cash and cash equivalents at 31 July	(ii)	2,593,090	2,213,085
(i) Reconciliation of net income to net Cash Inflow/(Outflow) from Operating Activities			
		2022-2023	2021-2022
Net Movement in funds		345,534	1,087,310
Decrease / (Increase) in debtors and prepayments		28,072	(94,557)
Increase in Creditors		5,269	316,533
Decrease / (Increase) in Stock		1,130	(462)
Investment income		(14,145)	(133)
		<u>365,860</u>	<u>1,308,691</u>
(ii) Analysis of changes in Cash and Cash Equivalents Analysis of Net Funds			
		As at 31st July 2023 000s	Cash Flow 000s
		As at 31st July 2022 000s	
Net cash balances		<u>2,593,090</u>	<u>380,005</u>
		<u>2,213,085</u>	

The accounting policies and notes on pages 15 to 20 form part of these Financial Statements.

1. Accounting Policies

Basis of accounting

The Financial Statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, 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) – Second Edition, effective 1 January 2019.

The accounts are drawn up on the historical cost accounting basis.

As detailed in the financial review, Royal Grammar School Guildford bears the costs of the Foundation's fundraising, alumni relations and development work.

It is intended during 2023-24 that the Foundation will merge with Royal Grammar School Guildford ('the School') and become a department or cost centre of the School with the assets, liabilities and activities transferred to School. The trustees therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than group concern. The trustees have considered the non-applicability of the going concern assumption to the carrying value of the Foundation's asset and liabilities, comprising cash, amounts due to and from the School, gift aid receivable and a small amount of stock, all of which will transfer to the School at the point of merger. The trustees consider that the planned merger does not affect the valuation of the Foundation's net assets in these financial statements and that therefore no re-valuation is required.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 11th June 2001 (company number 42323060) and registered as a charity on 3rd January 2002 (charity number 1089955). The Foundation's 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 judgement, 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 affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the directors no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Statement of Financial Activities (SOFA)

The Foundation 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 Foundation.

Stock

Stock is valued at the lower of cost and net realisable value.

Income and expenditure

With the exception of voluntary income, income and expenditure is accounted for on an accruals basis. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified, and the economic benefit to the company is considered probable.

Legacies subject to a life interest by another party will not be recognised. Pecuniary legacies will be recognised when the legacy is received or where there is sufficient evidence that receipt is probable. Residuary legacies are recognised at the earlier of cash received or notification of an interim distribution or estate accounts having been approved by the executors.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Taxation

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

Company Number 4232306

2. Income

- (a) Donations are received from Friends, other forms of regular donation, one-off gifts and legacies.
- (b) Foundation continues to sell merchandise. The trading turnover relating to those sales, which are included in the income from trading activities, can be found below.

	2022-23	2021-22
	£	£
Sales Turnover	4,733	2,448
Cost of Sales	<u>(2,342)</u>	<u>(1,815)</u>
Net Turnover	<u><u>2,391</u></u>	<u><u>633</u></u>

- (c) Investment income comprises interest on Gift Aid and bank interest.

3. Charitable activities

- (a) Donations received by the Foundation are passed on to the School following reclaim of tax under the Gift Aid scheme.
- (b) Costs in support of charitable activities include bank charges and the rental of equipment to allow acceptance of donations by debit and credit card, and totalled £4,482 (2022 - £4,997) in the year.
- (c) The School makes available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School.

4. Governance costs

Insurance premiums, audit fees and other statutory costs were paid for by the School on behalf of the Foundation.

The Directors were not in receipt of any remuneration or expenses during the year.

5. Current assets

- (a) Stock consists of various merchandise unsold as of the year end.

(b) Creditors: amounts falling due within one year	At 31st July 2023	At 31st July 2022
	£	£
RGS creditor	345,737	340,414
Other creditors	<u>0</u>	<u>54</u>
	<u><u>345,737</u></u>	<u><u>340,468</u></u>

6. Allocation of the Charity net assets**Restricted Funds**

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. Restricted funds are mainly made up of the Bursary Fund which receives restricted bursary donations.

(a) The net assets at the balance sheet date are held for the various funds as follows :

	Net current Assets/ (Liabilities) 2023 £	Net current Assets/ (Liabilities) 2022 £
Restricted	2,300,791	1,960,527
Unrestricted - general	<u>135,844</u>	<u>130,574</u>
Total Funds	<u>2,436,635</u>	<u>2,091,101</u>

(b) Funds: movements in the year:	Balance at 31st July 2022 £	Net Income / (expense) £	Donations £	Grants and Allocations £	Balance at 31st July 2023 £
Restricted	1,960,527	(4,448)	690,002	(345,290)	2,300,791
Unrestricted - General	130,574	5,270	591	(591)	135,844
	<u>2,091,101</u>	<u>822</u>	<u>690,593</u>	<u>(345,881)</u>	<u>2,436,635</u>

Comparative Allocation of the Charity net assets

Funds: movements in the year:	Balance at 31st July 2021 £	Net Income / (expense) £	Donations £	Grants and Allocations £	Balance at 31st July 2022 £
Restricted	874,620	(4,987)	1,431,055	(340,161)	1,960,527
Unrestricted - General	129,171	780	623	0	130,574
	<u>1,003,791</u>	<u>(4,207)</u>	<u>1,431,678</u>	<u>(340,161)</u>	<u>2,091,101</u>

Company Number 4232306

7. Employee Information

There were no employees of the company during the year ended 31st July 2023.

8. Related party transactions

1509 Group is the sole voting Member of the Foundation, thus making it the Ultimate Parent Undertaking of both the Foundation and the School. The School makes available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School. At the year end Foundation owed the school £345,737 (2022: £340,414) and the School owes Foundation's Enduring Bursary Fund £111,000 (2022: £136,000).

1509 Group is the holding company of both Foundation and Royal Grammar School Guildford. Copies of the consolidated accounts for the 1509 Group are available from the registered office at The Royal Grammar School, High Street, Guildford, Surrey GU1 3BB.

In 2022/23, £345,881 (2021/22, £340,161) of donations was passed from Foundation to the School, to be used for the purposes for which the donations were nominated.

In 2022/23, a the School made a charge of £9,000 (no charge was made for 2021/22) for financial administration costs.

Neither the trustees nor persons connected with them received any remuneration or other benefits from the Foundation or any connected organisations. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman. No expenses were reimbursed during the period.

The Trustees donated £676 (excluding Gift Aid) to the Foundation in the year (2021/22 £9,847).

In 2022/23 the Foundation received a gift of £277,767 from 1509 Group International Companies (no gift was given for 2021/22).

Company Number 4232306

9. Prior Year Statement of Financial Activities	Unrestricted Funds	Restricted Funds	2021-22 Total
Income and Expenditure Account	£	£	£
Income From			
Donations and legacies	623	1,431,055	1,431,678
Income from trading activities	2,518	0	2,518
Investment Income	133	0	133
Income	<u>3,274</u>	<u>1,431,055</u>	<u>1,434,329</u>
Expenditure			
Expenditure on Charitable activities:			
Costs in support of charitable activities	0	340,161	340,161
Costs incurred from raising funds	1,871	4,987	6,858
Total expenditure	<u>1,871</u>	<u>345,148</u>	<u>347,019</u>
Net Movement in Funds	1,403	1,085,907	1,087,310
Fund balances brought forward at 1st August	129,171	874,620	1,003,791
Fund balances carried forward at 31st July 2022	<u>130,574</u>	<u>1,960,527</u>	<u>2,091,101</u>

10. Post Balance Sheet Event

It is intended during 2023-24 that the Foundation will merge with the School and become a cost centre of the School. The Foundation's operations, assets and liabilities are therefore expected to transfer to the School during 2023-24 and the Foundation will in due course be wound up. The Development and Alumni Relations Office, DARO, will continue the work carried out by the Foundation, just as it has done before in the interests of the School to fulfil the School's charitable aims and objectives as set by the Headmaster and approved by the School's Governing Body.

THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

England & Wales - Charity number 1089955

Accounts

The Royal Grammar School, Guildford Foundation

Directors' Report & Financial Statements

For the Year Ended

31st July 2022

Registered Number 4232306

Charity Number 1089955

The Royal Grammar School, Guildford Foundation

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Aims and Objectives

1. The Directors, who are also the Trustees, of the Royal Grammar School, Guildford Foundation ('The Foundation') present their annual report and audited financial statements for the year ended 31st July 2022 and confirm they comply with the requirements of the Companies Act 2006, Charities Act 2011, the trust deed and the FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Our Aims

2. The Foundation is established to promote, provide and raise funds for the charitable purposes of Royal Grammar School Guildford (the School) and otherwise to promote any other charitable purpose connected or otherwise associated with the School.

3. The Trustees have considered the stated object in the light of the Charity Commission's general guidance on public benefit and the consultation draft on supplementary guidance on "Public Benefit and the Advancement of Education". They are satisfied that the object is for the advancement of education and that there is an identifiable public benefit that is available to a section of the public, being the pupils/recipients of education at the School.

Our Objectives

4. The Foundation has two key objectives: to raise funds, especially for bursaries, and to build a supportive community of parents, alumni and others who can offer financial and non-financial support to the School. Both are achieved by developing relationships with individuals within the wider School community.

5. The Trustees are aware that the generation of funds for the benefit of the School will assist it in its endeavour to ensure that all boys who meet the entrance criteria may have the opportunity to attend the School, regardless of the financial means of their parents.

Our Activities

6. In 2014 a five-year strategy, based on developing a philanthropic culture and building a long-term fundraising plan for bursaries was launched. The key priorities identified are to build a culture of giving through the school community, to steward existing donors so that their support would extend into the future and to give time and resource to a major donor programme. Following the set-backs of the coronavirus pandemic in 2020-21, the first phase of the campaign for bursaries resulting from that strategy came to a successful conclusion in the Autumn of 2021.

7. The Foundation's fundraising activities to date have been based on recruiting regular gifts to ensure predictable, tax efficient income streams. Initiatives include the operation of a Friends scheme and a variety of higher-level regular-giving opportunities. Legacy gifts are a less regular but highly valued contribution. Income is also sought from Trusts & Foundations in support of bursaries and from corporate sources for sponsorship activities such as events, technology or staff investment. Merchandise is sold to promote awareness of the School. Stewardship programmes are in place for the various fundraising initiatives. All activities promote ongoing engagement through sharing the impact of philanthropic support.

8. On finishing school, all pupils become Old Guildfordians and are automatically included in the alumni programme. This programme of communications and events is managed and run by the Development & Alumni Relations office (DARO).

