THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

England & Wales · Charity number 1095856

Details

Status	Registered
Legal form	Charitable company
Company number	04516482
Registered	2003-02-06
Register	View on the Charity Commission register

Contact

Address	Rugby School Bursary 10 Little Church Street Rugby CV21 3AW
Phone	01788556260
Email	bursary@rugbyschool.net
Website	www.rugbyschool.co.uk

Activities

Objects: TO FOSTER, PROMOTE AND ADVANCE CHARITABLE PURPOSES CONNECTED WITH RUGBY SCHOOL ("THE SCHOOL") AND TO FOSTER, PROMOTE AND ADVANCE EDUCATION AND TRAINING IN GENERAL.

Activities: The principal aim of the Arnold Foundation for Rugby School is to raise funds:*to provide more bursary awards for boarding places, subject to parental means testing, thereby widening access to the School, so that more talented pupils may benefit from an education at Rugby School, irrespective of their families' ability to pay the fees, and*to help to improve the infrastructure of Rugby School.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training
- **Who:** Children/young People

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Geography

- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£1,091,185	£1,524,293	£24,850,016	0
2024-06-30	£1,066,600	£1,509,835	£23,355,829	0
2023-06-30	£1,250,533	£1,241,300	£20,140,030	0
2022-06-30	£2,323,966	£1,175,519	£17,918,134	3
2021-06-30	£873,838	£1,073,670	£18,907,791	3
2020-06-30	£3,087,391	£1,114,035	£15,359,379	5

Trustees

Name	Role	Appointed
David Ejim-McCubbin		2024-11-20
Gareth Patrick John Parker-Jones		2023-11-22
Helen Verina Strain		2024-11-20
Jeremy Christopher Catterall Maddocks		2024-11-20
Nicholas Patrick Bacon		2024-06-19
Trevor John Strain		2024-11-20

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THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

England & Wales - Charity number 1095856

Accounts

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

REPORT OF THE TRUSTEES

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Company Number: 04516482

Registered Charity Number: 1095856

Website: https://rugbeiancommunity.com/pages/the-arnold-foundation

CONTENTS

	Pages
Trustees, members and advisors	3
Trustees' Report and Statement of Trustees' Responsibilities	4-10
Independent Auditor's Report	11-13
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements	17 - 24

TRUSTEES, MEMBERS AND ADVISORS

Trustees	Ex Officio Appointments:
N Bacon	As Chairman of the RS Governing Body
H Strain (Co-Chair) (appointed 20 Nov 2024)	As Co-Chairs of RS Fundraising Committee
T Strain (Co-Chair) (appointed 20 Nov 2024)	
D Ejim-McCubbin (appointed 20 Nov 2024)	By RS Governing Body
A Habib (resigned 20 November 2024)	As President of Rugbeian Society
J Maddocks (appointed 20 November 2024)	As President of Rugbeian Society
G Parker-Jones	As Head Master of Rugby School

Members of the Rugby School Fundraising Committee from October 2024

H Strain (Co-Chair)	T Strain (Co-Chair)	N Bacon
D Ejim-McCubbin	A Habib (to 20 Nov 2024)	G Jones
C Lam	J Maddocks (from 20 Nov 2024)	D McNeill
G Parker-Jones		

Company Secretary	P A Nicholls (resigned 31 August 2024) D J White (appointed 20 November 2024)
Director of Development **Director of Alumni & Development**	L Fairbanks (until 18 July 2025) T Day (1 September 2025)
Advisors:	
Investment Managers	Quilter Cheviot Investment Management Partners Capital WCM
Bankers	Natwest Bank, Rugby
Solicitors	Veale Wasbrough Vizard, Bristol
Auditors	Crowe U.K. LLP, Cheltenham
Registered and Principal Office	The Bursary, 10, Little Church Street, Rugby, Warwickshire, CV21 3AW
Company Number	04516482
Charity Number	1095856

Report of the Trustees for the year ended 30 June 2025

The Trustees of the Arnold Foundation for Rugby School (the 'Foundation' or the 'Arnold Foundation') present their annual report and the audited financial statements for the year ended 30 June 2025.

The information with respect to Trustees, officers and advisors, as shown on page 3, forms part of the Annual Report and is current at the date of this report. The financial statements comply with the charity's trust deed, with current statutory requirements, applicable Accounting Standards in the United Kingdom, and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)).

Objectives and Activities

The principal aim of the Foundation is to raise funds for Rugby School:

- to fund bursary programmes for boarding places, thereby widening access to the School, so that more talented students may benefit from an education at Rugby School, irrespective of their families' ability to pay the fees; and
- to improve the infrastructure of the School.

The Trustees' principal objective for the year is to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

The Trustees had set the following objectives for 2024/25:

- Support progress towards income targets and strategies to secure funding for 40 Arnold Foundation students each year across Rugby School and Bilton Grange;
- Secure a new group of advocates and donors to re-ignite fundraising for the Arnold Foundation.

Public Benefit Objectives
In setting the Foundation's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Strategies for achieving the Objectives
The Trustees' strategy for achieving these objectives is to increase awareness of the Arnold Foundation for Rugby School, particularly to Rugbeians and Biltonians, and to encourage donations to create funds which may be used to provide the finances to support bursary programmes for boarding places at Rugby School and Bilton Grange.

Report of the Trustees for the year ended 30 June 2025 *(continued)*

Staff and Supporters
The Trustees greatly appreciate the important and valuable support and hard work given by the entire School staff but above all the Trustees are deeply grateful to Rugbeians, Biltonians, parents and many other friends of the School, whose generosity has enabled the Trustees to achieve their objectives in the current year.

Fundraising
Members of Rugby School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and Rugby School. Neither Rugby School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

Rugby School and the Arnold Foundation are members of the Fundraising Regulator and are committed to the Code of Fundraising Practice for fundraising and the marketing of both charities.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Review of Achievements and Performance

There were 27 Arnold Foundation and 4 Earle Fund students in the two schools throughout the year 2024/25 (2023/24: 28 & 3). Financial fee support for the Boarding Bursary Programmes was provided from funds raised by the Foundation which were donated to Rugby School by way of a grant.

In September 2025 the number of students on the Arnold Foundation or Earle Fund Programmes in the schools stood at 27 at Rugby School and 3 at Bilton Grange.

As of September 2025, a total of 193 students and former students are benefitting or have benefitted from support provided by the Foundation since its foundation in 2004.

The Arnold Foundation is focussed on building a strong programme of support for funded bursaries at Rugby School and Bilton Grange.

Laura Fairbanks resigned as Director of Development on 18 July 2025, Tim Day has been appointed from 1 September 2025 as Director of Development and Alumni, and Natalie Pretsell was appointed as Deputy Director of Development and Alumni, together running the fundraising activities on behalf of the Arnold Foundation and encouraging the raising of new supporters. Fundraising activities across 2024/25 included:

- A continuation of a legacy fundraising programme was promoted during the year.
- A virtual fundraising event for our supporters in the USA during the Thanksgiving celebrations.

Report of the Trustees for the year ended 30 June 2025 *(continued)*

- The annual appeal for parents of leavers to leave their deposits with the Arnold Foundation for Rugby School and for Bilton Grange leavers focussing on the Earle Fund.
- The annual mailing (physical and digital) of the Arnold Foundation Review to over 14,000 supporters.
- There were also various fund raising events with society members, ranging from tea events early in the School year to the annual 'Boomer' lunch which took place in June 2025, led by the Head Master.
- In July 2025, a telethon was run by Rugby School and Bilton Grange to raise funds for the Charity.

Plans for the Future

The School remains responsible for recruiting the right students as Arnold Foundationers. The School also is responsible for engaging the next generation of advocates and donors. The Arnold Foundation grants donations to the School in order to assist with the provision of Arnold Foundation and Earle Fund awards.

In addition, the Trustees have set the following objectives for the coming year:

- Re-ignite how advocates are used to support the fundraising objectives of the Foundation. Further develop and implement major gift strategies to secure funding for 40 students each year. Organise and deliver the engagement of new donors and promote the Foundation across Rugby School and Bilton Grange.
- Maximise the opportunity of the growing Rugby School Group by raising support for the Foundation's work from the new Rugby Schools in Thailand, Japan and Nigeria, seeking to secure further donors from across the world.
- Continue to promote the 'If you can, they will' legacy campaign.

Financial Review

The Statement of Financial Activities for the year is set out on page 14 of the financial statements.

Donations and gifts continue to be the Foundation's main source of income with a total of £864,812 (2023-24: £836,783) received during the year, including legacies. Investment income of £226,373 (2023-24: £229,817) was also received. Legacies of £404,330 (2023-24: £nil) were included in the donations figure. In addition a gift in kind donation of £476,029 (2023-24: £441,000), brought the total income to £1,567,214 (2023-24: £1,507,600).

The Trustees, the Rugby School Fundraising Committee and the Governing Body of Rugby School wish to record their heartfelt thanks to the many donors who have contributed to the Foundation.

During the year £1,454,590 (2023-24: £,1,462,505) was used to provide financial assistance for school fees and necessary extras including uniform, laptop, books and trips for Arnold Foundation students at Rugby School and Earle Fund students at Bilton Grange.

Report of the Trustees for the year ended 30 June 2025 *(continued)*

Fundraising Costs
The Trustees and the Governing Body of Rugby School have jointly agreed that all fundraising costs for 2024/25 shall be borne by the School. In order that both the benefits and the costs of fundraising may be transparent, all such fundraising costs are charged to the Foundation but then covered by a gift in kind transfer from Rugby School, as shown on the Statement of Financial Activities.

This generated net expenditure for the year, before the revaluation of investments, of £433,109 (2023-24: net expenditure of £443,235). The net expenditure is supported by funding from investments which are considered on a total return basis. The revaluation of investments saw a gain of £1.93 million (2023-24: £3.66 million). Following the revaluation of investments at the year-end the Foundation has total funds of £24.85 million (2024: £23.36 million).

The underlying assets and liabilities are set out in the Balance Sheet on page 14 and further analysed in the notes accompanying the financial statements.

Reserves Policy

The Foundation aims to secure sufficient restricted and endowed fund investments to generate the required investment income to support 40 Arnold Foundation students in Rugby School on a continuing annual basis.

Whilst these funds are being established, the policy is to hold such restricted and unrestricted funds as to be able to provide two years of financial assistance for both the current Arnold Foundation students and those to be recruited within the next year.

Investment Policy, Objectives and Performance

It is the policy of the Trustees that any shares or other securities that are gifted to the Foundation be realised for cash as soon as possible. The proceeds, together with all cash donations to the Foundation, are placed with the Investment Manager for deposit.

The investment performance is monitored regularly against objectives set by the School's Investment Committee. In the year ended 30 June 2025 the performance performed well against the benchmark objective of CPI+3%.

The Trustees planned that funds due to Rugby School from the Foundation (representing a combination of purchases of new investments and the net distribution of grants towards bursary programmes) would be released by the disposal of some investments. This was completed in October 2025, after the end of this financial year.

Report of the Trustees for the year ended 30 June 2025 *(continued)*

Structure, Governance and Management

The Arnold Foundation for Rugby School (the "Foundation") is a company limited by guarantee and does not have a share capital. The sole member of the company is Rugby School, registered charity number 528752 (the "Member"). The Governing Body of Rugby School, a statutory corporation created under the Public Schools Act 1868 and the Rugby School Act 1922, is the trustee of Rugby School.

The Foundation is also registered with the Charity Commission under charity number 1095856.

The Trustees are appointed to have the general control and management of the company and are its Companies Acts directors. The ex-officio Trustees are the Chairman of the Governing Body of Rugby School, the Chair of the Fundraising Committee, the Head Master of Rugby School, the President of the Rugbeian Society, all for the time being and by virtue of their respective offices. Trevor Strain and Helen Strain were elected at the meeting on 20 November 2024. Adam Habib, the former President of the Rugbeian Society, was replaced by Jeremy Maddocks, the new President of the Rugbeian Society, at the same meeting on 20 November 2024. David Ejim-McCubbin, a former Arnold Foundation beneficiary, was also elected as a Trustee on 20 November 2024.

Trustees are selected for their skills and experience across an appropriate spectrum. New Trustees visit the school for the purpose of induction, receive key information relating to the charity and sign an appointment letter. All Trustees are encouraged to attend Trustees' meetings which incorporate trustee-training issues.

The Trustees were, until the end of June 2024, supported by the Foundation Board in their endeavours to promote the Arnold Foundation and raise donations in support of its objectives. The role of the Foundation Board was replaced by the Rugby School Fundraising Committee from Autumn 2024.

Key Management Personnel
The Foundation delegates the daily management to the Head Master of Rugby School. They are aided by other Key Management Personnel of the School including the Chief Operating Officer and the Director of Alumni and Development.

The Foundation's Key Management Personnel do not receive any remuneration from the Foundation. Remuneration of the School's Key Management Personnel is set by the School's Nomination Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contribution to the School's success.

Report of the Trustees for the year ended 30 June 2025 *(continued)*

Principal Risks and Uncertainties

The Trustees consider that the main risk is (1) the inability to raise sufficient funds to support the Arnold Foundation and Earle Fund bursary programmes in the future, however effective financial forecasts and realistic planning ensures that student recruitment does not exceed the available resources and (2) the collapse in the value of the investments which underpin the Charity's future plans.

The Governing Body of Rugby School, by way of the Fundraising Committee, conducts annually a review of risks to identify the major risks to which the School and its associated companies are exposed, and the system for their mitigation. In the opinion of the Governing Body, the School and its associated companies have established resources and review systems, which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 30 June 2025 *(continued)*

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

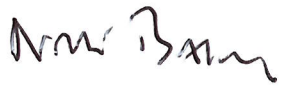
The Trustees confirm that at the time when this report was approved, the following applies:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditors.

This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees at their meeting on 19 November 2025 and signed by order of the Trustees:



Nick Bacon
Trustee of the Arnold Foundation for Rugby School

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School

Opinion

We have audited the financial statements of The Arnold Foundation for Rugby School for the year ended 30 June 2025 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 30 June 2025 and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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, the Charities Act 2011 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 were General data Protection Regulation (GDPR), Health and Safety Legislation, Employment Law, and Anti-Fraud, Bribery and Corruption Legislation.

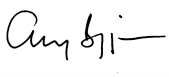
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Audit & Risk 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

4th Floor,
St James' House
St James' Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 23 December 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 30 June 2025 (including the Income & Expenditure Account) for the Arnold Foundation

	Notes	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2025 £	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2024 £
INCOME AND ENDOWMENTS FROM:									
Income from Generated Funds									
Donations and gifts		-	15,436	445,046	460,482	-	82,583	754,200	836,783
Legacies		-	394,330	10,000	404,330	-	-	-	-
Gift in kind	5	476,029	-	-	476,029	441,000	-	-	441,000
Investment income	2	-	-	226,373	226,373	-	-	229,817	229,817
Total Income		476,029	409,766	681,419	1,567,214	441,000	82,583	984,017	1,507,600
EXPENDITURE									
Costs of Raising Funds									
Fund-raising costs for donations and legacies	3	(476,029)	-	(69,703)	(545,732)	(441,000)	-	(47,330)	(488,330)
Costs of Raising Funds		(476,029)	-	(69,703)	(545,732)	(441,000)	-	(47,330)	(488,330)
Expenditure on charitable activities									
Grants		-	-	(1,454,590)	(1,454,590)	-	-	(1,462,505)	(1,462,505)
Total Expenditure	4	(476,029)	-	(1,524,293)	(2,000,322)	(441,000)	-	(1,509,835)	(1,950,835)
Net income / (expenditure)		-	409,766	(842,875)	(433,109)	-	82,583	(525,818)	(443,235)
Net (losses) / gains investments	7	-	1,294,806	632,490	1,927,296	-	2,399,751	1,259,283	3,659,034
NET MOVEMENT IN FUNDS		-	1,704,572	(210,385)	1,494,187	-	2,482,334	733,465	3,215,799
Reconciliation of Funds:									
Balance brought forward at 1 July 24/23		185,981	15,691,032	7,478,816	23,355,829	185,981	13,208,698	6,745,351	20,140,030
FUND BALANCES CARRIED FORWARD AT 30 JUNE 25/24	10	185,981	17,395,604	7,268,431	24,850,016	185,981	15,691,032	7,478,816	23,355,829

The notes on pages 17 to 24 form part of these financial statements.

