

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales · Charity number 1114424

Details

| | |
|----------------|---|
| Status | Registered |
| Legal form | Charitable company |
| Company number | 05664801 |
| Registered | 2006-05-31 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|---|
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| Phone | 01912813940 |
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| Website | www.rgs.newcastle.sch.uk |

Activities

Objects: FOR THE PUBLIC BENEFIT:1. THE EDUCATION OF CHILDREN AND YOUNG PERSONS IN THE NORTH EAST OF ENGLAND;2. TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR THE EDUCATION, RECREATION OR OTHER LEISURE ACTIVITIES (INCLUDING BUT NOT LIMITED TO THE ARTS) OF THE PUBLIC AT LARGE WITH A VIEW TO IMPROVING THE CONDITIONS OF LIFE IN NEWCASTLE UPON TYNE AND THE NORTH EAST OF ENGLAND.

Activities: Independent School for children from 7 - 18 years of age

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space
- **What:** Education/training
- **Who:** Children/young People

Geography

- **Area of benefit:** NEWCASTLE UPON TYNE AND THE NORTH EAST OF ENGLAND
- Durham
- Newcastle Upon Tyne City
- Northumberland

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|-------------|-------------|-------------|-----------|
| 2025-07-31 | £22,198,392 | £21,529,033 | £40,149,059 | 282 |
| 2024-07-31 | £22,376,196 | £21,588,678 | £39,499,088 | 285 |
| 2023-07-31 | £22,437,483 | £21,449,143 | £38,639,255 | 277 |
| 2022-07-31 | £20,555,821 | £19,923,954 | £37,669,741 | 264 |
| 2021-07-31 | £19,351,302 | £18,820,678 | £37,033,012 | 260 |
| 2020-07-31 | £18,915,654 | £18,574,755 | £36,392,790 | 220 |

Trustees

| Name | Role | Appointed |
|-------------------------------|-------|------------|
| ALAN CRAWFORD FLETCHER | Chair | 2018-04-27 |
| Dr XANTHE BROCK | | 2024-01-25 |
| Elisabeth Margaret Kerr | | 2026-01-21 |
| James George Ryan | | 2024-11-26 |
| Jasan Fitzpatrick | | 2022-12-20 |
| Nigel John McMinn | | 2020-04-24 |
| Ramandeep Singh Sanghera | | 2022-12-20 |
| Sally Anne Green | | 2020-02-28 |
| Sanjeev Vadhera | | 2024-01-16 |
| TREVOR THORNE | | 2017-06-26 |

Linked charities

- THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL PROPERTY TRUST (1114424-1)
- THE STORROW SCOTT CHARITABLE WILL TRUST (1114424-2)

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales - Charity number 1114424

Accounts

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2025

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details

Year ended 31 July 2025

Governors

A C Fletcher, Co-opted Governor (Chair)
 X Brock, Co-opted Governor
 J Fitzpatrick, Co-opted Governor
 S A Green, Co-opted Governor
 N J McMinn, Co-opted Governor
 S Milligan, Co-opted Governor
 M D Robinson, Co-opted Governor (resigned 14 January 2025)
 J Ryan, Co-opted Governor (appointed 26 November 2024)
 R S Sanghera, Co-opted Governor
 T N Thorne, Nominated by Northumberland County Council
 S Vadhera, Co-opted Governor
 S Woodroffe, Co-opted Governor (resigned 20 June 2025)

Company registered number 05664801

Charity registered number 1114424

Registered office Eskdale Terrace
 Newcastle upon Tyne
 NE2 4DX

Company secretary C F Black

Headmaster G Stanford

Independent auditor UNW LLP
 Chartered Accountants
 Citygate
 St James' Boulevard
 Newcastle upon Tyne
 NE1 4JE

Bankers

Barclays Bank PLC
 PO Box 379
 71 Grey Street
 Newcastle upon Tyne
 NE99 1JA

National Westminster Bank plc
 2nd Floor
 1 Trinity Gardens
 Broad Chare
 Newcastle upon Tyne
 NE1 2HF

Investment advisors CCLA
 1 Angel Lane
 London
 EC4R 3AB

The Newcastle upon Tyne Royal Grammar School

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Reference and administrative details (continued)

Year ended 31 July 2025

| | |
|-------------------------|--|
| Insurance broker | Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB |
|-------------------------|--|

The Newcastle upon Tyne Royal Grammar School

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Governors' report Year ended 31 July 2025

The Governors present their annual report together with the audited financial statements for the year 1 August 2024 to 31 July 2025. The annual report serves the purposes of both a trustees' report, a directors' report and a strategic report under company law. The Governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

AIMS AND OBJECTIVES

Charitable Objectives

The charitable objectives of The Newcastle upon Tyne Royal Grammar School (RGS) are set out in the school's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England; and
- Facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Purpose, Vision and Values

RGS remains connected to the purpose for which we were established and has a very clear vision as to what we wish to achieve:

- We believe in inspiring young people and equipping them to make a positive contribution to society; and
- The RGS as a school should promote excellence and is committed to raising aspiration and attainment across the North East.

Our values run through everything we do to deliver the above vision, in our work both within our school and outside in the wider community. Our values are integral to our prioritisation of activities both in the school and our work in the broader community, and are explicit in the standards and behaviour we expect of our students and staff:

- **Belief In Each Other** is the value of trust. When self-belief seems in short supply, we understand how believing in others can bolster confidence, make someone glow and foster their faith in themselves once again. Belief can break all sorts of ceilings and there are no limits to what can be achieved with tenacity, sheer graft and people you trust at your back. We celebrate everyone's achievements and allow ourselves to be guided by those we believe in. We catch when others fall but most importantly, we help them get back up again. Pastoral care and wellbeing is at the heart of this value. We work hard and believe that others will do the same.
- **Love for Learning** seems self-evident in a school built on RGS's formidable academic reputation. We communicate unashamedly how passionate we are, we encourage everyone to enjoy school and believe that a positive approach each day can bring out the best in every learner. Teaching happens in the most surprising and diverse ways and the best learning often happens by stealth, when it is least expected, in the nooks and crannies of the curriculum. The thirst for knowledge and freedom to explore can help that love of learning grow. We support self-expression, critical thinking and creativity in both teaching and learning – for academic success but also to enable people to be their best selves.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2025

- We value a **Sense of Belonging**, combining our kinship with each other in the school community with our heritage on Newcastle soil, where we took root five hundred years ago. We are place and people. We respect those around us, are openminded and non-judgemental. Everyone belongs. We are northern, where clanship is strong and bonds forged last a lifetime but we are of the global age. Borders and boundaries are transcended as the RGS family connects like other families spread across the world. We rest in the heart of our Tyneside community, where our Partnership work sees us collaborate within the wider educational and social landscape. Unity with our neighbours means an increased sense of belonging: we want to nurture good citizens: part of a network of people who strive for the greater good.
- **Ambition to Succeed** is to push forwards, move and innovate. It might be our final value but it doesn't act as a full stop. This is the thread that ties our other values together. We must never stand still, unless it is to reflect on what we have done and how we might do it differently next time. We have the intellectual freedom to explore and take risks – so we can push boundaries in and out of the classroom. We have a strong support network, both internally and externally, which helps us to change, adapt and respond together. We are constantly evolving and are ambitious for the future – because it is our future and we are excited by its opportunities. We recognise that success looks different for each individual, but whatever it looks like, we hope everyone in our community can strive to challenge themselves. We can be brave with academic content and co-curricular opportunities, encouraging that first small spark of ambition to flare. Conventional, eccentric, classic, left-field, surprising and delightful, we celebrate ambition in all its forms.

Our Public Benefit

RGS is driven by the social impact we can make, not only to the trajectory of the lives of students who attend our school, but also to our broader community and wider society.

Founded 500 years ago during Henry VIII's reign, Thomas Horsley, five time mayor of Newcastle, endowed RGS as the City's first school; that early philanthropic gift and social vision has been a constant throughout our half a millennium of existence. Our social responsibility remains at the forefront of our minds and is central to our future endeavours.

We believe that RGS is uniquely placed to stretch and challenge bright young people and consequently we have a well-deserved reputation for academic excellence, consistently outstripping national averages. Our students deliver phenomenal, nationally and internationally recognised achievements, with RGS often cited as an asset when encouraging inward investment to the North East. However, we are an exceptional school in a relatively deprived area of the UK. While we are convinced of the infinite potential of young people from the North East, the social mobility statistics in our region are some of the worst in the country and the challenges have been compounded by the pandemic. Too many children are missing opportunities afforded to others born elsewhere.

We believe that our model of a highly academic education ought to be available to any child who is intellectually curious, able and aspiring, and who would benefit from a fast paced and challenging curriculum through:

1. RGS as a School
2. RGS – Social Impact through offering Bursaries and engaging in Partnerships with other schools in the region.

The Governors have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits that our activities bring, to both pupils and the wider community.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2025

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND ACTIVITIES

1. **RGS School** delivers our core educational activities. Pupil numbers at our Senior school increased to 1,061 (2024: 1,055) and the number of pupils at our Junior school increased to 270 (2024: 267). Our fees for the current year were:

Junior School - £15,249 per year (including VAT)
Senior School - £18,100 per year (including VAT)

RGS SCHOOL ACHIEVEMENTS

1,331 students attended RGS, which would have otherwise cost the taxpayer an annual c£10m if educated in the state system. 90 of those students were on transformational means tested bursaries

In GCSEs, 80.7% of grades achieved were grades 9-7 and 41.4% were grade 9.

In A Level, 86.3% of grades achieved were A*-B and 62.7% were A*-A.

Over **5,000** hours of volunteering were delivered by over 200 RGS students.

15 members of RGS staff are Governors at local schools and **2** are in Director/Trustee positions.

42 local community groups and organisations accessed RGS school buildings and facilities for their events and activities.

RGS students and staff ran more than 80 partnership projects in over 105 schools, regularly engaging with over 10,000 students and supporting more than 400 teachers.

RGS SCHOOL ACTIVITIES

Operations

Academic year 2024/25 was a year of marked by exceptional achievements across every facet of school life. The school was inspected by ISI in November and was noted for having a “significant strength” in our approach to diversity and inclusion. It was also a year in which we were awarded Independent Senior School of the Year for the whole of the UK at the TES awards in London. While this accolade is tremendous, it really is not news to us that there is immense talent in the North East and our young people and school deserve national recognition.

In the Spring term, the School commenced its Quincentenary celebrations with a concert at the Glasshouse international music venue in Gateshead. 500 performers from across the Junior School, Senior School, alumni and community choir took part. We look forward with optimism and enthusiasm to the challenges and opportunities that lie ahead.

Academic

Academically, our students continue to set a high standard, consistently achieving outstanding results that reflect both their talent and dedication. Strong 2025 exam results were a testament to the commitment and resilience shown by our students, with notable successes across all disciplines. According to Alps Education the achievements of our A level students were in the top 10% nationally for value added relative to cohorts of similar ability elsewhere and our GCSE results were in the top 1%. Pleasingly, our SEND students were in the top 1% across both GCSE and A Level. The depth of academic inquiry demonstrated by those completing their A-levels and GCSEs is a reflection not only of their personal ambition but also of the dedication of our teaching staff.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued)

Year ended 31 July 2025

Co-curricular

Our co-curricular achievements this year have been nothing short of exceptional. The performing arts department has once again set the standard with a range of productions that have captivated audiences, showcasing the breadth of talent within our school. From our musicals and plays to the music ensembles and choirs that have performed locally, nationally and even internationally, our students have demonstrated creativity, discipline, and a flair for performance. Sport continues to be a cornerstone of life at the Royal Grammar School, with our teams achieving national success. Our sports programme not only develops physical prowess but also instils in our students the values of teamwork, perseverance, and leadership. In recent years our taking part in Engineering and Robotics competitions has become a significant part of our cocurricular programme and this year a team from the RGS qualified for the VEX robotics world championships in Texas where they won a judges' award.

Pastoral

At the Royal Grammar School, we are committed to the belief that education extends far beyond the classroom. This year, our pastoral care system has continued to ensure that each student is supported holistically, with their mental well-being and personal growth receiving as much attention as their academic progress. Our peer mentoring programme has continued to empower students to take responsibility for one another, further consolidating our strong, empathetic school community where every child feels valued and supported.

RGS SOCIAL IMPACT

The foundations of our sense of social responsibility belong in our 500 year-old history; Thomas Horsley, the original settler of RGS pledged his legacy in 1525 to create the city's first learning institution.

Half a millennium later, during our Quincentenary year, in 2024-25 the school's ambition of social impact remains front and centre to everything we do. We believe in the infinite potential of our region and are driven to raise the attainment and aspiration of young people from across the North East.

We believe in inspiring young people and equipping them to make a positive contribution to society. We promote excellence and are committed to raising aspiration and attainment across the North East. By inspiring and nurturing hearts and minds, we can give those around us the freedom to create and shape their own futures.

We aim to reach young people of the north, regardless of background and circumstance: from Carlisle to Stockton-upon Tees, to Berwick-upon-Tweed and back to our heartland in the city of Newcastle.

We work alongside teachers from all institutions interested in curriculum innovation, collegiality and sharing methodologies; and any parent wanting to explore a range of exciting opportunities for their children.

We collaborate with further and higher education, and businesses wishing to invest in the education and training of young people in this region.

We galvanise the RGS community to give back to the North East region, to support this ambition.

We believe together we can do more.

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Governors' report (continued) Year ended 31 July 2025

RGS BURSARIES ACHIEVEMENTS

90 (1 in 15) students at RGS attended on transformational means-tested RGS Bursaries.

93.78% average bursary awarded, focussing finite funds where we can make most difference.

193 donors gifted £1.2m in the year to support bursaries.

500 bursary students have been supported since RGS Bursaries were established in 2002.

RGS PARTNERSHIPS ACHIEVEMENTS

10 RGS colleagues are partly externally funded to dedicate time to RGS Partnerships work, with countless more RGS teachers supporting outreach activities.

Over **10,000** individual students in local state schools benefitted from 88 RGS Partnerships activities.

105 different schools across the region were involved in RGS Partnerships activities.

More than **400** teachers received around **1,500** hours of CPD or collaborated on curriculum development.

Over **80** RGS Partnerships projects took place, including Maths, Physics, Engineering, Robotics, Computer Science, Sport, Languages, Classics, Debating, UCAS Mentoring and much more.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term – as covered in the Section on Principal Risks and Uncertainties on page 9.
- b. The interests of the company's employees as covered in the section on Engagement with Staff on page 12.
- c. The need to foster the Charity's relationships with third party stakeholders such as parents, students, partner state schools. Alumni, donors, contractors, suppliers as well as independent school organisations and national and local government. This is covered throughout this Report although primarily in the Review of Activities and Achievements section on page 5.
- d. The impact of the Charity's operations on the community and the environment as covered in the Greenhouse gas emissions and energy section on page 13 as well as in the section detailing our Community work on page 6.
- e. The desirability of the Charity maintaining a reputation for high standards of business conduct as covered in the Financial Review on page 8.
- f. The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented and is covered in the section on Engagement with Staff on page 12.

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Governors' report (continued) Year ended 31 July 2025

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to remain robust in 2025-26. Careful management of expenditure and cashflow led to an operating surplus of £652,657. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before losses on investment assets of £669,359 (2024: £787,518). Investment losses amounted to £19,388 (2024: gains £72,315) resulting in a net surplus of £649,971 (2024: £859,833).

The school's subsidiary trading company, RGS Trading Limited, generated a surplus of £5,043 (2024: £1,023) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £5.7 million (2024: £4.5 million).

The introduction of VAT on school fees, alongside increased employer National Insurance and the removal of business rates relief, has impacted the school's financial position, though a strong surplus was maintained during the year.

In all our dealings the school ensures that the businesses we contract with are dealt with fairly by adhering to payment terms and complying with all legal agreements and responsibilities. We put out to tender for all large projects to ensure we support local suppliers and ensure suppliers are giving value for money and are also adhering to the high standards which we would expect. We strive for high levels of integrity in all that we do and choose to work with companies who echo our values.

Going concern

The Governors have reviewed budgets and cash flow forecasts extending at least twelve months from the date of approval of these financial statements. The School maintains a strong cash position and continues to see healthy pupil numbers and fee collection.

The introduction of VAT on school fees from January 2025 has been factored into financial planning. The School adjusted its fee structure and absorbed part of the VAT cost to support families, resulting in an effective increase of around 10% for parents in 2025/26. Forecasts reflect this change, and the School remains financially resilient.

The Governors are satisfied that there are no material uncertainties that cast doubt over the School's ability to continue as a going concern, and the financial statements have been prepared accordingly.

Investment policy and performance

The Governors are authorised to invest the School's funds in a manner they consider most appropriate to support the School's charitable objectives. Investment income is recognised when receivable, and both realised and unrealised gains are reported within the Statement of Financial Activities.

The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income while preserving the market value of the investments.

'The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2025 were +2.95% (2024: +2.95%) on the Peter Taylor Fund, +2.95% (2024: +2.95%) on the J R Howarth Bequest Fund and +2.95% (2024: 2.95%) on the Storrow Scott Trust. All three portfolios are invested in the COIF Charities Investment Fund (Income Units).'

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Governors' report (continued) Year ended 31 July 2025

Reserves policy

The Governors continue to take steps to review their reserves policy. Their intention is to continue to develop the school facilities with a focus on sustainability whilst at the same time containing increases in tuition fees to a reasonable level. Note 17 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £38.6 million. Of this, designated bursary funds totalling £2.7 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows.

Also within unrestricted funds are fixed assets totalling £42.6 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £6.6 million (2024: deficit of £8.7 million) due to loans of £10.1 million (2024: £10.9 million) which were taken out to fund building projects.

The Governors are satisfied with the reserves position of the school.

Principal funding

The school's day to day charitable activities are self funding.

Principal risks and uncertainties

The School faces a range of strategic and operational risks, which are regularly reviewed by the Governors and senior leadership. The main risk areas include safeguarding, political and economic uncertainty, and financial pressures.

Safeguarding remains a top priority. All staff and Governors undergo annual safeguarding training, and procedures are regularly reviewed to ensure compliance with statutory requirements and best practice.