9. The Development & Alumni Relations Office also manages a professional and social networking platform – RGS Connect. Launched in May 2017, it offers members of the RGS community the opportunity to ‘give back’ through the sharing of skills, knowledge and experience. The platform and other connections are also used to organise a series of sector-specific career seminars, in conjunction with the Higher Education & Careers team, for the benefit of boys at the School and pupils from the local secondary schools.

10. The Directors have considered all the activities of the Charity against the Commission’s Public Benefit Guidance and are of the opinion that the mix of practical support for education and fundraising for a registered educational establishment and the provision of educational events to which other schools are invited delivers public benefit consistent with the Charity’s aims and thereby meets the public benefit principles. In particular, fundraising for bursaries generates funds intended to ensure that access to the School is as open as possible to families of all means.

Review of Activities and Achievements 2021-22

Fundraising

11. The Foundation generated incoming resources of £1,434,329 for the year 2021-22. This was comprised of a £1,000,000 unbudgeted legacy and £434k of fundraising income. Principal Income sources included:

- a) Legacy donation
- b) Major Donor regular giving
- c) ‘Class of...’ fellowship giving from the parents of U6 Leavers
- d) Friends of the RGS
- e) Sales of merchandise
- f) Unsolicited gifts

12. The majority of the funds raised by the Foundation are made tax efficiently through the government’s Gift Aid scheme. Donations are allocated in line with donors’ wishes where specified. Unrestricted funds are currently applied to the School’s funding priority, which is bursaries. The day to day running costs of the Foundation and the Development & Alumni Relations Office are met by the School, not from donated income.

This year, on completion of the 20 for 2020 Campaign and with changes in the development office including the transition between development directors and a wish to move focus to a long-term strategy, fundraising initiatives such as a Giving Day or a Telephone Campaign were paused.

13. Donor stewardship remains central to the Foundation’s fundraising activity. This year, the development and alumni office produced a new and updated version of the annual Supporters Review, celebrating the impact and sharing the successful results of the 20 for 2020 Campaign. Supporters were also invited to the annual Supporters Reception to celebrate, alongside the Headmaster, the Chair of Governors, Foundation Trustees and key members of staff, the year’s philanthropic successes. This marked the first fully Supporters’ celebration, following previous online events held in 2020 and a restricted event to mark the end of the 20 for 2020 Campaign in October 2021.

Alumni Relations & Communications

14. The Development and Alumni Relations Office maintained contact with the alumni and former, as well as current, parent community through a full series of printed and online communications as well as in person and online events. The various activities included:

- a) Two online alumni (OG) quizzes
- b) Two fully subscribed 'Breakfast Club online talks' featuring distinguished members of the Old Guildfordian community including a Nobel laureate OG
- c) A legacy 'lunch' meeting for the Beckingham Society, the alumni legacy members
- d) A King's Lecture with TV Sports Personality and OG
- e) Concert services at Holy Trinity Church
- f) Continued phone contact and stewardship with older OGs
- g) Production of the OG magazine DialOGue
- h) Weekly email newsletter to the RGS Community informing them of notable events both in the wider RGS community
- i) Anniversary reunions celebrating the 30th anniversary and 50th anniversary graduating classes
- j) Anniversary lunches and teas for OGs from the 1960s and earlier
- k) A young OG event with current members of staff for OGs in Cambridge

Careers & Pupil support

15. In 2021-22, the development and alumni office continued to provide help and assistance as well as organisation and logistics to the Careers programme held in School and aimed at a wider audience of current students, including state school pupils from the wider Surrey area. Support was provided in the organisation of the Career programme aimed at future Engineers. Four young Old Guildfordians working in Engineering came back to share precious insights from their fields ranging from civil and structural engineering to robotics and aerospace. The audiences of current RGS students and other students were in their hundreds.

Future Plans & "Road to 2035" Campaign

16. The Headmaster's long-term vision, that RGS Guildford will achieve full merit-based open access within a generation, continued to influence and shape the future strategic development plans. Our aim is for every boy who earns his place at the School by merit is able to take it up, irrespective of financial circumstances within his family. The vision led to the creation of the "Road to 2035" Campaign which aims to build a long-term investment fund to support bursaries into the future for the School just in time to celebrate the School's 525th anniversary.

17. The Campaign aims to encourage major donations and legacy focused giving alongside the regular cycle of multi-year donations. Key to this strategy is to continue to embed the ethos of 'widening access' at all levels of the RGS community and grow a shared philanthropic culture internationally so that by 2035 the School will be in a position to provide bursary support to every boy who qualifies. The multi-year Campaign will be launched in the 2022-23 financial year.

The Status of the Foundation

18. The Foundation is a Company limited by guarantee and has no share capital. The Foundation has one voting member, 1509 Group, which undertakes to contribute an amount not exceeding £10 to the assets of the Foundation in the event of it being wound up whilst it is a member, or within one year of its ceasing to be a member. If, on the winding up or dissolution of the Foundation, there remains any property this shall be distributed to 1509 Group or to some other charitable institute or institutions having objects similar to the objects of the Foundation. The 1509 Group is the parent undertaking of the Foundation. The 1509 Group is the holding company of both Foundation and Royal Grammar School Guildford.

The Directors, Officers and Advisors

19. There are currently four Directors. 1509 Group appointed one Director. The remaining Directors were appointed by the member, on the recommendation of the School. We were pleased to welcome Chris Alder to the Board in November 2021. The names of all the Directors of The Royal Grammar School, Guildford Foundation and of the Officers and Advisors to the Foundation are set out on page 7.

20. Directors, who are also charity trustees, are selected for their commitment to our philanthropic ambitions, their networks and connections to help raise funds and their knowledge and experience of the School.

21. All Directors give their time freely and no remuneration or expenses were paid in the year. No Director or person connected with a Director received any benefit from either means tested bursaries or scholarships awarded to the School's pupils.

Recruitment and Training of Trustees

22. The Headmaster, Chair of Governors and existing trustees work with the Development Director to identify prospective Trustees and assist in their induction. Prospective trustees are invited to a number of School events in order to meet members of the school leadership team and are given considerable background material regarding the School, its philanthropic history and current fundraising strategy. The legal and fiduciary responsibilities as a charity trustee are made clear as well as the primary role of Foundation trustees as fundraisers and networkers. Every prospective trustee will meet at least one other existing trustee independently before taking up the position. Induction includes a visit to the School, the opportunity to meet key staff members and sessions with the Development Director and Bursar regarding fundraising and the Foundation strategy, School and Foundation finances and School governance respectively. Most trustees will have been recruited through an existing trustee who will provide mentoring support as needed. Where a trustee has been recruited by a staff member or School leadership, a trustee will be appointed to offer this support.

23. Trustee Terms of Reference and a Memorandum of Understanding between the School and Foundation are both in place.

Administration

24. The Directors are responsible for the strategic management of the Foundation. By agreement between the School and the Foundation, the School provides administrative resources for the Foundation free of charge, thus allowing the Directors and officers to concentrate their efforts on the tasks of supporting the School and of fundraising. Day to day operational management is delegated to the Development Director, who is not a director of the Company. Financial matters are overseen by the Treasurer.

Financial Review

25. The Foundation received £1,431,678 (2020-21: £839,039) through donations and legacies, with restricted donations totalling £1,431,055 (2020-21: £837,979). Sale of merchandise generated a further £2,518 (2020-21: £2,347) during the year. Corresponding cost of sales came to £1,815 (2020-21: £729). The Foundation donated £340,161 (2020-21: £339,500) to the School during the year.

26. The School has agreed to provide, free of charge, the administrative resources for the Foundation's fundraising, alumni relations and development work in the expectation that significant donations and other benefits will be generated for the School.

Budgets and cashflow forecasts have been prepared which cover the period to July 2024. These include consideration of the key risks alongside the company's planned response and sensitivity analysis around significant assumptions. Accordingly, the trustees believe the School's financial resources alongside the plans they have in place are sufficient to ensure the Foundation 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.

Principal Risks and Uncertainties

27. The Directors review the Foundation's risk assessments at least annually, and more frequently if appropriate to take into account changing circumstances.

The main risks are identified as:

- a) Failure of the School to adopt a fully integrated approach to fundraising, from strategy to communications, leading to an inability to realise the philanthropic funds needed to achieve the School's stated aim of full merit-based open access within a generation. The Governors have convened a working party of Governors, Trustees and staff to address this issue and make recommendations to the School.
- b) Cyber-attack, causing major theft, loss or corruption of data or systems, which could damage the Foundation's operations 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.
- c) Incidence of a pandemic or other major event adversely affecting fundraising activities and donor finances. Regular meetings of the Foundation Board have been convened to address the emerging issues and needs and a revised fundraising plan has been prepared in light of the situation. Performance against revised plans and forecast is regularly reviewed to monitor cash and operational resources. Fundraising campaigns and initiatives are being conducted on-line and active stewardship of the existing donor base continues.
- d) Data protection changes which could lead to a significant drop in the number of those from the RGS community with whom the Foundation can communicate. Work is ongoing with the Bursar to ensure that data capture and collection activity continues to be legal and effective for fundraising and marketing purposes.
- e) Cost of living pressures on the donor community.

Sources of Funding

28. Almost all of our funding comes from alumni of the School (called Old Guildfordians) and parents and staff, past and present. In recent years profits from the overseas ventures of the 1509 Group have also been gifted to the Foundation to support bursaries. Additionally, in years where there is a surplus of bursary budget over bursary need in the School, the balance is gifted to Foundation to support future bursaries. A small number of Trusts & Foundations also offer their support.

29. The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. No professional fundraising organisations or commercial participators are currently used by the Foundation. 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 is 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. There were no complaints received by the Foundation in respect of fundraising activity.

Investment and Reserves Policy

30. The Foundation's Enduring Bursary Fund continues to grow, in line with its long term strategy. The fund is grown using specific legacy and restricted gifts, any surplus in unrestricted gifts to the Foundation and any unspent funds from the School's annual bursary allocation. Funds are currently being held on deposit. The Fund may be used if there is a shortfall in philanthropic funding in a given year, to meet bursary commitments.

31. The Foundation's total reserves of £2,091k at the year-end (2020-21: £1,004k) included £1,961k of unspent restricted income (2020-21: £875k), and £131k of unrestricted income (2020-21: £129k). The Foundation does not seek to carry significant levels of free reserves for contingency purposes.