Balance Sheet as at 30 June 2025

	Notes	2025 £	2024 £
Investments	7	**28,661,573**	25,794,764
Current assets			
Debtors	8	**65,333**	741,670
Investments - deposits		**24,314**	21,248
Cash at bank and in hand		**337,026**	716
		426,673	763,634
Creditors: amounts due within one year	9	**(4,238,230)**	(3,202,569)
NET CURRENT ASSETS		**(3,811,557)**	(2,438,935)
TOTAL NET ASSETS	10	**24,850,016**	23,355,829
Capital and reserves:			
Endowment funds	11	**17,395,604**	15,691,032
Restricted funds	12	**7,268,431**	7,478,816
Unrestricted funds	13	**185,981**	185,981
TOTAL FUNDS		**24,850,016**	23,355,829

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 19 November 2025 and are signed on their behalf by:

N Bacon
Director

G Parker-Jones
Director

The Arnold Foundation for Rugby School
Registered company number: 04516482

The notes on pages 17 to 24 form part of these financial statements.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 June 2025

	2025	2024
	£	£
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**(433,109)**	(443,235)
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(226,373)**	(229,817)
Endowment donations	**(404,330)**	-
(Increase)/Decrease in debtors	**676,337**	125,631
(Increase)/Decrease in investment deposits	**(3,066)**	8,849
Increase/(Decrease) in creditors	**1,035,661**	2,743,884
Net cash used in operating activities	**645,120**	2,205,312
Cash flows from investing activities:		
Purchase of investments	**(2,928,958)**	(9,249,345)
Sale of investments	**1,989,445**	6,810,135
Investment income and bank interest receivable	**226,373**	229,817
Net cash used in investing activities	**(713,140)**	(2,209,393)
Cash flows from financing activities:		
New endowments	**404,330**	-
Net cash provided by financing activities	**404,330**	-
Change in cash and cash equivalents in the reporting period	**336,310**	(4,081)
Cash and cash equivalents at the beginning of the reporting period	**716**	4,797
Cash and cash equivalents at the end of the reporting period	**337,026**	716
Analysis of cash and cash equivalents:		
Cash at bank	**337,026**	716

Notes to the Financial Statements for the year ended 30 June 2025

1. Principal Accounting Policies

Legal Status

The Foundation is a Public Benefit Entity registered as a company limited by guarantee (company number 04516482), and as a charity in England and Wales (charity number 1095856), operating from premises at Rugby School, Rugby, Warwickshire.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Having reviewed the funding facilities available to the Foundation together with future projected cash-flows, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. The company participates in a cash pooling facility in order to maximise the assets of the group. Accordingly, the Foundation will continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets are carried at market value at the balance sheet date.

The functional currency of the Foundation is considered to be the British Pound.

Donations, legacies and gifts in kind

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities, that are donated, be converted to cash as soon as possible. Gifts in kind are valued at a reasonable estimate of their value to the charity. No amounts are included in the financial statements for services donated by volunteers. Gift aid is allocated to the fund which matches the original donation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Any irrecoverable VAT is charged to the Statement of Financial Activities (SOFA).

Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include management and administration and are allocated on a basis consistent with the use of the resource.

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

Governance costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for the Trustees and costs associated with meeting the constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability. These costs are borne by the School.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Taxation

As a registered charity, the Arnold Foundation for Rugby School is entitled to certain tax exemptions on income and surpluses carried out in furtherance of the charity's primary objectives.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. Income will accrue to the appropriate restricted fund.

Endowed funds may be further classified as:

- permanent endowment funds arise where a donor intends the gift to be retained in perpetuity; or
- expendable endowment funds are accounted for similarly, except that the capital may be converted into income for spending at the discretion of the Trustees or in circumstances stipulated by the donor.

Investment income and gains are generally allocated to Restricted Funds.

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the period in which it is received.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value.

Key Judgements and Assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year. The figure for Gift in Kind of £441,000 is a management estimate of the value of fundraising which should be attributed to the Arnold Foundation from Rugby School.

2. Investment income

	2025	2024
	£	£
Income on UK quoted investments	**226,373**	229,817
Interest receivable	**-**	-
	226,373	229,817

3. Fundraising costs for donations and legacies

	Unrestricted funds	**Restricted funds**	**2025**	2024
	£	**£**	**£**	£
Staff costs	**299,895**		**299,895**	269,843
Marketing and publicity	**27,815**	-	**27,815**	26,475
Office costs	**76,610**		**76,610**	100,118
Legal and professional	**71,709**		**71,709**	44,564
Investment management	**69,703**		**69,703**	47,330
	545,732	-	**545,732**	488,330

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

4. Analysis of total expenditure

	Staff costs	Other costs	2025	2024
	£	£	£	£
Costs of Generating Funds				
Fund-raising costs	**299,895**	**245,837**	**545,732**	488,330
Total	**299,895**	**245,837**	**545,732**	488,330
Charitable Activities				
Grants	**-**	**1,454,590**	**1,454,590**	1,462,505
Total	**-**	**1,454,590**	**1,454,590**	1,462,505

Audit fees are met by the Governing Body of Rugby School.

5. Contribution from Rugby School

The Trustees and the Governing Body of Rugby School have jointly agreed that for the current period all the costs of generating funds shall be borne by the School but in order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a funds transfer from Rugby School.

6. Employee, Trustee and Key Management Personnel Information

The average monthly number of people, including Trustees, working for the Foundation was 6 (2024: 4).

No Trustees, Key Management Personnel or employees received any remuneration or reimbursement of expenses from the Foundation during the period (2024: none).

7. Investments

	Total
	£
Balance at 1 July 2024	25,794,764
Additions	2,928,953
Disposals (at net proceeds)	(1,989,430)
Revaluation gains	1,927,296
Balance at 30 June 2025	**28,661,573**
Represented by:	
Investments listed on a Stock Exchange	**28,098,309**
Cash deposits	**563,264**
	28,661,573

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

8. Debtors

	2025	2024
	£	£
Tax recoverable	51,372	15,315
Due from Bilton Grange	-	724,563
Due from Rugby School General Charitable Trust	2,444	984
Due from Rugby School Enterprises	11,517	808
	65,333	741,670

9. Creditors

	2025	2024
	£	£
Other accruals	11,961	12,000
Due to Rugby School	4,226,269	3,190,569
	4,238,230	3,202,569

10. Analysis of Net Assets

10a. Current year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2025 Total Funds
	£	£	£	£
Investments	21,207,160	7,268,431	185,981	**28,661,572**
Net Current Assets	(3,811,556)	-	-	**(3,811,556)**
Total Net Assets	**17,395,604**	**7,268,431**	**185,981**	**24,850,016**

10b. Prior year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2024 Total Funds
	£	£	£	£
Investments	18,129,967	7,478,816	185,981	25,794,764
Net Current Assets	(2,438,935)	0	0	(2,438,935)
Total Net Assets	15,691,032	7,478,816	185,981	23,355,829

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

11. Endowed Funds

11a. Current year movement in endowed funds:

	Balance at 1 July 2024 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	Balance at 30 June 2025 £
Foundation - permanent endowment	50	-	-		**50**
Foundation awards-expendable endowment	15,690,982	409,766	-	1,294,806	**17,395,554**
	15,691,032	**409,766**	**-**	**1,294,806**	**17,395,604**

11b. Prior year movement in endowed funds:

	Balance at 1 July 2023 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	Balance at 30 June 2024 £
Foundation - permanent endowment	50	0	0	0	50
Foundation awards-expendable endowment	13,208,648	82,583	0	2,399,751	15,690,982
	13,208,698	82,583	0	2,399,751	15,691,032

Foundation Permanent Endowment
Under the terms of the company's Memorandum of Association, the original endowment of £50 is permanent and may not be expended.

Arnold Foundation Awards
The expendable capital funds provide future income for the financing of bursary awards to Rugby School and Bilton Grange from Year 7. The income from the fund is utilised for this purpose (see restricted funds).

Earle Fund Awards
The expendable capital funds provide future income for the financing of bursary awards to Bilton Grange in Years 7 and 8. The income from the fund is utilised for this purpose.

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

12. Restricted Funds

12a. Current year movement in restricted funds:

	Balance at 1 July 2024	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2025
	£	£	£	£	£
Foundation awards	7,476,816	681,419	(1,524,294)	632,490	**7,266,531**
Performing Arts	1,900	-	-	-	**1,900**
Total	**7,478,716**	**681,419**	**(1,524,294)**	**632,490**	**7,268,431**

12b. Prior year movement in restricted funds:

	Balance at 1 July 2023	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2024
	£	£	£	£	£
Foundation awards	6,743,451	984,017	(1,509,835)	1,259,283	7,476,816
Performing Arts	1,900	0	0	0	1,900
Total	6,745,351	984,017	(1,509,835)	1,259,283	7,478,716

The fund's principal aim is to raise monies for the financing of bursary awards to Rugby School and Bilton Grange, widening access to the schools, so that more talented people may benefit from an education at Rugby, irrespective of their parents' ability to pay the fees. Funds have also been donated to the Arnold Foundation for Rugby School to improve the School's facilities.

Notes to the Financial Statements for the year ended 30 June 2025 *(continued)*

13. Unrestricted Funds

13a. Current year movement in unrestricted funds:

	Balance at 1 July 2024	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2025
	£	£	£	£	£
Total	**185,981**	**476,029**	**(476,029)**	**-**	**185,981**

13b. Prior year movement in unrestricted funds:

	Balance at 1 July 2023	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2024
	£	£	£	£	£
Total	185,981	441,000	(441,000)	-	185,981

14. Financial Instruments

	2025	2024
	£	£
Financial Assets measured at fair value through profit or loss – includes investment assets	**28,661,573**	25,794,764

15. Related Party Transactions

The audit fees are paid by Rugby School. Donations received in Rugby School related to legacies and some non-property related long-term endowments are generally passed to support the Arnold Foundation. There are no other related party transactions.

16. Ultimate Controlling Party

The ultimate controlling party is the Governing Body of Rugby School, a charity registered in the England & Wales (registered number 528752). A copy of the consolidated accounts may be obtained from Rugby School c/o The Bursary, 10, Little Church Street, Rugby, CV21 3AW.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

England & Wales - Charity number 1095856

Accounts

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

REPORT OF THE TRUSTEES

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Company Number: 04516482

Registered Charity Number: 1095856

Website: https://rugbeiancommunity.com/pages/the-arnold-foundation

CONTENTS

	Pages
Trustees, members and advisors	3
Trustees' Report and Statement of Trustees' Responsibilities	4-10
Independent Auditor's Report	11-13
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements	17 - 24

TRUSTEES, MEMBERS AND ADVISORS

Trustees	Ex Officio Appointments:
B J O'Brien (resigned 6 March 2024)	As Chairman of the RS Governing Body
N Bacon (appointed 7 March 2024)	As Chairman of the RS Governing Body
C Wills (Chair) (resigned 1 May 2024)	As Chair of the Foundation Board
H Strain (Co-Chair) (appointed 20 Nov 2024)	As Co-Chairs of RS Fundraising Committee
T Strain (Co-Chair) (appointed 20 Nov 2024)	
D Ejim-McCubbin (appointed 20 Nov 2024)	By RS Governing Body
A Habib (resigned 20 November 2024)	As President of Rugbeian Society
J Maddocks (appointed 20 November 2024)	As President of Rugbeian Society
P R A Green (resigned December 2023)	As Executive Head Master of RS
G Parker-Jones (appointed December 2023)	As Head Master of Rugby School

Members of the Rugby School Fundraising Committee from October 2024

H Strain (Co-Chair)	T Strain (Co-Chair)	N Bacon
D Ejim-McCubbin	A Habib (to 20 Nov 2024)	G Jones
C Lam	J Maddocks (from 20 Nov 2024)	D McNeill
G Parker-Jones		

Other Members of the Foundation Board until June 2024

Dr C H Barnes	C T Lindsay
J C Barwell	M D L Ponsonby
D Batstone	M R Turner
A Fox	

Company Secretary	P A Nicholls (resigned 31 August 2024) D J White (appointed 20 November 2024)
Director of Development	L Fairbanks
Advisors:	
Investment Managers	Quilter Cheviot Investment Management Partners Capital
Bankers	Natwest Bank, Rugby
Solicitors	Veale Wasbrough Vizard, Bristol
Auditor	Crowe U.K. LLP, Cheltenham
Registered and Principal Office	The Bursary, 10, Little Church Street, Rugby, Warwickshire, CV21 3AW
Company Number	04516482
Charity Number	1095856

Report of the Trustees for the year ended 30 June 2024

The Trustees of the Arnold Foundation for Rugby School (the 'Foundation' or the 'Arnold Foundation') present their annual report and the audited financial statements for the year ended 30 June 2024.

The information with respect to Trustees, officers and advisors, as shown on page 3, forms part of the Annual Report and is current at the date of this report. The financial statements comply with the charity's trust deed, with current statutory requirements, applicable Accounting Standards in the United Kingdom, and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)).

Objectives and Activities

Charitable Objectives
The principal aim of the Foundation is to raise funds for Rugby School:

- to provide more bursary awards for boarding places, subject to parental means testing, thereby widening access to the School, so that more talented students may benefit from an education at Rugby School, irrespective of their families' ability to pay the fees; and
- to improve the infrastructure of the School.

The Trustees' principal objective for the year is to continue to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

In addition, the Trustees had set the following objectives for 2023/24:

- Support progress towards income targets and strategies to secure funding for 40 Arnold Foundation students each year across Rugby School and Bilton Grange;
- Secure a new group of advocates and donors to re-ignite fundraising for the Arnold Foundation.

Public Benefit Objectives
In setting the Foundation's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Strategies for achieving the Objectives
The Trustees' strategy for achieving these objectives is to increase awareness of the Arnold Foundation for Rugby School, particularly to Rugbeians and Biltonians, and to encourage donations to create funds which may be used to provide the finances to support both current and future students through Rugby School and Bilton Grange.

Report of the Trustees for the year ended 30 June 2024 *(continued)*

Staff and Supporters
The Trustees greatly appreciate the important and valuable support and hard work given by the entire School staff but above all the Trustees are deeply grateful to Rugbeians, Biltonians, parents and many other friends of the School, whose generosity has enabled the Trustees to achieve their objectives in the current year.

Fundraising
Members of Rugby School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and Rugby School. Neither Rugby School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

Rugby School and the Arnold Foundation are members of the Fundraising Regulator and are committed to the Code of Fundraising Practice for fundraising and the marketing of both charities.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Review of Achievements and Performance

There were 28 Arnold Foundation and 3 Earle Fund students in the two schools throughout the year 2023/24 (2022/23: 26 & 3). Financial fee support for all of these students was provided from funds raised by the Foundation which were donated to Rugby School by way of a grant.

In September 2024 the number of students with fees funded by the Foundation in the schools stands at 27 at Rugby School and 4 at Bilton Grange.

As of September 2024, a total of 185 students and former students are benefitting or have benefitted from support provided by the Foundation since 2004.