The most significant financial risks in the current year relate to the introduction of VAT on school fees from January 2025 and the loss of charitable business rates relief from April 2025. These changes have the potential to impact fee income, pupil numbers, and overall affordability for families. The School has responded by adjusting its fee structure, implementing cost-saving measures, and phasing in increases to mitigate the impact on parents while maintaining educational provision.

Fee income remains a key risk area. The School recognises the impact of economic conditions on families and their ability to meet fee commitments. The Educational Trust's support for bursaries may also be affected by reduced donations and investment income. Detailed financial modelling and sensitivity analysis are conducted regularly to monitor and manage these risks.

Liquidity risk is managed through careful cash flow forecasting and the use of long-term loans to finance capital projects. The School maintains sufficient liquid assets to meet working capital needs and banking covenants.

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Governors' report (continued) Year ended 31 July 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The school was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the school was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020.

On 1 August 2006, the assets, liabilities and undertaking of the school were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held.

By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 1114424-1.

- **Method of appointment or election of Governors**

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected, and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body. On joining the Board all Governors receive an induction and undergo appropriate training, both at induction, and throughout their tenure.

The Co-opted Governors are co-opted by the existing Governors.

- **Pay policy for senior staff**

The Nominations and Remuneration Committee review the pay of the Headteacher, Deputy Head and Director of Finance & Operations on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point, due consideration is taken of benchmarked information for schools of a similar size and location.

- **Organisational structure and decision making**

The membership of the Governing Board has reduced by one during the year, with two resignations and one new appointment, and continues to focus on the strategy of the school.

The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the school's vision.

The Governing body is supported by three sub-committees, the Finance and General Purposes Committee, the Education Committee and the Nominations and Remuneration Committee.

Governors meet three times a year, at least once every term, to review the activities of the school and its subsidiary. Financial control is exercised over the activities of the school by means of an agreed Annual Budget.

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Governors' report (continued) Year ended 31 July 2025

More detailed issues are dealt with in advance of Governors' meetings by the Education Committee, the Finance and General Purposes Committee and the Nominations and Remuneration Committee.

The Finance and General Purposes Committee is responsible for ensuring the sound management and auditing of the School's finances and resources, including proper planning, monitoring and probity.

Governors who served on the Finance and General Purposes Committee during the period were:

Mr Sanjeev Vadhera (Chair)
Mr Alan Fletcher
Mr Nigel McMinn
Mr Jim Ryan (appointed 26 November 2024)

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head and Director of Finance & Operations annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr Jasan Fitzpatrick (Chair)
Mr Alan Fletcher
Mrs Sally Green
Miss Scarlett Milligan

The Education Committee is responsible for providing an initial discussion forum for all matters of the education provided by the school including the pastoral, co-curricular, quality of teaching and staff development (of educational staff) as well as to have an oversight of other areas such as SEND, EDI, examination results and safeguarding.

Governors who served on the Education Committee during the period were:

Mrs Sally Green (Chair)
Mr Alan Fletcher
Mrs Sue Woodroffe
Dr Xanthe Brock

Other Governors were in attendance at meetings across the year.

The day to day running of the school is vested in the Headmaster and Director of Finance and Operations alongside seven other members of the Senior Leadership Team:

| | |
|--|--|
| The Headmaster | Mr Geoffrey Stanford |
| The Director of Finance and Operations | Mrs Rachel Amey, succeeded by Mrs Nicola Miller in April |
| The Deputy Head | Mr Tom Keenan |
| The Head of Junior School | Mr James Miller |
| The Deputy Head Academic | Mr Chris Quayle |
| The Deputy Head Pastoral | Miss Sarah Longville |
| The Deputy Head of Co-curricular | Mr Andrew McBride |
| The Head of Sixth Form | Ms Polly Enevoldson |
| The Director of External Relations | Mrs Susan Beck |
| The Director of Partnerships | Mr John Smith |

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Governors' report (continued) Year ended 31 July 2025

- **Engagement with staff and equal opportunities**

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the introduction of VAT on school fees and removal of rates relief, and the impact on the financial position of the school. The school has an Information and Consultation Committee (ICC) that meets regularly (usually termly). Members of the ICC represent both teaching and operational staff. The committee serves as a key forum for the school to share information with staff - including feedback from Governors' meetings - and for staff to be given a fair opportunity to understand that information, to form a view on it, and express that view. In addition, there have been a number of specific meetings between staff and Governors, and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive.

When recruiting staff the school looks to appoint individuals from a wide variety of backgrounds. Not just because it is the right thing to do but because at the RGS we recognise that those different experiences provide fresh perspectives, opportunities to challenge existing beliefs and provide opportunities to act as excellent role models for our diverse student body. We are committed to creating an inclusive and diverse school culture and our staff are at the heart of this. We are proud to be an equal opportunities employer and all qualified applicants will receive consideration for employment regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships. RGS works with all staff to ensure appropriate training is provided and adjustments made should an individual's circumstances change during their employment, and that ongoing training, development and progression is available to all staff regardless of their circumstances.

- **Related party relationships**

The school shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school meets the Trust's campaign appeal costs.

- **Risk management**

The Governors examine the major risks that the school faces each year, in the course of reviewing their strategic planning for the development of the school. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the school in the future. The principal risks faced by the school are covered under principal risks and uncertainties above / [on page x]

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report (continued)

Year ended 31 July 2025

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for 2024 and 2025

| Category | 2024 | 2025 |
|--|-----------|-----------|
| Energy Consumption used to calculate emissions (kWh) | 4,814,823 | 4,251,565 |
| Scope 1 emissions (metric tonnes CO ₂ e) | | |
| – Gas consumption | 631 | 540 |
| – Transport fuel | 18 | 17 |
| – Total Scope 1 | 649 | 557 |
| Scope 2 emissions (metric tonnes CO ₂ e) | | |
| – Purchased electricity | 265 | 215 |
| Scope 3 emissions (metric tonnes CO ₂ e) | | |
| – Business travel in employee owned vehicles | 4 | 4 |
| Total gross emissions (metric tonnes CO₂e) | 918 | 776 |
| Intensity ratio tonnes CO₂e per pupil | 0.69 | 0.58 |

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

Measures taken to improve energy efficiency and sustainability

The intensity ratio has decreased to 0.58 tonnes of CO₂ emissions per pupil (2024: 0.69), primarily due to the School receiving the full-year benefit of the solar panel installation. In the prior year, the benefit was only partial, as the panels were installed in September 2023.

LED lights are installed across the school site, including the use of PIR sensors and daylight dimming in appropriate spaces to further reduce the School's energy consumption.

The school recognises that its activities and actions have an impact on the environment, locally and nationally. RGS is committed to becoming a more sustainable School as part of our 2030 vision, by reducing our negative impact on the environment and enhancing our positive impact.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report (continued)

Year ended 31 July 2025

Sustainability at RGS

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. This encompasses not only the environment, but also social factors and economic resources.

Educating the RGS community about the need to live and learn in a sustainable way is fundamental to the school's vision and ethos of treating everything and everyone with care and respect along with recognising it belongs in the city and that its operations should not compromise future inhabitants.

RGS will celebrate its 500th Anniversary in 2025. The current generation of RGS staff and pupils wish to ensure that we shape a School that is able to flourish for at least another half millennium.

RGS has identified the following areas of focus:

- **An estate built to last:** RGS will ensure the Estate is built and managed in a sustainable way.
- **Lowering our carbon emissions:** The school quantified its carbon emissions for the first time in 2021 and will seek to establish targets in order to quantify the decarbonisation of the Estate.
- **A culture of using less:** The RGS community commits to using less, encompassing all aspects of school life, from pens and paper to reducing printing and electricity.
- **Sustainable purchasing:** RGS will embed life cycle considerations into all purchases and make environmentally friendly choices regarding products and suppliers.
- **Environmentally friendly catering:** RGS will ensure its catering operation minimises food miles, reduces its carbon footprint, and educates the community about healthy and sustainable food choices.

PLANS FOR FUTURE PERIODS

The School will continue to pursue its long-term strategic vision, rooted in a 500-year legacy and focused on delivering an outstanding, inclusive education. Looking ahead, the School remains committed to:

- Enhancing the pupil experience, with planned investments in wellbeing, pastoral care, and leadership development to ensure students thrive both academically and personally.
- Supporting staff development, through expanded professional learning opportunities, wellbeing initiatives, and recruitment strategies that reflect a commitment to excellence and diversity.
- Broadening educational opportunities, including curriculum enrichment, co-curricular expansion, and the thoughtful integration of digital technologies and innovation.
- Strengthening community engagement, through anticipated bursary growth, partnership work, and outreach initiatives designed to increase access and opportunity across the North East.
- Maintaining financial sustainability and stewardship, with a focus on long-term planning, income diversification, and capital investment aligned to educational priorities.

To support these aims, the School will implement a series of capital projects informed by strategic priorities. A key development will be the refurbishment of the junior school, scheduled to begin in the second half of 2026. This project will focus on upgrading the building's façade and entrance, including the creation of a dedicated reception area, to enhance the functionality, accessibility, and presentation of the site.

In addition, the School is transitioning its IT service delivery model by establishing an in-house IT team. This move is expected to improve responsiveness and service quality while delivering cost efficiencies over the coming years through reduced reliance on external providers.

Financial governance will remain a key focus, with initiatives planned to strengthen budget holder accountability through updated financial delegation, targeted training, and a comprehensive review of financial regulations. The School will also explore new opportunities to diversify income, including external facility hire and strategic partnerships.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report (continued) Year ended 31 July 2025

The School acknowledges the potential impact of external factors on future performance. In particular, the introduction of VAT on private school fees from January 2025 presents a significant financial risk. This change may influence family decision-making regarding school choice, with possible implications for enrolment levels, fee income, and operational planning. In response, the Governors and leadership team will continue to review financial forecasts, conduct scenario modelling, and evaluate strategic options to mitigate this risk. Measures under consideration include phased fee adjustments, cost control initiatives, and enhanced bursary support to ensure the School remains accessible and resilient, while continuing to deliver its charitable objectives.

All future developments will be guided by the School's ethos; fostering a love for learning, belief in each other, ambition to succeed, and a strong sense of belonging. They will reflect a commitment to delivering impact, pursuing excellence, and securing a sustainable future for generations to come.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditors in connection with preparing their report and to establish that the charitable company and the group's auditors are aware of that information.

This report, which includes the strategic report, was approved by the Governors on 11 February 2026 and signed on their behalf by:

Signed by:

1FC8F46892FC48C...
A C Fletcher
 (Chair of Governors)



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2025 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 July 2025 and of the group's 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 group's or the parent 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 governors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (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 governors 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 governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), pension legislation and UK tax legislation. In addition, the charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We considered the extent to which non-compliance with laws and regulations might have a material effect on the financial statements and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

We also evaluated managements' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to manipulate financial results, management bias in accounting estimates, as well as improper revenue recognition which includes fraudulent posting of journal entries to revenue.

Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance regarding actual and potential litigation or claims, any potential non-compliance with laws and regulations, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Identifying journal entries based on risk criteria and testing the identified entries to supporting documentation, in particular journal entries with unusual account combinations; and
- Challenging assumptions and judgments made by management in their significant accounting estimates and evaluating whether there was any evidence of bias by the governors that represented a risk of material misstatement due to fraud.

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Anne Hallowell
59C7DD6C467F49E...

**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP Statutory Auditor**

Chartered Accountants
Newcastle upon Tyne

11 February 2026

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of financial activities Year ended 31 July 2025

| | Note | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Endowment funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|------------------------------------|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 1,516,776 | 265,321 | - | 1,782,097 | 1,699,564 |
| Charitable activities | 4 | 19,666,117 | - | - | 19,666,117 | 20,096,602 |
| Other trading activities | 5 | 197,853 | - | - | 197,853 | 149,046 |
| Investments | 6 | 285,545 | 50,954 | - | 336,499 | 320,667 |
| Other income | | 215,826 | - | - | 215,826 | 110,317 |
| Total income | | 21,882,117 | 316,275 | - | 22,198,392 | 22,376,196 |
| Expenditure on: | | | | | | |
| Raising funds | | 221,756 | 1,080 | - | 222,836 | 159,680 |
| Charitable activities | 7 | 21,040,876 | 265,321 | - | 21,306,197 | 21,428,998 |
| Total expenditure | | 21,262,632 | 266,401 | - | 21,529,033 | 21,588,678 |
| Net (losses)/gains on investments | | - | - | (19,388) | (19,388) | 72,315 |
| Net income | | 619,485 | 49,874 | (19,388) | 649,971 | 859,833 |
| Net movement in funds | | 619,485 | 49,874 | (19,388) | 649,971 | 859,833 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 38,010,764 | 105,860 | 1,382,464 | 39,499,088 | 38,639,255 |
| Net movement in funds | | 619,485 | 49,874 | (19,388) | 649,971 | 859,833 |
| Total funds carried forward | 18 | 38,630,249 | 155,734 | 1,363,076 | 40,149,059 | 39,499,088 |

The notes on pages 27 to 59 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated income and expenditure account

Year ended 31 July 2025

| | Total funds 2025 £ | Total funds 2024 £ |
|---|-----------------------------------|--------------------------|
| Gross income in the reporting period | 22,198,392 | 22,376,196 |
| Less: Total expenditure | (21,529,033) | (21,588,678) |
| Net income for the reporting period | 669,359 | 787,518 |

The notes on pages 27 to 59 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2025

| | Note | 2025 £ | 2024 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 42,580,239 | 44,015,755 |
| Investments | 13 | 998,076 | 1,017,464 |
| Investment property | 14 | 365,000 | 365,000 |
| | | <u>43,943,315</u> | <u>45,398,219</u> |
| Current assets | | | |
| Stocks | | 30,046 | 18,904 |
| Debtors | 15 | 1,681,573 | 361,277 |
| Cash at bank and in hand | | 7,336,113 | 7,253,358 |
| | | <u>9,047,732</u> | <u>7,633,539</u> |
| Creditors: amounts falling due within one year | 16 | (3,316,793) | (3,168,070) |
| Net current assets | | <u>5,730,939</u> | <u>4,465,469</u> |
| Total assets less current liabilities | | <u>49,674,254</u> | <u>49,863,688</u> |
| Creditors: amounts falling due after more than one year | 17 | (9,525,195) | (10,364,600) |
| Total net assets | | <u><u>40,149,059</u></u> | <u><u>39,499,088</u></u> |
| Charity funds | | | |
| Endowment funds | 18 | 1,363,076 | 1,382,464 |
| Restricted funds | 18 | 155,734 | 105,860 |
| Unrestricted funds: | | | |
| - Designated funds | | 2,674,404 | 2,674,404 |
| - Revaluation reserve | | 12,941,804 | 12,941,804 |
| - General funds | | 23,014,041 | 22,394,556 |
| Total unrestricted funds | 18 | <u>38,630,249</u> | <u>38,010,764</u> |
| Total funds | | <u><u>40,149,059</u></u> | <u><u>39,499,088</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet (continued)

At 31 July 2025

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 11 February 2026 and signed on their behalf by:

Signed by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)

The notes on pages 27 to 59 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Balance sheet At 31 July 2025

| | Note | 2025 £ | 2024 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible fixed assets | 12 | 42,580,239 | 44,015,755 |
| Investments | 13 | 998,077 | 1,017,465 |
| Investment property | 14 | 365,000 | 365,000 |
| | | <u>43,943,316</u> | <u>45,398,220</u> |
| Current assets | | | |
| Stocks | | 12,206 | 12,739 |
| Debtors | 15 | 1,699,090 | 361,171 |
| Cash at bank and in hand | | 7,297,366 | 7,241,999 |
| | | <u>9,008,662</u> | <u>7,615,909</u> |
| Creditors: amounts falling due within one year | 16 | (3,296,895) | (3,164,285) |
| | | <u>5,711,767</u> | <u>4,451,624</u> |
| Net current assets | | | |
| | | <u>49,655,083</u> | <u>49,849,844</u> |
| Total assets less current liabilities | | | |
| Creditors: amounts falling due after more than one year | 17 | (9,525,195) | (10,364,600) |
| | | <u>40,129,888</u> | <u>39,485,244</u> |
| Total net assets | | | |
| Charity funds | | | |
| Endowment funds | 18 | 1,363,075 | 1,382,464 |
| Restricted funds | 18 | 155,734 | 105,860 |
| Unrestricted funds: | | | |
| - Designated funds | 18 | 2,674,404 | 2,674,404 |
| - Revaluation reserve | 18 | 12,941,804 | 12,941,804 |
| - General funds | | 22,994,871 | 22,380,712 |
| | | <u>38,611,079</u> | <u>37,996,920</u> |
| Total unrestricted funds | | <u>38,611,079</u> | <u>37,996,920</u> |
| | | <u>40,129,888</u> | <u>39,485,244</u> |
| Total funds | | | |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet (continued)

At 31 July 2025

The company's net movement in funds for the year was £644,644 (2024: £858,810).

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 11 February 2026 and signed on their behalf by:

Signed by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)

Company registered number: 05664801

The notes on pages 27 to 59 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 July 2025

| | Note | 2025 £ | 2024 £ |
|---|------|--------------------|-------------|
| Cash flows from operating activities | | | |
| Net cash generated from operating activities | 20 | 1,468,754 | 1,619,844 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 336,499 | 320,667 |
| Purchase of tangible fixed assets | | (512,315) | (376,404) |
| Net cash used in investing activities | | (175,816) | (55,737) |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (840,000) | (840,000) |
| Interest paid | | (370,183) | (401,533) |
| Net cash used in financing activities | | (1,210,183) | (1,241,533) |
| Change in cash and cash equivalents in the year | | 82,755 | 322,574 |
| Cash and cash equivalents at the beginning of the year | | 7,253,358 | 6,930,784 |
| Cash and cash equivalents at the end of the year | 21 | 7,336,113 | 7,253,358 |

The notes on pages 27 to 59 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

1. General information

The Newcastle upon Tyne Royal Grammar School ('the charitable company') and its subsidiaries (together, 'the group') are engaged in the education of children and young persons in the North of England.