32. Funds and other donations received for the School have been passed on in a timely manner, to be used for the purposes for which they were nominated. The Directors have reviewed the financial performance of the charity and believe there are sufficient funds to continue operating for the foreseeable future and there are no material uncertainties surrounding the Foundation's ability to continue as a going concern. The accounts of the charity have therefore been prepared on a going concern basis.

Disclosure of Information to Auditors

33. The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors

1509 Group
H Styche-Patel
J Eves
C Alder

Appointed by RGS
Appointed by the member
Appointed by the member
Appointed 23 November 2021

Honorary Officers

The Headmaster

J M Cox

Secretary & Treasurer

C M Perceval

Registered Office

The Royal Grammar School
High Street
Guildford
Surrey GU1 3BB

Advisors

Principal Bankers

National Westminster Bank Plc
Guildford Commercial Office
PO Box 1, 2nd Floor G3
Guildford
Surrey GU1 3ZR

Auditors

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

Solicitors

Barlow Robbins LLP
The Oriel
Sydenham Road
Guildford
Surrey GU1 3SR

Company Number

04232306

Charity Number

1089955

Statement of Directors' Responsibilities

The purpose of this statement is to distinguish the Directors' responsibilities for the Financial Statements from those of the auditors as stated in their report.

Company and Charity law require the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those Financial Statements the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state where applicable United Kingdom Accounting Standards have been followed, subject to any material departures in the financial statements disclosed and explained;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

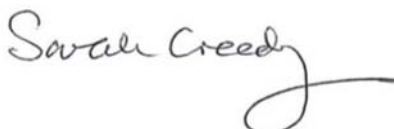
Crowe U.K. LLP has indicated willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Directors and signed on their behalf by:

Director 

Print name Heather Styche-Patel

Date 14th December 2022

Director 

Print name Sarah Creedy

Date 14th December 2022

Independent Auditor's Report to the Members of The Royal Grammar School, Guildford Foundation**Opinion**

We have audited the financial statements of The Royal Grammar School, Guildford Foundation ('the charitable company') for the year ended 31st July 2022 which comprise the Statement of Financial Activities, Charity Balance Sheet, 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 charitable company's affairs as at 31st July 2022 and of the charitable company'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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations was the Companies Act 2006.

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 donation income 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 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

16 December 2022

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

		Unrestricted Funds £	Restricted Funds £	2021-2022 Total £	2020-2021 Total £
	Notes				
Income From:					
Donations and legacies	1 (a)	623	1,431,055	1,431,678	839,038
Income from trading activities	1 (b)	2,518	-	2,518	2,347
Investment Income	1 (c)	133	-	133	129
Total incoming resources		3,274	1,431,055	1,434,329	841,514
Expenditure on:					
Charitable activities	2 (a)	-	340,161	340,161	367,580
Raising funds	2 (b)	1,871	4,987	6,858	44,931
Total expenditure		1,871	345,148	347,019	412,511
NET MOVEMENT IN FUNDS		1,403	1,085,907	1,087,310	429,003
Fund balances brought forward at 1 August 2021		129,171	874,620	1,003,791	574,788
Fund balances carried forward at 31 July 2022		130,574	1,960,527	2,091,101	1,003,791

The Company has no gains or losses that are not shown above.

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

	Notes	31st July 2022 £	31st July 2021 £
CURRENT ASSETS			
Stock	4 (a)	20,430	19,968
RGS Debtor		136,000	91,000
Gift Aid receivable		61,513	11,956
Prepayments		541	541
Cash		2,213,085	904,261
		<hr/>	<hr/>
		2,431,569	1,027,726
CREDITORS: due within one year	4 (b)	(340,468)	(23,935)
		<hr/>	<hr/>
TOTAL NET ASSETS	5	<u>2,091,101</u>	<u>1,003,791</u>
Represented by:			
RESTRICTED FUNDS	5	1,960,527	874,620
UNRESTRICTED FUNDS			
Designated and general funds	5	130,574	129,171
		<hr/>	<hr/>
Total funds		<u>2,091,101</u>	<u>1,003,791</u>

Approved by the Board of The Royal Grammar School , Guildford Foundation
and signed on behalf of the Company by

Director 

Director 

Print name Heather Styche-Patel

Print name Sarah Creedy

Date 14th December 2022

Date 14th December 2022

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

	2021-2022		2020-2021
Cashflows from operating activities			
Net cash provided by operations	1,308,691		382,658
Cash flows from investing activities			
Investment income receipts	<u>133</u>		<u>129</u>
	133		129
Changes in cash and cash equivalents in the reporting period	<u>1,308,824</u>		<u>382,787</u>
Cash and cash equivalents at 1 August	904,261		521,474
Cash and cash equivalents at 31 July	<u>2,213,085</u>		<u>904,261</u>
Net Cash Inflow/(Outflow) from Operating Activities			
	2021-2022		2020-2021
Net Movement in funds	1,087,310		429,003
Increase/(Decrease) in Creditors	316,533		(24,514)
(Increase) in debtors and prepayments	(94,557)		(20,816)
Investment income	(133)		(129)
(Increase) in Stock	(462)		(886)
	<u>1,308,691</u>		<u>382,658</u>
Changes in Cash and Cash Equivalents Analysis of Net Funds			
	As at		As at
	31st July 2022	Cash Flow	31st July 2021
	000s	000s	000s
Net cash balances	<u>2,213,085</u>	<u>1,308,824</u>	<u>904,261</u>

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

Basis of accounting

The Financial Statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, 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 accounts are drawn up on the historical cost accounting basis. The directors have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the company's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities on page 8.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the Foundation, in common with other entities, is unknown. As detailed in the financial review, Royal Grammar School Guildford bears the costs of the Foundation's fundraising, alumni relations and development work. The Trustees believe the Schools' financial resources are sufficient to ensure the Foundation will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statement and have therefore prepared the financial statements on a going concern basis.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 11th June 2001 (company number 42323060) and registered as a charity on 3rd January 2002 (charity number 1089955). The Foundation's 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 judgement, 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 affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the directors no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Statement of Financial Activities (SOFA)

Transactions are analysed on the SOFA as follows:

Unrestricted funds

- 'Foundation' - Expenses in furtherance of the charitable objective to support Royal Grammar School Guildford and the Company administration.
- 'Designated' - Any funds designated for the general use of the Company or designated for use by the School.

Restricted funds - Any funds held on behalf of Royal Grammar School Guildford or for other restricted purposes.

Stock

Stock is valued at the lower of cost and net realisable value.

Income and expenditure

With the exception of voluntary income, income and expenditure is accounted for on an accruals basis. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified, and the economic benefit to the company is considered probable. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the company in the case of donated services or facilities.

Donations and Legacies

Income from donations, grants and other sources is recognised on a cash basis and included in the Statement of Financial Activities (SOFA) when the Foundation is entitled to the income, when receipt is probable and when it can be measured reliably. Legacies subject to a life interest by another party will not be recognised. Pecuniary legacies will be recognised when the legacy is received or where there is sufficient evidence that receipt is probable. Residuary legacies are recognised at the earlier of cash received or notification of an interim distribution or estate accounts having been approved by the executors.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Taxation

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

1. Income

- (a) Donations are received from Friends, other forms of regular donation, one-off gifts and legacies.
- (b) Foundation continues to sell merchandise. The trading turnover relating to those sales, which are included in the income from trading activities, can be found below.

	2021-22	2020-21
	£	£
Sales Turnover	2,448	2,347
Cost of Sales	<u>(1,815)</u>	<u>(729)</u>
Net Turnover	<u>633</u>	<u>1,618</u>

- (c) Investment income comprises interest on Gift Aid and bank interest.

2. Charitable activities

- (a) Donations received by the Foundation are passed on to the School following reclaim of tax under the Gift Aid scheme.
- (b) Costs in support of charitable activities include bank charges and the rental of equipment to allow acceptance of donations by debit and credit card, and totalled £4,997 (2021 - £5,463) at the year end.

3. Governance costs

Insurance premiums, audit fees and other statutory costs were paid for by the School on behalf of the Foundation. The Directors were not in receipt of any remuneration or expenses during the year.

4. Current assets

- (a) Stock consists of various merchandise unsold as of the year end.

	At 31st July 2022	At 31st July 2021
	£	£
Accruals	0	33
RGS creditor	340,414	21,904
Other creditors	<u>54</u>	<u>1,998</u>
	<u>340,468</u>	<u>23,936</u>

5. Allocation of the Charity net assets

Restricted Funds

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. Restricted funds are mainly made up of the Bursary Fund which receives restricted bursary donations.

- (a) The net assets at the balance sheet date are held for the various funds as follows :

	Net current Assets/ (Liabilities) 2022 £	Net current Assets/ (Liabilities) 2021 £
Restricted	1,960,527	874,620
Unrestricted - general	<u>130,574</u>	<u>129,171</u>
Total Funds	<u>2,091,101</u>	<u>1,003,791</u>

(b) Funds: movements in the year:	Balance at 31st July 2021 £	Net Income / (expense) £	Donations £	Grants and Allocations £	Balance at 31st July 2022 £
Restricted	874,620	(4,987)	1,431,055	(340,161)	1,960,527
Unrestricted - General	129,171	780	623	0	130,574
	<u>1,003,791</u>	<u>(4,207)</u>	<u>1,431,678</u>	<u>(340,161)</u>	<u>2,091,101</u>

Comparative Allocation of the Charity net assets

Funds: movements in the year:	Balance at 31st July 2020 £	Net Income / (expense) £	Donations £	Grants and Allocations £	Balance at 31st July 2021 £
Restricted	409,661	(5,441)	837,980	(367,580)	874,620
Unrestricted - General	165,127	(37,016)	1,060	0	129,171
	<u>574,788</u>	<u>(42,457)</u>	<u>839,040</u>	<u>(367,580)</u>	<u>1,003,791</u>

6. Related party transactions

1509 Group is the sole voting Member of the Foundation, thus making it the Ultimate Parent Undertaking of both the Foundation and the School. The School makes available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School. At the year end Foundation owed the school £349,414 (2021 - Foundation owed School £21,904).

1509 Group is the holding company of both Foundation and Royal Grammar School Guildford. Copies of the consolidated accounts for the 1509 Group are available from the registered office at The Royal Grammar School, High Street, Guildford, Surrey GU1 3BB.

In 2021/22, £340,161 (2020/21, £367,580) of donations was passed from Foundation to the School, to be used for the purposes for which the donations were nominated.

Neither the trustees nor persons connected with them received any remuneration or other benefits from the Foundation or any connected organisations. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman. No expenses were reimbursed during the period.