The Arnold Foundation is focussed on building a strong programme of support for funded bursaries at Rugby School and Bilton Grange.

Laura Fairbanks was appointed in June 2023 as the Director of Development, running the fundraising activities on behalf of the Arnold Foundation and encouraging the raising of new supporters. Fundraising activities across 2023/24 included:

- A continuation of a legacy fundraising programme, which resulted in an increased number of legacy pledges.
- A virtual fundraising event to our supporters in the USA during the Thanksgiving celebrations.

Report of the Trustees for the year ended 30 June 2024 *(continued)*

- The annual appeal for parents of leavers to leave their deposits with the Arnold Foundation for Rugby School, this was expanded to included Bilton Grange leavers focussing on the Earle Fund.
- Utilised Bilton Grange's 150th anniversary year to raise funds for the Earle Fund for boarding bursaries at Bilton Grange.
- Completed our annual mailing (physical and digital) of the Arnold Foundation Review to over 14,000 supporters.
- Installation on the Close of a monument to recognise all past and future legacy supporters and those who make pledges.

Plans for the Future

The School remains responsible for recruiting the right students as Arnold Foundationers. The School also is responsible for engaging the next generation of advocates and donors. The Arnold Foundation grants donations to the School in order to assist with the provision of Arnold Foundation and Earle Fund awards.

In addition, the Trustees have set the following objectives for the coming year:

- Re-ignite how advocates are used to support the fundraising objectives of the Foundation. Further develop and implement major gift strategies to secure funding for 40 students each year. Organise and deliver a successful Giving Day to engage new donors and promote the Foundation across Rugby School and Bilton Grange.
- Maximise the opportunity of the growing Rugby School Group by raising support for the Foundation's work from the new Rugby Schools in Japan and Thailand, seeking to secure further donors from across the world.
- Continue to promote the 'If you can, they will' legacy campaign.

Financial Review

The Statement of Financial Activities for the year is set out on page 14 of the financial statements.

Donations and gifts continue to be the Foundation's main source of income with a total of £836,783 (2022-23: £735,991) received during the year. Investment income of £229,817 (2022-23: £293,029), legacies of £nil (2022-23: £221,513) and a gift in kind of £441,000 (2022-23: £439,995), brought the total income to £1,507,600 (2022-23: £1,692,460).

Report of the Trustees for the year ended 30 June 2024 *(continued)*

The Trustees, the Development Board and the Governing Body of Rugby School wish to record their thanks to all of the donors who have contributed to the Foundation.

During the year £1,462,505 was used to provide financial assistance for school fees and necessary extras including uniform, laptop, books and trips for Arnold Foundation students at Rugby School and Earle Fund students at Bilton Grange.

Fundraising Costs
The Trustees and the Governing Body of Rugby School have jointly agreed that all fundraising costs for 2023/24 shall be borne by the School. In order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a gift in kind transfer from Rugby School, as shown on the Statement of Financial Activities.

This generated net expenditure for the year, before the revaluation of investments, of £443,235 (2023: net income of £9,233). Following the revaluation of investments at the year-end the Foundation has total funds of £23.4 million.

The underlying assets and liabilities are set out in the Balance Sheet on page 14 and further analysed in the notes accompanying the financial statements.

Reserves Policy

The Foundation aims to secure sufficient restricted and endowed fund investments to generate the required investment income to support 40 Arnold Foundation students in Rugby School on a continuing annual basis.

Whilst these funds are being established, the policy is to hold such restricted and unrestricted funds as to be able to provide two years of financial assistance for both the current Arnold Foundation students and those to be recruited within the next year.

Investment Policy, Objectives and Performance

It is the policy of the Trustees that any shares or other securities that are gifted to the Foundation be realised for cash as soon as possible. The proceeds, together with all cash donations to the Foundation, are placed with the Investment Manager for deposit.

The investment performance is monitored regularly against objectives set by the School's Investment Committee. In the year ended 30 June 2024 the performance matched the benchmark indices although the year's returns were clearly negative.

The Trustees anticipate that funds required by the Foundation to be expended within the short term (e.g. on bursary awards for students at Rugby School), should be placed on bank deposit.

Report of the Trustees for the year ended 30 June 2024 *(continued)*

Structure, Governance and Management

The Arnold Foundation for Rugby School (the "Foundation") is a company limited by guarantee and does not have a share capital. The sole member of the company is Rugby School, registered charity number 528752 (the "Member"). The Governing Body of Rugby School, a statutory corporation created under the Public Schools Act 1868 and the Rugby School Act 1922, is the trustee of Rugby School.

The Foundation is also registered with the Charity Commission under charity number 1095856.

The Trustees are appointed to have the general control and management of the company and are its Companies Acts directors. The ex-officio Trustees are the Chairman of the Governing Body of Rugby School, the Chair of the Fundraising Committee, the Head Master of Rugby School, the President of the Rugbeian Society, all for the time being and by virtue of their respective offices. From November 2023, the former Executive Head Master of Rugby School, Peter Green, was replaced by the Head Master of Rugby School, Gareth Parker-Jones as an ex-officio Trustee. Claire Wills was a Trustee and the Chair of the company until her resignation on 31 May 2024. Her replacement, Trevor Strain, was elected at the meeting on 20 November 2024. Adam Habib, the former President of the Rugbeian Society, was replaced by Jeremy Maddocks, the new President of the Rugbeian Society, at the meeting on 20 November 2024. David Ejim-McCubbin was also elected as a Trustee on 20 November 2024. Non-ex-officio Trustees may be elected by the Member from time to time. The Trustees would like to thank Claire and Peter for their faithful service and support.

Trustees are selected for their skills and experience across an appropriate spectrum. New Trustees visit the school for the purpose of induction, receive key information relating to the charity and sign an appointment letter. All Trustees are encouraged to attend the termly Trustees' meetings which incorporate trustee-training issues.

The Trustees were, until the end of June 2024, supported by the Foundation Board in their endeavours to promote the Arnold Foundation and raise donations in support of its objectives. The role of the Foundation Board is being replace by the Rugby School Fundraising Committee from Autumn 2024.

Key Management Personnel

The Foundation delegates the daily management to the Head Master of Rugby School. They are aided by other Key Management Personnel of the School including the Chief Operating Officer and the Director of Fundraising.

The Foundation's Key Management Personnel do not receive any remuneration from the Foundation. Remuneration of the School's Key Management Personnel is set by the School's Nomination Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contribution to the School's success.

Report of the Trustees for the year ended 30 June 2024 *(continued)*

Principal Risks and Uncertainties

The Trustees undertake an annual review of the major risks of the Foundation and the system for their mitigation. The Trustees consider that the main risk is the inability to raise sufficient funds to support future Arnold Foundation students through their education at Rugby School, however effective financial forecasts and realistic planning ensures that student recruitment does not exceed the planned expenditure.

In addition, the Governing Body of Rugby School, by way of the Fundraising Committee, conducts annually a review of risks to identify the major risks to which the School and its associated companies are exposed, and the system for their mitigation. In the opinion of the Governing Body, the School and its associated companies have established resources and review systems, which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 30 June 2024 *(continued)*

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

The Trustees confirm that at the time when this report was approved, the following applies:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditors.

This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees at their meeting on 25 February 2025 and signed by order of the Trustees:

Nick Bacon
Trustee of the Arnold Foundation for Rugby School

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School

Opinion

We have audited the financial statements of The Arnold Foundation for Rugby School for the year ended 30 June 2024 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 30 June 2024 and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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, the Charities Act 2011 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 were General data Protection Regulation (GDPR), Health and Safety Legislation, Employment Law, and Anti-Fraud, Bribery and Corruption Legislation.

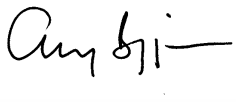
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Audit & Risk 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

4th Floor,
St James' House
St James' Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 11 March 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 30 June 2024 (including the Income & Expenditure Account) for the Arnold Foundation

	Notes	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2024 £	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2023 £
INCOME AND ENDOWMENTS FROM:									
Income from Generated Funds									
Donations and gifts		-	82,583	754,200	**836,783**	1,000	200,209	534,782	**735,991**
Legacies		-	-	-	**-**	-	221,513	-	**221,513**
Gift in kind	5	441,000	-	-	**441,000**	441,927	-	-	**441,927**
Investment income	2	-	-	229,817	**229,817**	-	-	293,029	**293,029**
Total Income		441,000	82,583	984,017	**1,507,600**	442,927	421,722	827,811	**1,692,460**
EXPENDITURE									
Costs of Raising Funds									
Fund-raising costs for donations and legacies	3	(441,000)	-	(47,330)	**(488,330)**	(441,927)	-	(60,831)	**(502,758)**
Costs of Raising Funds		(441,000)	-	(47,330)	**(488,330)**	(441,927)	-	(60,831)	**(502,758)**
Expenditure on charitable activities									
Bursaries		-	-	(1,462,505)	**(1,462,505)**	-	-	(1,180,469)	**(1,180,469)**
Total Expenditure	4	(441,000)	-	(1,509,835)	**(1,950,835)**	(441,927)	-	(1,241,300)	**(1,683,227)**
Net income / (expenditure)		-	82,583	(525,818)	**(443,235)**	1,000	421,722	(413,489)	**9,233**
Net (losses) / gains investments	7	-	2,399,751	1,259,283	**3,659,034**	-	1,405,471	807,192	**2,212,663**
NET MOVEMENT IN FUNDS		-	2,482,334	733,465	**3,215,799**	1,000	1,827,193	393,703	**2,221,896**
Reconciliation of Funds:									
Balance brought forward at 1 July 23/22		**185,981**	**13,208,698**	**6,745,351**	**20,140,030**	184,981	11,381,505	6,351,648	17,918,134
FUND BALANCES CARRIED FORWARD AT 30 JUNE 24/23	10	**185,981**	**15,691,032**	**7,478,816**	**23,355,829**	185,981	13,208,698	6,745,351	20,140,030

The notes on pages 17 to 24 form part of these financial statements.

Balance Sheet as at 30 June 2024

	Notes	2024 £	2023 £
Investments	7	25,794,764	19,696,520
Current assets			
Debtors	8	741,670	867,301
Investments - deposits		21,248	30,097
Cash at bank and in hand		716	4,797
		763,634	902,195
Creditors: amounts due within one year	9	(3,202,569)	(458,685)
NET CURRENT ASSETS		(2,438,935)	443,510
TOTAL ASSETS	10	23,355,829	20,140,030
Capital and reserves:			
Endowment funds	11	15,691,032	13,223,360
Restricted funds	12	7,478,816	6,730,689
Unrestricted funds	13	185,981	185,981
TOTAL FUNDS		23,355,829	20,140,030

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 25 February 2025 and are signed on their behalf by:

N Bacon
Director

G Parker-Jones
Director

The Arnold Foundation for Rugby School
Registered company number: 04516482

The notes on pages 17 to 24 form part of these financial statements.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 June 2024

	2024	2023
	£	£
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**(443,235)**	9,233
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(229,817)**	(293,029)
Endowment donations	**-**	(421,722)
(Increase)/Decrease in debtors	**125,631**	(51,150)
(Increase)/Decrease in investment deposits	**8,849**	(5,307)
Increase/(Decrease) in creditors	**2,743,884**	141,804
Net cash used in operating activities	**2,205,312**	(620,171)
Cash flows from investing activities:		
Purchase of investments	**(9,249,345)**	(2,587,549)
Sale of investments	**6,810,135**	2,488,754
Investment income and bank interest receivable	**229,817**	293,029
Net cash used in investing activities	**(2,209,393)**	194,234
Cash flows from financing activities:		
New endowments	**-**	421,722
Net cash provided by financing activities	**-**	421,722
Change in cash and cash equivalents in the reporting period	**(4,081)**	(4,215)
Cash and cash equivalents at the beginning of the reporting period	**4,797**	9,012
Cash and cash equivalents at the end of the reporting period	**716**	4,797
Analysis of cash and cash equivalents:		
Cash at bank	**716**	4,797

Notes to the Financial Statements for the year ended 30 June 2024

1. Principal Accounting Policies

Legal Status

The Foundation is a Public Benefit Entity registered as a company limited by guarantee (company number 04516482), and as a charity in England and Wales (charity number 1095856), operating from premises at Rugby School, Rugby, Warwickshire.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Having reviewed the funding facilities available to the Foundation together with future projected cash-flows, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. The company participates in a cash pooling facility in order to maximise the assets of the group. Accordingly, the Foundation will continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets are carried at market value at the balance sheet date.

The functional currency of the Foundation is considered to be the British Pound.

Donations, legacies and gifts in kind

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities, that are donated, be converted to cash as soon as possible. Gifts in kind are valued at a reasonable estimate of their value to the charity. No amounts are included in the financial statements for services donated by volunteers. Gift aid is allocated to the fund which matches the original donation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Any irrecoverable VAT is charged to the Statement of Financial Activities (SOFA).

Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include management and administration and are allocated on a basis consistent with the use of the resource.

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

Governance costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for the Trustees and costs associated with meeting the constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability. These costs are borne by the School.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Taxation

As a registered charity, the Arnold Foundation for Rugby School is entitled to certain tax exemptions on income and surpluses carried out in furtherance of the charity's primary objectives.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. Income will accrue to the appropriate restricted fund.

Endowed funds may be further classified as:

- permanent endowment funds arise where a donor intends the gift to be retained in perpetuity; or
- expendable endowment funds are accounted for similarly, except that the capital may be converted into income for spending at the discretion of the Trustees or in circumstances stipulated by the donor.

Investment income and gains are generally allocated to Restricted Funds.

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the period in which it is received.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value.

Key Judgements and Assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year. The figure for Gift in Kind of £441,000 is a management estimate of the value of fundraising which should be attributed to the Arnold Foundation from Rugby School.

2. Investment income

	2024	2023
	£	£
Income on UK quoted investments	**229,817**	293,029
Interest receivable	**-**	-
	229,817	293,029

3. Fundraising costs for donations and legacies

	Unrestricted funds	Restricted funds	**2024**	2023
	£	£	**£**	£
Staff costs	269,843	-	**269,843**	218,242
Marketing and publicity	26,475	-	**26,475**	19,384
Office costs	100,118	-	**100,118**	120,610
Legal and professional	44,564	-	**44,564**	83,691
Investment management	-	47,330	**47,330**	60,831
	441,000	47,330	**488,330**	502,758

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

4. Analysis of total expenditure

	Staff costs	Other costs	**2024**	2023
	£	£	**£**	£
Costs of Generating Funds				
Fund-raising costs	269,843	218,487	**488,330**	502,758
Total	269,843	218,487	**488,330**	502,758
Charitable Activities				
Bursaries	-	1,462,505	**1,462,505**	1,180,469
Total	-	1,462,505	**1,462,505**	1,180,469

Audit fees are met by the Governing Body of Rugby School.

5. Contribution from Rugby School

The Trustees and the Governing Body of Rugby School have jointly agreed that for the current period all the costs of generating funds shall be borne by the School but in order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a funds transfer from Rugby School.

6. Employee, Trustee and Key Management Personnel Information

The average monthly number of people, including Trustees, working for the Foundation was (2023: 4).

No Trustees, Key Management Personnel or employees received any remuneration or reimbursement of expenses from the Foundation during the period (2023: none).