The charitable company is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the charitable company are the governors named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary, RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the charitable company's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the charitable company for reporting purposes.

The charitable company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

2. Accounting policies (continued)

2.4 Going concern

The school recorded a net surplus of income over expenditure in the year ended 31 July 2025 and has net assets at the year end of £40.1 million (2024: £39.5 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings; the school is not reliant on short term loans or overdraft facilities.

The governors have reviewed budgets and cash flow forecasts extending at least twelve months beyond 31 July 2025. The school maintains a strong cash position and continues to see healthy pupil numbers and fee collection. The introduction of VAT on school fees from January 2025 has been factored into financial planning. The school adjusted its fee structure and absorbed part of the VAT cost to support families, resulting in an effective increase of around 10% for parents in 2025/26. Forecasts reflect this change, and the school remains financially resilient.

The governors have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

2.5 Income

All income is recognised when the group has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the group from its unrestricted funds.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The group receives a grant from the Hospital of St Mary the Virgin charity, and recognises all grants receivable from that charity, including amounts not yet paid by the year end, but which under the terms of that charity's trust deed, it must pay over in due course to the group.

Grants and donations received for the general purposes of the group are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction.

Investment income

Investment income is accounted for in the period in which the group is entitled to receipt. Incoming resources from endowment funds are restricted.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2025

2. Accounting policies (continued)

2.5 Income (continued)

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the group, including those incurred in connection with the administration of the group and compliance with constitutional and statutory requirements. They are apportioned against the activities of the group in line with the estimated usage of those costs.

Grants are included as expenditure in the period for which the award is given.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

2.7 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the statement of financial activities.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the group plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the school are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the group.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2025

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation (continued)

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

| | |
|------------------------------|------------------------------|
| Freehold property | - 50 years |
| Leasehold land and buildings | - over the life of the lease |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 3 - 10 years |
| Trading subsidiary equipment | - 4 years |

Assets under construction are not depreciated until they are transferred to freehold land and buildings.

Revaluation of fixed assets

The group has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

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

2.9 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the charitable company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

2.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties, including fellow group companies.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the statement of financial activities.

2.15 Operating leases

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

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2025

2. Accounting policies (continued)

2.16 Pension costs

The group operates two main schemes:

The group participates in the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The group also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are funds which are held for the permanent benefit of the group. There is no power to convert capital into income.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

2. Accounting policies (continued)

2.18 Critical accounting estimates and areas of judgment

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

Significant judgments in applying the group's accounting policies

In preparing these financial statements, the governors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owned by the group, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors).

A VAT debtor has been recognised in relation to VAT to be recovered through the Capital Goods Scheme. Although not expected to change significantly, there is an estimate in relation to the partial exemption recovery rate and this will be reassessed annually over the 10 year Capital Goods Scheme adjustment period.

None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

3. Income from donations and legacies

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 200,918 | - | 200,918 |
| The Royal Grammar School Educational Trust | 530,000 | - | 530,000 |
| Other income | - | 265,321 | 265,321 |
| Legacies | 785,858 | - | 785,858 |
| | <u>1,516,776</u> | <u>265,321</u> | <u>1,782,097</u> |
| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
| Hospital of St Mary the Virgin | 311,640 | - | 311,640 |
| The Royal Grammar School Educational Trust | 1,275,000 | - | 1,275,000 |
| Other income | - | 112,924 | 112,924 |
| | <u>1,586,640</u> | <u>112,924</u> | <u>1,699,564</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

4. Income from charitable activities

| | Unrestricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Provision of school services | 19,666,117 | 19,666,117 | 20,096,602 |

School fees

| | 2025 £ | 2024 £ |
|-----------------------------|-------------------|-------------------|
| Gross fees | 20,685,694 | 21,179,232 |
| Less: Free school places | (1,354,395) | (1,365,229) |
| Less: Grants and allowances | (581,654) | (574,683) |
| Catering income | 916,472 | 857,282 |
| | 19,666,117 | 20,096,602 |

5. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Facilities lettings income | 93,818 | 93,818 | 85,838 |

Income from non charitable trading activities

| | Unrestricted funds 2025 £ | Total funds 2025 £ | Total funds 2024 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Subsidiary trading | 104,035 | 104,035 | 63,208 |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

6. Investment income

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Property rental income | - | 34,594 | 34,594 |
| Dividend income | - | 16,360 | 16,360 |
| Prize fund dividend income | 3,551 | - | 3,551 |
| Bank interest | 281,994 | - | 281,994 |
| | <u>285,545</u> | <u>50,954</u> | <u>336,499</u> |
| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
| Property rental income | - | 35,868 | 35,868 |
| Dividend income | - | 23,922 | 23,922 |
| Prize fund dividend income | 4,003 | - | 4,003 |
| Bank interest | 256,874 | - | 256,874 |
| | <u>260,877</u> | <u>59,790</u> | <u>320,667</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2025

7. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ |
|------------------------------|------------------------------------|----------------------------------|---------------------------------|
| Provision of school services | 20,848,195 | 265,321 | 21,113,516 |
| Bursaries provided | 192,681 | - | 192,681 |
| | <u>21,040,876</u> | <u>265,321</u> | <u>21,306,197</u> |
| | <u><u>21,040,876</u></u> | <u><u>265,321</u></u> | <u><u>21,306,197</u></u> |
| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
| Provision of school services | 20,912,307 | 112,924 | 21,025,231 |
| Bursaries provided | 199,767 | - | 199,767 |
| Donations | 204,000 | - | 204,000 |
| | <u>21,316,074</u> | <u>112,924</u> | <u>21,428,998</u> |
| | <u><u>21,316,074</u></u> | <u><u>112,924</u></u> | <u><u>21,428,998</u></u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

8. Cost of raising funds

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total funds 2025 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Fundraising costs | 2,874 | - | 2,874 |
| Marketing costs | 99,402 | - | 99,402 |
| 500th anniversary | 21,859 | - | 21,859 |
| Market research | 13,323 | - | 13,323 |
| Costs of letting facilities | - | 1,080 | 1,080 |
| Professional fees | 780 | - | 780 |
| Subsidiary trading costs | 83,518 | - | 83,518 |
| | <u>221,756</u> | <u>1,080</u> | <u>222,836</u> |
| | <u><u>221,756</u></u> | <u><u>1,080</u></u> | <u><u>222,836</u></u> |
| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
| Fundraising costs | 10,787 | - | 10,787 |
| Marketing costs | 89,415 | - | 89,415 |
| Costs of letting facilities | - | 1,440 | 1,440 |
| Professional fees | 2,823 | - | 2,823 |
| Subsidiary trading costs | 55,215 | - | 55,215 |
| | <u>158,240</u> | <u>1,440</u> | <u>159,680</u> |
| | <u><u>158,240</u></u> | <u><u>1,440</u></u> | <u><u>159,680</u></u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

9. Analysis of expenditure by activities

| | Activities undertaken directly 2025 £ | Support costs 2025 £ | Total funds 2025 £ |
|------------------------------|---|-------------------------------|-----------------------------|
| Provision of school services | 19,449,607 | 1,663,909 | 21,113,516 |
| Bursaries provided | - | 192,681 | 192,681 |
| | <u>19,449,607</u> | <u>1,856,590</u> | <u>21,306,197</u> |

| | Activities undertaken directly 2024 £ | Grant funding of activities 2024 £ | Support costs 2024 £ | Total funds 2024 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 19,375,585 | - | 1,649,646 | 21,025,231 |
| Bursaries provided | - | - | 199,767 | 199,767 |
| Donations | - | 204,000 | - | 204,000 |
| | <u>19,375,585</u> | <u>204,000</u> | <u>1,849,413</u> | <u>21,428,998</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2025 £ | Total funds 2024 £ |
|------------------------------|-----------------------------|-----------------------------|
| Depreciation | 1,252,510 | 1,250,905 |
| Teachers' salaries | 11,208,432 | 10,796,233 |
| Teaching resources | 639,033 | 786,665 |
| Other educational costs | 1,131,883 | 1,036,182 |
| Other teaching staff costs | 242,901 | 209,131 |
| Premises costs | 2,342,174 | 2,922,363 |
| Catering costs | 1,036,087 | 941,443 |
| Academic support expenditure | 1,588,689 | 1,423,680 |
| Prizes and awards | 7,898 | 8,983 |
| | <u>19,449,607</u> | <u>19,375,585</u> |

Analysis of support costs

| | Provision of school services 2025 £ | Bursaries provided 2025 £ | Total funds 2025 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 1,024,973 | 192,681 | 1,217,654 |
| Financial costs | 553,183 | - | 553,183 |
| Other central costs | 50,182 | - | 50,182 |
| Governance | 35,571 | - | 35,571 |
| | <u>1,663,909</u> | <u>192,681</u> | <u>1,856,590</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2025

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Provision of school services 2024 £ | Bursaries provided 2024 £ | Total funds 2024 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 970,975 | 199,767 | 1,170,742 |
| Financial costs | 488,835 | - | 488,835 |
| Other central costs | 153,864 | - | 153,864 |
| Governance | 35,972 | - | 35,972 |
| | <u>1,649,646</u> | <u>199,767</u> | <u>1,849,413</u> |

10. Auditor's remuneration

| | 2025 £ | 2024 £ |
|---|---------------|---------------|
| Fees payable to the group's auditor for the audit of the charitable company's annual accounts | 15,600 | 14,700 |
| Fees payable to the group's auditor in respect of: | | |
| - The auditing of accounts of associates of the group | 9,650 | 9,000 |
| - All assurance services not included above | 1,500 | 1,300 |
| | <u>15,600</u> | <u>14,700</u> |

11. Staff costs

| | 2025 £ | 2024 £ |
|-----------------------|-------------------|-------------------|
| Staff costs | | |
| Wages and salaries | 11,215,053 | 10,901,616 |
| Social security costs | 1,268,428 | 1,140,665 |
| Pension contributions | 2,410,542 | 2,134,193 |
| | <u>14,894,023</u> | <u>14,176,474</u> |

Included in staff costs are non-statutory/non-contractual severance payments of £20,054 to 3 individuals (2024: £3,542 to 2 individuals).

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

| | 2025 | 2024 |
|---|-------------|------|
| | No. | No. |
| The number of employees receiving remuneration of more than £60,000 per annum is as follows: | | |
| £60,001 - £70,000 | 38 | 34 |
| £70,001 - £80,000 | 4 | 5 |
| £80,001 - £90,000 | 6 | 5 |
| £100,001 - £110,000 | 1 | 1 |
| £120,001 - £130,000 | 1 | 1 |
| £160,001 - £170,000 | 1 | 1 |
| | 51 | 47 |

Key management personnel has been determined to be the governors and the 10 (2024: 10) members of the senior management team. The total remuneration of the senior management team, excluding employer's national insurance costs, was £1,226,268 (2024: £1,182,057).

During the year, no governors received any remuneration (2024: £nil). No expenses were reimbursed to governors in either year.

| | Headcount | Headcount |
|----------------------|------------------|-----------|
| | 2025 | 2024 |
| | No. | No. |
| Staff numbers | | |
| Teaching staff | 148 | 147 |
| Other staff | 134 | 138 |
| | 282 | 285 |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

12. Tangible fixed assets

Group

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|---|---------------------------|------------------------|-------------------------------|--------------------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 August 2024 | 51,870,004 | 219,272 | 4,285,027 | - | 56,374,303 |
| Additions | - | - | 68,947 | 443,368 | 512,315 |
| Disposals | (44,400) | - | (12,567) | - | (56,967) |
| VAT reclaimed under Capital Goods Scheme | (624,080) | - | (71,100) | - | (695,180) |
| At 31 July 2025 | <u>51,201,524</u> | <u>219,272</u> | <u>4,270,307</u> | <u>443,368</u> | <u>56,134,471</u> |
| Depreciation | | | | | |
| At 1 August 2024 | 9,189,596 | 144,750 | 3,024,202 | - | 12,358,548 |
| Charge for the year | 942,139 | 24,495 | 285,876 | - | 1,252,510 |
| On disposals | (44,400) | - | (12,426) | - | (56,826) |
| At 31 July 2025 | <u>10,087,335</u> | <u>169,245</u> | <u>3,297,652</u> | <u>-</u> | <u>13,554,232</u> |
| Net book value | | | | | |
| At 31 July 2025 | <u>41,114,189</u> | <u>50,027</u> | <u>972,655</u> | <u>443,368</u> | <u>42,580,239</u> |
| At 31 July 2024 | <u>42,680,408</u> | <u>74,522</u> | <u>1,260,825</u> | <u>-</u> | <u>44,015,755</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2025

12. Tangible fixed assets (continued)

Company

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|---------------------------|---------------------------|------------------------|-------------------------------|--------------------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 August 2024 | 51,870,004 | 219,272 | 4,272,960 | - | 56,362,236 |
| Additions | - | - | 68,947 | 443,368 | 512,315 |
| Disposals | (44,400) | - | (12,567) | - | (56,967) |
| Transfers between classes | (624,080) | - | (71,100) | - | (695,180) |
| At 31 July 2025 | <u>51,201,524</u> | <u>219,272</u> | <u>4,258,240</u> | <u>443,368</u> | <u>56,122,404</u> |
| Depreciation | | | | | |
| At 1 August 2024 | 9,189,596 | 144,750 | 3,012,135 | - | 12,346,481 |
| Charge for the year | 942,139 | 24,495 | 285,876 | - | 1,252,510 |
| On disposals | (44,400) | - | (12,426) | - | (56,826) |
| At 31 July 2025 | <u>10,087,335</u> | <u>169,245</u> | <u>3,285,585</u> | <u>-</u> | <u>13,542,165</u> |
| Net book value | | | | | |
| At 31 July 2025 | <u>41,114,189</u> | <u>50,027</u> | <u>972,655</u> | <u>443,368</u> | <u>42,580,239</u> |
| At 31 July 2024 | <u>42,680,408</u> | <u>74,522</u> | <u>1,260,825</u> | <u>-</u> | <u>44,015,755</u> |

Included in land and buildings is freehold land at valuation of £6,700,000 (2024: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2025, included within the net book value of land and buildings is £41,723,212 (2024: £42,664,378) relating to freehold land and buildings and £15,057 (2024: £16,030) relating to long term leasehold land and buildings.

Following VAT registration, the capitalised cost of certain assets has been reduced to reflect recoverable VAT under the Capital Goods Scheme (CGS). The amount recoverable is based on the school's estimated partial exemption recovery rate and will be reassessed annually over the 10-year CGS adjustment period in line with the actual taxable use. A corresponding amount has been recognised in debtors - see Note 14.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

13. Fixed asset investments

| Group | Listed investments £ |
|--------------------------|---------------------------------|
| Cost or valuation | |
| At 1 August 2024 | 1,017,464 |
| Revaluations | (19,388) |
| At 31 July 2025 | <u>998,076</u> |
| Net book value | |
| At 31 July 2025 | <u>998,076</u> |
| At 31 July 2024 | <u>1,017,464</u> |

| Company | Investments in subsidiary companies £ | Listed investments £ | Total £ |
|--------------------------|--|-------------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 August 2024 | 1 | 1,017,464 | 1,017,465 |
| Revaluations | - | (19,388) | (19,388) |
| At 31 July 2025 | <u>1</u> | <u>998,076</u> | <u>998,077</u> |
| Net book value | | | |
| At 31 July 2025 | <u>1</u> | <u>998,076</u> | <u>998,077</u> |
| At 31 July 2024 | <u>1</u> | <u>1,017,464</u> | <u>1,017,465</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

14. Investment property

Group and company

| | Freehold investment property £ |
|-----------------------------------|---|
| Valuation | |
| At 1 August 2024 and 31 July 2025 | 365,000 |

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

15. Debtors

| | Group 2025 £ | Group 2024 £ | Company 2025 £ | Company 2024 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due after more than one year | | | | |
| VAT recoverable | 534,369 | - | 534,369 | - |
| | 534,369 | - | 534,369 | - |
| Due within one year | | | | |
| Trade debtors | 203,297 | 30,485 | 203,297 | 30,485 |
| Amounts owed by group undertakings | - | - | 20,858 | - |
| Other debtors | 222,020 | 53,186 | 218,679 | 53,080 |
| Prepayments and accrued income | 561,076 | 277,606 | 561,076 | 277,606 |
| VAT recoverable | 160,811 | - | 160,811 | - |
| | 1,681,573 | 361,277 | 1,699,090 | 361,171 |

VAT recoverable includes amounts recoverable under the Capital Goods Scheme - see Note 11.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2025

16. Creditors: amounts falling due within one year

| | Group 2025 | Group 2024 | Company 2025 | Company 2024 |
|------------------------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Bank loans | 840,000 | 840,000 | 840,000 | 840,000 |
| Trade creditors | 690,734 | 135,474 | 673,488 | 134,475 |
| Pension creditor | 227,019 | 241,850 | 227,019 | 241,850 |
| Other taxation and social security | 304,134 | 268,694 | 304,134 | 268,694 |
| Other creditors | 254,774 | 299,155 | 254,774 | 299,155 |
| Accruals and deferred income | 954,674 | 1,276,721 | 952,022 | 1,273,935 |
| Fees received in advance | 12,058 | 72,776 | 12,058 | 72,776 |
| Deposits | 33,400 | 33,400 | 33,400 | 33,400 |
| | 3,316,793 | 3,168,070 | 3,296,895 | 3,164,285 |

The movement in deferred income in the year is as follows:

| | Group 2025 | Group 2024 | Company 2025 | Company 2024 |
|--|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Deferred income at the beginning of the year | 106,176 | 123,489 | 106,176 | 123,489 |
| Resources deferred during the year | 45,458 | 106,176 | 45,458 | 106,176 |
| Amounts released from previous periods | (106,176) | (123,489) | (106,176) | (123,489) |
| | 45,458 | 106,176 | 45,458 | 106,176 |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

17. Creditors: amounts falling due after more than one year

| | Group 2025 | Group 2024 | Company 2025 | Company 2024 |
|------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Bank loans | 9,267,000 | 10,107,000 | 9,267,000 | 10,107,000 |
| Deposits | 258,195 | 257,600 | 258,195 | 257,600 |
| | 9,525,195 | 10,364,600 | 9,525,195 | 10,364,600 |