The Trustees donated £9,847 (excluding Gift Aid) to the Foundation in the year (2020/21 £10,584).

7 Prior Year Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2020-21 Total £
Income and Expenditure Account			
Income From			
Donations and legacies	1,059	837,979	839,038
Income from trading activities	2,347	-	2,347
Investment Income	129	-	129
Income	<u>3,535</u>	<u>837,979</u>	<u>841,514</u>
EXPENDITURE			
Expenditure on Charitable activities:			
Costs in support of charitable activities	0	367,580	367,580
Costs incurred from raising funds	39,491	5,440	44,931
Total expenditure	<u>39,491</u>	<u>373,020</u>	<u>412,511</u>
NET MOVEMENT IN FUNDS	(35,956)	464,959	429,003
Fund balances brought forward at 1st August 2020	165,127	409,661	574,788
Fund balances carried forward at 31st July 2021	<u><u>129,171</u></u>	<u><u>874,620</u></u>	<u><u>1,003,791</u></u>

THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

England & Wales - Charity number 1089955

Accounts

The Royal Grammar School, Guildford Foundation

Directors' Report & Financial Statements

For the Year Ended

31 July 2021

Registered Number 4232306

Charity Number 1089955

The Royal Grammar School, Guildford Foundation

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Aims and Objectives

1. The Directors, who are also the Trustees, of the Royal Grammar School, Guildford Foundation ('The Foundation') present their annual report and audited financial statements for the year ended 31 July 2021 and confirm they comply with the requirements of the Companies Act 2006, Charities Act 2011, the trust deed and the FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Our Aims

2. The Foundation is established to promote, provide for and raise funds for the charitable purposes of RGS and Lanesborough (the School) and otherwise to promote any other charitable purpose connected with or otherwise associated with the School.

3. The Trustees have considered the stated object in the light of the Charity Commission's general guidance on public benefit and the consultation draft on supplementary guidance on "Public Benefit and the Advancement of Education". They are satisfied that the object is for the advancement of education and that there is an identifiable public benefit that is available to a section of the public being the pupils/recipients of education at the School.

Our Objectives

4. The Foundation has two key objectives: raising funds, especially for bursaries, and secondly to build a supportive community of parents, alumni and others who can offer financial and non-financial support to the School. Both are achieved by developing relationships with individuals within the wider School community.

5. The Trustees are aware that the generation of funds for the benefit of the School will assist it in its endeavour to ensure that all boys who meet the entrance criteria may have the opportunity to attend the School, regardless of the financial means of their parents.

6. These objectives and the activities undertaken to achieve them exist to reflect the aims of the Foundation and meet the Charity Commission's requirements for public benefit.

Our Activities

7. The appointment of a Development Director in January 2014 led to the creation of a new five-year strategy, based on developing a philanthropic culture and building a long-term fundraising plan for bursaries. The key priorities identified in it are to build a culture of giving through the school community, to steward existing donors so that their support would extend into the future and to give time and resource to a major donor programme. Following the set-backs of the coronavirus pandemic in 2020-21, the first phase of the campaign for bursaries resulting from that strategy concluded in the Autumn of 2021.

8. The Foundation's fundraising activities are based, wherever possible, on recruiting regular gifts to ensure predictable, tax efficient income streams. Initiatives include the operation of a Friends scheme and, under the aegis of a campaign for bursaries, a variety of higher-level regular-giving opportunities. Income is also sought from Trusts & Foundations in support of bursaries and from corporate sources for sponsorship activities such as events, technology or staff investment. Legacies are also sought, and merchandise is sold to promote awareness of the School. Stewardship programmes are in place for the various fundraising initiatives. All activities promote ongoing engagement through sharing the impact of philanthropic support.

9. When finishing school, all pupils become Old Guildfordians and are automatically included in the alumni programme. This programme of communications and events is managed and run by the Development & Alumni Relations office (DARO). DARO has taken over the alumni programme which previously ran under the auspices of the Old Guildfordians' Association (OGA) which was disbanded in 2015/16.

10. The Development & Alumni Relations Office also manages a professional and social networking platform – RGS Connect. Launched in May 2017, it offers members of the RGS community the opportunity to ‘give back’ through the sharing of skills, knowledge and experience. The platform and other connections are also used to organise a series of sector-specific career seminars, in conjunction with the Higher Education & Careers team, for the benefit of boys at the School and pupils from the local secondary schools.

11. The Directors have considered all the activities of the Charity against the Commission’s Public Benefit Guidance and are of the opinion that the mix of practical support for education and fundraising for a registered educational establishment and the provision of educational events to which other schools are invited delivers public benefit consistent with the Charity’s aims and thereby meets the public benefit principles. In particular, fundraising for bursaries generates funds intended to ensure that access to the School is as open as possible to families of all means.

Review of Activities and Achievements 2020-21

Fundraising

12. The Foundation exceeded its budgeted income this year. Income sources included:

- a) Major Donor regular giving
- b) ‘Class of...’ fellowship giving from the parents of U6 Leavers
- c) Friends of the RGS
- d) Fundraising Events, including a second digital Giving Day
- e) Gift from 1509 group International companies
- f) Merchandise
- g) Corporate sponsorship
- h) Unsolicited gifts

13. The majority of the funds raised by the Foundation are made tax efficiently through the government’s Gift Aid scheme. Donations are allocated in line with donors’ wishes where specified. Unrestricted funds are currently applied to the School’s funding priority, which is bursaries. The day to day running costs of the Foundation and the Development & Alumni Relations Office are met by the School, not from voluntary income.

The 2020-21 year activities included a second digital giving day, following from the first ever successful giving day in 2019 which raised £132,000 from 434 donors. The 2020-21 giving day raised £114,000 from 1,362 donors including 911 staff and pupils.

14. Donor stewardship remains a key element of all fundraising activity. Each year the Foundation produces a Supporters Review, updating on progress and celebrating impact. Supporters are also invited to an annual Supporters Reception which aims to bring together all our donors to celebrate success, offer our thanks and share the impact of their philanthropic support. Due to the coronavirus pandemic, this event was held online in 2020 and 2021 but there are plans to resume in-person celebrations later in 2021.

Alumni Relations

15. There were no in-person alumni events during 2020-2021. The Development and Alumni Relations Office continued contact with the alumni community through online communications and held online virtual events which included:

- a) An alumni (OG) quiz
- b) A networking and career 'Breakfast Club talk' for the whole RGS community
- c) A legacy 'lunch' meeting for the Beckingham Society, the alumni legacy members
- d) Concerts, carol services and Kings lectures online
- e) Continued phone contact with older OGs and stewardship by phone
- f) Production of OG magazine DialOGue

Careers / Pupil support

16. There were no in-person career seminars held but alumni were encouraged to use RGS Connect for careers networking, mentoring and support. An Economics talk by an alumnus was delivered to current A-level students.

Future Plans

17. The Headmaster's long-term vision that RGS Guildford will achieve full merit-based open access within a generation will continue to influence all future strategic development plans so that every boy who earns his place by merit is able to take it up, irrespective of financial circumstances within his family.

18. Fundraising will continue to focus on fundraising for bursaries from the alumni and friends base and will focus on encouraging regular multi-year donations. Key to this strategy is to continue to embed this ethos of 'widening access' at all levels of the RGS community and build a shared philanthropic culture from Governors and current staff members.

The Status of the Foundation

20. The Foundation is a Company limited by guarantee and has no share capital. The Foundation has one voting member, 1509 Group, which undertakes to contribute an amount not exceeding £10 to the assets of the Foundation in the event of it being wound up whilst it is a member, or within one year of its ceasing to be a member. If, on the winding up or dissolution of the Foundation, there remains any property this shall be distributed to 1509 Group or to some other charitable institute or institutions having objects similar to the objects of the Foundation. The 1509 Group is the parent undertaking of the Foundation. The 1509 Group is the holding company of both Foundation and RGS & Lanesborough.

The Directors, Officers and Advisors

21. There are currently four Directors. 1509 Group appointed one Director. The remaining Directors were appointed by the member, on the recommendation of the School. We were pleased to welcome Chris Alder to the Board in July 2021. The names of all the Directors of The Royal Grammar School, Guildford Foundation and of the Officers and Advisors to the Foundation are set out on page 7.

22. Directors, who are also charity trustees, are selected for their commitment to our philanthropic ambitions, their networks and connections to help raise funds and their knowledge and experience of the School.

23. All Directors give their time freely and no remuneration or expenses were paid in the year. No Director or person connected with a Director received any benefit from either means tested bursaries or scholarships awarded to the School's pupils.

Recruitment and Training of Trustees

24. The Headmaster, Chair of Governors and existing trustees work with the Development Director to identify prospective Trustees and assist in their induction. Prospective Trustees are invited to a number of School events in order to meet members of the school leadership team and are given considerable background material regarding the School, its philanthropic history and current fundraising strategy. The legal and fiduciary responsibilities as a charity trustee are made clear as well as the primary role of Foundation trustees as fundraisers and networkers. Every prospective trustee will meet at least one other existing Trustee independently before taking up the position. Induction includes a visit to the School, the opportunity to meet key staff members and sessions with the Development Director and Bursar regarding fundraising and the Foundation strategy, School and Foundation finances and School governance respectively. Most Trustees will have been recruited through an existing Trustee who will provide mentoring support as needed. Where a Trustee has been recruited by a staff member or School leadership, a Trustee will be appointed to offer this support.

25. Trustee Terms of Reference and a Memorandum of Understanding between the School and Foundation are both in place.

Administration

26. The Directors are responsible for the strategic management of the Foundation. By agreement between the School and the Foundation, the School provides administrative resources for the Foundation free of charge, thus allowing the Directors and officers to concentrate their efforts on the tasks of supporting the School and of fundraising. Day to day operational management is delegated to the Development Director, who is not a director of the Company. Financial matters are overseen by the Treasurer.

Financial Review

27. The Foundation received £839,039 (2019-20: £617,520) through donations, with restricted donations totalling £837,979 (2019-20: £616,898). Sale of merchandise generated a further £2,347 (2019-20: £3,443) during the year. Corresponding cost of sales came to £729 (2019-20: £1,795). The Foundation gave £339,500 (2019-20: £306,000) to the School during the year.

28. The School has agreed to provide, free of charge, the administrative resources for the Foundation's fundraising, alumni relations and development work in the expectation that significant donations and other benefits will be generated for the School.