7. Investments

	Total
	£
Balance at 1 July 2023	19,696,520
Additions	9,249,344
Disposals (at net proceeds)	(6,810,135)
Revaluation gains	3,659,017
Balance at 30 June 2024	**25,794,746**
Represented by:	
Investments listed on the UK Stock Exchange	25,794,745
Cash deposits	1
	25,794,746

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

8. Debtors

	2024	2023
	£	£
Tax recoverable	15,315	42,470
Other debtors	0	0
Due from Bilton Grange	724,563	824,601
Due from Rugby School General Chritable Trust	984	0
Due from Rugby School Enterprises	808	230
	741,670	867,301

9. Creditors

	2024	2023
	£	£
Other accruals	12,000	16,000
Due to the Governing Body of Rugby School	3,190,569	441,826
Due to Rugby School General Charitable Trust	0	859
	3,202,569	458,685

10. Analysis of Net Assets

10a. Current year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2024 Total Funds
	£	£	£	£
Investments	18,129,967	7,478,816	185,981	**25,794,764**
Net Current Assets	(2,438,935)	0	0	**(2,438,935)**
Total Net Assets	15,691,032	7,478,816	185,981	**23,355,829**

10b. Prior year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2023 Total Funds
	£	£	£	£
Investments	12,765,188	6,745,351	185,981	**19,696,520**
Net Current Assets	443,510	0	0	**443,510**
Total Net Assets	13,208,698	6,745,351	185,981	**20,140,030**

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

11. Endowed Funds

11a. Current year movement in endowed funds:

	Balance at 1 July 2023 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	**Balance at 30 June 2024 £**
Foundation - permanent endowment	50	0	0	0	**50**
Foundation awards-expendable endowment	13,208,648	82,583	0	2,399,751	**15,690,982**
	13,208,698	82,583	0	2,399,751	**15,691,032**

11b. Prior year movement in endowed funds:

	Balance at 1 July 2022 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	Balance at 30 June 2023 £
Foundation - permanent endowment	50	0	0	0	50
Foundation awards-expendable endowment	11,381,455	421,722	0	1,405,471	13,208,648
	11,381,505	421,722	0	1,405,471	13,208,648

Foundation Permanent Endowment
Under the terms of the company's Memorandum of Association, the original endowment of £50 is permanent and may not be expended.

Arnold Foundation Awards
The expendable capital funds provide future income for the financing of bursary awards to Rugby School and Bilton Grange from Year 7. The income from the fund is utilised for this purpose (see restricted funds).

Earle Fund Awards
The expendable capital funds provide future income for the financing of bursary awards to Bilton Grange in Years 7 and 8. The income from the fund is utilised for this purpose.

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

12. Restricted Funds

12a. Current year movement in restricted funds:

	Balance at 1 July 2023	Incoming funds	Amounts expended	Investment Net Gains	**Balance at 30 June 2024**
	£	£	£	£	**£**
Foundation awards	6,743,451	984,017	(1,509,835)	1,259,283	**7,476,816**
Performing Arts	1,900	0	0	0	**1,900**
Total	6,745,351	984,017	(1,509,835)	1,259,283	**7,478,716**

12b. Prior year movement in restricted funds:

	Balance at 1 July 2022	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2023
	£	£	£	£	£
Foundation awards	6,349,748	827,811	(1,241,300)	807,192	6,743,451
Performing Arts	1,900	0	0	0	1,900
Total	6,351,648	827,811	(1,241,300)	807,192	6,745,351

The fund's principal aim is to raise monies for the financing of bursary awards to Rugby School and Bilton Grange, widening access to the schools, so that more talented people may benefit from an education at Rugby, irrespective of their parents' ability to pay the fees. Funds have also been donated to the Arnold Foundation for Rugby School to improve the School's facilities.

Notes to the Financial Statements for the year ended 30 June 2024 *(continued)*

13. Unrestricted Funds

13a. Current year movement in unrestricted funds:

	Balance at 1 July 2023	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2024
	£	£	£	£	£
Unrestricted funds	185,981	441,000	(441,000)	-	**185,981**

13b. Prior year movement in unrestricted funds:

	Balance at 1 July 2022	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2023
	£	£	£	£	£
Unrestricted funds	184,981	440,995	(439,995)	-	**185,981**

14. Financial Instruments

	2024	2023
	£	£
Financial Assets measured at fair value through profit or loss – includes investment assets	**25,794,764**	19,696,520

15. Related Party Transactions

The audit fees are paid by Rugby School. Donations received in Rugby School related to legacies and some non-property related long-term endowments are generally passed to support the Arnold Foundation. There are no other related party transactions.

16. Ultimate Controlling Party

The ultimate controlling party is the Governing Body of Rugby School, a charity registered in the England & Wales (registered number 528752). A copy of the consolidated accounts may be obtained from Rugby School c/o The Bursary, 10, Little Church Street, Rugby, CV21 3AW.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

England & Wales - Charity number 1095856

Accounts

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

REPORT OF THE TRUSTEES

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Company Number: 04516482

Registered Charity Number: 1095856

Website: https://rugbeiancommunity.com

CONTENTS

	Pages
Trustees, members and advisors	3
Trustees' Report and Statement of Trustees' Responsibilities	4-10
Independent Auditor's Report	11-13
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements	17 - 24

TRUSTEES, MEMBERS AND ADVISORS

Trustees

	Appointed by:
B J O'Brien	Ex Officio, as Chairman of the Governing Body of Rugby School
C Wills (Chair)	Ex Officio as Chair of the Arnold Foundation Board
A Habib	Ex Officio, as President of the Rugbeian Society (from 15 November 2022)
P R A Green	Ex Officio, as Executive Head Master of Rugby School (until 22 November 2023)
G Parker-Jones	Ex Officio, as Head Master of Rugby School (from 22 November 2023)

Other Members of the Foundation Board

Dr C H Barnes
J C Barwell
D Batstone
A Fox
C T Lindsay
M D L Ponsonby
M R Turner

Company Secretary	P A Nicholls
Director of Development	K A Wilson (until September 2022) L Fairbanks (from June 2023)
Director of the Rugbeian Community	K Steventon (from September 2022)
Advisors:	
Investment Managers	Quilter Cheviot Investment Management Ltd, London
Bankers	Natwest Bank, Rugby
Solicitors	Veale Wasbrough Vizard, Bristol
Auditor	Crowe U.K. LLP, Cheltenham
Registered and Principal Office	The Bursary, 10, Little Church Street, Rugby, Warwickshire, CV21 3AW
Company Number	04516482
Charity Number	1095856
Website	www.rugbyschool.co.uk/arnold-foundation

Report of the Trustees for the year ended 30 June 2023

The Trustees of the Arnold Foundation for Rugby School (the 'Foundation') present their annual report and the audited financial statements for the year ended 30 June 2023.

The information with respect to Trustees, officers and advisors, as shown on page 3, forms part of the Annual Report and is current at the date of this report. The financial statements comply with the charity's trust deed, with current statutory requirements, applicable Accounting Standards in the United Kingdom, and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)).

Objectives and Activities

Charitable Objectives
The principal aim of the Foundation is to raise funds for Rugby School:

- to provide more bursary awards for boarding places, subject to parental means testing, thereby widening access to the School, so that more talented students may benefit from an education at Rugby School, irrespective of their families' ability to pay the fees; and
- to improve the infrastructure of the School.

The Trustees principal objective for the year is to continue to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

In addition, the Trustees had set the following objectives for 2023/24:

- Support progress towards income targets and strategies to secure funding for 40 Arnold Foundation students each year by 2030 at Rugby School and Bilton Grange;
- Secure a new group of advocates and donors to re-ignite fundraising for the Arnold Foundation.

Public Benefit Objectives
In setting the Foundation's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Strategies for achieving the Objectives
The Trustees' strategy for achieving these objectives is to increase awareness of the Arnold Foundation for Rugby School, particularly to Rugbeians and Biltonians, and to encourage donations to create funds which may be used to provide the finances to support both current and future students through Rugby School and Bilton Grange.

Report of the Trustees for the year ended 30 June 2023 *(continued)*

Staff and Supporters
The Trustees greatly appreciate the important and valuable support and hard work given by the entire School staff but above all the Trustees are deeply grateful to Rugbeians, Biltonians, parents and many other friends of the School whose generosity has enabled the Trustees to achieve their objectives in the current year.

Fundraising
Members of Rugby School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and Rugby School. Neither Rugby School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

Rugby School and the Arnold Foundation are members of the Fundraising Regulator and are committed to the Code of Fundraising Practice for fundraising and the marketing of both charities.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Review of Achievements and Performance

There were 26 Arnold Foundation and 3 Earle Fund students in the two schools throughout the year 2022/23 (2021/22: 28). Financial fee support for all 29 of these students was provided from funds raised by the Foundation.

In September 2023 the number of students with fees funded by the Foundation in the schools has increased to 29 at Rugby School and 3 at Bilton Grange.

As of September 2023, a total of 177 students and former students are benefitting or have benefitted from support provided by the Foundation since 2004.

The Arnold Foundation Board is focussed on building a strong programme of funded bursaries at Rugby School and Bilton Grange.

There has been a significant change in personnel this year, with Kerry Wilson leaving in September 2022 after many years of hard work as the Director of Development. Laura Fairbanks was appointed in June 2023 as the new Director of Development. Fundraising activities across 2022/23 included:

- A successful telethon, which included Bilton Grange alumni and parents for the first time and raised more than £100,000.
- A continuation of a legacy fundraising programme, which resulted in an increased number of legacy pledges.
- A virtual fundraising event to our supporters in the USA during the Thanksgiving celebrations.

Report of the Trustees for the year ended 30 June 2023 *(continued)*

- A bi-lingual campaign around exam results time focussed on parents living in China called the 'Red Rabbit' Celebration.
- The annual appeal for parents of leavers to leave their deposits with the Arnold Foundation for Rugby School, this was expanded to included Bilton Grange leavers focussing on the Earle Fund.
- Supported a team of cyclists who completed a sponsored 'Ride Across Britain' for the Arnold Foundation.
- Completed our annual mailing (physical and digital) of the Arnold Foundation Review to over 14,000 supporters.

Plans for the Future

The Trustees' principal objective for the coming year is to continue to prioritise recruiting the right students and engaging the next generation of advocates and donors.

In addition, the Trustees have set the following objectives for the coming year:

- Utilise the momentum of Bilton Grange's 150th anniversary year to further increase awareness and funds for the Earle Fund for boarding bursaries at Bilton Grange.
- Re-ignite how advocates are used to support the fundraising objectives of the Foundation. Further develop and implement major gift strategies to secure funding for 40 students each year. Organise and deliver a successful Giving Day to engage new donors and promote the Foundation across Rugby School and Bilton Grange.
- Maximise the opportunity of the growing Rugby School Group by raising support for the Foundation's work from the new Rugby Schools in Japan and Thailand, seeking to secure further donors from across the world.
- Complete the 'If you can, they will' legacy campaign with the placement of a monument to recognise all past and future legacy supporters and those who make pledges.

Financial Review

The Statement of Financial Activities for the year is set out on page 14 of the financial statements.

Donations and gifts continue to be the Foundation's main source of income with a total of £735,991 (2021-22: £1,612,194) received during the year. Investment income of £293,029 (2021-22: £244,570), legacies of £221,513 (2021-22: £467,202) and a gift in kind of £439,995 (2021-22: £506,463), brought the total income to £1,692,460 (2021-22: £2,830,429).

Report of the Trustees for the year ended 30 June 2022 *(continued)*

The Trustees, the Development Board and the Governing Body of Rugby School wish to record their thanks to all of the donors who have contributed to the Foundation.

During the year £1,180,469 was used to provide financial assistance for school fees and necessary extras including uniform, laptop, books and trips for Arnold Foundation students at Rugby School.

Fundraising Costs
The Trustees and the Governing Body of Rugby School have jointly agreed that all fundraising costs for 2022/23 shall be borne by the School. In order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a gift in kind transfer from Rugby School, as shown on the Statement of Financial Activities.

This generated net income for the year, before the revaluation of investments, of £9,233 (2022: net expenditure of £1,148,447). Following the revaluation of investments at the year-end the Foundation has total funds of £20.1 million.

The underlying assets and liabilities are set out in the Balance Sheet on page 14 and further analysed in the notes accompanying the financial statements.

Reserves Policy

The Foundation aims to secure sufficient restricted and endowed fund investments to generate the required investment income to support 40 Arnold Foundation students in Rugby School on a continuing annual basis.

Whilst these funds are being established, the policy is to hold such restricted and unrestricted funds as to be able to provide two years of financial assistance for both the current Arnold Foundation students and those to be recruited within the next year.

Investment Policy, Objectives and Performance

It is the policy of the Trustees that any shares or other securities that are gifted to the Foundation be realised for cash as soon as possible. The proceeds, together with all cash donations to the Foundation, are placed with the Investment Manager for deposit.

The investment performance is monitored regularly against objectives set by the School's Investment Committee. In the year ended 30 June 2023 the performance matched the benchmark indices although the year's returns were clearly negative.

The Trustees anticipate that funds required by the Foundation to be expended within the short term (e.g. on bursary awards for students at Rugby School), should be placed on bank deposit.

Report of the Trustees for the year ended 30 June 2023 *(continued)*

Structure, Governance and Management

The Arnold Foundation for Rugby School (the "Foundation") is a company limited by guarantee and does not have a share capital. The sole member of the company is Rugby School, registered charity number 528752 (the "Member"). The Governing Body of Rugby School, a statutory corporation created under the Public Schools Act 1868 and the Rugby School Act 1922, is the trustee of Rugby School.

The Foundation is also registered with the Charity Commission under charity number 1095856.

The Trustees are appointed to have the general control and management of the company and are its Companies Acts directors. The ex-officio Trustees are the Chairman of the Governing Body of Rugby School, the Executive Head Master of Rugby School, the President of the Rugbeian Society, all for the time being and by virtue of their respective offices. From November 2023, the Executive Head Master of Rugby School will be replaced by the Head Master of Rugby School as an ex-officio Trustee. Ms Claire Wills is a Trustee and the Chair of the company. Further Trustees may be elected by the Member from time to time.

Trustees are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Trustees visit the school for the purpose of induction, receive key information relating to the charity and sign an appointment letter. All Trustees are encouraged to attend the termly Trustees' meetings which incorporate trustee-training issues.

Key Management Personnel

The Foundation delegates the daily management to the Executive Head Master and the Head Master of Rugby School. They are aided by other Key Management Personnel of the School including the Chief Operating Officer and the Director of Development.

The Foundation's Key Management Personnel do not receive any remuneration from the Foundation. Remuneration of the School's Key Management Personnel is set by the School's Nomination Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contribution to the School's success.

Report of the Trustees for the year ended 30 June 2023 *(continued)*

Principal Risks and Uncertainties

The Arnold Foundation Board undertakes an annual review of the major risks of the Foundation and the system for their mitigation. The Board consider that the main risk is the inability to raise sufficient funds to support future Arnold Foundation students through their education at Rugby School, however effective financial forecasts and realistic planning ensures that student recruitment does not exceed the planned expenditure.

In addition, the Governing Body of Rugby School conducts annually a review of risk assessments undertaken by the School's Management Team to identify the major risks to which the School and its associated companies are exposed, and the system for their mitigation. In the opinion of the Governing Body, the School and its associated companies have established resources and review systems, which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 30 June 2023 *(continued)*

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

The Trustees confirm that at the time when this report was approved, the following applies:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditors.

This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees at their meeting on 22 November 2023 and signed by order of the Trustees:

Claire Wills
Chair of the Arnold Foundation for Rugby School

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School

Opinion

We have audited the financial statements of The Arnold Foundation for Rugby School for the year ended 30 June 2023 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 30 June 2023 and of its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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, the Charities Act 2011 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 were General data Protection Regulation (GDPR), Health and Safety Legislation, Employment Law, and Anti-Fraud, Bribery and Corruption Legislation.