Included within the above are amounts falling due as follows:

| | Group 2025 | Group 2024 | Company 2025 | Company 2024 |
|-----------------------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Between one and two years | | | | |
| Bank loans | 840,000 | 840,000 | 840,000 | 840,000 |
| Between two and five years | | | | |
| Bank loans | 2,520,000 | 2,520,000 | 2,520,000 | 2,520,000 |
| Over five years | | | | |
| Bank loans | 5,907,000 | 6,747,000 | 5,907,000 | 6,747,000 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2025 | Group 2024 | Company 2025 | Company 2024 |
|-------------------------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Payable or repayable by instalments | 5,907,000 | 6,747,000 | 5,907,000 | 6,747,000 |

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the group and a debenture. At 31 July 2025, bank loans, including amounts falling due within one year, comprise the following loans:

- £11.5 million term loan, of which £7.6 million remained outstanding at the year end, secured on the group's freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates; and
- £3.5 million facility, of which £2.5 million remained outstanding at the year end, secured on the group's freehold land and buildings and repayable by instalments over a 15 year term and bearing interest at market rates.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

18. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2025 £ |
|---------------------------------|----------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 2,674,404 | - | - | - | 2,674,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| | 15,616,208 | - | - | - | 15,616,208 |
| General funds | | | | | |
| School general fund | 22,380,429 | 21,776,157 | (21,161,749) | - | 22,994,837 |
| RGS Trading | 14,127 | 105,960 | (100,883) | - | 19,204 |
| | 22,394,556 | 21,882,117 | (21,262,632) | - | 23,014,041 |
| Total unrestricted funds | 38,010,764 | 21,882,117 | (21,262,632) | - | 38,630,249 |
| Endowment funds | | | | | |
| Prize Funds Charity | 129,598 | - | - | (2,067) | 127,531 |
| J R Howarth Bursary Fund | 156,163 | - | - | (3,047) | 153,116 |
| Peter Taylor Bursary Fund | 100,235 | - | - | (1,955) | 98,280 |
| The Storrow Scott Trust | 996,468 | - | - | (12,319) | 984,149 |
| | 1,382,464 | - | - | (19,388) | 1,363,076 |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2025

18. Statement of funds (continued)

Restricted funds

| | | | | | |
|---------------------------|--------------------------|--------------------------|----------------------------|------------------------|--------------------------|
| J R Howarth Bursary Fund | 4,669 | 1,846 | - | - | 6,515 |
| Peter Taylor Bursary Fund | 19,708 | 2,879 | - | - | 22,587 |
| The Storrow Scott Trust | 81,483 | 46,229 | (1,080) | - | 126,632 |
| Reece Foundation | - | 223,336 | (223,336) | - | - |
| British Engines | - | 41,985 | (41,985) | - | - |
| | <u>105,860</u> | <u>316,275</u> | <u>(266,401)</u> | <u>-</u> | <u>155,734</u> |
| Total of funds | <u>39,499,088</u> | <u>22,198,392</u> | <u>(21,529,033)</u> | <u>(19,388)</u> | <u>40,149,059</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

18. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2024 £ |
|---------------------------------|-------------------------------------|-------------------|---------------------|--------------------------|-------------------------|---------------------------------|
| Designated funds | | | | | | |
| Bursary Fund | 2,878,404 | - | (204,000) | - | - | 2,674,404 |
| Revaluation reserve | 12,941,804 | - | - | - | - | 12,941,804 |
| | <u>15,820,208</u> | <u>-</u> | <u>(204,000)</u> | <u>-</u> | <u>-</u> | <u>15,616,208</u> |
| General funds | | | | | | |
| School general fund | 21,291,258 | 22,134,112 | (21,201,967) | 157,026 | - | 22,380,429 |
| RGS Trading | 13,104 | 69,370 | (68,347) | - | - | 14,127 |
| | <u>21,304,362</u> | <u>22,203,482</u> | <u>(21,270,314)</u> | <u>157,026</u> | <u>-</u> | <u>22,394,556</u> |
| Total unrestricted funds | <u>37,124,570</u> | <u>22,203,482</u> | <u>(21,474,314)</u> | <u>157,026</u> | <u>-</u> | <u>38,010,764</u> |
| Endowment funds | | | | | | |
| Prize Funds Charity | 120,387 | - | - | - | 9,211 | 129,598 |
| J R Howarth Bursary Fund | 145,064 | - | - | - | 11,099 | 156,163 |
| Peter Taylor Bursary Fund | 93,111 | - | - | - | 7,124 | 100,235 |
| The Storrow Scott Trust | 951,587 | - | - | - | 44,881 | 996,468 |
| | <u>1,310,149</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>72,315</u> | <u>1,382,464</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

18. Statement of funds (continued)

| Restricted funds | | | | | | |
|---------------------------|--------------------------|--------------------------|----------------------------|------------------|----------------------|--------------------------|
| J R Howarth Bursary Fund | 1,970 | 2,699 | - | - | - | 4,669 |
| Peter Taylor Bursary Fund | 15,499 | 4,209 | - | - | - | 19,708 |
| School Bursary Fund | 123,552 | - | - | (123,552) | - | - |
| Cricket Fund | 432 | - | - | (432) | - | - |
| The Storrow Scott Trust | 63,083 | 52,882 | (1,440) | (33,042) | - | 81,483 |
| Reece Foundation | - | 72,406 | (72,406) | - | - | - |
| British Engines | - | 40,518 | (40,518) | - | - | - |
| | <u>204,536</u> | <u>172,714</u> | <u>(114,364)</u> | <u>(157,026)</u> | <u>-</u> | <u>105,860</u> |
| Total of funds | <u><u>38,639,255</u></u> | <u><u>22,376,196</u></u> | <u><u>(21,588,678)</u></u> | <u><u>-</u></u> | <u><u>72,315</u></u> | <u><u>39,499,088</u></u> |

Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- Funds provided by British Engines for the provision of a robotics teacher to support RGS and Partner schools in the North East; and
- Funds provided by Reece Foundation to support Maths and Physics provision in Partnership schools.

LINKED CHARITIES

The charitable company is the governor of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Under the 2006 Scheme of the Property Trust retains the group's permanent endowments. Land and buildings must be managed by the group in accordance with the objects of this charity and various prize funds held by the charity must be managed by the group in accordance with their trusts.

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Governor of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Governor. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be played there on grass.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2025

The capital of The Endowment Fund is now to be held at the discretion of the Governor subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Friends Association and the Northumberland Playing Fields Association. However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Governors in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Governor shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received into the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring governors, Mr Scott having been a pupil at the school).

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Endowment funds 2025 £ | Total funds 2025 £ |
|--------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 42,580,239 | - | - | 42,580,239 |
| Fixed asset investments | - | - | 998,076 | 998,076 |
| Investment property | - | - | 365,000 | 365,000 |
| Debtors due after more than one year | 534,369 | - | - | 534,369 |
| Current assets | 8,357,629 | 155,734 | - | 8,513,363 |
| Creditors due within one year | (3,316,793) | - | - | (3,316,793) |
| Creditors due in more than one year | (9,525,195) | - | - | (9,525,195) |
| Total | 38,630,249 | 155,734 | 1,363,076 | 40,149,059 |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Endowment funds 2024 £ | Total funds 2024 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 44,015,755 | - | - | 44,015,755 |
| Fixed asset investments | - | - | 1,017,464 | 1,017,464 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 7,527,679 | 105,860 | - | 7,633,539 |
| Creditors due within one year | (3,168,070) | - | - | (3,168,070) |
| Creditors due in more than one year | (10,364,600) | - | - | (10,364,600) |
| Total | 38,010,764 | 105,860 | 1,382,464 | 39,499,088 |

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

| | Group 2025 £ | Group 2024 £ |
|---|--------------------|--------------------|
| Net income for the year (as per Statement of Financial Activities) | 649,971 | 859,833 |
| Adjustments for: | | |
| Depreciation charges | 1,252,510 | 1,250,904 |
| Interest paid | 370,183 | 401,533 |
| Losses/(gains) on investments | 19,388 | (72,315) |
| Dividends, interests and rents from investments | (336,499) | (320,667) |
| Profit on the sale of fixed assets | 141 | - |
| (Increase)/decrease in stocks | (11,142) | 4,147 |
| (Increase)/decrease in debtors | (1,320,296) | 57,141 |
| Increase/(decrease) in creditors | 149,318 | (560,732) |
| Decrease in fixed assets cost as a result of VAT reclaimed under Capital Goods Scheme | 695,180 | - |
| Net cash provided by operating activities | 1,468,754 | 1,619,844 |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2025

21. Analysis of cash and cash equivalents

| | Group 2025 £ | Group 2024 £ |
|--------------|--------------------|--------------------|
| Cash in hand | <u>7,336,113</u> | <u>7,253,358</u> |

22. Analysis of changes in net debt

| | At 1 August 2024 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2025 £ |
|--------------------------|--------------------------|-----------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 7,253,358 | 82,755 | - | 7,336,113 |
| Debt due within 1 year | (840,000) | 840,000 | (840,000) | (840,000) |
| Debt due after 1 year | (10,107,000) | - | 840,000 | (9,267,000) |
| | <u>(3,693,642)</u> | <u>922,755</u> | <u>-</u> | <u>(2,770,887)</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2025

23. Pension commitments

The group's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales ('TPS') for academic and related staff, and the RGS Support Staff Pension Scheme for support staff. In September 2023, the school introduced an optional defined contribution scheme provided by Aviva Pension Trust for Independent Schools (APTIS). This scheme was already available for operational staff, as detailed below, and has now been extended to teachers.

Teachers' Pension Scheme

The Teachers' Pension Scheme is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,962,736 (2024: £1,843,969). Contributions totalling £220,518 (2024: £234,231) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

Valuation of the Teacher's Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation was implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

RGS Support Staff Pension Scheme

The RGS Support Staff Pension Scheme is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS, as well as being an option for teachers. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £447,806 (2024: £290,224). Contributions totalling £6,500 (2024: £7,619) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2025

24. Operating lease commitments

At 31 July 2025 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2025 £ | Group 2024 £ | Company 2025 £ | Company 2024 £ |
|--|-----------------------------|--------------------|-------------------------------|----------------------|
| Not later than 1 year | 523,145 | 526,786 | 523,145 | 526,786 |
| Later than 1 year and not later than 5 years | 629,827 | 1,145,714 | 629,827 | 1,145,714 |
| Later than 5 years | 202,300 | 216,951 | 202,300 | 216,951 |
| | <u>1,355,272</u> | <u>1,889,451</u> | <u>1,355,272</u> | <u>1,889,451</u> |

25. Related party transactions

Some governors are also trustees of The Royal Grammar School Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The grant made towards bursaries in the year amounted to £530,000 (2024: £1,275,000). The group's administrative staff provide assistance with the charity's record keeping at no charge to the charity. The group maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school has met the Trust's campaign appeal costs totalling £142,494 (2024: £149,951). The group made donations of £nil to the charity during the year (2024: £204,000).

The Trust has provided Hardship funds to help support families (e.g. purchasing suitable clothes for Sixth formers, transportation expenses to the school) to the group totalling £346 (2024: £6,255).

The Storrow Scott Charitable Will Trust, a charity controlled by the school, applies its income to the Royal Grammar School Educational Trust. Grants paid or payable in the year amounted to £nil (2024: £33,042).

The School purchased merchandise from RGS Trading Limited in the year totalling £3,476 (2024: £nil) as and the School recharged costs of £17,382 (2024: £19,103) to RGS Trading in relation to staff and administration costs. The balance owed by RGS Trading Limited at year end is £20,858 (2024: £nil).

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2025

26. Principal subsidiaries

The following was a subsidiary undertaking of the company:

| Name | Company number | Class of shares | Holding | Included in consolidation |
|---------------------|-----------------------|------------------------|----------------|----------------------------------|
| RGS Trading Limited | 04063794 | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit for the year £ | Net assets £ |
|---------------------|---------------------|--------------------------|--------------------------------------|-------------------------|
| RGS Trading Limited | 105,960 | (100,883) | 5,043 | 19,172 |

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales - Charity number 1114424

Accounts

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2024

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COMPANIES HOUSE

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details

Year ended 31 July 2024

Governors

A C Fletcher, Co-opted Governor (Chair)
J S Berry, Co-opted Governor (resigned 21 June 2024)
X Brock, Co-opted Governor (appointed 25 January 2024)
R H Fell, Co-opted Governor (resigned 21 June 2024)
J Fitzpatrick, Co-opted Governor
S A Green, Co-opted Governor
M Haniffa, Co-opted Governor (resigned 21 June 2024)
N J McMinn, Co-opted Governor
S Milligan, Co-opted Governor
M D Robinson, Co-opted Governor
R S Sanghera, Co-opted Governor
T N Thorne, Nominated by Northumberland County Council
S Vadhera, Co-opted Governor (appointed 16 January 2024)
S Woodroffe, Co-opted Governor

Company registered number 05664801

Charity registered number 1114424

Registered office Eskdale Terrace
Newcastle upon Tyne
NE2 4DX

Company secretary C F Black

Headmaster G Stanford

Independent auditor UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers Barclays Bank PLC
PO Box 379
71 Grey Street
Newcastle upon Tyne
NE99 1JA

National Westminster Bank plc
2nd Floor
1 Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

The Newcastle upon Tyne Royal Grammar School

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Reference and administrative details (continued)

Year ended 31 July 2024

Investment advisors CCLA
1 Angel Lane
London
EC4R 3AB

Insurance broker Zurich Municipal
Zurich House
2 Gladiator Way
Farnborough
GU14 6GB

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Governors' report Year ended 31 July 2024

The Governors present their annual report together with the audited financial statements for the year 1 August 2023 to 31 July 2024. The annual report serves the purposes of both a trustees' report, a directors' report and a strategic report under company law. The Governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

AIMS AND OBJECTIVES

Charitable Objectives

The charitable objectives of The Newcastle upon Tyne Royal Grammar School (RGS) are set out in the school's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England; and
- Facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Purpose, Vision and Values

RGS remains connected to the purpose for which we were established and has a very clear vision as to what we wish to achieve:

- We believe in inspiring young people and equipping them to make a positive contribution to society; and
- The RGS as a school should promote excellence and is committed to raising aspiration and attainment across the North East.

Our values run through everything we do to deliver the above vision, in our work both within our school and outside in the wider community. Like fingerprints, our values are invisible but indelibly cover everything we do, they are integral to our prioritisation of activities both in the school and our work in the broader community, and are explicit in the standards and behaviour we expect of our students and staff:

- **Belief In Each Other** is the value of trust. When self-belief seems in short supply, we understand how believing in others can bolster confidence, make someone glow and foster their faith in themselves once again. Belief can break all sorts of ceilings and there are no limits to what can be achieved with tenacity, sheer graft and people you trust at your back. We celebrate everyone's achievements and allow ourselves to be guided by those we believe in. We catch when others fall but most importantly, we help them get back up again. Pastoral care and wellbeing is at the heart of this value. We work hard and believe that others will do the same.
- **Love for Learning** seems self-evident in a school built on RGS's formidable academic reputation. We communicate unashamedly how passionate we are, we encourage everyone to enjoy school and believe that a positive approach each day can bring out the best in every learner. Teaching happens in the most surprising and diverse ways and the best learning often happens by stealth, when it is least expected, in the nooks and crannies of the curriculum. The thirst for knowledge and freedom to explore can help that love of learning grow. We support self-expression, critical thinking and creativity in both teaching and learning – for academic success but also to enable people to be their best selves.

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Governors' report (continued)

Year ended 31 July 2024

- We value a **Sense of Belonging**, combining our kinship with each other in the school community with our heritage on Newcastle soil, where we took root five hundred years ago. We are place and people. We respect those around us, are openminded and non-judgemental. Everyone belongs. We are northern, where clanship is strong and bonds forged last a lifetime but we are of the global age. Borders and boundaries are transcended as the RGS family connects like other families spread across the world. We rest in the heart of our Tyneside community, where our Partnership work sees us collaborate within the wider educational and social landscape. Unity with our neighbours means an increased sense of belonging: we want to nurture good citizens: part of a network of people who strive for the greater good.
- **Ambition to Succeed** is to push forwards, move and innovate. It might be our final value but it doesn't act as a full stop. This is the thread that ties our other values together. We must never stand still, unless it is to reflect on what we have done and how we might do it differently next time. We have the intellectual freedom to explore and take risks – so we can push boundaries in and out of the classroom. We have a strong support network, both internally and externally, which helps us to change, adapt and respond together. We are constantly evolving and are ambitious for the future – because it is our future and we are excited by its opportunities. We recognise that success looks different for each individual, but whatever it looks like, we hope everyone in our community can strive to challenge themselves. We can be brave with academic content and co-curricular opportunities, encouraging that first small spark of ambition to flare. Conventional, eccentric, classic, left-field, surprising and delightful, we celebrate ambition in all its forms.

Our Public Benefit

RGS is driven by the social impact we can make, not only to the trajectory of the lives of students who attend our school, but also to our broader community and wider society.

Founded almost 500 years ago during Henry VIII's reign, Thomas Horsley, five time mayor of Newcastle, endowed RGS as the City's first school; that early philanthropic gift and social vision has been a constant throughout our almost half a millennium of existence. Our social responsibility remains at the forefront of our minds and is central to our future endeavours.

We believe that RGS is uniquely placed to stretch and challenge bright young people and consequently we have a well-deserved reputation for academic excellence, consistently outstripping national averages. Our students deliver phenomenal, nationally and internationally recognised achievements, with RGS often cited as an asset when encouraging inward investment to the North East. However, we are an exceptional school in a relatively deprived area of the UK. While we are convinced of the infinite potential of young people from the North East, the social mobility statistics in our region are some of the worst in the country and the challenges have been compounded by the pandemic. Too many children are missing opportunities afforded to others born elsewhere.