Since March 2020 our operations have been impacted by the coronavirus pandemic. Staff are able to work remotely with fundraising and alumni relations activities being conducted on-line. RGS & Lanesborough bears the costs of the Foundation's core fundraising, alumni relations and development work. Special meetings of the Foundation Board convene regularly to address the emerging issues and develop action plans to support continued operations. Budgets and cashflow forecasts have been prepared which cover the period to January 2023. These include consideration of the key risks arising from the current crisis alongside the company's planned response and sensitivity analysis around significant assumptions. Accordingly, the trustees believe the School's financial resources alongside the plans they have in place are sufficient to ensure the Foundation 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.

Principal Risks and Uncertainties

29. The Directors will review the Foundation's risk assessments at least annually, and more frequently if appropriate to take into account changing circumstances.

The main risks are identified as:

- a) Failure of the School to adopt a fully integrated approach to fundraising, from strategy to communications, leading to an inability to realise the philanthropic funds needed to achieve the School's stated aim of full merit-based open access within a generation. The Governors have convened a working party of Governors, Trustees and staff to address this issue and make recommendations to the School.
- b) Cyber-attack, causing major theft, loss or corruption of data or systems, which could damage the Foundation's operations 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.
- c) Failure to recruit a suitable new Development Director in a timely fashion to replace the existing Development Director who left at the end of 2020/21. The Headmaster lead a transition plan and the recruitment process began in early 2020/21, with an appointment made in mid-2021.
- d) Incidence of a pandemic adversely affecting fundraising activities and donor finances. Regular meetings of the Foundation Board have been convened to address the emerging issues and needs and a revised fundraising plan has been prepared in light of the situation. Performance against revised plans and forecast is regularly reviewed to monitor cash and operational resources. Fundraising campaigns and initiatives are being conducted on-line and active stewardship of the existing donor base continues.
- e) Data protection changes which could lead to a significant drop in the number of those from the RGS community with whom the Foundation can communicate. Work is ongoing with the Bursar to ensure that data capture and collection activity continues to be legal and effective for fundraising and marketing purposes.

Sources of Funding

30. Almost all of our funding comes from alumni of the School (called Old Guildfordians) and parents and staff, past and present. In recent years profits from the overseas ventures of the 1509 Group have also been gifted to the Foundation to support bursaries. Additionally, in years where there is a surplus of bursary budget over bursary need in the School, the balance is gifted to Foundation to support future bursaries. A small number of Trusts & Foundations also offer their support.

31. The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. No professional fundraising organisations or commercial participators are currently used by the Foundation. 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 is 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. There were no complaints received by the Foundation in respect of fundraising activity.

Investment and Reserves Policy

32. In 2016/17, the Foundation launched an Enduring Bursary Fund, in line with its long term strategy. The fund is grown using specific legacy and restricted gifts, any surplus in unrestricted gifts to the Foundation and any unspent funds from the School's annual bursary allocation. Funds are currently being held on deposit. The Fund may be used if there is a shortfall in philanthropic funding in a given year, to meet bursary commitments.

33. The Foundation's total reserves of £1,004k at the year-end (2019-20: £575k) included £875k of unspent restricted income (2019-20: £410k), and £129k of unrestricted income (2019-20: £165k). The Foundation does not seek to carry significant levels of free reserves for contingency purposes.

34. Funds and other donations received for the School have been passed on in a timely manner, to be used for the purposes for which they were nominated. The Directors have reviewed the financial performance of the charity and believe there are sufficient funds to continue operating for the foreseeable future and there are no material uncertainties surrounding the Foundation's ability to continue as a going concern. The accounts of the charity have therefore been prepared on a going concern basis.

Disclosure of Information to Auditors

35. The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors

1509 Group
M Norbury
J Pearce
A Bakrania
H Styche-Patel
J Eves
C Alder

Appointed by RGS & Lanesborough
Retired 5 July 2021
Retired 25 February 2021
Retired 25 February 2021
Appointed 6 February 2020
Appointed 6 February 2020
Appointed 5 July 2021

Honorary Officers

The Headmaster

J M Cox

Secretary & Treasurer

C M Perceval

Registered Office

The Royal Grammar School
High Street
Guildford
Surrey GU1 3BB

Advisors

Principal Bankers

National Westminster Bank Plc
Guildford Commercial Office
PO Box 1, 2nd Floor G3
Guildford
Surrey GU1 3ZR

Auditors

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

Solicitors

Barlow Robbins LLP
The Oriel
Sydenham Road
Guildford
Surrey GU1 3SR

Company Number

4232306

Charity Number

1089955

Statement of Directors' Responsibilities

The purpose of this statement is to distinguish the Directors' responsibilities for the Financial Statements from those of the auditors as stated in their report.

Company and Charity law require the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those Financial Statements the Directors are required to:


- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state where applicable United Kingdom Accounting Standards have been followed, subject to any material departures in the financial statements disclosed and explained;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.


The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

37. Crowe U.K. LLP has indicated willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Directors and signed on their behalf by:

Director 
Print name Julie Eves
Date 01/12/2021

Director 
Print name David Cowson
Date 1/12/2021

Independent Auditor's Report to the Members of The Royal Grammar School, Guildford Foundation**Opinion**

We have audited the financial statements of The Royal Grammar School, Guildford Foundation ('the charitable company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, Charity Balance Sheet, 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 charitable company's affairs as at 31 July 2021 and of the charitable company'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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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 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 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 ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations was the Companies Act 2006.

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 donation income 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 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

17 December 2021

INCOME AND EXPENDITURE ACCOUNT	Unrestricted Funds £	Restricted Funds £	2020-2021 Total £	2019-2020 Total £
	Notes			
Income From:				
Donations and legacies	1 (a)	1,060	837,979	839,039
Income from trading activities	1 (b)	2,347	-	2,347
Investment Income	1 (c)	129	-	129
Total incoming resources		3,535	837,979	841,514
Expenditure on:				
Charitable activities	2 (a)	-	367,580	367,580
Raising funds	2 (b)	39,491	5,441	44,932
Total expenditure		39,491	373,021	412,511
NET MOVEMENT IN FUNDS		(35,956)	464,959	429,003
Fund balances brought forward at 1 August 2020		165,127	409,661	574,788
Fund balances carried forward at 31 July 2021		129,171	874,620	1,003,791

The Company has no gains or losses that are not shown above.

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

	Notes	31 July 2021 £	31 July 2020 £
CURRENT ASSETS			
Stock	4 (a)	19,968	19,082
RGS Debtor		91,000	55,000
Gift Aid receivable		11,956	8,898
Prepayments		541	18,783
Cash		904,261	521,474
		<u>1,027,726</u>	<u>623,237</u>
CREDITORS: due within one year	4 (b)	(23,936)	(48,449)
		<u> </u>	<u> </u>
TOTAL NET ASSETS	5	<u>1,003,791</u>	<u>574,788</u>
 Represented by:			
RESTRICTED FUNDS	5	874,620	409,661
UNRESTRICTED FUNDS			
Designated and general funds	5	129,171	165,127
		<u> </u>	<u> </u>
Total funds		<u>1,003,791</u>	<u>574,788</u>

Approved by the Board of The Royal Grammar School , Guildford Foundation
and signed on behalf of the Company by

Director.....*Julie Eves*.....
Print name..... Julie Eves.....
Date..... 01/12/2021.....

Director.....*[Signature]*.....
Print name.....*2011 Caroline*.....
Date.....*1/12/2021*.....

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

	2020-2021		2019-2020
Cashflows from operating activities			
Net cash provided by operations	382,658		242,813
Cash flows from investing activities			
Investment income receipts	<u>129</u>	<u>428</u>	<u>428</u>
	129		428
Changes in cash and cash equivalents in the reporting period	<u>382,787</u>		<u>243,241</u>
Cash and cash equivalents at 1 August	<u>521,474</u>		<u>278,233</u>
Cash and cash equivalents at 31 July	<u>904,261</u>		<u>521,474</u>
Net Cash Inflow/(Outflow) from Operating Activities	2020-2021		2019-2020
Net Movement in funds	429,003		277,614
(Increase) in debtors and prepayments	(20,816)		(74,506)
(Decrease)/Increase in Creditors	(24,514)		42,538
Investment income	(129)		(428)
(Increase) in Stock	(886)		(2,405)
	<u>382,658</u>		<u>242,813</u>
Changes in Cash and Cash Equivalents	As at 31 July		As at 31 July
Analysis of Net Funds	2021	Cash Flow	2020
	000s	000s	000s
Net cash balances	<u>904,261</u>	<u>382,787</u>	<u>521,474</u>

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

Basis of accounting

The Financial Statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, 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 accounts are drawn up on the historical cost accounting basis. The directors have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the company's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities on page 8.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the Foundation, in common with other entities, is unknown. As detailed in the financial review, RGS & Lanesborough bears the costs of the Foundation's fundraising, alumni relations and development work. The Trustees believe the Schools' financial resources are sufficient to ensure the Foundation will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statement and have therefore prepared the financial statements on a going concern basis.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 11th June 2001 (company number 42323060) and registered as a charity on 3rd January 2002 (charity number 1089955). The Foundation's 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 judgement, 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 affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the directors no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Statement of Financial Activities (SOFA)

Transactions are analysed on the SOFA as follows:

Unrestricted funds

- 'Foundation' - Expenses in furtherance of the charitable objective to support RGS and Lanesborough and the Company administration.
- 'Designated' - Any funds designated for the general use of the Company or designated for use by the School.

Restricted funds - Any funds held on behalf of RGS and Lanesborough or for other restricted purposes.

Stock

Stock is valued at the lower of cost and net realisable value.

Income and expenditure

With the exception of voluntary income, income and expenditure is accounted for on an accruals basis. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified, and the economic benefit to the company is considered probable. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the company in the case of donated services or facilities.

Donations and Legacies

Income from donations, grants and other sources is recognised on an accruals basis and included in the Statement of Financial Activities (SOFA) when the Foundation is entitled to the income, when receipt is probable and when it can be measured reliably. Legacies subject to a life interest by another party will not be recognised. Pecuniary legacies will be recognised when the legacy is received or where there is sufficient evidence that receipt is probable. Residuary legacies are recognised at the earlier of cash received or notification of an interim distribution or estate accounts having been approved by the executors.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Financial Instruments

Basic financial instruments are initially recognised at transaction value, and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets that are amortised cost comprise cash at bank and in hand, together with trade and other debtors. 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.

Taxation

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

1. Income

- (a) Donations are received from Friends, other forms of regular donation, one-off gifts and legacies.
- (b) Foundation continues to sell merchandise. The trading turnover relating to those sales, which are included in the income from trading activities, can be found below.