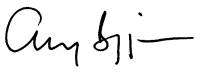
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the Audit & Risk 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor

4th Floor,
St James' House
St James' Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 20 December 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 30 June 2023 (including the Income & Expenditure Account) for the Arnold Foundation

	Notes	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2023 £	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2022 £
INCOME AND ENDOWMENTS FROM:									
Income from Generated Funds									
Donations and gifts		1,000	200,209	534,782	**735,991**	5,501	914,829	691,864	**1,612,194**
Legacies		-	221,513	-	**221,513**	-	467,202	-	**467,202**
Gift in kind	5	441,927	-	-	**441,927**	506,463	-	-	**506,463**
Investment income	2	-	-	293,029	**293,029**	-	-	244,570	**244,570**
Total Income		442,927	421,722	827,811	**1,692,460**	511,964	1,382,031	936,434	**2,830,429**
EXPENDITURE									
Costs of Raising Funds									
Fund-raising costs for donations and legacies	3	(441,927)	-	(60,831)	**(502,758)**	(506,463)	-	(67,323)	**(573,786)**
Costs of Raising Funds		(441,927)	-	(60,831)	**(502,758)**	(506,463)	-	(67,323)	**(573,786)**
Expenditure on charitable activities									
Bursaries		-	-	(1,180,469)	**(1,180,469)**	-	-	(1,108,196)	**(1,108,196)**
Total Expenditure	4	(441,927)	-	(1,241,300)	**(1,683,227)**	(506,463)	-	(1,175,519)	**(1,681,982)**
Net income / (expenditure)		1,000	421,722	(413,489)	**9,233**	5,501	1,382,031	(239,085)	**1,148,447**
Net (losses) / gains investments	7	-	1,405,471	807,192	**2,212,663**	-	(1,288,635)	(849,469)	**(2,138,104)**
NET MOVEMENT IN FUNDS		1,000	1,827,193	393,703	**2,221,896**	5,501	93,396	(1,088,554)	**(989,657)**
Reconciliation of Funds:									
Balance brought forward at 1 July 22/21		**184,981**	**11,381,505**	**6,351,648**	**17,918,134**	**179,480**	**11,288,109**	**7,440,202**	**18,907,791**
FUND BALANCES CARRIED FORWARD AT 30 JUNE 23/22	10	**185,981**	**13,208,698**	**6,745,351**	**20,140,030**	**184,981**	**11,381,505**	**6,351,648**	**17,918,134**

The notes on pages 17 to 24 form part of these financial statements.

Balance Sheet as at 30 June 2023

	Notes	2023 £	Restated 2022 £
Investments	7	19,696,520	17,385,060
Current assets			
Debtors	8	867,301	816,151
Investments - deposits		30,097	24,790
Cash at bank and in hand		4,797	9,012
		902,195	849,953
Creditors: amounts due within one year	9	(458,685)	(316,881)
NET CURRENT ASSETS		443,510	533,086
TOTAL ASSETS	10	20,140,030	17,918,134
Capital and reserves:			
Endowment funds	11	13,223,360	11,381,505
Restricted funds	12	6,730,689	6,351,648
Unrestricted funds	13	185,981	184,981
TOTAL FUNDS		20,140,030	17,918,134

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees on 22 November 2023 and are signed on their behalf by:

C Wills
Chair

P R A Green
Director

The Arnold Foundation for Rugby School
Registered company number: 04516482

The notes on pages 17 to 24 form part of these financial statements.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023	Restated 2022
	£	£
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**9,233**	1,148,447
Elimination of non-operating cash flows:		
Investment income and bank interest receivable	**(293,029)**	(244,570)
Endowment donations	**(421,722)**	(1,382,031)
(Increase)/Decrease in debtors	**(51,150)**	(808,163)
(Increase)/Decrease in investment deposits	**(5,307)**	(5,386)
Increase/(Decrease) in creditors	**141,804**	(307,929)
Net cash used in operating activities	**(620,171)**	(1,599,632)
Cash flows from investing activities:		
Purchase of investments	**(2,587,549)**	(2,920,601)
Sale of investments	**2,488,754**	2,888,669
Investment income and bank interest receivable	**293,029**	244,570
Net cash used in investing activities	**194,234**	212,638
Cash flows from financing activities:		
New endowments	**421,722**	1,382,031
Net cash provided by financing activities	**421,722**	1,382,031
Change in cash and cash equivalents in the reporting period	**(4,215)**	(4,963)
Cash and cash equivalents at the beginning of the reporting period	**9,012**	13,975
Cash and cash equivalents at the end of the reporting period	**4,797**	9,012
Analysis of cash and cash equivalents:		
Cash at bank	**4,797**	9,012

Notes to the Financial Statements for the year ended 30 June 2023

1. Principal Accounting Policies

Legal Status

The Foundation is a Public Benefit Entity registered as a company limited by guarantee (company number 04516482), and as a charity in England and Wales (charity number 1095856), operating from premises at Rugby School, Rugby, Warwickshire.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Having reviewed the funding facilities available to the Foundation together with future projected cash-flows, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. The company participates in a cash pooling facility in order to maximise the assets of the group. Accordingly, the Foundation will continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets are carried at market value at the balance sheet date.

The functional currency of the Foundation is considered to be the British Pound.

Donations, legacies and gifts in kind

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities, that are donated, be converted to cash as soon as possible. Gifts in kind are valued at a reasonable estimate of their value to the charity. No amounts are included in the financial statements for services donated by volunteers. Gift aid is allocated to the fund which matches the original donation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Any irrecoverable VAT is charged to the Statement of Financial Activities (SOFA).

Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include management and administration and are allocated on a basis consistent with the use of the resource.

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

Governance costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for the Trustees and costs associated with meeting the constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability. These costs are borne by the School.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Taxation

As a registered charity, the Arnold Foundation for Rugby School is entitled to certain tax exemptions on income and surpluses carried out in furtherance of the charity's primary objectives.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. Income will accrue to the appropriate restricted fund.

Endowed funds may be further classified as:

- permanent endowment funds arise where a donor intends the gift to be retained in perpetuity; or
- expendable endowment funds are accounted for similarly, except that the capital may be converted into income for spending at the discretion of the Trustees or in circumstances stipulated by the donor.

Investment income and gains are generally allocated to Restricted Funds.

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the period in which it is received.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value.

Key Judgements and Assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Restated balance sheet for 2022

2022 Current Assets have been restated to include investment deposit balances which had previously been included in Debtors.

2. Investment income

	2023	2022
	£	£
Income on UK quoted investments	**293,029**	244,570
Interest receivable	**0**	0
	293,029	244,570

3. Fundraising costs for donations and legacies

	Unrestricted funds	Restricted funds	**2023**	2022
	£	£	**£**	£
Staff costs	218,242	0	**218,242**	269,892
Marketing and publicity	19,384	0	**19,384**	37,245
Office costs	120,610	0	**120,610**	118,655
Legal and professional	83,691	0	**83,691**	80,671
Investment management	0	60,831	**60,831**	67,323
	441,927	60,831	**502,758**	573,786

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

4. Analysis of total expenditure

	Staff costs	Other costs	**2023**	2022
	£	£	**£**	£
Costs of Generating Funds				
Fund-raising costs	218,242	284,516	**502,758**	573,786
Total	218,242	282,604	**502,758**	573,786
Charitable Activities				
Bursaries	-	1,180,469	**1,180,469**	1,108,196
Total	-	1,180,469	**1,180,469**	1,108,196

Audit fees are met by the Governing Body of Rugby School.

5. Contribution from Rugby School

The Trustees and the Governing Body of Rugby School have jointly agreed that for the current period all the costs of generating funds shall be borne by the School but in order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a funds transfer from Rugby School.

6. Employee, Trustee and Key Management Personnel Information

The average monthly number of people, including Trustees, working for the Foundation was 4 (2022: 3).

No Trustees, Key Management Personnel or employees received any remuneration or reimbursement of expenses from the Foundation during the period (2022: none).

7. Investments

	Total
	£
Balance at 1 July 2022	**17,385,060**
Additions	**2,587,549**
Disposals (at net proceeds)	**(2,488,751)**
Revaluation gains	**2,212,662**
Balance at 30 June 2023	**19,696,520**
Represented by:	
Investments listed on the UK Stock Exchange	**18,864,765**
Cash deposits	**831,755**
	19,696,520

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

8. Debtors

	2023	Restated 2022
	£	£
Tax recoverable	**42,470**	90,280
Other debtors	**0**	102,710
Due from Bilton Grange	**824,601**	623,161
Due from Rugby School Enterprises	**230**	0
	867,301	816,151

9. Creditors

	2023	2022
	£	£
Other accruals	**16,000**	16,000
Due to the Governing Body of Rugby School	**441,826**	300,881
Due to Rugby School General Charitable Trust	**859**	0
	458,685	316,881

10. Analysis of Net Assets

10a. Current year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2023 Total Funds
	£	£	£	£
Investments	12,765,188	6,745,351	185,981	**19,696,520**
Net Current Assets	443,510	0	0	**443,510**
Total Net Assets	13,208,698	6,745,351	185,981	**20,140,030**

10b. Prior year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2022 Total Funds
	£	£	£	£
Investments	10,848,430	6,351,649	184,981	**17,385,060**
Net Current Assets	533,075	-	-	**533,075**
Total Net Assets	11,381,505	6,351,649	184,981	**17,918,135**

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

11. Endowed Funds

11a. Current year movement in endowed funds:

	Balance at 30 June 2022 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	**Balance at 30 June 2023 £**
Foundation - permanent endowment	50	0	0	0	**50**
Foundation awards-expendable endowment	11,381,455	421,722	0	1,405,471	**13,208,648**
	11,381,505	421,722	0	1,405,471	**13,208,648**

11b. Prior year movement in endowed funds:

	Balance at 1 July 2021 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	Balance at 30 June 2022 £
Foundation - permanent endowment	50	-	-	-	50
Foundation awards-expendable endowment	11,288,059	1,382,031	-	(1,288,635)	**11,381,455**
	11,288,109	1,382,031	-	(1,288,635)	**11,381,505**

Foundation Permanent Endowment
Under the terms of the company's Memorandum of Association, the original endowment of £50 is permanent and may not be expended.

Arnold Foundation Awards
The expendable capital funds provide future income for the financing of bursary awards to Rugby School and Bilton Grange from Year 7. The income from the fund is utilised for this purpose (see restricted funds).

Earle Fund Awards
The expendable capital funds provide future income for the financing of bursary awards to Bilton Grange in Years 7 and 8. The income from the fund is utilised for this purpose.

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

12. Restricted Funds

12a. Current year movement in restricted funds:

	Balance at 30 June 2022	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2023
	£	£	£	£	£
Foundation awards	6,349,748	827,811	(1,241,300)	807,192	**6,743,451**
Performing Arts	1,900	0	0	0	**1,900**
Total	6,351,648	827,811	(1,241,300)	807,192	**6,745,351**

12b. Prior year movement in restricted funds:

	Balance at 1 July 2021	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2022
	£	£	£	£	£
Foundation awards	7,438,302	936,434	(1,175,519)	(849,469)	6,349,748
Performing Arts	1,900	-	-	-	1,900
Total	7,442,202	936,434	(1,175,519)	(849,469)	6,351,648

The fund's principal aim is to raise monies for the financing of bursary awards to Rugby School and Bilton Grange, widening access to the schools, so that more talented people may benefit from an education at Rugby, irrespective of their parents' ability to pay the fees. Funds have also been donated to the Arnold Foundation for Rugby School to improve the School's facilities.

Notes to the Financial Statements for the year ended 30 June 2023 *(continued)*

13. Unrestricted Funds

13a. Current year movement in unrestricted funds:

	Balance at 1 July 2022	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2023
	£	£	£	£	£
Unrestricted funds	184,981	440,995	(439,995)	-	**185,981**

13b. Prior year movement in unrestricted funds:

	Balance at 1 July 2021	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2022
	£	£	£	£	£
Unrestricted funds	179,480	511,964	(506,463)	-	184,981

14. Financial Instruments

	2023	2022
	£	£
Financial Assets measured at fair value through profit or loss – includes investment assets	**19,696,520**	17,385,060

15. Related Party Transactions

The audit fees are paid by Rugby School. Donations received in Rugby School related to legacies and some non-property related long-term endowments are generally passed to support the Arnold Foundation. There are no other related party transactions.

16. Ultimate Controlling Party

The ultimate controlling party is the Governing Body of Rugby School, a charity registered in the England & Wales (registered number 528752). A copy of the consolidated accounts may be obtained from Rugby School c/o The Bursary, 10, Little Church Street, Rugby, CV21 3AW.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

England & Wales - Charity number 1095856

Accounts

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

REPORT OF THE TRUSTEES

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Company Number: 04516482

Registered Charity Number: 1095856

Website: www.rugbyschool.co.uk/arnold-foundation

CONTENTS

	Pages
Trustees, members and advisors	3
Trustees' Report and Statement of Trustees' Responsibilities	4-10
Independent Auditor's Report	11-12
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16 - 24

TRUSTEES, MEMBERS AND ADVISORS

Trustees

	Appointed by:
B J O'Brien	Ex Officio, as Chairman of the Governing Body of Rugby School
C Wills (Chair)	Ex Officio as Chair of the Arnold Foundation Board
R C Fletcher	Ex Officio, as President of the Rugbeian Society (Up to 23 May 2022)
A Habib	Ex Officio, as President of the Rugbeian Society (from 15 November 2022)
P R A Green	Ex Officio, as Executive Head Master of Rugby School

Other Members of the Foundation Board

Dr C H Barnes D Batstone A Fox C T Lindsay M D L Ponsonby M Turner	Appointed February 2022

Company Secretary	P A Nicholls
Director of Development	K A Wilson (until September 2022)
Advisors:	
Investment Managers	Quilter Cheviot Investment Management Ltd, London
Bankers	Natwest Bank, Rugby
Solicitors	Veale Wasbrough Vizard, Bristol
Auditor	Crowe U.K. LLP, Cheltenham
Registered and Principal Office	The Bursary, 10, Little Church Street, Rugby, Warwickshire, CV21 3AW
Company Number	04516482
Charity Number	1095856
Website	www.rugbyschool.co.uk/arnold-foundation

Report of the Trustees for the year ended 30 June 2022

The Trustees of the Arnold Foundation for Rugby School (the 'Foundation') present their annual report and the audited financial statements for the year ended 30 June 2022.

The information with respect to Trustees, officers and advisors, as shown on page 3, forms part of the Annual Report and is current at the date of this report. The financial statements comply with the charity's trust deed, with current statutory requirements, applicable Accounting Standards in the United Kingdom, and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)).

Objectives and Activities

Charitable Objectives
The principal aim of the Foundation is to raise funds for Rugby School:

- to provide more bursary awards for boarding places, subject to parental means testing, thereby widening access to the School, so that more talented students may benefit from an education at Rugby School, irrespective of their families' ability to pay the fees; and
- to improve the infrastructure of the School.

The Trustees principal objective for the year is to continue to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

In addition, the Trustees had set the following objectives for 2021/22:

- Use the 18th birthday celebrations for the Arnold Foundation to recruit new donors and celebrate the commitment of generous involvement since 2003;
- Develop income targets and strategies to secure a further £25 million and funding for 40 Arnold Foundation students each year by 2030 at Rugby School and Bilton Grange;
- Build the endowment for the long term through a commitment to the campaign for legacies.

Public Benefit Objectives
In setting the Foundation's objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Strategies for achieving the Objectives
The Trustees' strategy for achieving these objectives is to increase awareness of the Arnold Foundation for Rugby School, particularly to Rugbeians, and to encourage donations so as to create funds which may be used to provide the finances to support both current and future students through Rugby School.

Report of the Trustees for the year ended 30 June 2022 *(continued)*

Staff and Supporters
The Trustees greatly appreciate the important and valuable support and hard work given by the entire School staff but above all the Trustees are deeply grateful to Rugbeians, parents and many other friends of the School whose generosity has enabled the Trustees to achieve their objectives in the current year.