We believe that our model of a highly academic education ought to be available to any child who is intellectually curious, able and aspiring, and who would benefit from a fast paced and challenging curriculum through:

1. RGS as a School
2. RGS – Social Impact through offering Bursaries and engaging in Partnerships with other schools in the region.

The Governors have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits that our activities bring, to both pupils and the wider community.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued)

Year ended 31 July 2024

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND ACTIVITIES

1. **RGS School** delivers our core educational activities. Pupil numbers at our Senior school returned to 1,055 (2023: 1,073) and the number of pupils at our Junior school returned to 267 (2022: 270). Our fees for the current year were:

Junior School - £14,474 per year

Senior School - £17,182 per year

RGS SCHOOL ACHIEVEMENTS

1,322 students attended RGS, which would have otherwise cost the taxpayer an annual **c£10m** if educated in the state system.

In GCSEs, 85.6% of grades achieved were A*-A (grades 9-7) and 44.3% were grade 9.

In A Level, 91.0% of grades achieved were A*-B and 70.0% were A*-A.

Over **4,000** hours of volunteering were delivered by over 400 RGS students.

17 members of RGS staff are Governors at local schools and 2 are in Director/Trustee positions.

42 local community groups and organisations accessed RGS school buildings and facilities for their events and activities.

RGS students and staff ran more than 50 partnership projects in over 105 schools, regularly engaging with over 10,000 students and supporting more than 500 teachers.

A full Social Impact Report is available at [Our Social Impact - Royal Grammar School Newcastle](#) which expands on how the school continues to deliver a social impact with the aim being to raise the attainment and aspiration of young people from across the North East.

RGS SCHOOL ACTIVITIES

Operations

Academic year 2023/24 was a year marked by exceptional achievements across every facet of school life. It was also a year in which we were awarded Independent School of the Year for the whole of the UK. While this accolade is tremendous, it really is not news to us that there is immense talent in the North East and our young people and school deserve national recognition.

The School looks forward to our Quincentenary celebrations with optimism and enthusiasm to the challenges and opportunities that lie ahead.

Academic

Academically, our students continue to set a high standard, consistently achieving outstanding results that reflect both their talent and dedication. The 2024 record-breaking exam results were a testament to the commitment and resilience shown by our students, with notable successes across all disciplines. The depth of academic inquiry demonstrated by those completing their A-levels and GCSEs is a reflection not only of their personal ambition but also of the dedication of our teaching staff.

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Governors' report (continued)

Year ended 31 July 2024

Co-curricular

Our co-curricular achievements this year have been nothing short of exceptional. The performing arts department has once again set the standard with a range of productions that have captivated audiences, showcasing the breadth of talent within our school. From our musicals and plays to the music ensembles and choirs that have performed locally, nationally and even internationally, our students have demonstrated creativity, discipline, and a flair for performance. Sport continues to be a cornerstone of life at the Royal Grammar School, with our teams achieving national success. Our sports programme not only develops physical prowess but also instils in our students the values of teamwork, perseverance, and leadership.

Pastoral

At the Royal Grammar School, we are committed to the belief that education extends far beyond the classroom. This year, our pastoral care system has continued to ensure that each student is supported holistically, with their mental well-being and personal growth receiving as much attention as their academic progress. Our peer mentoring programme has continued to empower students to take responsibility for one another, further consolidating our strong, empathetic school community where every child feels valued and supported.

RGS SOCIAL IMPACT

The foundations of our sense of social responsibility belong in our 500 year-old history; Thomas Horsley, the original settler of RGS pledged his legacy in 1525 to create the city's first learning institution.

Half a millennium later, and on the 'eve' of our Quincentenary, in 2023-24 the school's ambition of social impact remains front and centre to everything we do. We believe in the infinite potential of our region and are driven to raise the attainment and aspiration of young people from across the North East.

We believe in inspiring young people and equipping them to make a positive contribution to society. We promote excellence and are committed to raising aspiration and attainment across the North East. By inspiring and nurturing hearts and minds, we can give those around us the freedom to create and shape their own futures.

We aim to reach young people of the north, regardless of background and circumstance: from Carlisle to Stockton-upon Tees, to Berwick-upon-Tweed and back to our heartland in the city of Newcastle.

We work alongside teachers from all institutions interested in curriculum innovation, collegiality and sharing methodologies; and any parent wanting to explore a range of exciting opportunities for their children.

We collaborate with further and higher education, and businesses wishing to invest in the education and training of young people in this region.

We galvanise the RGS community to give back to the North East region, to support this ambition.

We believe together we can do more.

RGS BURSARIES ACHIEVEMENTS

85 (1 in 16) students at RGS attended on transformational means-tested RGS Bursaries.

93.78% average bursary awarded, focussing finite funds where we can make most difference.

193 donors gifted £1.2m in the year to support bursaries.

446 bursary students have been supported since RGS Bursaries were established in 2002.

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Governors' report (continued)

Year ended 31 July 2024

RGS PARTNERSHIPS ACHIEVEMENTS

4 RGS teachers are *dedicated* to RGS Partnerships work, with countless more RGS teachers supporting outreach activities.

Over 10,000 individual students in local state schools benefitted from RGS Partnerships activities.

105 different schools across the region were involved in RGS Partnerships activities.

More than 500 teachers received around 1,500 hours of CPD or collaborated on curriculum development.

Over 50 RGS Partnerships projects have taken place, including including Maths, Physics, Engineering, Robotics, Computer Science, Sport, Languages, Classics, Debating, UCAS Mentoring and much more.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term – as covered in the Section on Principal Risks and Uncertainties on page 9.
- b. The interests of the company's employees as covered in the section on Engagement with Staff on page 12.
- c. The need to foster the Charity's relationships with third party stakeholders such as parents, students, partner state schools. Alumni, donors, contractors, suppliers as well as independent school organisations and national and local government. This is covered throughout this Report although primarily in the Review of Activities and Achievements section on page 5.
- d. The impact of the Charity's operations on the community and the environment as covered in the Greenhouse gas emissions and energy section on page 13 as well as in the section detailing our Community work on page 6.
- e. The desirability of the Charity maintaining a reputation for high standards of business conduct as covered in the Financial Review on page 8.
- f. The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented and is covered in the section on Engagement with Staff on page 12.

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Governors' report (continued)

Year ended 31 July 2024

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to remain robust in 2024-25. Careful management of expenditure and cashflow led to an operating surplus of £859,833k. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before losses on investment assets of £787,518 (2023: £988,340). Investment gains amounted to £72,315 (2023: losses £18,826) resulting in a net surplus of £859,833 (2023: £969,514).

The school's subsidiary trading company, RGS Trading Limited, generated a surplus of £1,023 (2023: £8,951) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £4.5 million (2023: £3.6 million).

In all our dealings the school ensures that the businesses we contract with are dealt with fairly by adhering to payment terms and complying with all legal agreements and responsibilities. We put out to tender for all large projects to ensure we support local suppliers and ensure suppliers are giving value for money and are also adhering to the high standards which we would expect. We strive for high levels of integrity in all that we do and choose to work with companies who echo our values.

Going concern

Pupil numbers remained strong throughout 2023/24 and, have increased slightly moving in 2024/25 and are in line with forecast. Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, short to longer term scenarios have also been modelled which include evaluating the expected financial impact of the potential loss of charitable status, the loss of rate relief and the introduction of VAT on fees which is now expected to come into force on 1 January 2025. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Having due regard to these matters and after making appropriate enquiries, the Board have therefore continued to adopt the Going Concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment policy and performance

The Governors' investment powers are governed by the Articles of Association. The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments.

The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2024 were +10.54 % (2023: +0.94%) on the Peter Taylor Fund, +10.54% (2023: +0.94%) on the J R Howarth Bequest Fund and +10.54% (2023: 0.94%) on the Storrow Scott Trust. The total returns (capital growth with income received and after investment management fees), for the 3 years ended 31 July 2024 was 4.30% per annum for each of the aforementioned funds.

All three portfolios are invested in the COIF Charities Investment Fund (Income Units).

The returns for the year ended 31st July 2024 compare with a total return for the comparator benchmark of 15.04% (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 6.22% (the fund objective being CPI +4% after fees). The returns for the 3 years ended 31st July 2024 compare with a total return for the comparator benchmark of 6.04% per annum (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund

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Governors' report (continued)

Year ended 31 July 2024

objective of 10.33% (the fund objective being CPI +4% after fees).

It should be noted that the recent spike in UK inflation has made the Fund objective more challenging although inflation has abated over the course of 2024. The COIF Charities Investment Fund is a Risk Category 4 under PRIIPS (in a range of 1 to 7).

Reserves policy and performance

The Governors continue to take steps to review their reserves policy. Their intention is to continue to develop the school facilities with a focus on sustainability whilst at the same time containing increases in tuition fees to a reasonable level. Note 21 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £38.0 million. Of this, designated bursary funds totalling £2.7 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows.

Also within unrestricted funds are fixed assets totalling £44.0 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £8.7 million (2023: deficit of £10.6 million) due to loans of £10.9 million (2023: £11.8 million) which were taken out to fund building projects

The Governors are satisfied with the reserves position of the school.

Principal funding

The school's day to day charitable activities are self-funding.

Principal risks and uncertainties

The main risk areas for the school are risks associated with the safeguarding of students as well as the potential impact of adverse political and economic environments.

Procedures and systems to minimise these risks are regularly reviewed and updated. All staff are required to undergo annual safeguarding training and from September 2022 this requirement has been extended to require that Governors receive specific Safeguarding training as part of their induction; all School Governors undergo annual Safeguarding training and in addition specific training has been given to Governors each year from September 2022.

External financial pressures that are out of the control of the school include major impacts on the national economy such as the current cost of living and energy crisis, further increases to contribution rates for the Teacher's Pension Scheme, changes to employers National Insurance contributions, the removal of charitable relief and the increased likelihood of VAT on school fees are carefully monitored and contingency plans drawn up to manage the risks.

Fee income is a key risk and the school is aware that the cost of living impact whilst impacting the operational costs of the school also has a significant impact on parents and on their ability to pay school fees. The income from the Educational Trust to the school for the support of existing bursaries could be impacted due to the economic slowdown and resulting impact on donations, and income from investments and rental properties. Detailed modelling is conducted and reviewed on a regular basis to monitor and manage this risk.

Within financial risks, liquidity risk is managed by loans to finance long term projects and careful cash management to deal with month on month fluctuations in cash flow

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Governors' report (continued)

Year ended 31 July 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The school was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the school was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020.

On 1 August 2006, the assets, liabilities and undertaking of the school were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held.

By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 1114424-1.

- **Method of appointment or election of Governors**

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected, and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body. On joining the Board all Governors receive an induction and undergo appropriate training, both at induction, and throughout their tenure.

The Co-opted Governors are co-opted by the existing Governors.

- **Pay policy for senior staff**

The Nominations and Remuneration Committee review the pay of the Headmaster, Deputy Head and Director of Finance & Operations on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point due consideration is taken of benchmarked information for schools of a similar size and location.

- **Organisational structure and decision making**

The membership of the Governing Board has reduced by one during the year, with three resignations and two new appointments.

The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the school's vision. During the year the school commissioned a review of governance, which was very positive. The report gave a number of recommendations that the school is in the process of implementing.

The Governing body is supported by three sub-committees, the Finance and General Purposes Committee, the Education Committee and the Nominations and Remuneration Committee.

Governors meet three times a year, at least once every term, to review the activities of the school and its subsidiary. Financial control is exercised over the activities of the school by means of an agreed Annual Budget.

More detailed issues are dealt with in advance of Governors' meetings by the Education Committee, the Finance

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Governors' report (continued) **Year ended 31 July 2024**

and General Purposes Committee and the Nominations and Remuneration Committee.

The Finance and General Purposes Committee is responsible for ensuring the sound management and auditing of the School's finances and resources, including proper planning, monitoring and probity.

Governors who served on the Finance and General Purposes Committee during the period were:

Mr Alan Fletcher (Chair)
Mr Hugh Fell (resigned 21 June 2024)
Mr Nigel McMinn
Mr Sanjeev Vadhera (appointed 16 January 2024)

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head and Director of Finance & Operations annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr Hugh Fell (Chair resigned 21 June 2024)
Mr Alan Fletcher
Miss Scarlett Milligan
Mr Jasan Fitzpatrick (appointed Chair on 21 June 2024)

The Education Committee is responsible for providing an initial discussion forum for all matters of the education provided by the school including the pastoral, co-curricular, quality of teaching and staff development (of educational staff) as well as to have an oversight of other areas such as SEND, EDI, examination results and safeguarding.

Governors who served on the Education Committee during the period were:

Mrs Sally Green (Chair)
Mr Alan Fletcher
Mrs Joanna Berry (resigned 21 June 2024)
Mrs Muzlifah Haniffa (resigned 21 June 2024)
Mrs Sue Woodroffe

The day to day running of the school is vested in the Headmaster and Director of Finance and Operations alongside seven other members of the Senior Leadership Team:

| | |
|--|----------------------|
| The Headmaster | Mr Geoffrey Stanford |
| The Director of Finance and Operations | Mrs Rachel Amey |
| The Deputy Head | Mr Tom Keenan |
| The Head of Junior School | Mr James Miller |
| The Deputy Head Academic | Mr Chris Quayle |
| The Deputy Head Pastoral | Miss Sarah Longville |
| The Deputy Head of Co-curricular | Mr Andrew McBride |
| The Head of Sixth Form | Mrs Naomi McGough |
| The Director of External Affairs | Mrs Susan Beck |
| The Director of Partnerships | Mr John Smith |

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Governors' report (continued)

Year ended 31 July 2024

- **Engagement with staff and equal opportunities**

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the Teachers' Pension Scheme, the second phase of the introduction of digital devices and the financial position of the school. The school has an Information and Consultation Committee (ICC) that meets regularly at which staff may raise issues of concern and where feedback from Governor's meetings is provided; the members of the ICC represent both teaching and support staff. In addition, there have been a number of specific meetings with staff and Governors and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive.

When recruiting staff the School looks to appoint individuals from a wide variety of backgrounds. Not just because it is the right thing to do but because at the RGS we recognise that those different experiences provide fresh perspectives, opportunities to challenge existing beliefs and provide opportunities to act as excellent role models for our diverse student body. We are committed to creating an inclusive and diverse school culture and our staff are at the heart of this. We are proud to be an equal opportunities employer and all qualified applicants will receive consideration for employment regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships. RGS works with all staff to ensure appropriate training is provided and adjustments made should an individual's circumstances change during their employment, and that ongoing training, development and progression is available to all staff regardless of their circumstances.

- **Related party relationships**

The school shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school meets the Trust's campaign appeal costs.

- **Risk management**

The Governors examine the major risks that the school faces each year, in the course of reviewing their strategic planning for the development of the school. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the school in the future. The principal risks faced by the school are covered under principal risks and uncertainties on page 9.

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Governors' report (continued)

Year ended 31 July 2024

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 August 2023 to 31 July 2024

Energy Consumption used to calculate emissions (kWh) 4,814,823

Scope 1 emissions in metric tonnes CO₂e

| | |
|----------------------|--------------|
| Gas consumption | 630.7 |
| Transport fuel | 17.9 |
| Total Scope 1 | 648.6 |

Scope 2 emissions in metric tonnes CO₂e

| | |
|-----------------------|-------|
| Purchased electricity | 265.3 |
|-----------------------|-------|

Scope 3 emissions in metric tonnes CO₂e

| | |
|--|-----|
| Business travel in employee owned vehicles | 3.8 |
|--|-----|

Total gross emissions in metric tonnes CO₂e 917.6

Intensity ratio tonnes CO₂e per pupil 0.69

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

Measures taken to improve energy efficiency and sustainability

The intensity ratio has decreased to 0.69 tonnes CO₂ emissions per pupil (2023: 0.72) due in main to decreases in electricity consumption in the period due to the installation of solar panels in September 2023.

LED lights are installed across the school site, including the use of PIR sensors and daylight dimming in appropriate spaces to further reduce the School's energy consumption. We are actively looking at sustainability as part of our Development plan and exploring means to decrease our energy intensity ratio. A Procurement Manager was recruited in the year to ensure we are purchasing in a sustainable and cost effective way to reduce spend and wastage.

An ESOS audit was completed in the year and recommendations on how to further improve site efficiencies are being considered, with some adaptations planned for Autumn 2024.

The school recognises that its activities and actions have an impact on the environment, locally and nationally. RGS is committed to becoming a more sustainable School as part of our 2030 vision, by reducing our negative impact on the environment and enhancing our positive impact.

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Governors' report (continued)

Year ended 31 July 2024

Sustainability at RGS

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. This encompasses not only the environment, but also social factors and economic resources.

Educating the RGS community about the need to live and learn in a sustainable way is fundamental to the school's vision and ethos of treating everything and everyone with care and respect along with recognising it belongs in the city and that its operations should not compromise future inhabitants.

RGS will celebrate its 500th Anniversary in 2025. The current generation of RGS staff and pupils wish to ensure that we shape a School that is able to flourish for at least another half millennium.

RGS has identified the following areas of focus:

- **An estate built to last:** RGS will ensure the Estate is built and managed in a sustainable way.
- **Lowering our carbon emissions:** The school quantified its carbon emissions for the first time in 2021 and will seek to establish targets in order to quantify the decarbonisation of the Estate.
- **A culture of using less:** The RGS community commits to using less, encompassing all aspects of school life, from pens and paper to reducing printing and electricity.
- **Sustainable purchasing:** RGS will embed life cycle considerations into all purchases and make environmentally friendly choices regarding products and suppliers.
- **Environmentally friendly catering:** RGS will ensure its catering operation minimises food miles, reduces its carbon footprint, and educates the community about healthy and sustainable food choices.

PLANS FOR FUTURE PERIODS

- **Future developments**

At the end of each academic year the school reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders and in recognition of our charitable objectives. For the next period (2024-2029), the following key areas for regular review are as follows:

- Curriculum, teaching and learning
- Pastoral care and wellbeing of staff and students
- Co-curricular provision
- Pupil experience
- Staff recruitment, retention and development
- Wider community impact
- External Relations
- Finance and operations

They are, of course, central to the effective running of the school and will be continuously reviewed. These all fall within specific areas of management oversight for members of the Senior Leadership Team (both Senior and Junior) and will be appraised and reviewed within SLT meetings.