	2020-21	2019-20
	£	£
Sales Turnover	2,347	3,443
Cost of Sales	(729)	(1,795)
Net Turnover	<u>1,618</u>	<u>1,648</u>

- (c) Investment income comprises interest on Gift Aid and bank interest.

2. Charitable activities

- (a) Donations received by the Foundation are passed on to the School following reclaim of tax under the Gift Aid scheme.
- (b) Costs in support of charitable activities include bank charges and the rental of equipment to allow acceptance of donations by debit and credit card, and totalled £5,463 (2020 - £5,595) at the year end.

3. Governance costs

Insurance premiums, audit fees and other statutory costs were paid for by the School, the immediate parent undertaking on behalf of the Foundation.

The Directors were not in receipt of any remuneration or expenses during the year.

4. Current assets

- (a) Stock consists of various merchandise unsold as of the year end.

	At 31 July 2021	At 31 July 2020
	£	£
Accruals	33	33
RGS creditor	21,904	48,363
Other creditors	1,999	54
	<u>23,936</u>	<u>48,449</u>

5. Allocation of the Charity net assets

Restricted Funds

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. Restricted funds are mainly made up of the Bursary Fund which receives restricted bursary donations.

- (a) The net assets at the balance sheet date are held for the various funds as follows :

	Net current Assets/ (Liabilities) 2021 £	Net current Assets/ (Liabilities) 2020 £
Restricted	<u>874,620</u>	<u>409,661</u>
Unrestricted - general	129,171	165,127
Total Funds	<u>1,003,791</u>	<u>574,788</u>

(b) Funds: movements in the year	Balance at 31st July 2020 £	Net Income/(loss) £	Donations £	Grants and Allocations £	Balance at 31st July 2021 £
Restricted	409,661	(5,441)	837,979	(367,580)	874,619
Unrestricted - General	165,127	(37,016)	1,060	0	129,172
	<u>574,788</u>	<u>(42,456)</u>	<u>839,039</u>	<u>(367,580)</u>	<u>1,003,791</u>

Comparative Allocation of the Charity net assets

(a) The net assets at the balance sheet date are held for the various funds as follows :

	Net current Assets/ (Liabilities) 2020 £	Net current Assets/ (Liabilities) 2019 £
Restricted	<u>409,661</u>	<u>108,113</u>
Unrestricted - general	<u>165,127</u>	<u>189,061</u>
Total Funds	<u><u>574,788</u></u>	<u><u>297,174</u></u>

(b) Funds: movements in the year	Balance at 31st July 2019 £	Net Income/(loss) £	Donations £	Grants and Allocations £	31st July 2020 £
Restricted	108,113	(5,533)	616,898	(309,817)	409,661
Unrestricted - General	189,061	(21,532)	623	(3,025)	165,127
	<u>297,174</u>	<u>(27,066)</u>	<u>617,521</u>	<u>(312,842)</u>	<u>574,788</u>

6. Related party transactions

The School is the sole voting Member of the Foundation, thus making it the Intermediate Parent Undertaking. The School makes available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School. At the year end Foundation owed the school £21,904 (2020 - Foundation owed School £48,363).

1509 Group is the holding company of both Foundation and RGS & Laneborough. Copies of the consolidated accounts for the 1509 Group are available from the registered office at The Royal Grammar School, High Street, Guildford, Surrey GU1 3BB.

In 2020/21, £339,500 (2019/20 £306,000) of donations was passed from Foundation to the School, to be used for the purposes for which the donations were nominated. In 2020/21 the School gifted £91,000 to the Foundation from unspent funds from the School's annual bursary allocation and this was reflected in the closing balance (2019/20 £55,000).

Neither the Trustees nor persons connected with them received any remuneration or other benefits from the Foundation or any connected organisations. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman. No expenses were reimbursed during the period.

In 2020/21 the Foundation received a gift of £257k from 1509 group International Companies (2019/20 £114k).

The Trustees donated £10,584 (excluding Gift Aid) to the Foundation in the year (2019/20 £11,220).

7 Statement of Financial Activities	Unrestricted Funds £	Restricted Funds £	2019-20 Total £
Income and Expenditure Account			
Income From			
Donations and legacies	623	616,898	617,520
Income from trading activities	6,268	-	6,268
Investment Income	428	-	428
Income	<u>7,318</u>	<u>616,898</u>	<u>624,216</u>
EXPENDITURE			
Expenditure on Charitable activities:			
Costs in support of charitable activities	3,025	309,817	312,841
Costs incurred from raising funds	28,228	5,533	33,761
Total expenditure	<u>31,252</u>	<u>315,350</u>	<u>346,602</u>
NET MOVEMENT IN FUNDS	(23,934)	301,548	277,614
Fund balances brought forward at 1 August 2019	189,061	108,113	297,174
Fund balances carried forward at 31 July 2020	<u>165,127</u>	<u>409,661</u>	<u>574,788</u>

THE ROYAL GRAMMAR SCHOOL, GUILDFORD FOUNDATION

England & Wales - Charity number 1089955

Accounts

The Royal Grammar School, Guildford Foundation

Directors' Report & Financial Statements

For the Year Ended

31 July 2020

Registered Number 4232306

Charity Number 1089955

The Royal Grammar School, Guildford Foundation

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Aims and Objectives

1. The Directors, who are also the Trustees, of the Royal Grammar School, Guildford Foundation ('The Foundation') present their annual report and audited financial statements for the year ended 31 July 2020 and confirm they comply with the requirements of the Companies Act 2006, Charities Act 2011, the trust deed and the FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Our Aims

2. The Foundation is established to promote, provide for and raise funds for the charitable purposes of RGS and Lanesborough (the School) and otherwise to promote any other charitable purpose connected with or otherwise associated with the School.

3. The Trustees have considered the stated object in the light of the Charity Commission's general guidance on public benefit and the consultation draft on supplementary guidance on "Public Benefit and the Advancement of Education". They are satisfied that the object is for the advancement of education and that there is an identifiable public benefit that is available to a section of the public being the pupils/recipients of education at the School.

Our Objectives

4. The Foundation has two key objectives: raising funds, especially for bursaries, and secondly to build a supportive community of parents, alumni and others who can offer financial and non-financial support to the School. Both are achieved by developing relationships with individuals within the wider School community.

5. The Trustees are aware that the generation of funds for the benefit of the School will assist it in its endeavour to ensure that all boys who meet the entrance criteria may have the opportunity to attend the School, regardless of the financial means of their parents.

6. These objectives and the activities undertaken to achieve them exist to reflect the aims of the Foundation and meet the Charity Commission's requirements for public benefit.

Our Activities

7. The appointment of a Development Director in January 2014 led to the creation of a new five-year strategy, based on developing a philanthropic culture and building a long-term fundraising plan for bursaries. The key priorities identified in it are to build a culture of giving through the school community, to steward existing donors so that their support extends into the future and to give time and resource to a major donor programme. Due to the coronavirus pandemic this strategy is now expected to conclude in 2020/21.

8. The Foundation's fundraising activities are based, wherever possible, on recruiting regular gifts to ensure predictable, tax efficient income streams. Initiatives include the operation of a Friends scheme and, under the aegis of a campaign for bursaries, a variety of higher-level regular-giving opportunities. Income is also sought from Trusts & Foundations in support of bursaries and from corporate sources for sponsorship activities such as events, technology or staff investment. Legacies are also sought, and merchandise is sold to promote awareness of the School. Stewardship programmes are in place for the various fundraising initiatives. All activities promote ongoing engagement through sharing the impact of philanthropic support.

9. In 2015/16, the members of the Old Guildfordians' Association (OGA) voted to dissolve the Association and pass all alumni activity to the School, to be managed by the Development & Alumni Relations Office. All former pupils are now Old Guildfordians and are automatically included in the alumni programme. The lifetime Association membership charge applied to RGS Leavers has been removed.

10. The Development & Alumni Relations Office also manages a professional and social networking platform – RGS Connect. Launched in May 2017, it offers members of the RGS community the opportunity to ‘give back’ through the sharing of skills, knowledge and experience. The platform and other connections are also used to organise a series of sector-specific career seminars, in conjunction with the Higher Education & Careers team, for the benefit of boys at the School and pupils from the local secondary schools. On average, two seminars are held each year.

11. The Directors have considered all the activities of the Charity against the Commission’s Public Benefit Guidance and are of the opinion that the mix of practical support for education and fundraising for a registered educational establishment and the provision of educational events to which other schools are invited delivers public benefit consistent with the Charity’s aims and thereby meets the public benefit principles. In particular, fundraising for bursaries generates funds intended to ensure that access to the School is as open as possible to families of all means.

Review of Activities and Achievements 2019-20

Fundraising

12. The Foundation exceeded its budgeted income this year. Income sources included:

- a) Twenty for 2020 Campaign, including:
 - Major Donor regular giving
 - ‘Class of...’ fellowship giving from the parents of U6 Leavers
- b) Friends of the RGS
- c) Fundraising Events, including a digital Giving Day in October 2019
- d) Gift from 1509 group International companies
- e) Merchandise
- f) Corporate sponsorship
- g) Unsolicited gifts

13. The majority of the funds raised by the Foundation are made tax efficiently through the government’s Gift Aid scheme. Donations are allocated in line with donors’ wishes where specified. Unrestricted funds are currently applied to the School’s funding priority, which is bursaries. The day to day running costs of the Foundation and the Development & Alumni Relations Office are met by the School, not from voluntary income.

14. Donor stewardship remains a key element of all fundraising activity. Each year the Foundation produces a Supporters Review, updating on progress and celebrating impact. Supporters are also invited to an annual Supporters Reception which aims to bring together all our donors to celebrate success, offer our thanks and share the impact of their philanthropic support. Due to the coronavirus pandemic, this event was held online in 2020. Supporters are also invited to take part in the life of the School through various musical, academic and sporting events, held throughout the year.

Alumni Relations

15. The Development & Alumni Relations Office ran a reduced number of alumni relations events in 2019/20 as a result of the coronavirus pandemic but other activities increased. These included:

- a) The production of the OG magazine, DialOGue
- b) Telephone calls to OGs over the age of 80 during lockdown
- c) A celebration of members of the RGS community working in the NHS and on the frontline during coronavirus

Careers / Pupil support

16. The Foundation organised two well-attended careers seminars this year, focusing on Finance & Management Consulting and the Third Sector respectively. Approximately 450 guests attended in total. Speakers included Old Guildfordians, current parents and parents of Old Guildfordians. The audience included boys and girls from other local schools, both independent and state.