Fundraising
Members of Rugby School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and Rugby School. Neither Rugby School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

Rugby School and the Arnold Foundation are members of the Fundraising Regulator and are committed to the Code of Fundraising Practice for fundraising and the marketing of both charities.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Review of Achievements and Performance

There were 28 Arnold Foundation students in the schools throughout the year 2021/22 (2020/21: 27). Financial fee support for all 28 of these students was provided from funds raised by the Foundation.

In September 2022 the number of Arnold Foundation students in the schools has increase to 29, with students having fees funded by the Foundation.

As of September 2022, a total of 166 students and former students are benefitting or have benefitted from support provided by the Foundation since 2004.

The Arnold Foundation Board is focussed on building a strong programme of funded bursaries at Rugby School and Bilton Grange.

Due to the ongoing Covid-19 pandemic, fund raising and friend raising events were postponed with activities moving online, such as:

- a virtual online celebration to mark the 18th birthday of the Arnold Foundation including a broadcast Thanksgiving service from the Rugby School Chapel and the production of a new film;
- the annual appeal for parents of leavers to leave their deposits with the Arnold Foundation for Rugby School;
- the annual Arnold Foundation Review was circulated to the whole community marking 18 years and outlining plans for the future;

Report of the Trustees for the year ended 30 June 2022 *(continued)*

- a successful Wine Auction held on line and in collaboration with Sotheby's
- the continued development of the 'If you will, they can' legacy programme with more future legators joining the Charles Shorto Legacy Society;
- Delivered a successful telethon resulting in funds raised and the recruitment of many new regular donors;
- supporting the American Friends of Rugby School including the dissolution of their 501 c 3 and a new campaign for fundraising from Rugbeians in the USA; and
- further developed the online community for Rugbeians through Rugbeians Connect which is offered through the Graduway programme.

Whilst the lockdown and subsequent restrictions have curtailed the opportunities for Rugbeians to meet in person, regular news bulletins from the Executive Head Master to donors, and social media platforms including Rugbeians Connect, Facebook, Twitter and LinkedIn have continued to be utilised to communicate with the wider Rugbeian Community. Generous donations and gifts have continued even through this difficult period.

Plans for Future Periods

The Trustees' principal objective for the coming year is to continue to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

In addition, the Trustees have set the following objectives for the coming year:

- Build on the momentum of the 18th birthday celebrations;
- Further develop the Earle Fund for boarding bursaries at Bilton Grange with an eye to Bilton Grange's approaching 150th birthday;
- Develop the Parent Ambassador initiative to promote greater engagement among parents and support for our fundraising initiatives;
- Further develop and implement strategies to secure funding for 40 Arnold Foundation students each year. Refresh the donor base and engage new major donors;
- Organise and deliver a successful Giving Day to engage new donors and promote the Arnold Foundation across Rugby School and Bilton Grange;
- Further develop the comprehensive programme of engagement for Rugbeians, Biltonians, parents and Arnold Foundation Ambassadors with events and activities in Rugby, London and elsewhere; and
- Build the endowment for the long term through our continued commitment to an ongoing campaign for legacies.

Financial Review

The Statement of Financial Activities for the year is set out on page 13 of the financial statements.

Donations and gifts continue to be the Foundation's main source of income with a total of £1,612,194 (2020-21: £509,301) received during the year. Investment income of £244,570 (2020-21: £210,922), legacies of £467,202 (2020-21: £153,615) and a gift in kind of £506,463 (2020-21: £372,606), brought the total income to £2,830,429 (2020-21: £1,246,444).

Report of the Trustees for the year ended 30 June 2022 *(continued)*

The Trustees, the Development Board and the Governing Body of Rugby School wish to record their thanks to all of the donors who have contributed to the Foundation.

During the year £1,108,196 was used to provide financial assistance for school fees and necessary extras including uniform, laptop, books and trips for Arnold Foundation students at Rugby School.

Fundraising Costs
The Trustees and the Governing Body of Rugby School have jointly agreed that all fundraising costs for 2021/22 shall be borne by the School. In order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a gift in kind transfer from Rugby School, as shown on the Statement of Financial Activities.

This generated net income for the year, before the revaluation of investments, of £1,148,447 (2021: net expenditure of £199,833). Following the revaluation of investments at the year-end the Foundation has total funds of £17.9 million. This is largely due to the significant reduction in value of the investments due to market turbulence.

The underlying assets and liabilities are set out in the Balance Sheet on page 14 and further analysed in the notes accompanying the financial statements.

Reserves Policy

The Foundation aims to secure sufficient restricted and endowed fund investments to generate the required investment income to support 40 Arnold Foundation students in Rugby School on a continuing annual basis.

Whilst these funds are being established, the policy is to hold such restricted and unrestricted funds as to be able to provide two years of financial assistance for both the current Arnold Foundation students and those to be recruited within the next year.

Investment Policy, Objectives and Performance

It is the policy of the Trustees that any shares or other securities that are gifted to the Foundation be realised for cash as soon as possible. The proceeds, together with all cash donations to the Foundation, are placed with the Investment Manager for deposit.

The investment performance is monitored regularly against objectives set by the School's Investment Committee. In the year ended 30 June 2022 the performance matched the benchmark indices although the year's returns were clearly negative.

The Trustees anticipate that funds required by the Foundation to be expended within the short term (e.g. on bursary awards for students at Rugby School), should be placed on bank deposit.

Report of the Trustees for the year ended 30 June 2022 *(continued)*

Structure, Governance and Management

The Arnold Foundation for Rugby School (the "Foundation") is a company limited by guarantee and does not have a share capital. The sole member of the company is Rugby School, registered charity number 528752. The Governing Body of Rugby School, a statutory corporation created under the Public Schools Act 1868 and the Rugby School Act 1922, is the trustee of Rugby School.

The Foundation is also registered with the Charity Commission under charity number 1095856.

The Trustees are appointed to have the general control and management of the company and are its Companies Acts directors. The ex-officio Trustees are the Chairman of the Governing Body of Rugby School, the Executive Head Master of Rugby School, the President of the Rugbeian Society, all for the time being and by virtue of their respective offices. Ms Claire Wills was also appointed to be a Trustee and to the role of Chair of the company. Further Trustees may be elected by the member from time to time.

Trustees are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Trustees visit the school for the purpose of induction, receive key information relating to the charity and sign an appointment letter. All Trustees are encouraged to attend the termly Trustees' meetings which incorporate trustee-training issues.

The Governing Body of Rugby School has also appointed a committee called the Arnold Foundation Board which includes all of the Trustees. While the Board has no statutory powers or responsibilities, its purpose is to advise and support the Trustees and the Governing Body of Rugby School in raising funds for the School and the Foundation.

Key Management Personnel

The Foundation delegates the daily management to the Executive Head Master of Rugby School. The Executive Head Master is aided by other Key Management Personnel of the School comprising the Chief Operating Officer and the Director of Development.

The Foundation's Key Management Personnel do not receive any remuneration from the Foundation. Remuneration of the School's Key Management Personnel is set by the School's Nomination Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contribution to the School's success.

Report of the Trustees for the year ended 30 June 2022 *(continued)*

Principal Risks and Uncertainties

The Arnold Foundation Board undertakes an annual review of the major risks of the Foundation and the system for their mitigation. The Board consider that the main risk is the inability to raise sufficient funds to support future Arnold Foundation students through their education at Rugby School, however effective financial forecasts and realistic planning ensures that student recruitment does not exceed the planned expenditure.

In addition, the Governing Body of Rugby School conducts annually a review of risk assessments undertaken by the School's Management Team to identify the major risks to which the School and its associated companies are exposed, and the system for their mitigation. In the opinion of the Governing Body, the School and its associated companies have established resources and review systems, which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 30 June 2022 *(continued)*

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

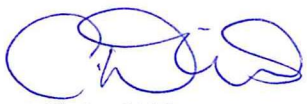
The Trustees confirm that at the time when this report was approved, the following applies:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditors.

This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees at their meeting on 16 November 2022 and signed by order of the Trustees:



Claire Wills
Chair of the Arnold Foundation for Rugby School

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School

Opinion

We have audited the financial statements of The Arnold Foundation for Rugby School for the year ended 30 June 2022 which comprise Statement of Financial Activities, the Balance sheet, the 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 30 June 2022 and of its incoming resources and application of resources, including its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School
continued.....

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP Statutory Auditor, Cheltenham

Date: 19 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 30 June 2022 (including the Income & Expenditure Account) for the Arnold Foundation

	Notes	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2022 £	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2021 £
INCOME AND ENDOWMENTS FROM:									
Income from Generated Funds									
Donations and gifts		5,501	914,829	691,864	**1,612,194**	19,684	33,755	455,862	509,301
Legacies		-	467,202	-	**467,202**	-	153,615	-	153,615
Gift in kind	5	506,463	-	-	**506,463**	372,606	-	-	372,606
Investment income	2	-	-	244,570	**244,570**	-	-	210,922	210,922
Total Income		511,964	1,382,031	936,434	**2,830,429**	392,290	187,370	666,784	1,246,444
EXPENDITURE									
Costs of Raising Funds									
Fund-raising costs for donations and legacies	3	(506,463)	-	(67,323)	**(573,786)**	(372,606)	-	(55,981)	(428,587)
Costs of Raising Funds		(506,463)	-	(67,323)	**(573,786)**	(372,606)	-	(55,981)	(428,587)
Expenditure on charitable activities									
Bursaries		-	-	(1,108,196)	**(1,108,196)**	-	-	(1,017,689)	(1,017,689)
Total Expenditure	4	(506,463)	-	(1,175,519)	**(1,681,982)**	(372,606)	-	(1,073,670)	(1,446,276)
Net income / (expenditure)		5,501	1,382,031	(239,085)	**1,148,447**	19,684	187,370	(406,886)	(199,832)
Net (lossese) / gains investments	7	-	(1,288,635)	(849,469)	**(2,138,104)**	-	2,195,939	1,552,303	3,748,242
NET MOVEMENT IN FUNDS		5,501	93,396	(1,088,554)	**(989,657)**	19,684	2,383,309	1,145,417	3,548,410
Reconciliation of Funds:									
Balance brought forward at 1 July 21/20		**179,480**	**11,288,109**	**7,440,202**	**18,907,791**	159,796	8,904,800	6,294,785	15,359,381
FUND BALANCES CARRIED FORWARD AT 30 JUNE 22/21	10	**184,981**	**11,381,505**	**6,351,648**	**17,918,134**	179,480	11,288,109	7,440,202	18,907,791

The notes on pages 16 to 23 form part of these financial statements.

Balance Sheet as at 30 June 2022

	Notes	2022 £	2021 £
Investments	7	17,385,060	**19,491,231**
Current assets			
Debtors	8	840,929	**27,380**
Cash at bank and in hand		9,012	**13,975**
		849,941	**41,355**
Creditors: amounts due within one year	9	(316,867)	**(624,795)**
NET CURRENT ASSETS		533,074	**(583,440)**
TOTAL ASSETS	10	17,918,134	**18,907,791**
Capital and reserves:			
Endowment funds	11	11,381,505	**11,288,109**
Restricted funds	12	6,351,648	**7,440,202**
Unrestricted funds	13	184,981	**179,480**
TOTAL FUNDS		17,918,134	**18,907,791**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 13 to 23 were approved by the Trustees on 16 November 2022 and are signed on their behalf by:

.....
C Wills
Chair

.....
P R A Green
Director

The Arnold Foundation for Rugby School
Registered company number: 04516482

The notes on pages 16 to 23 form part of these financial statements.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	£	£
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**1,148,447**	(199,832)
Elimination of non-operating cash flows:		
-Investment income and bank interest receivable	**(244,570)**	(210,922)
-Endowment donations	**(1,382,031)**	(187,370)
(Increase)/Decrease in debtors	**(813,549)**	(5,417)
Increase/(Decrease) in creditors	**(307,929)**	164,109
Net cash provided by operating activities	**(1,599,632)**	(439,432)
Cash flows from investing activities:		
Purchase of investments	**(2,920,601)**	(6,439,047)
Sale of investments	**2,888,669**	6,492,020
Investment income and bank interest receivable	**244,570**	210,922
Net cash used in investing activities	**212,638**	263,895
Cash flows from financing activities:		
New endowments	**1,382,031**	187,370
Net cash provided by financing activities	**1,382,031**	187,370
Change in cash and cash equivalents in the reporting period	**(4,963)**	11,833
Cash and cash equivalents at the beginning of the reporting period	**13,975**	2,142
Cash and cash equivalents at the end of the reporting period	**9,012**	13,975
Analysis of cash and cash equivalents:		
Cash at bank	**9,012**	13,975

Notes to the Financial Statements for the year ended 30 June 2022

1. Principal Accounting Policies

Legal Status

The Foundation is a Public Benefit Entity registered as a company limited by guarantee (company number 04516482), and as a charity in England and Wales (charity number 1095856), operating from premises at Rugby School, Rugby, Warwickshire.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Having reviewed the funding facilities available to the Foundation together with future projected cash-flows, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. The company participates in a cash pooling facility in order to maximise the assets of the group. Accordingly, the Foundation will continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets are carried at market value at the balance sheet date.

The functional currency of the Foundation is considered to be the British Pound.

Donations, legacies and gifts in kind

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities, that are donated, be converted to cash as soon as possible. Gifts in kind are valued at a reasonable estimate of their value to the charity. No amounts are included in the financial statements for services donated by volunteers. Gift aid is allocated to the fund which matches the original donation.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Any irrecoverable VAT is charged to the Statement of Financial Activities (SOFA).

Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include management and administration and are allocated on a basis consistent with the use of the resource.

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

Governance costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for the Trustees and costs associated with meeting the constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability. These costs are borne by the School.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Taxation

As a registered charity, the Arnold Foundation for Rugby School is entitled to certain tax exemptions on income and surpluses carried out in furtherance of the charity's primary objectives.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. Income will accrue to the appropriate restricted fund.

Endowed funds may be further classified as:

- permanent endowment funds arise where a donor intends the gift to be retained in perpetuity; or
- expendable endowment funds are accounted for similarly, except that the capital may be converted into income for spending at the discretion of the Trustees or in circumstances stipulated by the donor.

Investment income and gains are generally allocated to Restricted Funds.

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the period in which it is received.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value.

Key Judgements and Assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

2. Investment income

	2022	2021
	£	£
Income on UK quoted investments	**244,570**	210,922
Interest receivable	**0**	0
	244,570	210,922

3. Fundraising costs for donations and legacies

	Unrestricted funds	Restricted funds	**2022**	2021
	£	£	**£**	£
Staff costs	269,892	-	**269,892**	203,196
Marketing and publicity	37,245	-	**37,245**	165
Office costs	118,655	-	**118,655**	89,786
Legal and professional	80,671	-	**80,671**	79,459
Investment management	-	67,323	**67,323**	55,981
	506,463	67,323	**573,786**	428,587

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

4. Analysis of total expenditure

	Staff costs	Other costs	**2022**	2021
	£	£	**£**	£
Costs of Generating Funds				
Fund-raising costs	269,892	303,894	**573,786**	428,587
Total	269,892	303,894	**573,786**	428,587
Charitable Activities				
Bursaries	-	1,108,196	**1,108,196**	1,017,690
Total	-	1,108,196	**1,108,196**	1,017,690

Audit fees are met by the Governing Body of Rugby School.

5. Contribution from Rugby School

The Trustees and the Governing Body of Rugby School have jointly agreed that for the current period all the costs of generating funds shall be borne by the School but in order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a funds transfer from Rugby School.