A fundamental part of the process for the school Development Plan is to consider a longer timeframe and how we will strive to fully realise our Vision. To this end, a range of key areas continue to emerge from consultations and these form the main focus points for additional specific developments):

1. Curriculum, teaching and learning – evolve the use of technology for learning and teaching practice in school; review of Senior School curriculum; ensure SEND provision within school has positive impact for students; ensure the quality of teaching is uniformly excellent across all departments
2. Pastoral care and wellbeing – review how we monitor, track and support student well being; improve

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report (continued)

Year ended 31 July 2024

- positive parental engagement in the pastoral side of School;
3. Co-curricular provision – recognise colleagues for their co-curricular contribution; provide students with the overarching principles, vision, values and character traits essential to the Co-Curricular experience; introduce the Junior Award Scheme for Schools (JASS) Award scheme to recognize Outdoor Ed achievements in the Junior School
 4. Pupil experience – Create a thorough approach to transition to university for our most vulnerable pupils; improve pupil experience of transition between lessons; create a more personalised start to life at RGS by offering early familiarisation to staff, procedure and facilities.
 5. Staff recruitment, retention and development – Whole school professional development activity linked to the school development priorities; budget responsibility for individual professional development activities devolved to line managers; further increase the diversity of colleagues appointed at the school; continued development of the role of HR to support all staff and the effective functioning of the school
 6. Wider community impact – ensure partnership Activity is sustainable and scalable; raise Attainment in Key Stage 4 Maths across local schools; amplify and share best practice locally, including at system leadership level
 7. External relations – increase voluntary income to support bursaries, partnerships and capital projects and diversify overall income; ensure Old Novocastrian (ON) Association aligned with school objectives and representative of ON Community; in relation to the archive - ensure our assets are preserved, augmented and maximised for the benefit of the whole school; better understand the needs of RGS stakeholders and ensure that all marketing and communications activities are aligned; use all channels available to foster stronger information sharing/improved engagement.
 8. Finance and operations – Manage the potential/ likely impact of a change of Government on School and ensure the financial stability of the School; Increase the sustainability of the School environment by managing resources; Strategic capital & facilities planning

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report (continued)

Year ended 31 July 2024

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

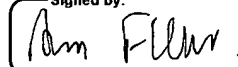
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial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

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditors in connection with preparing their report and to establish that the charitable company and the group's auditors are aware of that information.

This report, which includes the strategic report, was approved by the Governors on 24 January 2025 and signed on their behalf by:

Signed by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 July 2024 and of the group's 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 group's or the parent 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 governors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (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 governors 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 governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the governors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the governors and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law, safeguarding and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Anne Hallowell

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Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP Statutory Auditor

Chartered Accountants
Newcastle upon Tyne

24 January 2025

The Newcastle upon Tyne Royal Grammar School
(A company limited by guarantee)

Consolidated statement of financial activities
Year ended 31 July 2024

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Endowment funds 2024 £ | Total funds 2024 £ | As restated Total funds 2023 £ |
|------------------------------------|------|---------------------------------|-------------------------------|------------------------------|--------------------------|---|
| Income from: | | | | | | |
| Donations and legacies | 4 | 1,586,640 | 112,924 | - | 1,699,564 | 1,662,751 |
| Charitable activities | 5 | 20,096,602 | - | - | 20,096,602 | 19,171,819 |
| Other trading activities | 6 | 149,046 | - | - | 149,046 | 150,286 |
| Investments | 7 | 260,877 | 59,790 | - | 320,667 | 195,120 |
| Other income | | 110,317 | - | - | 110,317 | 65,584 |
| Total income | | 22,203,482 | 172,714 | - | 22,376,196 | 21,245,560 |
| Expenditure on: | | | | | | |
| Raising funds | 8 | 158,240 | 1,440 | - | 159,680 | 178,494 |
| Charitable activities | 9 | 21,316,074 | 112,924 | - | 21,428,998 | 20,078,726 |
| Total expenditure | | 21,474,314 | 114,364 | - | 21,588,678 | 20,257,220 |
| Net gains/(losses) on investments | | - | - | 72,315 | 72,315 | (18,826) |
| Net income / (expenditure) | | 729,168 | 58,350 | 72,315 | 859,833 | 969,514 |
| Transfers between funds | 20 | 157,026 | (157,026) | - | - | - |
| Net movement in funds | | 886,194 | (98,676) | 72,315 | 859,833 | 969,514 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 37,124,570 | 204,536 | 1,310,149 | 38,639,255 | 37,669,741 |
| Net movement in funds | | 886,194 | (98,676) | 72,315 | 859,833 | 969,514 |
| Total funds carried forward | | 38,010,764 | 105,860 | 1,382,464 | 39,499,088 | 38,639,255 |

The notes on pages 28 to 61 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School
 (A company limited by guarantee)

Consolidated income and expenditure account
Year ended 31 July 2024

| | Total funds | As restated |
|---|---------------------|--------------------|
| | 2024 | Total funds |
| | £ | 2023 |
| | | £ |
| Gross income in the reporting period | 22,376,196 | 21,245,560 |
| Less: Total expenditure | (21,588,678) | (20,257,220) |
| Net income for the reporting period | 787,518 | 988,340 |

The notes on pages 28 to 61 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2024

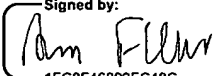
| | Note | 2024 £ | 2023 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 44,015,755 | 44,890,255 |
| Investments | 14 | 1,017,464 | 945,149 |
| Investment property | 15 | 365,000 | 365,000 |
| | | <u>45,398,219</u> | <u>46,200,404</u> |
| Current assets | | | |
| Stocks | 16 | 18,904 | 23,051 |
| Debtors | 17 | 361,277 | 418,418 |
| Cash at bank and in hand | | 7,253,358 | 6,930,784 |
| | | <u>7,633,539</u> | <u>7,372,253</u> |
| Creditors: amounts falling due within one year | 18 | (3,168,070) | (3,771,788) |
| Net current assets | | <u>4,465,469</u> | <u>3,600,465</u> |
| Total assets less current liabilities | | <u>49,863,688</u> | <u>49,800,869</u> |
| Creditors: amounts falling due after more than one year | 19 | (10,364,600) | (11,161,614) |
| Total net assets | | <u><u>39,499,088</u></u> | <u><u>38,639,255</u></u> |
| Charity funds | | | |
| Endowment funds | 20 | 1,382,464 | 1,310,149 |
| Restricted funds | 20 | 105,860 | 204,536 |
| Unrestricted funds: | | | |
| - Designated funds | 20 | 2,674,404 | 2,878,404 |
| - Revaluation reserve | 20 | 12,941,804 | 12,941,804 |
| - General funds | 20 | 22,394,556 | 21,304,362 |
| Total unrestricted funds | 20 | <u>38,010,764</u> | <u>37,124,570</u> |
| Total funds | | <u><u>39,499,088</u></u> | <u><u>38,639,255</u></u> |

The Newcastle upon Tyne Royal Grammar School
(A company limited by guarantee)

Consolidated balance sheet (continued)
At 31 July 2024

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 24 January 2025 and signed on their behalf by:

Signed by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)

The notes on pages 28 to 61 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Balance sheet At 31 July 2024

| | Note | 2024 £ | 2023 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible fixed assets | 13 | 44,015,755 | 44,890,255 |
| Investments | 14 | 1,017,465 | 945,150 |
| Investment property | 15 | 365,000 | 365,000 |
| | | <u>45,398,220</u> | <u>46,200,405</u> |
| Current assets | | | |
| Stocks | 16 | 12,739 | 12,068 |
| Debtors | 17 | 361,171 | 434,758 |
| Cash at bank and in hand | | 7,241,999 | 6,910,740 |
| | | <u>7,615,909</u> | <u>7,357,566</u> |
| Creditors: amounts falling due within one year | 18 | (3,164,285) | (3,769,923) |
| Net current assets | | <u>4,451,624</u> | <u>3,587,643</u> |
| Total assets less current liabilities | | <u>49,849,844</u> | <u>49,788,048</u> |
| Creditors: amounts falling due after more than one year | 19 | (10,364,600) | (11,161,614) |
| Total net assets | | <u><u>39,485,244</u></u> | <u><u>38,626,434</u></u> |
| Charity funds | | | |
| Endowment funds | 20 | 1,382,464 | 1,310,149 |
| Restricted funds | 20 | 296,496 | 204,536 |
| Unrestricted funds: | | | |
| - Designated funds | 20 | 2,674,404 | 2,878,404 |
| - Revaluation reserve | 20 | 12,941,804 | 12,941,804 |
| - General funds | 20 | 22,190,076 | 21,291,541 |
| Total unrestricted funds | 20 | <u>37,806,284</u> | <u>37,111,749</u> |
| Total funds | | <u><u>39,485,244</u></u> | <u><u>38,626,434</u></u> |

The Newcastle upon Tyne Royal Grammar School

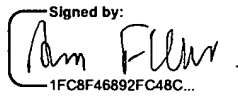
(A company limited by guarantee)

Company balance sheet (continued) At 31 July 2024

The company's net movement in funds for the year was £858,810 (2023: £960,846).

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 24 January 2025 and signed on their behalf by:

Signed by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)

Company registered number: 05664801

The notes on pages 28 to 61 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School
 (A company limited by guarantee)

Consolidated statement of cash flows
Year ended 31 July 2024

| | Note | 2024 £ | 2023 £ |
|---|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net cash generated from operating activities | 22 | 1,619,844 | 2,148,805 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 320,667 | 195,094 |
| Purchase of tangible fixed assets | | (376,404) | (821,258) |
| Net cash used in investing activities | | (55,737) | (626,164) |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (840,000) | (840,000) |
| Interest paid | | (401,533) | (429,887) |
| Net cash used in financing activities | | (1,241,533) | (1,269,887) |
| Change in cash and cash equivalents in the year | | 322,574 | 252,754 |
| Cash and cash equivalents at the beginning of the year | | 6,930,784 | 6,678,030 |
| Cash and cash equivalents at the end of the year | 23 | 7,253,358 | 6,930,784 |

The notes on pages 28 to 61 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2024

1. General information

The Newcastle upon Tyne Royal Grammar School ('the charitable company') and its subsidiaries (together, 'the group') are engaged in the education of children and young persons in the North of England.

The charitable company is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the charitable company are the governors named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary, RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the charitable company's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the charitable company for reporting purposes.

The charitable company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2024

2. Accounting policies (continued)

2.4 Going concern

The school recorded a net surplus of income over expenditure in the year ended 31 July 2024 and has net assets at the year end of £39.5 million (2023: £38.6 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings; the school is not reliant on short term loans or overdraft facilities.

Forecasts have been prepared based upon current pupil numbers and Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2024

2. Accounting policies (continued)

2.5 Income

All income is recognised when the group has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the group from its unrestricted funds.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The group receives a grant from the Hospital of St Mary the Virgin charity, and recognises all grants receivable from that charity, including amounts not yet paid by the year end, but which under the terms of that charity's trust deed, it must pay over in due course to the group.

Grants and donations received for the general purposes of the group are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction.

Investment income

Investment income is accounted for in the period in which the group is entitled to receipt. Incoming resources from endowment funds are restricted.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2024

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the group, including those incurred in connection with the administration of the group and compliance with constitutional and statutory requirements. They are apportioned against the activities of the group in line with the estimated usage of those costs.

Grants are included as expenditure in the period for which the award is given.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

2.7 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the statement of financial activities.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2024

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the group plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the school are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the group.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

| | |
|------------------------------|------------------------------|
| Freehold property | - 50 years |
| Leasehold land and buildings | - over the life of the lease |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 3 - 10 years |
| Trading subsidiary equipment | - 4 years |

Assets under construction are not depreciated until they are transferred to freehold land and buildings.

Revaluation of fixed assets

The group has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

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

2.9 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the charitable company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

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Notes to the financial statements

Year ended 31 July 2024

2. Accounting policies (continued)

2.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties, including fellow group companies.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the statement of financial activities.

2.15 Operating leases

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

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Notes to the financial statements

Year ended 31 July 2024

2. Accounting policies (continued)

2.16 Pension costs

The group operates two main schemes:

The group participates in the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The group also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are funds which are held for the permanent benefit of the group. There is no power to convert capital into income.

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Notes to the financial statements

Year ended 31 July 2024

2. Accounting policies (continued)

2.18 Critical accounting estimates and areas of judgment

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

Significant judgments in applying the group's accounting policies

In preparing these financial statements, the governors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owned by the group, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Change in accounting policy

During the year the accounting policy for income recognition was changed such that fee and similar income would be presented after deducting income from bursaries. In accordance with section 10 of FRS 102, the change in accounting policy has been applied retrospectively. The trustees believe that the revised policy provides a more accurate representation of the performance of the school, and that the change brings the policy in line with schools of a similar nature.

Impact of the change in policy

The restatement of comparatives will affect both the income and expenditure lines in the statement of financial activities, but there is no impact on the group's net financial position or reserves.

The following adjustments have been made to the comparatives for the 2023 financial year:

- Reduction in gross fees receivable by the amount of bursaries granted of £1,099,709.
- An equal reduction in expenditure related to bursaries.
- Donations received from The Royal Grammar School Educational Trust are now classified as unrestricted funds.

This change ensures that the group's financial reporting is more consistent with sector practice and provides a clearer representation of net income from fees.

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Notes to the financial statements
Year ended 31 July 2024

4. Income from donations and legacies

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|--|--|--|---|
| Hospital of St Mary the Virgin | 311,640 | - | 311,640 |
| The Royal Grammar School Educational Trust | 1,275,000 | - | 1,275,000 |
| Other income | - | 112,924 | 112,924 |
| | <u>1,586,640</u> | <u>112,924</u> | <u>1,699,564</u> |
| | As restated Unrestricted funds 2023 £ | As restated Restricted funds 2023 £ | As restated Total funds 2023 £ |
| Hospital of St Mary the Virgin | 197,690 | - | 197,690 |
| The Royal Grammar School Educational Trust | 1,099,709 | - | 1,099,709 |
| Other income | 283,785 | 81,567 | 365,352 |
| | <u>1,581,184</u> | <u>81,567</u> | <u>1,662,751</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2024

5. Income from charitable activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ | As restated Total funds 2023 £ |
|------------------------------|------------------------------------|-----------------------------|--|
| Provision of school services | 20,096,602 | 20,096,602 | 19,171,819 |

School fees

| | 2024 £ | As restated 2023 £ |
|----------------------------|--------------------------|--------------------------|
| Gross fees | 21,179,232 | 20,028,202 |
| Less: Free school places | (1,365,229) | (1,191,923) |
| Less: Grants and allowance | (574,683) | (463,157) |
| Catering income | 857,282 | 798,697 |
| | <u>20,096,602</u> | <u>19,171,819</u> |

6. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Facilities lettings income | 85,838 | 85,838 | 92,334 |

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Notes to the financial statements
Year ended 31 July 2024

6. Income from other trading activities (continued)

Income from non charitable trading activities

| | Unrestricted funds 2024 £ | Total funds 2024 £ | Total funds 2023 £ |
|--------------------|--|---------------------------------------|---------------------------------------|
| Subsidiary trading | 63,208 | 63,208 | 57,952 |

7. Investment income

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|----------------------------|--|--|---------------------------------------|
| Property rental income | - | 35,868 | 35,868 |
| Dividend income | - | 23,922 | 23,922 |
| Prize fund dividend income | 4,003 | - | 4,003 |
| Bank interest | 256,874 | - | 256,874 |
| | 260,877 | 59,790 | 320,667 |

| | As restated Unrestricted funds 2023 £ | As restated Restricted funds 2023 £ | As restated Total funds 2023 £ |
|----------------------------|--|--|---|
| Property rental income | - | 33,510 | 33,510 |
| Dividend income | 6,846 | 16,861 | 23,707 |
| Prize fund dividend income | 3,431 | - | 3,431 |
| Bank interest | 134,472 | - | 134,472 |
| | 144,749 | 50,371 | 195,120 |

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Notes to the financial statements

Year ended 31 July 2024

8. Cost of raising funds

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Fundraising costs | 10,787 | - | 10,787 |
| Marketing costs | 89,415 | - | 89,415 |
| Costs of letting facilities | - | 1,440 | 1,440 |
| Professional fees | 2,823 | - | 2,823 |
| Subsidiary trading costs | 55,215 | - | 55,215 |
| | <u>158,240</u> | <u>1,440</u> | <u>159,680</u> |
| | <u>158,240</u> | <u>1,440</u> | <u>159,680</u> |

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Fundraising costs | 11,614 | - | 11,614 |
| Marketing costs | 95,712 | - | 95,712 |
| Costs of letting facilities | - | 1,440 | 1,440 |
| Professional fees | 12,444 | - | 12,444 |
| Subsidiary trading costs | 57,284 | - | 57,284 |
| | <u>177,054</u> | <u>1,440</u> | <u>178,494</u> |
| | <u>177,054</u> | <u>1,440</u> | <u>178,494</u> |

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Notes to the financial statements

Year ended 31 July 2024

9. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
|------------------------------|---|---|-----------------------------------|
| Provision of school services | 20,912,307 | 112,924 | 21,025,231 |
| Bursaries provided | 199,767 | - | 199,767 |
| Donations | 204,000 | - | 204,000 |
| | <u>21,316,074</u> | <u>112,924</u> | <u>21,428,998</u> |
| | As restated Unrestricted funds 2023 £ | As restated Restricted funds 2023 £ | As restated Total 2023 £ |
| Provision of school services | 19,771,904 | 91,844 | 19,863,748 |
| Bursaries provided | 214,978 | - | 214,978 |
| | <u>19,986,882</u> | <u>91,844</u> | <u>20,078,726</u> |

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Notes to the financial statements