Future Plans

17. The 2014-19 strategy responds to the Headmaster's long-term vision that RGS Guildford achieve full merit-based open access within a generation, so that every boy who earns his place is able to take it up, irrespective of the financial circumstances of his family. The strategy focuses on fundraising for bursaries, aiming to create 20 new transformational bursary places for 2020, and on developing a new philanthropic culture in the RGS community. The coronavirus pandemic delayed the completion of the campaign which is now expected to conclude in 2020/21.

18. The fundraising plan aims to steadily and sustainably increase regular income over the period so that bursary support can be increased and maintained into the future.

19. The 2019-2020 year activities included our first ever digital Giving Day which raised over £132,000 from 434 unique donors.

The Status of the Foundation

20. The Foundation is a Company limited by guarantee and has no share capital. The Foundation has one voting member, 1509 Group, which undertakes to contribute an amount not exceeding £10 to the assets of the Foundation in the event of it being wound up whilst it is a member, or within one year of its ceasing to be a member. If, on the winding up or dissolution of the Foundation, there remains any property this shall be distributed to 1509 Group or to some other charitable institute or institutions having objects similar to the objects of the Foundation. The 1509 Group is the parent undertaking of the Foundation. The 1509 Group is the holding company of both Foundation and RGS & Lanesborough.

The Directors, Officers and Advisors

21. There are currently six Directors. RGS & Lanesborough appointed one Director. The remaining Directors were appointed by the member, on the recommendation of the School. We were pleased to welcome Julie Eves and Heather Styche-Patel to the Board in February 2020. The names of all the Directors of The Royal Grammar School, Guildford Foundation and of the Officers and Advisors to the Foundation are set out on page 7.

22. Directors, who are also charity trustees, are selected for their commitment to our philanthropic ambitions, their networks and connections to help raise funds and their knowledge and experience of the School.

23. All Directors give their time freely and no remuneration or expenses were paid in the year. No Director or person connected with a Director received any benefit from either means tested bursaries or scholarships awarded to the School's pupils.

Recruitment and Training of Trustees

24. The Headmaster, Chair of Governors and existing trustees work with the Development Director to identify prospective Trustees and assist in their induction. Prospective Trustees are invited to a number of School events in order to meet members of the school leadership team and are given considerable background material regarding the School, its philanthropic history and current fundraising strategy. The legal and fiduciary responsibilities as a charity trustee are made clear as well as the primary role of Foundation trustees as fundraisers and networkers. Every prospective trustee will meet at least one other existing Trustee independently before taking up the position. Induction includes a visit to the School, the opportunity to meet key staff members and sessions with the Development Director and Bursar regarding fundraising and the Foundation strategy, School and Foundation finances and School governance respectively. Most Trustees will have been recruited through an existing Trustee who will provide mentoring support as needed. Where a Trustee has been recruited by a staff member or School leadership, a Trustee will be appointed to offer this support.

25. Trustee Terms of Reference and a Memorandum of Understanding between the School and Foundation are both in place.

Administration

26. The Directors are responsible for the strategic management of the Foundation. By agreement between the School and the Foundation, the School provides administrative resources for the Foundation free of charge, thus allowing the Directors and officers to concentrate their efforts on the tasks of supporting the School and of fundraising. Day to day operational management is delegated to the Development Director, who is not a director of the Company. Financial matters are overseen by the Treasurer.

Financial Review

27. The Foundation received £617,520 (2018-19: £239,725) through donations, with restricted donations totalling £616,898 (2018-19: £225,335). Sale of merchandise generated a further £3,443 (2018-19: £5,246) during the year. Corresponding cost of sales came to £1,795 (2018-19: £2,947). The Foundation gave £306,000 (2018-19: £192,900) to the School during the year.

28. The School has agreed to provide, free of charge, the administrative resources for the Foundation's fundraising, alumni relations and development work in the expectation that significant donations and other benefits will be generated for the School.

Since March 2020 our operations have been impacted by the coronavirus pandemic. The Foundation is closely following the advice of the government on a day-by-day basis to ensure the safety and wellbeing of the Foundation's community. All staff are able to work remotely with fundraising and alumni relations activities being conducted on-line. RGS & Lanesborough bears the costs of the Foundation's core fundraising, alumni relations and development work. Special meetings of the Foundation Board convene regularly to address the emerging issues and develop action plans to support continued operations. Budgets and cashflow forecasts have been prepared which cover the period to January 2022. These include consideration of the key risks arising from the current crisis alongside the company's planned response and sensitivity analysis around significant assumptions. Accordingly, the trustees believe the School's financial resources alongside the plans they have in place are sufficient to ensure the Foundation 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.

Principal Risks and Uncertainties

29. The Directors will review the Foundation's risk assessments at least annually, and more frequently if appropriate to take into account changing circumstances.

The main risks are identified as:

- a) Failure of the School to adopt a fully integrated approach to fundraising, from strategy to communications, leading to an inability to realise the philanthropic funds needed to achieve the School's stated aim of full merit-based open access within a generation. The Governors have convened a working party of Governors, Trustees and staff to address this issue and make recommendations to the School.
- b) Cyber-attack, causing major theft, loss or corruption of data or systems, which could damage the Foundation's operations 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.
- c) Failure to recruit a suitable new Development Director in a timely fashion to replace the existing Development Director who will leave in 202/21. The Headmaster is leading a transition plan and the recruitment process will begin in early 2020/21. A plan is also in place for SMT and Trustees to take greater responsibility for relationship building with prospective and current donors in 2020/21.
- d) Incidence of a pandemic adversely affecting fundraising activities and donor finances. Regular meetings of the Foundation Board have been convened to address the emerging issues and needs and a revised fundraising plan has been prepared in light of the situation. Performance against revised plans and forecast is regularly reviewed to monitor cash and operational resources. Fundraising campaigns and initiatives are being conducted on-line and active stewardship of the existing donor base continues. The need for hardship bursary support is expected to grow and the Foundation is poised to support this.
- e) Uncertainties for the economy post Brexit and in the fallout from COVID-19, which could affect donors' finances and could lead to reduced giving. Therefore, prospect research must take the economic situation into account. Increase of need for other good causes, so leading to greater competition for donations. Foundation must make a strong case for the philanthropic benefits of the

Bursary Programme and its importance to all stakeholders. Our current case for support continues to be effective with donors.

- f) Data protection changes which could lead to a significant drop in the number of those from the RGS community with whom the Foundation can communicate. Work is ongoing with the Bursar to ensure that data capture and collection activity continues to be legal and effective for fundraising and marketing purposes.

Sources of Funding

30. Almost all of our funding comes from alumni of the School (called Old Guildfordians) and parents and staff, past and present. In recent years profits from the overseas ventures of the 1509 Group have also been gifted to the Foundation to support bursaries. Additionally, in years where there is a surplus of bursary budget over bursary need in the School, the balance is gifted to Foundation to support future bursaries. A small number of Trusts & Foundations also offer their support.

31. The Foundation's fundraising activities are carried out by an in-house staff team, funded by the School. As no professional fundraising organisations or commercial participators are currently used by the Foundation, no monitoring processes are required. The Foundation adheres to the Code of Fundraising Practice when undertaking fundraising activity and intends to voluntarily subscribe to the Fundraising Regulator in the next financial year. 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 is 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. There were no complaints received by the Foundation in respect of fundraising activity.

Investment and Reserves Policy

32. In 2016/17, the Foundation launched an Enduring Bursary Fund, in line with its strategy. The fund will be grown using specific legacy and restricted gifts, any surplus in unrestricted gifts to the Foundation and any unspent funds from the School's annual bursary allocation. Funds are currently being held on deposit, but as they grow they will be invested in an endowment style fund to create revenue for bursaries. The Fund may also be used if there is a shortfall in philanthropic funding in a given year, to meet bursary commitments.

33. The Foundation's total reserves of £575k at the year-end (2018-19: £297k) included £524k of unspent restricted income (2018-19: £108k), and £51k of unrestricted income (2018-19: £189k). The Foundation does not seek to carry significant levels of free reserves for contingency purposes.

34. Funds and other donations received for the School have been passed on in a timely manner, to be used for the purposes for which they were nominated. The Directors have reviewed the financial performance of the charity and believe there are sufficient funds to continue operating for the foreseeable future and there are no material uncertainties surrounding the Foundation's ability to continue as a going concern. The accounts of the charity have therefore been prepared on a going concern basis.

Disclosure of Information to Auditors

35. The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all reasonable steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors

1509 Group
M Norbury
J Pearce
A Bakrania
H Styche-Patel
J Eves

Appointed by RGS & Lanesborough
Appointed 25 January 2016
Appointed 18 May 2016
Appointed 18 May 2016
Appointed 6 February 2020
Appointed 6 February 2020

Honorary Officers

The Headmaster

J M Cox

Secretary & Treasurer

C M Perceval

Registered Office

The Royal Grammar School
High Street
Guildford
Surrey GU1 3BB

Advisors

Principal Bankers

National Westminster Bank Plc
Guildford Commercial Office
PO Box 1, 2nd Floor G3
Guildford
Surrey GU1 3ZR

Auditors

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

Solicitors

Barlow Robbins LLP
The Oriel
Sydenham Road
Guildford
Surrey GU1 3SR

Company Number

4232306

Charity Number

1089955

Statement of Directors' Responsibilities

The purpose of this statement is to distinguish the Directors' responsibilities for the Financial Statements from those of the auditors as stated in their report.

Company and Charity law require the Directors to prepare Financial Statements for each financial year that give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those Financial Statements the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles of the Charities' SORP;
- make judgments and estimates that are reasonable and prudent;
- state where applicable United Kingdom Accounting Standards have been followed, subject to any material departures in the financial statements disclosed and explained;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

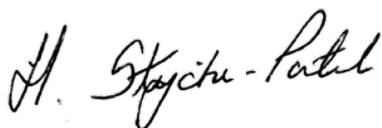
The Directors are responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

37. Crowe U.K. LLP has indicated willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Directors and signed on their behalf by:

Director



Print name Heather Styche-Patel

Date 01/12/2020

Director



Print name Mark Norbury

Date 01/12/2020

Independent Auditor's Report to the Members of The Royal Grammar School, Guildford Foundation**Opinion**

We have audited the financial statements of The Royal Grammar School, Guildford Foundation for the year ended 31 July 2020 which comprise the Statement of Financial Activities, Balance Sheet, Cash-flow Statement and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 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 set out on page 8, 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.

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.