6. Employee, Trustee and Key Management Personnel Information

The average monthly number of people, including Trustees, working for the Foundation was 3 (2021: 3).

No Trustees, Key Management Personnel or employees received any remuneration or reimbursement of expenses from the Foundation during the period (2021: none).

7. Investments

	Total
	£
Balance at 1 July 2021	**19,491,231**
Additions	**2,920,601**
Disposals (at net proceeds)	**(2,888,669)**
Revaluation gains	**(2,138,103)**
Balance at 30 June 2022	**17,385,060**
Represented by:	
Investments listed on the UK Stock Exchange	**17,064,279**
Cash deposits	**320,781**
	17,385,060

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

8. Debtors

	2022	2021
	£	£
Tax recoverable	**90,280**	7,991
Other debtors	**127,500**	19,389
Due from Bilton Grange	**623,161**	-
	840,941	27,380

9. Creditors

	2022	2021
	£	£
Other accruals	**16,000**	14,000
Due to the Governing Body of Rugby School	**300,867**	610,795
	316,867	624,795

10. Analysis of Net Assets

The net assets are held for the various funds as follows:

10a. Current year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2022 Total Funds
	£	£	£	£
Investments	10,848,430	6,351,649	184,981	**17,385,060**
Net Current Assets	533,075	-	-	**533,075**
Total Net Assets	11,381,505	6,351,649	184,981	**17,918,135**

10b. Prior year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2021 Total Funds
	£	£	£	£
Investments	11,871,548	7,440,202	179,480	19,491,229
Net Current Assets	(583,438)	-	-	(583,438)
Total Net Assets	11,288,110	7,440,202	179,480	18,907,791

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

11. Endowed Funds

11a. Current year movement in endowed funds:

	Balance at 1 July 2021 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	**Balance at 30 June 2021 £**
Arnold Foundation - permanent endowment	50	-	-	-	**50**
Arnold Foundation awards-expendable endowment	11,288,059	1,382,031	-	(1,288,635)	**11,381,455**
	11,288,109	1,382,031	-	(1,288,635)	**11,381,505**

11b. Prior year movement in endowed funds:

	Balance at 1 July 2020 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	Balance at 30 June 2021 £
Arnold Foundation - permanent endowment	50	-	-	-	50
Arnold Foundation awards-expendable endowment	8,904,751	187,370	-	2,195,938	11,288,059
	8,904,801	187,370	-	2,195,938	11,288,109

Arnold Foundation Permanent Endowment
Under the terms of the company's Memorandum of Association, the original endowment of £50 is permanent and may not be expended.

Arnold Foundation Awards
The expendable capital funds provide future income for the financing of bursary awards to Rugby School and Bilton Grange from Year 7. The income from the fund is utilised for this purpose (see restricted funds).

Earle Fund Awards
The expendable capital funds provide future income for the financing of bursary awards to Bilton Grange. The income from the fund is utilised for this purpose (see restricted funds).

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

12. Restricted Funds

12a. Current year movement in restricted funds:

	Balance at 1 July 2021	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2022
	£	£	£	£	£
Arnold Foundation awards	7,438,302	936,434	(1,175,519)	(849,469)	**6,349,748**
Performing Arts	1,900	-	-	-	**1,900**
Total	7,442,202	936,434	(1,175,519)	(849,469)	**6,351,648**

12b. Prior year movement in restricted funds:

	Balance at 1 July 2020	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2021
	£	£	£	£	£
Arnold Foundation awards	6,292,884	666,784	(1,073,670)	1,552,304	7,438,302
Performing Arts	1,900	-	-	-	1,900
Total	6,294,784	666,784	(1,073,670)	1,552,304	7,442,202

The fund's principal aim is to raise monies for the financing of bursary awards to Rugby School and Bilton Grange, widening access to the schools, so that more talented people may benefit from an education at Rugby, irrespective of their parents' ability to pay the fees. Funds have also been donated to the Arnold Foundation for Rugby School to improve the School's facilities.

13. Unrestricted Funds

13a. Current year movement in unrestricted funds:

	Balance at 1 July 2021	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2022
	£	£	£	£	£
Unrestricted funds	179,480	511,964	(506,463)	-	**184,981**

13b. Prior year movement in unrestricted funds:

	Balance at 1 July 2020	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2021
	£	£	£	£	£
Unrestricted funds	159,796	392,290	(372,606)	-	179,480

Notes to the Financial Statements for the year ended 30 June 2022 *(continued)*

14. Financial Instruments

	2022 £	2021 £
Financial Assets measured at fair value through profit or loss – includes investment assets	**17,385,060**	19,491,231

15. Related Party Transactions

The audit fees are paid by Rugby School. Donations received in Rugby School related to legacies and some non-property related long-term endowments are generally passed to support the Arnold Foundation. There are no other related party transactions.

16. Ultimate Controlling Party

The ultimate controlling party is the Governing Body of Rugby School, a charity registered in the England & Wales (registered number 528752). A copy of the consolidated accounts may be obtained from Rugby School c/o The Bursary, 10, Little Church Street, Rugby, CV21 3AW.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

England & Wales - Charity number 1095856

Accounts

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

REPORT OF THE TRUSTEES

&

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Company Number: 4516482

Registered Charity Number: 1095856

Website: www.rugbyschool.co.uk/arnold-foundation

CONTENTS

	Pages
Trustees, members and advisors	3
Trustees' Report and Statement of Trustees' Responsibilities	4-10
Independent Auditor's Report	11-12
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16 - 23

TRUSTEES, MEMBERS AND ADVISORS

Trustees	
	Appointed by:
B J O'Brien	Ex Officio, as Chairman of the Governing Body of Rugby School (from 4 July 2020)
L J Holmes	Ex Officio, as Chairman of the Governing Body of Rugby School (until 4 July 2020)
C Wills (Chair)	Ex Officio as Chair of the Arnold Foundation Board (appointed 18 Nov 2020)
R C Fletcher	Ex Officio, as President of the Rugbeian Society
P R A Green	Ex Officio, as Executive Head Master of Rugby School
Other Members of the Foundation Board	
Dr C H Barnes	Governing Body of Rugby School
D Batstone	Governing Body of Rugby School
C T Lindsay	Governing Body of Rugby School
M D L Ponsonby	Governing Body of Rugby School
M Turner	Governing Body of Rugby School
Company Secretary	P A Nicholls
Director of Development	K A Wilson
Advisors:	
Investment Managers	Quilter Cheviot Investment Management Ltd, London
Bankers	Natwest Bank, Rugby
Solicitors	Veale Wasbrough Vizard, Bristol
Auditor	Crowe U.K. LLP, Cheltenham
Registered and Principal Office	The Bursary, 10, Little Church Street, Rugby, Warwickshire, CV21 3AW
Company Number	4516482
Charity Number	1095856
Website	www.rugbyschool.co.uk/arnold-foundation

Report of the Trustees for the year ended 30 June 2021

The Trustees of the Arnold Foundation for Rugby School (the 'Foundation') present their annual report and the audited financial statements for the year ended 30 June 2021.

The information with respect to Trustees, officers and advisors, as shown on page 3, forms part of the Annual Report and is current at the date of this report. The financial statements comply with the charity's trust deed, with current statutory requirements, applicable Accounting Standards in the United Kingdom, and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)).

Objectives and Activities

Charitable Objectives
The principal aim of the Foundation is to raise funds for Rugby School:

- to provide more bursary awards for boarding places, subject to parental means testing, thereby widening access to the School, so that more talented students may benefit from an education at Rugby School, irrespective of their families' ability to pay the fees; and
- to improve the infrastructure of the School.

The Trustees principal objective for the year is to continue to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

In addition, the Trustees had set the following objectives for 2020/21:

- Use the 18th birthday celebrations for the Arnold Foundation to recruit new donors and celebrate the commitment of generous involvement since 2003;
- Develop income targets and strategies to secure a further £25 million and funding for 40 Arnold Foundation students each year by 2030 at Rugby School and Bilton Grange;
- Build the endowment for the long term through a commitment to the campaign for legacies.

Public Benefit Objectives
In setting the Foundation's objectives the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Strategies for achieving the Objectives
The Trustees' strategy for achieving these objectives is to increase awareness of the Arnold Foundation for Rugby School, particularly to Rugbeians, and to encourage donations so as to create funds which may be used to provide the finances to support both current and future students through Rugby School.

Report of the Trustees for the year ended 30 June 2021 *(continued)*

Staff and Supporters
The Trustees greatly appreciate the important and valuable support and hard work given by the entire School staff but above all the Trustees are deeply grateful to Rugbeians, parents and many other friends of the School whose generosity has enabled the Trustees to achieve their objectives in the current year.

Fundraising
Members of Rugby School's Development Office organise fundraising activities and events and co-ordinate philanthropic support and involvement both for the Arnold Foundation and Rugby School. Neither Rugby School nor the Arnold Foundation use fundraising consultants or involve commercial participators.

Rugby School and the Arnold Foundation are members of the Fundraising Regulator and are committed to the Code of Fundraising Practice for fundraising and the marketing of both charities.

All direct fundraising marketing is undertaken by the Development Office to ensure that it is not unreasonably intrusive or persistent. All promotional material contains clear instructions on how an individual can change their preferences for communication or be removed from mailing lists. There have been no complaints about fundraising activities during the year.

Review of Achievements and Performance

There were 27 Arnold Foundation students in the School throughout the year 2020/21 (2019/20: 28). Financial fee support for all 27 of these students was provided from funds raised by the Foundation.

In September 2021 the number of Arnold Foundation students in the school was 28, with students having fees funded by the Foundation.

As of September 2021, a total of 156 students and former students are benefitting or have benefitted from support provided by the Foundation since 2004.

The Arnold Foundation Board is focussed on building a strong programme of funded bursaries at Rugby School and Bilton Grange.

Due to the ongoing Covid-19 pandemic, fund raising and friend raising events were postponed with activities moving online, such as:

- a virtual online celebration to mark the 18th birthday of the Arnold Foundation including a broadcast Thanksgiving service from the Rugby School Chapel and the production of a new film;
- the annual appeal for parents of leavers to leave their deposits with the Arnold Foundation for Rugby School;
- the annual Arnold Foundation Review was circulated to the whole community marking 18 years and outlining plans for the future;

Report of the Trustees for the year ended 30 June 2021 *(continued)*

- a successful Wine Auction held on line and in collaboration with Sotheby's
- the continued development of the 'If you will, they can' legacy programme with more future legators joining the Charles Shorto Legacy Society;
- Delivered a successful telethon resulting in funds raised and the recruitment of many new regular donors;
- supporting the American Friends of Rugby School including the dissolution of their 501 c 3 and a new campaign for fundraising from Rugbeians in the USA; and
- further developed the online community for Rugbeians through Rugbeians Connect which is offered through the Graduway programme.

Whilst the lockdown and subsequent restrictions have curtailed the opportunities for Rugbeians to meet in person, regular news bulletins from the Executive Head Master to donors, and social media platforms including Rugbeians Connect, Facebook, Twitter and LinkedIn have continued to be utilised to communicate with the wider Rugbeian Community. Generous donations and gifts have continued even through this difficult period.

Plans for Future Periods

The Trustees' principal objective for the coming year is to continue to prioritise recruiting the right candidates and engaging the next generation of advocates and donors.

In addition, the Trustees have set the following objectives for the coming year:

- Build on the momentum of the 18th birthday celebrations;
- Launch the Earle Fund for boarding bursaries at Bilton Grange;
- Launch the Parent Ambassador initiative to promote greater engagement among parents and support for our fundraising initiatives;
- Further develop and implement strategies to secure funding for 40 Arnold Foundation students each year. Refresh the donor base and engage new major donors;
- Organise and deliver a successful Giving Day to engage new donors and promote the Arnold Foundation across Rugby School and Bilton Grange;
- Reintroduce a comprehensive programme of engagement for Rugbeians, Biltonians, parents and Arnold Foundation Ambassadors with events and activities in Rugby, London and elsewhere; and
- Build the endowment for the long term through our continued commitment to an ongoing campaign for legacies.

Financial Review

The Statement of Financial Activities for the year is set out on page 13 of the financial statements.

Donations and gifts continue to be the Foundation's main source of income with a total of £509,301 (2019-20: £2,798,966) received during the year. Investment income of £210,922 (2019-20: £215,339), legacies of £153,615 (2019-20: £73,057) and a gift in kind of £372,606 (2019-20: £302,341), brought the total incoming resources to £1,246,434 (2019-20: £3,389,703).

Report of the Trustees for the year ended 30 June 2021 *(continued)*

The Trustees, the Development Board and the Governing Body of Rugby School wish to record their thanks to all of the donors who have contributed to the Foundation.

During the year £1,017,689 was used to provide financial assistance for school fees and necessary extras including uniform, laptop, books and trips for Arnold Foundation students at Rugby School.

Fundraising Costs
The Trustees and the Governing Body of Rugby School have jointly agreed that all fundraising costs for 2020/21 shall be borne by the School. In order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a gift in kind transfer from Rugby School, as shown on the Statement of Financial Activities.

This generated net income for the year, before the revaluation of investments, of -£199,833 (2020: net expenditure of £1,973,357). Following the revaluation of investments at the year-end the Foundation has total funds of £18.9 million.

The underlying assets and liabilities are set out in the Balance Sheet on page 14 and further analysed in the notes accompanying the financial statements.

Reserves Policy

The Foundation aims to achieve sufficient restricted and endowed fund investments to generate sufficient investment income to support 40 Arnold Foundation students in Rugby School on a continuing annual basis.

Whilst these funds are being established, the policy is to hold sufficient restricted and unrestricted funds to be able to provide two years of financial assistance for both the current Arnold Foundation students and those to be recruited within the next year.

Investment Policy, Objectives and Performance

It is the policy of the Trustees that any shares or other securities that are gifted to the Foundation be realised for cash as soon as possible. The proceeds, together with all cash donations to the Foundation, are placed with the Investment Manager for deposit.

The investment performance is monitored regularly against objectives set by the School's Investment Committee. In the year ended 30 June 2021 the performance matched the benchmark.

The Trustees anticipate that funds required by the Foundation to be expended within the short term (e.g. on bursary awards for students at Rugby School), should be placed on bank deposit.

Report of the Trustees for the year ended 30 June 2021 *(continued)*

Structure, Governance and Management

The Arnold Foundation for Rugby School (the "Foundation") is a company limited by guarantee and does not have a share capital. The sole member of the company is Rugby School, registered charity number 528752. The Governing Body of Rugby School, a statutory corporation created under the Public Schools Act 1868 and the Rugby School Act 1922, is the trustee of Rugby School.

The Foundation is also registered with the Charity Commission under charity number 1095856.

The Trustees are appointed to have the general control and management of the company and are its Companies Acts directors. The ex-officio Trustees are the Chairman of the Governing Body of Rugby School, the Executive Head Master of Rugby School, the President of the Rugbeian Society, all for the time being and by virtue of their respective offices. Ms Claire Wills was also appointed to be a Trustee and to the role of Chair of the company. Further Trustees may be elected by the member from time to time.

Trustees are selected for their skills and experience across an appropriate spectrum. Before taking up appointment, new Trustees visit the school for the purpose of induction, receive key information relating to the charity and sign an appointment letter. All Trustees are encouraged to attend the termly Trustees' meetings which incorporate trustee-training issues.

The Governing Body of Rugby School has also appointed a committee called the Arnold Foundation Board which includes all of the Trustees. While the Board has no statutory powers or responsibilities, its purpose is to advise and support the Trustees and the Governing Body of Rugby School in raising funds for the School and the Foundation.

Key Management Personnel
The Foundation delegates the daily management to the Executive Head Master of Rugby School. The Executive Head Master is aided by other Key Management Personnel of the School comprising the Chief Operating Officer and the Director of Development.