Year ended 31 July 2024

10. Analysis of expenditure by activities

| | Activities undertaken directly 2024 £ | Grant funding of activities 2024 £ | Support costs 2024 £ | Total funds 2024 £ |
|------------------------------|---|--|-------------------------------|--|
| Provision of school services | 19,375,585 | - | 1,649,646 | 21,025,231 |
| Bursaries provided | - | - | 199,767 | 199,767 |
| Donations | - | 204,000 | - | 204,000 |
| | <u>19,375,585</u> | <u>204,000</u> | <u>1,849,413</u> | <u>21,428,998</u> |
| | | As restated Activities undertaken directly 2023 £ | Support costs 2023 £ | As restated Total funds 2023 £ |
| Provision of school services | | 18,166,440 | 1,697,308 | 19,863,748 |
| Bursaries provided | | - | 214,978 | 214,978 |
| | | <u>18,166,440</u> | <u>1,912,286</u> | <u>20,078,726</u> |

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Notes to the financial statements Year ended 31 July 2024

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2024 £ | As restated Total funds 2023 £ |
|--|-----------------------------|--|
| Depreciation | 1,250,905 | 1,195,577 |
| Teachers' salaries | 10,796,233 | 9,911,146 |
| Teaching resources | 786,665 | 744,720 |
| Other educational costs | 1,036,182 | 939,766 |
| Other teaching staff costs | 209,131 | 199,462 |
| Premises costs - salary | 743,392 | 705,600 |
| Premises costs - maintenance | 812,286 | 798,388 |
| Premises costs - occupancy | 1,162,890 | 1,222,591 |
| Premises costs - insurance | 203,795 | 169,936 |
| Catering costs - staff salaries | 344,606 | 321,760 |
| Catering costs - food | 489,221 | 473,122 |
| Catering costs - kitchen overheads | 107,616 | 151,542 |
| Academic support expenditure - educational support salaries | 1,246,763 | 1,082,251 |
| Academic support expenditure - PE and sport | 159,660 | 226,450 |
| Academic support expenditure - clubs, school magazines and miscellaneous costs | 17,257 | 14,446 |
| Prizes and awards | 8,983 | 9,683 |
| | <u>19,375,585</u> | <u>18,166,440</u> |

Analysis of support costs

| | Provision of school services 2024 £ | Bursaries provided 2024 £ | Total funds 2024 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 970,975 | 199,767 | 1,170,742 |
| Financial costs | 488,835 | - | 488,835 |
| Other central costs | 153,864 | - | 153,864 |
| Governance | 35,972 | - | 35,972 |
| | <u>1,649,646</u> | <u>199,767</u> | <u>1,849,413</u> |

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Notes to the financial statements
Year ended 31 July 2024

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Provision of school services 2023 £ | Bursaries provided 2023 £ | Total funds 2023 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 996,325 | 214,978 | 1,211,303 |
| Financial costs | 550,180 | - | 550,180 |
| Other central costs | 113,460 | - | 113,460 |
| Governance | 37,343 | - | 37,343 |
| | <u>1,697,308</u> | <u>214,978</u> | <u>1,912,286</u> |

11. Auditor's remuneration

| | 2024 £ | 2023 £ |
|---|---------------|---------------|
| Fees payable to the group's auditor for the audit of the charitable company's annual accounts | 16,000 | 10,900 |
| Fees payable to the group's auditor in respect of: | | |
| - The auditing of accounts of associates of the group | 9,000 | 5,680 |
| - All assurance services not included above | 1,300 | 920 |
| | <u>16,000</u> | <u>17,500</u> |

12. Pupils and employees details

| | 2024 £ | 2023 £ |
|-----------------------|-------------------|-------------------|
| Staff costs | | |
| Wages and salaries | 10,901,616 | 10,027,805 |
| Social security costs | 1,140,665 | 1,072,685 |
| Pension contributions | 2,134,193 | 1,884,086 |
| | <u>14,176,474</u> | <u>12,984,576</u> |

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Year ended 31 July 2024

| | 2024 | 2023 |
|---|-------------|-------------|
| | No. | No. |
| The number of employees receiving remuneration of more than £60,000 per annum is as follows: | | |
| £60,001 - £70,000 | 34 | 22 |
| £70,001 - £80,000 | 5 | 4 |
| £80,001 - £90,000 | 5 | 3 |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | - |
| £120,001 - £130,000 | 1 | 1 |
| £140,001 - £150,000 | - | 1 |
| £160,001 - £170,000 | 1 | - |
| | 47 | 32 |

Key management personnel has been determined to be the governors and the 10 (2023: 10) members of the senior management team. The total remuneration of the senior management team, excluding employer's national insurance costs, was £1,182,057 (2023: £1,098,259).

During the year, no governors received any remuneration (2023: £nil). No expenses were reimbursed to governors in either year.

| | Headcount | Headcount | FTE | FTE |
|-----------------------------|------------------|------------------|-------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | No. | No. | No. | No. |
| Staff numbers | | | | |
| Senior school teachers | 126 | 124 | 114 | 116 |
| Junior school teachers | 21 | 21 | 19 | 19 |
| Academic support | 53 | 51 | 34 | 35 |
| Property management | 31 | 30 | 24 | 25 |
| Clerical and administrative | 33 | 30 | 25 | 28 |
| Catering | 21 | 21 | 16 | 15 |
| | 285 | 277 | 232 | 238 |

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Notes to the financial statements Year ended 31 July 2024

Pupil numbers at 31 July

| | 2024 No. | 2023 No. |
|----------------------|---------------------|---------------------|
| Senior school | | |
| Full fees | 981 | 1,002 |
| Receiving bursaries | 78 | 77 |
| | <u>1,059</u> | <u>1,079</u> |
| | <u><u>1,059</u></u> | <u><u>1,079</u></u> |
| Junior school | | |
| Full fees | 261 | 264 |
| Receiving bursaries | 6 | 6 |
| | <u>267</u> | <u>270</u> |
| | <u><u>267</u></u> | <u><u>270</u></u> |

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Notes to the financial statements Year ended 31 July 2024

13. Tangible fixed assets

Group

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|---------------------------|----------------------------|------------------------|-------------------------------|--------------------------------------|------------|
| Cost or valuation | | | | | |
| At 1 August 2023 | 51,870,004 | 218,798 | 4,096,247 | 570,317 | 56,755,366 |
| Additions | - | 474 | 375,930 | - | 376,404 |
| Disposals | - | - | (757,467) | - | (757,467) |
| Transfers between classes | - | - | 570,317 | (570,317) | - |
| At 31 July 2024 | 51,870,004 | 219,272 | 4,285,027 | - | 56,374,303 |
| Depreciation | | | | | |
| At 1 August 2023 | 8,242,446 | 122,306 | 3,500,359 | - | 11,865,111 |
| Charge for the year | 947,150 | 22,444 | 281,310 | - | 1,250,904 |
| On disposals | - | - | (757,467) | - | (757,467) |
| At 31 July 2024 | 9,189,596 | 144,750 | 3,024,202 | - | 12,358,548 |
| Net book value | | | | | |
| At 31 July 2024 | 42,680,408 | 74,522 | 1,260,825 | - | 44,015,755 |
| At 31 July 2023 | 43,627,558 | 96,492 | 595,888 | 570,317 | 44,890,255 |

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Notes to the financial statements

Year ended 31 July 2024

13. Tangible fixed assets (continued)

Company

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|---------------------------|----------------------------|------------------------|-------------------------------|--------------------------------------|------------|
| Cost or valuation | | | | | |
| At 1 August 2023 | 51,870,004 | 218,798 | 4,084,180 | 570,317 | 56,743,299 |
| Additions | - | 474 | 375,930 | - | 376,404 |
| Disposals | - | - | (757,467) | - | (757,467) |
| Transfers between classes | - | - | 570,317 | (570,317) | - |
| At 31 July 2024 | 51,870,004 | 219,272 | 4,272,960 | - | 56,362,236 |
| Depreciation | | | | | |
| At 1 August 2023 | 8,242,446 | 122,306 | 3,488,292 | - | 11,853,044 |
| Charge for the year | 947,150 | 22,444 | 281,310 | - | 1,250,904 |
| On disposals | - | - | (757,467) | - | (757,467) |
| At 31 July 2024 | 9,189,596 | 144,750 | 3,012,135 | - | 12,346,481 |
| Net book value | | | | | |
| At 31 July 2024 | 42,680,408 | 74,522 | 1,260,825 | - | 44,015,755 |
| At 31 July 2023 | 43,627,558 | 96,492 | 595,888 | 570,317 | 44,890,255 |

Included in land and buildings is freehold land at valuation of £6,700,000 (2023: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2024, included within the net book value of land and buildings is £42,664,378 (2023: £43,610,553) relating to freehold land and buildings and £16,030 (2023: £17,003) relating to long term leasehold land and buildings.

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Notes to the financial statements Year ended 31 July 2024

14. Fixed asset investments

| Group | Listed investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 1 August 2023 | 945,149 |
| Revaluations | 72,315 |
| At 31 July 2024 | <u>1,017,464</u> |
| Net book value | |
| At 31 July 2024 | <u>1,017,464</u> |
| At 31 July 2023 | <u>945,149</u> |

| Company | Investments in subsidiary companies £ | Listed investments £ | Total £ |
|--------------------------|--|----------------------------|------------------|
| Cost or valuation | | | |
| At 1 August 2023 | 1 | 945,149 | 945,150 |
| Revaluations | - | 72,315 | 72,315 |
| At 31 July 2024 | <u>1</u> | <u>1,017,464</u> | <u>1,017,465</u> |
| Net book value | | | |
| At 31 July 2024 | <u>1</u> | <u>1,017,464</u> | <u>1,017,465</u> |
| At 31 July 2023 | <u>1</u> | <u>945,149</u> | <u>945,150</u> |

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15. Investment property

Group and company

| | Freehold investment property £ |
|-----------------------------------|---|
| Valuation | |
| At 1 August 2023 and 31 July 2024 | 365,000 |

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

16. Stocks

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Teaching and other stock | 5,919 | 3,683 | 5,919 | 3,683 |
| Kitchen | 6,820 | 8,385 | 6,820 | 8,385 |
| Goods for resale | 6,165 | 10,983 | - | - |
| | 18,904 | 23,051 | 12,739 | 12,068 |

17. Debtors

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 30,485 | 93,981 | 30,485 | 93,825 |
| Amounts owed by group undertakings | - | - | - | 16,867 |
| Other debtors | 53,186 | 75,373 | 53,080 | 75,002 |
| Prepayments and accrued income | 277,606 | 249,064 | 277,606 | 249,064 |
| | 361,277 | 418,418 | 361,171 | 434,758 |

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Year ended 31 July 2024

18. Creditors: amounts falling due within one year

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|------------------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Bank loans | 840,000 | 840,000 | 840,000 | 840,000 |
| Trade creditors | 135,474 | 751,538 | 134,475 | 751,538 |
| School field trip creditors | 273,866 | 150,546 | 273,866 | 150,261 |
| Pension creditor | 241,850 | 205,310 | 241,850 | 205,310 |
| Other taxation and social security | 268,694 | 268,253 | 268,694 | 268,253 |
| Other creditors | 25,289 | 99,747 | 25,289 | 99,747 |
| Accruals and deferred income | 1,276,721 | 1,332,905 | 1,273,935 | 1,331,325 |
| Fees received in advance | 72,776 | 53,089 | 72,776 | 53,089 |
| Deposits | 33,400 | 70,400 | 33,400 | 70,400 |
| | <u>3,168,070</u> | <u>3,771,788</u> | <u>3,164,285</u> | <u>3,769,923</u> |

The movement in deferred income in the year is as follows:

| | Group 2024 | Group 2023 | Company 2024 | Company 2023 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| | £ | £ | £ | £ |
| Deferred income at the beginning of the year | 123,489 | 176,329 | 123,489 | 176,329 |
| Resources deferred during the year | 106,176 | 123,489 | 106,176 | 123,489 |
| Amounts released from previous periods | (123,489) | (176,329) | (123,489) | (176,329) |
| | <u>106,176</u> | <u>123,489</u> | <u>106,176</u> | <u>123,489</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2024

19. Creditors: amounts falling due after more than one year

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 10,107,000 | 10,947,000 | 10,107,000 | 10,947,000 |
| Deposits | 257,600 | 191,600 | 257,600 | 191,600 |
| Fees received in advance | - | 23,014 | - | 23,014 |
| | <u>10,364,600</u> | <u>11,161,614</u> | <u>10,364,600</u> | <u>11,161,614</u> |

Included within the above are amounts falling due as follows:

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|-----------------------------------|--------------------|--------------------|----------------------|----------------------|
| Between one and two years | | | | |
| Bank loans | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> |
| Between two and five years | | | | |
| Bank loans | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> |
| Over five years | | | | |
| Bank loans | <u>6,747,000</u> | <u>7,587,000</u> | <u>6,747,000</u> | <u>7,587,000</u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Payable or repayable by instalments | <u>6,747,000</u> | <u>7,587,000</u> | <u>6,747,000</u> | <u>7,587,000</u> |

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the group and a debenture. At 31 July 2024, bank loans, including amounts falling due within one year, comprise the following loans:

- £11.5 million term loan, of which £8.3 million remained outstanding at the year end, secured on the group's freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates; and
- £3.5 million facility, of which £2.7 million remained outstanding at the year end, secured on the group's freehold land and buildings and repayable by instalments over a 15 year term and bearing interest at market rates.

The Newcastle upon Tyne Royal Grammar School
 (A company limited by guarantee)

Notes to the financial statements
Year ended 31 July 2024

20. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2024 £ |
|---------------------------------|----------------------------------|-------------------|---------------------|--------------------------|-------------------------|---------------------------------|
| Designated funds | | | | | | |
| Bursary Fund | 2,878,404 | - | (204,000) | - | - | 2,674,404 |
| Revaluation reserve | 12,941,804 | - | - | - | - | 12,941,804 |
| | <u>15,820,208</u> | <u>-</u> | <u>(204,000)</u> | <u>-</u> | <u>-</u> | <u>15,616,208</u> |
| General funds | | | | | | |
| School general fund | 21,291,258 | 22,134,112 | (21,201,967) | 157,026 | - | 22,380,429 |
| RGS Trading | 13,104 | 69,370 | (68,347) | - | - | 14,127 |
| | <u>21,304,362</u> | <u>22,203,482</u> | <u>(21,270,314)</u> | <u>157,026</u> | <u>-</u> | <u>22,394,556</u> |
| Total unrestricted funds | <u>37,124,570</u> | <u>22,203,482</u> | <u>(21,474,314)</u> | <u>157,026</u> | <u>-</u> | <u>38,010,764</u> |
| Endowment funds | | | | | | |
| Prize Funds Charity | 120,387 | - | - | - | 9,211 | 129,598 |
| J R Howarth Bursary Fund | 145,064 | - | - | - | 11,099 | 156,163 |
| Peter Taylor Bursary Fund | 93,111 | - | - | - | 7,124 | 100,235 |
| The Storrow Scott Trust | 951,587 | - | - | - | 44,881 | 996,468 |
| | <u>1,310,149</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>72,315</u> | <u>1,382,464</u> |

The Newcastle upon Tyne Royal Grammar School
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 July 2024

20. Statement of funds (continued)

Restricted funds

| | | | | | | |
|---------------------------|--------------------------|--------------------------|----------------------------|------------------|----------------------|--------------------------|
| J R Howarth Bursary Fund | 1,970 | 2,699 | - | - | - | 4,669 |
| Peter Taylor Bursary Fund | 15,499 | 4,209 | - | - | - | 19,708 |
| School Bursary Fund | 123,552 | - | - | (123,552) | - | - |
| Cricket Fund | 432 | - | - | (432) | - | - |
| The Storrow Scott Trust | 63,083 | 52,882 | (1,440) | (33,042) | - | 81,483 |
| Reece Foundation | - | 72,406 | (72,406) | - | - | - |
| British Engines | - | 40,518 | (40,518) | - | - | - |
| | <u>204,536</u> | <u>172,714</u> | <u>(114,364)</u> | <u>(157,026)</u> | <u>-</u> | <u>105,860</u> |
| Total of funds | <u>38,639,255</u> | <u>22,376,196</u> | <u>(21,588,678)</u> | <u>-</u> | <u>72,315</u> | <u>39,499,088</u> |

Transfers between restricted and unrestricted funds reflect the release of restricted funds to cover the costs of the associated bursaries.

The Newcastle upon Tyne Royal Grammar School
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 July 2024

20. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2022 £ | As restated Income £ | As restated Expenditure £ | Gains/ (Losses) £ | As restated Balance at 31 July 2023 £ |
|---------------------------------|-------------------------------------|----------------------------|---------------------------------|-------------------------|--|
| Designated funds | | | | | |
| Bursary Fund | 2,878,404 | - | - | - | 2,878,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| | <u>15,820,208</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,820,208</u> |
| General funds | | | | | |
| School general fund | 20,330,062 | 21,047,755 | (20,086,559) | - | 21,291,258 |
| RGS Trading | 4,153 | 66,237 | (57,286) | - | 13,104 |
| | <u>20,334,215</u> | <u>21,113,992</u> | <u>(20,143,845)</u> | <u>-</u> | <u>21,304,362</u> |
| Total unrestricted funds | <u>36,154,423</u> | <u>21,113,992</u> | <u>(20,143,845)</u> | <u>-</u> | <u>37,124,570</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 122,958 | - | - | (2,571) | 120,387 |
| J R Howarth Bursary Fund | 147,923 | - | - | (2,859) | 145,064 |
| Peter Taylor Bursary Fund | 94,946 | - | - | (1,835) | 93,111 |
| The Storrow Scott Trust | 963,148 | - | - | (11,561) | 951,587 |
| | <u>1,328,975</u> | <u>-</u> | <u>-</u> | <u>(18,826)</u> | <u>1,310,149</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2024

20. Statement of funds (continued)

Restricted funds

| | | | | | |
|---------------------------|--------------------------|--------------------------|----------------------------|------------------------|--------------------------|
| J R Howarth Bursary Fund | 1,970 | - | - | - | 1,970 |
| Peter Taylor Bursary Fund | 15,499 | - | - | - | 15,499 |
| School Bursary Fund | 123,552 | - | - | - | 123,552 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 44,890 | 50,001 | (31,808) | - | 63,083 |
| Reece Foundation | - | 81,567 | (81,567) | - | - |
| | <u>186,343</u> | <u>131,568</u> | <u>(113,375)</u> | <u>-</u> | <u>204,536</u> |
| Total of funds | <u><u>37,669,741</u></u> | <u><u>21,245,560</u></u> | <u><u>(20,257,220)</u></u> | <u><u>(18,826)</u></u> | <u><u>38,639,255</u></u> |

Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2024

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- Funds provided by British Engines for the provision of a robotics teacher to support RGS and Partner schools in the North East; and
- Funds provided by Reece Foundation to support Maths and Physics provision in Partnership schools.