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 3 December 2020

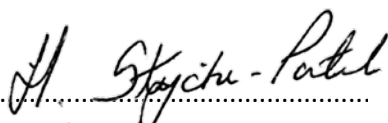
INCOME AND EXPENDITURE ACCOUNT	Unrestricted Funds £	Restricted Funds £	2019-2020 Total £	2018-2019 Total £
	Notes			
Income From:				
Donations and legacies	1 (a)	623	616,898	617,520
Income from trading activities	1 (b)	6,268	-	6,268
Investment Income	1 (c)	428	-	428
Total incoming resources		<u>7,318</u>	<u>616,898</u>	<u>624,216</u>
Expenditure on:				
Charitable activities	2 (a)	3,025	309,817	312,841
Raising funds	1 (b)	28,228	5,533	33,761
Total expenditure		<u>31,252</u>	<u>315,350</u>	<u>346,602</u>
NET MOVEMENT IN FUNDS		(23,934)	301,548	277,614
Fund balances brought forward at 1 August 2019		189,061	108,113	297,174
Fund balances carried forward at 31 July 2020		<u><u>£165,127</u></u>	<u><u>£409,661</u></u>	<u><u>£574,788</u></u>

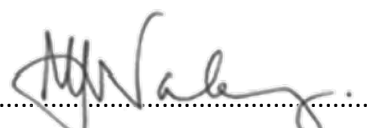
The Company has no gains or losses that are not shown above.

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

	Notes	31 July 2020 £	31 July 2019 £
CURRENT ASSETS			
Stock	4 (a)	19,082	16,677
RGS Debtor		55,000	-
Gift Aid receivable		8,898	7,635
Prepayments		18,783	541
Cash		521,474	278,233
		<u>623,237</u>	<u>303,086</u>
CREDITORS: due within one year	4 (b)	(48,449)	(5,912)
		<u> </u>	<u> </u>
TOTAL NET ASSETS	5	<u>574,788</u>	<u>297,174</u>
Represented by:			
RESTRICTED FUNDS	5	409,661	108,113
UNRESTRICTED FUNDS			
Designated and general funds	5	165,127	189,061
		<u> </u>	<u> </u>
Total funds		<u>£574,788</u>	<u>£297,174</u>

Approved by the Board of The Royal Grammar School , Guildford Foundation
and signed on behalf of the Company by

Director.....
 Print name..... Heather Styche-Patel
 Date..... 01/12/2020

Director.....
 Print name..... Mark Norbury
 Date..... 01/12/2020

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

	2019-2020		2018-2019	
Cashflows from operating activities				
Net cash provided by/(used in) operations		242,813		31,802
Cash flows from investing activities				
Investment income receipts	<u>428</u>		<u>425</u>	
		428		425
Changes in cash and cash equivalents in the reporting period		<u>243,241</u>		<u>32,227</u>
Cash and cash equivalents at 1 August		278,233		246,006
Cash and cash equivalents at 31 July		<u>521,474</u>		<u>£278,233</u>
Net Cash Inflow/(Outflow) from Operating Activities				
		2019-2020		2018-2019
Net Movement in funds		277,614		36,560
(Increase)/Decrease in debtors and prepayments		(74,506)		(4,919)
Increase/(Decrease) in Creditors		42,538		(660)
Investment income		(428)		(425)
(Increase)/Decrease in Stock		(2,405)		1,246
		<u>242,813</u>		<u>£31,802</u>
Changes in Cash and Cash Equivalents				
Analysis of Net Funds/(Debt)		As at	Cash Flow	As at
		31 July	000s	31 July
		000s		000s
Net cash balances		<u>521,474</u>	<u>243,241</u>	<u>278,233</u>

The accounting policies and notes on pages 15 to 19 form part of these Financial Statements.

Basis of accounting

The Financial Statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, 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 accounts are drawn up on the historical cost accounting basis. The directors have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the company's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities on page 8.

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long term impact on the Foundation, in common with other entities, is unknown. As detailed in the financial review, RGS & Lanesborough bears the costs of the Foundation's fundraising, alumni relations and development work. The Trustees believe the Schools' financial resources are sufficient to ensure the Foundation will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statement and have therefore prepared the financial statements on a going concern basis.

The Foundation is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 11th June 2001 (company number 042323060) and registered as a charity on 3rd January 2002 (charity number 1089955). The Foundation's 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 judgement, 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 affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the directors no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Statement of Financial Activities (SOFA)

Transactions are analysed on the SOFA as follows:

Unrestricted funds

- 'Foundation' - Expenses in furtherance of the charitable objective to support RGS and Lanesborough and the Company administration.
- 'Designated' - Any funds designated for the general use of the Company or designated for use by the School.

Restricted funds - Any funds held on behalf of RGS and Lanesborough or for other restricted purposes.

Stock

Stock is valued at the lower of cost and net realisable value.

Income and expenditure

With the exception of voluntary income, income and expenditure is accounted for on an accruals basis. Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified, and the economic benefit to the company is considered probable. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the company in the case of donated services or facilities.

Donations and Legacies

Donations received for The King Edward VI's Grammar School, Guildford are credited to restricted funds along with donations subject to specific wishes of the donors.

Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. Expenditure is accrued as soon as a liability is conserved probable, discounted to present value for longer term liabilities.

Financial Instruments

Basic financial instruments are initially recognised at transaction value, and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets that are amortised cost comprise cash at bank and in hand, together with trade and other debtors. 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.

Taxation

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

1. Income

- (a) Donations are received from Friends, other forms of regular donation, one-off gifts and legacies.
- (b) Foundation continues to sell merchandise. The trading turnover relating to those sales, which are included in the income from trading activities, can be found below.

	2019-20	2018-19
	£	£
Sales Turnover	3,443	5,551
Cost of Sales	<u>(1,795)</u>	<u>(2,947)</u>
Net Turnover	<u>1,648</u>	<u>2,604</u>

- (c) Investment income comprises interest on Gift Aid and bank interest.

2. Charitable activities

- (a) Donations received by the Foundation are passed on to the School following reclaim of tax under the Gift Aid scheme.
- (b) Costs in support of charitable activities include bank charges and the rental of equipment to allow acceptance of donations by debit and credit card, and totalled £5,595 (2019 - £3,604) at the year end.

3. Governance costs

Insurance premiums, audit fees and other statutory costs were paid for by the School, the immediate parent undertaking on behalf of the Foundation.

The Directors were not in receipt of any remuneration or expenses during the year.

4. Current assets

- (a) Stock consists of various merchandise unsold as of the year end.

	At 31 July 2020	At 31 July 2019
	£	£
Accruals	33	33
RGS creditor	48,363	5,825
Other creditors	<u>54</u>	<u>54</u>
	<u>£48,449</u>	<u>£5,912</u>

5. Allocation of the Charity net assets

Restricted Funds

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. Restricted funds are mainly made up of the Bursary Fund which receives restricted bursary donations.

- (a) The net assets at the balance sheet date are held for the various funds as follows :

	Net current Assets/ (Liabilities) 2020 £	Net current Assets/ (Liabilities) 2019 £
Restricted	<u>409,661</u>	<u>108,113</u>
Unrestricted - general	165,127	189,061
Total Funds	<u>£574,788</u>	<u>£297,174</u>

(b) Funds: movements in the year:	Balance at 31st July 2019 £	Net Income/(loss) £	Donations £	Grants and Allocations £	Balance at 31st July 2020 £
Restricted	108,113	(5,533)	616,898	(309,817)	409,661
Unrestricted - General	189,061	(21,532)	623	(3,025)	165,127
	<u>297,174</u>	<u>(27,066)</u>	<u>617,521</u>	<u>(312,842)</u>	<u>574,788</u>

Comparative Allocation of the Charity net assets

(a) The net assets at the balance sheet date are held for the various funds as follows :

	Net current Assets/ (Liabilities) 2019 £	Net current Assets/ (Liabilities) 2018 £
Restricted	<u>108,113</u>	<u>102,802</u>
Unrestricted - general	<u>189,061</u>	<u>157,812</u>
Total Funds	<u>297,174</u>	<u>260,614</u>

(b) Funds: movements in the year:	Balance at 31st July 2018 £	Net Income/(loss) £	Donations £	Grants and Allocations £	31st July 2019 £
Restricted	102,802	(2,907)	225,335	(217,117)	108,113
Unrestricted - General	157,812	16,859	14,390	0	189,061
	<u>260,614</u>	<u>13,952</u>	<u>239,725</u>	<u>(217,117)</u>	<u>297,174</u>

6. Related party transactions

The School is the sole voting Member of the Foundation, thus making it the Intermediate Parent Undertaking. The School makes available to the Foundation staff and logistical resources, without charge, in exchange for the Foundation's work programme in support of the School. At the year end Foundation owed the school £48,363 (2019 - Foundation owed School £5,825).

1509 Group is the holding company of both Foundation and RGS & Laneborough. Copies of the consolidated accounts for the 1509 Group are available from the registered office at The Royal Grammar School, High Street, Guildford, Surrey GU1 3BB.

In 2019/20, £306,000 (2018/19 £192,900) of donations was passed from Foundation to the School, to be used for the purposes for which the donations were nominated. In 2019/20 the School gifted £55,000 to the Foundation from unspent funds from the School's annual bursary allocation and this was reflected in the closing balance. There was no gift in 2018/19.

Neither the Trustees nor persons connected with them received any remuneration or other benefits from the Foundation or any connected organisations. Travel expenses are only reimbursed exceptionally, and with the prior approval of the Chairman. No expenses were reimbursed during the period.

In 2019/20 the Foundation received a gift of £114k from 1509 group International Companies.

The Trustees donated £11,220 (excluding Gift Aid) to the Foundation in the year (2018/19 £7,865).

**7 Comparative Statement of
Financial Activities**

	Unrestricted Funds £	Restricted Funds £	2018-19 Total £
Income and Expenditure Account			
Income From			
Donations and legacies	14,390	225,335	239,725
Income from trading activities	39,248	-	39,248
Investment Income	425	-	425
Income	<u>54,063</u>	<u>225,335</u>	<u>279,398</u>
EXPENDITURE			
Expenditure on Charitable activities:			
Costs in support of charitable activities	0	217,117	217,117
Costs incurred from raising funds	22,814	2,907	25,721
Total expenditure	<u>22,814</u>	<u>220,024</u>	<u>242,838</u>
NET MOVEMENT IN FUNDS	31,249	5,311	36,560
Fund balances brought forward at 1 August 2018	157,812	102,802	260,614
Fund balances carried forward at 31 July 2019	<u><u>£189,061</u></u>	<u><u>£108,113</u></u>	<u><u>£297,174</u></u>