The Foundation's Key Management Personnel do not receive any remuneration from the Foundation. Remuneration of the School's Key Management Personnel is set by the School's Nomination Committee with the policy objective of providing appropriate incentives to encourage performance and of rewarding fairly any individual contribution to the School's success.

Report of the Trustees for the year ended 30 June 2021 *(continued)*

Principal Risks and Uncertainties

The Arnold Foundation Board undertakes an annual review of the major risks of the Foundation and the system for their mitigation. The Board consider that the main risk is the inability to raise sufficient funds to support future Arnold Foundation students through their education at Rugby School, however effective financial forecasts and realistic planning ensures that student recruitment does not exceed the planned expenditure.

In addition, the Governing Body of Rugby School conducts annually a review of risk assessments undertaken by the School's Management Team to identify the major risks to which the School and its associated companies are exposed, and the system for their mitigation. In the opinion of the Governing Body, the School and its associated companies have established resources and review systems, which, under normal conditions, should allow those risks to be mitigated to an acceptable level in its day-to-day operations.

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 30 June 2021 *(continued)*

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

The Trustees confirm that at the time when this report was approved, the following applies:

- so far as each Trustee is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

Crowe U.K LLP has indicated its willingness to be reappointed as statutory auditors.

This report has been prepared taking advantage of the exemptions available to small companies under the Companies Act 2006.

Approved by the Trustees at their meeting on 2 March 2022 and signed by order of the Trustees:

Claire Wills
Chair of the Arnold Foundation for Rugby School

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School

Opinion

We have audited the financial statements of The Arnold Foundation for Rugby School for the year ended 30 June 2021 which comprise Statement of Financial Activities, the Balance sheet, the 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 30 June 2021 and of its incoming resources and application of resources, including its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Independent Auditor's Report to the Trustees of The Arnold Foundation for Rugby School
continued.....

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Guy Biggin
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP Statutory Auditor, Cheltenham Date: 25 March 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 30 June 2021 (including the Income & Expenditure Account) for the Arnold Foundation

	Notes	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2021 £	Unrestricted Funds £	Endowed Funds £	Restricted Funds £	Year 2020 £
INCOME AND ENDOWMENTS FROM:									
Income from Generated Funds									
Donations and gifts		19,684	33,755	455,862	**509,301**	4,446	27,825	2,766,725	2,798,966
Legacies		-	153,615	-	**153,615**	-	73,057	-	73,057
Gift in kind	5	372,606	-	-	**372,606**	302,341	-	-	302,341
Investment income	2	-	-	210,922	**210,922**	-	-	215,339	215,339
Total Income		392,290	187,370	666,784	**1,246,444**	306,787	100,882	2,982,064	3,389,703
EXPENDITURE									
Costs of Raising Funds									
Fund-raising costs for donations and legacies	3	(372,606)	-	(55,981)	**(428,587)**	(302,341)	-	(46,880)	(349,221)
Costs of Raising Funds		(372,606)	-	(55,981)	**(428,587)**	(302,341)	-	(46,880)	(349,221)
Expenditure on charitable activities									
Bursaries		-	-	(1,017,689)	**(1,017,689)**	-	-	(1,067,155)	(1,067,155)
Total Expenditure	4	(372,606)	-	(1,073,670)	**(1,446,276)**	(302,341)	-	(1,114,035)	(1,416,376)
Net (expenditure) / income		19,684	187,370	(406,886)	**(199,832)**	4,446	100,882	1,868,029	1,973,357
Net gains on investments	7	-	2,195,939	1,552,303	**3,748,242**	-	497,810	250,327	748,137
NET MOVEMENT IN FUNDS		19,684	2,383,309	1,145,417	**3,548,410**	4,446	598,692	2,118,356	2,721,494
Reconciliation of Funds:									
Balance brought forward at 1 July 20/19		**159,796**	**8,904,800**	**6,294,785**	**15,359,381**	155,350	8,306,108	4,176,429	12,637,887
FUND BALANCES CARRIED FORWARD AT 30 JUNE 21/20	10	**179,480**	**11,288,109**	**7,440,202**	**18,907,791**	159,796	8,904,800	6,294,785	15,359,381

The notes on pages 16 to 23 form part of these financial statements.

Balance Sheet as at 30 June 2021

	Notes	2021 £	2020 £
Investments	7	**19,491,231**	15,795,961
Current assets			
Debtors	8	**27,380**	21,963
Cash at bank and in hand		**13,975**	2,142
		41,355	24,105
Creditors: amounts due within one year	9	**(624,795)**	(460,685)
NET CURRENT ASSETS		**(583,440)**	(436,580)
TOTAL ASSETS	10	**18,907,791**	15,359,381
Capital and reserves:			
Endowment funds	11	**11,288,109**	8,904,801
Restricted funds	12	**7,440,202**	6,294,784
Unrestricted funds	13	**179,480**	159,796
TOTAL FUNDS		**18,907,791**	15,359,381

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 13 to 23 were approved by the Trustees on 2 March 2022 and are signed on their behalf by:

C Wills
Chair

P R A Green
Director

The Arnold Foundation for Rugby School
Registered company number: 4516482

The notes on pages 16 to 23 form part of these financial statements.

THE ARNOLD FOUNDATION FOR RUGBY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2020
	£	£
Reconciliation of net income to net cash flow from operating activities:		
Net Income for the reporting period (as per the Statement of Financial Activities)	**(199,832)**	1,973,357
Elimination of non-operating cash flows:		
-Investment income and bank interest receivable	**(210,922)**	(215,339)
-Endowment donations	**(187,370)**	(100,882)
(Increase)/Decrease in debtors	**(5,417)**	16,749
Increase/(Decrease) in creditors	**164,109**	217,471
Net cash provided by operating activities	**(439,432)**	1,891,356
Cash flows from investing activities:		
Purchase of investments	**(6,439,047)**	(4,597,405)
Sale of investments	**6,492,020**	2,384,392
Investment income and bank interest receivable	**210,922**	215,339
Net cash used in investing activities	**263,895**	(1,997,674)
Cash flows from financing activities:		
New endowments	**187,370**	100,882
Net cash provided by financing activities	**187,370**	100,882
Change in cash and cash equivalents in the reporting period	**11,833**	(5,436)
Cash and cash equivalents at the beginning of the reporting period	**2,142**	7,578
Cash and cash equivalents at the end of the reporting period	**13,975**	2,142
Analysis of cash and cash equivalents:		
Cash at bank	**13,975**	2,142

Notes to the Financial Statements for the year ended 30 June 2021

1. Principal Accounting Policies

Legal Status

The Foundation is a Public Benefit Entity registered as a company limited by guarantee (company number 4516482) and also as a charity in England and Wales (charity number 1095856), operating from premises at Rugby School, Rugby, Warwickshire.

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Charities Statement of Recommended Practice (the Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

Having reviewed the funding facilities available to the Foundation together with future projected cash-flows, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. The company participates in a cash pooling facility in order to maximise the assets of the group. Accordingly, the Foundation will continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

The financial statements are prepared on a going concern basis in accordance with the historical cost accounting basis except that investments held as fixed assets are carried at market value at the balance sheet date.

The functional currency of the Foundation is considered to be the British Pound.

Donations, legacies and gifts in kind

Donations are credited to revenue when receivable. Legacies are recognised as receivable once probate has been granted and notification has been received if sufficient information regarding the value is provided. Entitlement to legacies may be included in the year of notification subject to the funds being received during that financial year or within 2 months after the year-end. It is the policy of the Trustees that any shares or other securities, that are donated, be converted to cash as soon as possible. Gifts in kind are valued at a reasonable estimate of their value to the charity. No amounts are included in the financial statements for services donated by volunteers.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Any irrecoverable VAT is charged to the Statement of Financial Activities (SOFA).

Support costs

Support costs include expenses which enable charitable activities and fund generating to be undertaken. These costs include management and administration and are allocated on a basis consistent with the use of the resource.

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

Governance costs

Governance costs relate to the general running of the charity. These costs include audit, legal advice for the Trustees and costs associated with meeting the constitutional and statutory requirements such as the cost of Committee meetings, the preparation of statutory financial statements and satisfying public accountability. These costs are borne by the School.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Taxation

As a registered charity, the Arnold Foundation for Rugby School is entitled to certain tax exemptions on income and surpluses carried out in furtherance of the charity's primary objectives.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes.

Endowed funds are funds for which the capital must be retained in accordance with specific restrictions imposed by donors. Income will accrue to the appropriate restricted fund.

Endowed funds may be further classified as:

- permanent endowment funds arise where a donor intends the gift to be retained in perpetuity; or
- expendable endowment funds are accounted for similarly, except that the capital may be converted into income for spending at the discretion of the Trustees or in circumstances stipulated by the donor.

Investment income and gains are allocated to the appropriate fund.

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

Investments and Investment Income

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are reported in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the period in which it is received.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of investments which are held at fair value.

Key Judgements and Assumptions

Estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other reasonable factors relevant to the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

2. Investment income

	2021	2020
	£	£
Income on UK quoted investments	**210,922**	214,777
Interest receivable	**0**	562
	210,922	215,339

3. Fundraising costs for donations and legacies

	Unrestricted funds	Restricted funds	**2021**	2020
	£	£	**£**	£
Staff costs	203,196	-	**203,196**	240,760
Marketing and publicity	83,993	-	**165**	16,394
Office costs	47,754	-	**89,786**	41,117
Legal and professional	37,663	-	**79,459**	4,070
Investment management	55,981	-	**55,981**	46,880
	428,587	-	**428,587**	349,221

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

4. Analysis of total expenditure

	Staff costs	Other costs	2021	2020
	£	£	£	£
Costs of Generating Funds				
Fund-raising costs	203,196	225,391	**428,587**	349,221
Total	203,196	225,391	**428,587**	349,221
Charitable Activities				
Bursaries	-	1,017,690	**1,017,690**	1,067,155
Total	-	1,017,690	**1,017,690**	1,067,155

Audit fees are met by the Governing Body of Rugby School.

5. Contribution from Rugby School

The Trustees and the Governing Body of Rugby School have jointly agreed that for the current period all the costs of generating funds shall be borne by the School but in order that both the benefits and the costs of fundraising may be transparent, such costs are, for the time being, charged to the Foundation but then covered by a funds transfer from Rugby School.

6. Employee, Trustee and Key Management Personnel Information

The average monthly number of people, including Trustees, working for the Foundation was 3 (2020: 4).

No Trustees, Key Management Personnel or employees received any remuneration or reimbursement of expenses from the Foundation during the period (2020: none).

7. Investments

	Total
	£
Balance at 1 July 2020	**15,795,961**
Additions	**6,439,165**
Disposals (at net proceeds)	**(6,492,020)**
Revaluation gains	**3,748,125**
Balance at 30 June 2021	**19,491,231**
Represented by:	
Investments listed on the UK Stock Exchange	**19,135,168**
Cash deposits	**356,063**
	19,491,231
Historic cost	**13,805,300**

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

8. Debtors

	2021	2020
	£	£
Tax recoverable	7,991	7,157
Other debtors	19,389	14,806
	27,380	21,963

9. Creditors

	2021	2020
	£	£
Other accruals	14,000	11,000
Due to the Governing Body of Rugby School	610,795	449,685
	624,795	460,685

10. Analysis of Net Assets

The net assets are held for the various funds as follows:

10a. Current year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2021 Total Funds
	£	£	£	£
Investments	11,871,548	7,440,202	179,480	19,491,229
Net Current Assets	(583,438)	-	-	(583,438)
Total Net Assets	**11,288,110**	**7,440,202**	**179,480**	**18,907,791**

10b. Prior year analysis of net assets between funds:

	Endowed Funds	Restricted Funds	Unrestricted Funds	2020 Total Funds
	£	£	£	£
Investments	8,904,801	6,294,784	596,376	15,795,961
Net Current Assets	-	-	(436,580)	(436,580)
Total Net Assets	**8,904,801**	**6,294,784**	**159,796**	**15,359,381**

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

11. Endowed Funds

11a. Current year movement in endowed funds:

	Balance at 1 July 2020 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	**Balance at 30 June 2021 £**
Arnold Foundation - permanent endowment	**50**	-	-	-	**50**
Arnold Foundation awards-expendable endowment	**8,904,751**	187,370	-	2,195,938	**11,288,059**
	8,904,801	**187,370**	**-**	**2,195,938**	**11,288,109**

11b. Prior year movement in endowed funds:

	Balance at 1 July 2019 £	Incoming Funds £	Amounts Expended £	Investment Net Gains £	Balance at 30 June 2020 £
Arnold Foundation - permanent endowment	50	-	-	-	**50**
Arnold Foundation awards-expendable endowment	**8,306,058**	100,882	-	497,811	**8,904,751**
	8,306,108	**100,882**	**-**	**497,811**	**8,904,801**

Arnold Foundation Permanent Endowment
Under the terms of the company's Memorandum of Association, the original endowment of £50 is permanent and may not be expended.

Arnold Foundation Awards
The expendable capital funds provide future income for the financing of bursary awards to Rugby School. The income from the fund is utilised for this purpose (see restricted funds).

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

12. Restricted Funds

12a. Current year movement in restricted funds:

	Balance at 1 July 2020	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2021
	£	£	£	£	£
Arnold Foundation awards	6,292,884	666,784	(1,073,670)	1,552,304	7,438,302
Performing Arts	1,900	-	-	-	1,900
Total	**6,294,784**	**666,784**	**(1,073,670)**	**1,552,304**	**7,442,202**

12b. Prior year movement in restricted funds:

	Balance at 1 July 2019	Incoming funds	Amounts expended	Investment Net Gains	Balance at 30 June 2020
	£	£	£	£	£
Arnold Foundation awards	4,174,529	2,982,064	(1,114,035)	250,326	6,292,884
Performing Arts	1,900	-	-	-	1,900
Total	**4,176,429**	**2,982,064**	**(1,114,035)**	**250,326**	**6,294,784**

Arnold Foundation awards
The fund's principal aim is to raise monies for the financing of bursary awards to Rugby School, widening access to Rugby School, so that more talented people may benefit from an education at Rugby, irrespective of their parents' ability to pay the fees.

Funds have also been donated to the Arnold Foundation for Rugby School to improve the School's facilities.

13. Unrestricted Funds

13a. Current year movement in unrestricted funds:

	Balance at 1 July 2020	Incoming Funds	Amounts expended	Investment Net Gain	**Balance at 30 June 2021**
	£	£	£	£	**£**
Unrestricted funds	159,796	392,290	(372,606)	-	**179,480**

13b. Prior year movement in unrestricted funds:

	Balance at 1 July 2019	Incoming Funds	Amounts expended	Investment Net Gain	Balance at 30 June 2020
	£	£	£	£	£
Unrestricted funds	155,350	306,787	(302,341)	-	159,796

Notes to the Financial Statements for the year ended 30 June 2021 *(continued)*

14. Financial Instruments

	2021	2020
	£	£
Financial Assets measured at fair value through profit or loss *(a)*	**19,491,231**	15,795,961
Financial Assets measured at amortised cost *(b)*	**33,364**	16,946
Financial Liabilities measured at amortised cost *(c)*	**1,481,833**	460,685

(a) Includes investment assets
(b) Includes cash, trade debtors and other debtors
(c) Includes trade and other creditors

15. Related Party Transactions

There are no other related party transactions.

16. Ultimate Controlling Party

The ultimate controlling party is the Governing Body of Rugby School, a charity registered in the England & Wales (registered number 528752). A copy of the consolidated accounts may be obtained from Rugby School c/o The Bursary, 10, Little Church Street, Rugby, CV21 3AW.