

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

		Unrestricted Funds £	Restricted Funds £	2022-2023 Total £	2021-2022 Total £
	Notes				
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/> 2,782,372	<hr/> 2,431,569
CREDITORS: due within one year	5 (b)	(345,737)	(340,468)
		<hr/>	<hr/>
TOTAL NET ASSETS	6	<hr/> 2,436,635 <hr/>	<hr/> 2,091,101 <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		<hr/> 2,436,635 <hr/>	<hr/> 2,091,101 <hr/>

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



Henry Pearson

Director

Date 23 January 2024



Garth Williams

Director

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	As at 31st July 2022 000s
Net cash balances		<u>2,593,090</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.

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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	(2,342)	(1,815)
Net Turnover	<u>2,391</u>	<u>633</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	0	54
	<u>345,737</u>	<u>340,468</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>

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).

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	3,274	1,431,055	1,434,329
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	1,871	345,148	347,019
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	130,574	1,960,527	2,091,101

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.