LINKED CHARITIES

The charitable company is the trustee of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Under the 2006 Scheme of the Property Trust retains the group's permanent endowments. Land and buildings must be managed by the group in accordance with the objects of this charity and various prize funds held by the charity must be managed by the group in accordance with their trusts.

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Trustee of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Trustees. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be played there on grass.

The capital of The Endowment Fund is now to be held at the discretion of the Trustees subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Fields Association and the Northumberland Playing Fields Association.

However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Trustees in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2024

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Trustee shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received into the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring trustees, Mr Scott having been a pupil at the school).

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Endowment funds 2024 £ | Total funds 2024 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 44,015,755 | - | - | 44,015,755 |
| Fixed asset investments | - | - | 1,017,464 | 1,017,464 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 7,527,679 | 105,860 | - | 7,633,539 |
| Creditors due within one year | (3,168,070) | - | - | (3,168,070) |
| Creditors due in more than one year | (10,364,600) | - | - | (10,364,600) |
| Total | 38,010,764 | 105,860 | 1,382,464 | 39,499,088 |

Analysis of net assets between funds - prior period

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total funds 2023 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 44,890,255 | - | - | 44,890,255 |
| Fixed asset investments | - | - | 945,149 | 945,149 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 7,167,717 | 204,536 | - | 7,372,253 |
| Creditors due within one year | (3,771,788) | - | - | (3,771,788) |
| Creditors due in more than one year | (11,161,614) | - | - | (11,161,614) |
| Total | 37,124,570 | 204,536 | 1,310,149 | 38,639,255 |

The Newcastle upon Tyne Royal Grammar School
 (A company limited by guarantee)

Notes to the financial statements
Year ended 31 July 2024

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

| | Group 2024 £ | Group 2023 £ |
|--|--------------------|--------------------|
| Net income for the period (as per Statement of Financial Activities) | 859,833 | 969,514 |
| Adjustments for: | | |
| Depreciation charges | 1,250,904 | 1,197,732 |
| Interest paid | 401,533 | 429,887 |
| (Gains)/losses on investments | (72,315) | 18,826 |
| Dividends, interests and rents from investments | (320,667) | (195,094) |
| Decrease/(increase) in stocks | 4,147 | (6,753) |
| Decrease/(increase) in debtors | 57,141 | (79,861) |
| Decrease in creditors | (560,732) | (185,446) |
| Net cash provided by operating activities | 1,619,844 | 2,148,805 |

23. Analysis of cash and cash equivalents

| | Group 2024 £ | Group 2023 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 7,253,358 | 6,930,784 |

24. Analysis of changes in net debt

| | At 1 August 2023 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2024 £ |
|--------------------------|--------------------------|------------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 6,930,784 | 322,574 | - | 7,253,358 |
| Debt due within 1 year | (840,000) | 840,000 | (840,000) | (840,000) |
| Debt due after 1 year | (10,947,000) | - | 840,000 | (10,107,000) |
| | (4,856,216) | 1,162,574 | - | (3,693,642) |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2024

25. Pension commitments

The group's employees belong to two principal pension schemes, the Teachers' Pension Scheme for teaching staff, and the RGS Support Staff Pension Scheme for support staff. In September 2023, the school introduced an optional defined contribution scheme provided by Aviva Pension Trust for Independent Schools (APTIS). This scheme was already available for operational staff, as detailed below, and has now been extended to teachers.

Teachers' Pension Scheme

The Teachers' Pension Scheme ('TPS') is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,843,969 (2023: £1,658,929). Contributions totalling £234,231 (2023: £205,310) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

Valuation of the Teacher's Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

RGS Support Staff Pension Scheme

The RGS Support Staff Pension Scheme is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS, as well as being an option for teachers. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £290,224 (2023: £225,157). Contributions totalling £7,619 (2023: £nil) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2024

26. Operating lease commitments

At 31 July 2024 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2024 £ | Group 2023 £ | Company 2024 £ | Company 2023 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 526,786 | 101,963 | 526,786 | 101,963 |
| Later than 1 year and not later than 5 years | 1,145,714 | 321,006 | 1,145,714 | 321,006 |
| Later than 5 years | 216,951 | 231,602 | 216,951 | 231,602 |
| | <u>1,889,451</u> | <u>654,571</u> | <u>1,889,451</u> | <u>654,571</u> |

27. Related party transactions

Some governors are also trustees of The Royal Grammar School Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The grant made towards bursaries in the year amounted to £1,275,000 (2023: £1,099,709). The group's administrative staff provide assistance with the charity's record keeping at no charge to the charity. The group maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school has met the Trust's campaign appeal costs totalling £149,951 (2023: £105,508). The group made donations of £204,000 to the charity during the year (2023: £nil).

The Trust has provided Hardship funds to help support families (e.g. purchasing suitable clothes for Sixth formers, transportation expenses to the school) to the group totalling £6,255 (2023: £2,425) The Trust has also received donations totalling £18,545 (2023: £63,595) from trustees or charities with which trustees have an association.

The Storrow Scott Charitable Will Trust, a charity controlled by the school, applies its income to the Royal Grammar School Educational Trust. Grants paid or payable in the year amounted to £33,042 (2023: £30,738).

The group purchased merchandise from RGS Trading Limited in the year totalling £nil (2023: £2,972) as well as recharges of £19,103 (2023: £16,867) for staff costs and administration. The balance owed by RGS Trading Limited at year end is £nil (2023: £16,867).

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2024

28. Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

| Name | Company number | Class of shares | Holding | Included in consolidation |
|---------------------|----------------|-----------------|---------|---------------------------|
| RGS Trading Limited | 04063794 | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit for the year £ | Net assets £ |
|---------------------|-------------|------------------|--------------------------|-----------------|
| RGS Trading Limited | 69,370 | (68,347) | 1,023 | 14,129 |

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales - Charity number 1114424

Accounts

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2023

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details

Year ended 31 July 2023

| | |
|----------------------------------|---|
| Governors | J S Berry, Co-opted Governor R H Fell, Co-opted Governor A C Fletcher, Co-opted Governor (Chair) S A Green, Co-opted Governor A Gupta, Co-opted Governor (resigned 25 November 2022) M Hannifa, Co-opted Governor A H Lamb, Co-opted Governor (resigned 16 June 2023) N J McMinn, Co-opted Governor S Milligan, Co-opted Governor A P Murphy, Co-opted Governor (resigned 16 June 2023) M D Robinson, Co-opted Governor C Stonehouse, Co-opted Governor (resigned 16 June 2023) T N Thorne, Nominated by Northumberland County Council S Woodroffe, Co-opted Governor J Fitzpatrick, Co-opted Governor (appointed 20 December 2022) R S Sanghera, Co-opted Governor (appointed 20 December 2022) |
| Company registered number | 05664801 |
| Charity registered number | 1114424 |
| Registered office | Eskdale Terrace Newcastle upon Tyne NE2 4DX |
| Company secretary | C F Black |
| Headmaster | G Stanford |
| Independent auditor | UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE |
| Bankers | Barclays Bank PLC PO Box 379 71 Grey Street Newcastle upon Tyne NE99 1JA National Westminster Bank plc 2nd Floor 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details (continued)

Year ended 31 July 2023

Investment advisors CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Insurance broker Zurich Municipal
Zurich House
2 Gladiator Way
Farnborough
GU14 6GB

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report Year ended 31 July 2023

The governors present their annual report together with the audited financial statements for the year 1 August 2022 to 31 July 2023. The annual report serves the purposes of both a governors' report and a directors' report under company law. The governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

AIMS AND OBJECTIVES

Charitable Objectives

The charitable objectives of The Newcastle upon Tyne Royal Grammar School (RGS) are set out in the school's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England; and
- Facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Purpose, Vision and Values

RGS remains connected to the purpose for which we were established and has a very clear vision as to what we wish to achieve:

- We believe in inspiring young people and equipping them to make a positive contribution to society; and
- The RGS as a school should promote excellence and is committed to raising aspiration and attainment across the North East.

Our values run through everything we do to deliver the above vision, in our work both within our school and outside in the wider community. Like fingerprints, our values are invisible but indelibly cover everything we do, they are integral to our prioritisation of activities both in the school and our work in the broader community, and are explicit in the standards and behaviour we expect of our students and staff:

- **Belief In Each Other** is the value of trust. When self-belief seems in short supply, we understand how believing in others can bolster confidence, make someone glow and foster their faith in themselves once again. Belief can break all sorts of ceilings and there are no limits to what can be achieved with tenacity, sheer graft and people you trust at your back. We celebrate everyone's achievements and allow ourselves to be guided by those we believe in. We catch when others fall but most importantly, we help them get back up again. Pastoral care and wellbeing is at the heart of this value. We work hard and believe that others will do the same.
- **Love for Learning** seems self-evident in a school built on RGS's formidable academic reputation. We communicate unashamedly how passionate we are, we encourage everyone to enjoy school and believe that a positive approach each day can bring out the best in every learner. Teaching happens in the most surprising and diverse ways and the best learning often happens by stealth, when it is least expected, in the nooks and crannies of the curriculum. The thirst for knowledge and freedom to explore can help that love of learning grow. We support self-expression, critical thinking and creativity in both teaching and learning – for academic success but also to enable people to be their best selves.

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- We value a **Sense of Belonging**, combining our kinship with each other in the school community with our heritage on Newcastle soil, where we took root five hundred years ago. We are place and people. We respect those around us, are openminded and non-judgemental. Everyone belongs. We are northern, where clanship is strong and bonds forged last a lifetime but we are of the global age. Borders and boundaries are transcended as the RGS family connects like other families spread across the world. We rest in the heart of our Tyneside community, where our Partnership work sees us collaborate within the wider educational and social landscape. Unity with our neighbours means an increased sense of belonging: we want to nurture good citizens: part of a network of people who strive for the greater good.
- **Ambition to Succeed** is to push forwards, move and innovate. It might be our final value but it doesn't act as a full stop. This is the thread that ties our other values together. We must never stand still, unless it is to reflect on what we have done and how we might do it differently next time. We have the intellectual freedom to explore and take risks – so we can push boundaries in and out of the classroom. We have a strong support network, both internally and externally, which helps us to change, adapt and respond together. We are constantly evolving and are ambitious for the future – because it is our future and we are excited by its opportunities. We recognise that success looks different for each individual, but whatever it looks like, we hope everyone in our community can strive to challenge themselves. We can be brave with academic content and co-curricular opportunities, encouraging that first small spark of ambition to flare. Conventional, eccentric, classic, left-field, surprising and delightful, we celebrate ambition in all its forms.

Our Public Benefit

RGS is driven by the social impact we can make, not only to the trajectory of the lives of students who attend our school, but also to our broader community and wider society.

Founded almost 500 years ago during Henry VIII's reign, Thomas Horsley, five time mayor of Newcastle, endowed RGS as the City's first school; that early philanthropic gift and social vision has been a constant throughout our almost half a millennium of existence. Our social responsibility remains at the forefront of our minds and is central to our future endeavours.

We believe that RGS is uniquely placed to stretch and challenge bright young people and consequently we have a well-deserved reputation for academic excellence, consistently outstripping national averages. Our students deliver phenomenal, nationally and internationally recognised achievements, with RGS often cited as an asset when encouraging inward investment to the North East. However, we are an exceptional school in a relatively deprived area of the UK. While we are convinced of the infinite potential of young people from the North East, the social mobility statistics in our region are some of the worst in the country and the challenges have been compounded by the pandemic. Too many children are missing opportunities afforded to others born elsewhere.

We believe that our model of a highly academic education ought to be available to *any* child who is intellectually curious, able and aspiring, and who would benefit from a fast paced and challenging curriculum through 1. RGS School, 2. RGS Bursaries and 3. RGS Partnerships.

The Governors have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits that our activities bring, to both pupils and the wider community.

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STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND ACTIVITIES

1. **RGS School** delivers our core educational activities. Pupil numbers at our Senior school increased to 1,073 (2022: 1,071) and the number of pupils at our Junior school returned to 270 (2022: 275). Our fees for the current year were:

Junior School - £12,947 per year

Senior School - £15,369 per year

RGS SCHOOL ACHIEVEMENTS

1,343 students attended RGS, which would have otherwise cost the taxpayer an annual **£9m** if educated in the state system.

In GCSEs, **85.2%** of grades achieved were A*-A (grades 9-7) and 40.9% were grade 9.

In A Level, 89.0% of grades achieved were A*-B and **70.8%** were A*-A.

Over **4,000** hours of volunteering were delivered by RGS students.

14 members of RGS staff are Governors at local schools and **2** are in Director/Trustee positions.

RGS students and staff ran more than 50 partnership projects in over 100 schools, regularly engaging with over 10,000 students and supporting more than 700 teachers.

In addition, RGS school buildings and facilities were accessed regularly by various local community groups and organisations for their events and activities.

RGS SCHOOL ACTIVITIES

Operations

This academic year was a year of moving back towards the normal rhythm of school life, without the complications of Covid-19. We commenced the first stage of our digital roll out, putting devices in the hands of all Senior School students in Years 7, 9, 10 and 12 as well as a 2:1 ratio of devices in our Junior School. This brought with it new challenges with teaching staff continuing to extend the digital learning experienced by our students. Events were able to be held in person although we continue to use the learnings from Covid-19 to use different mediums of communications to suit our community with the ability to have some parent conferences online and to live-stream performances and other events. We were also delighted to recommence the trips programme in earnest with students across the School enjoying enrichment activities away from the main school site.

Whilst the previous academic year closed with a celebration for Queen Elizabeth II's Platinum Jubilee, this academic year started with a more sombre note as we marked the passing of Queen Elizabeth II. This was particularly significant given our Royal Charter had been granted to the school in 1600 by Queen Elizabeth I and we marked the event by the commissioning of a new stained glass panel which is now on display in the school library. Fittingly, towards the end of the academic year we came together again as a community to celebrate the coronation of King Charles III.

Academic

In December 2022, RGS was again recognised as The Sunday Times' North East Independent School of the Year for Academic Performance, reflecting our outstanding 2021-22 public exam results. This exam success continued in the outstanding results achieved for both A-Level and GCSEs that our students sat in the Summer

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of 2023. Despite the turbulent few years this generation of students have experienced, which included our A-Level students missing out on sitting GCSE exams, we were delighted that 22 students achieved all A* grades with 98 achieving all A* or A grades. In particular, Extended Project Qualification results further reflect the value the school provides beyond the main curriculum, with 68 students completing an EPQ, of which 72.1% were graded at A* or A. As with A-Levels, GCSE grade boundaries were adjusted for the 2023 Summer exams to align with pre-pandemic years – despite this adjustment our students surpassed the 2019 (last comparable year) performance and achieved 85.2% grades of 7-9 (A* to A) with 40.9% at grade 9, the highest possible grade. 13 students attained grade 9 in all subjects and 55 of the cohort achieved in 11 GCSEs. Collectively the students achieved 1,429 GCSE qualifications, from the 21 different GCSE subject options available at RGS.

In Junior School the children continue to perform at or beyond age related expectations in Maths and English and in most cases significantly so. The average academic profile in Junior School is that of a child performing in reading and spelling at least 1 year beyond their chronological age.

Following the semi-retirement of Roger Loxley, after 19 years as Deputy Head (Academic), we welcomed Chris Quayle into the role and he commenced his role in September 2022. This coincided with the first year of the roll out of digital devices to students in Senior School and the increased use of technology in the classroom. The second phase of this roll out is planned for September 2023 and at that stage every student in Senior School will be issued with a device to enhance their learning experience.

Outside of the core curriculum, RGS continued to prioritise enquiry-based learning with Y7 students making rocket cars and Y8 students engaging with their sustainable goals project, in both cases producing some creative and imaginative outcomes. Y9 participated in an essay writing competition, securing a number of national winning entries and Y12 students completed a broad range of Extended Project Qualifications (EPQs) demonstrating an extraordinary level of intellectual curiosity and academic achievement. Our Sixth Form Professional Class Team, "Frontier", won a range of awards at the F1 in Schools HQ competition – including first place overall. Our Year 9 Development Team, "Photon Racing", came second in their age category. 34 pupils competed in the Cyber Centurion competition, with 188 taking part in the University of Oxford Computing Challenge (having already placed within the top 10% nationally in the previous Bebras competition). 95 entries were made by RGS students for Durham County Council's International team language event. In Art, students entered the "Art Bytes" national competition, with students winning both "special" awards and overall year group categories. Adjudicators praised the innovative and fresh artwork which reflected strong contemporary ideas.

Co-curricular

Following on from the previous year, the academic year 2022-23 was very much a return to business as usual with a year full of co-curricular opportunities for our students, both on and off site. This was also the first full year in post for Andrew McBride in the newly created role of Deputy Head (Co-Curriculum).

In Junior School, the Year 6 students enjoyed their end of Junior School trip to London where they explored the city's iconic landmarks of Buckingham Palace, Big Ben and Trafalgar Square before experiencing an evening trip to the theatre and then finishing the two day, whistle-stop tour with a river cruise and visit to Madame Tussauds. They then returned to School to deliver a spectacular production of Frozen Junior where the dedication of children teachers and parents alike was evident with the confident and poised performance that the packed theatre enjoyed. Elsewhere in Junior School, students were all given the opportunity to enjoy residential trips in the great outdoors across Northumberland and the Lake District where they experienced a variety of activities from cooking and sleeping outside, fire making, archery, kayaking and much more. These trips, whilst fun, develop many skills in our students such as resilience and teamwork. Students from year 3 up to year 6 are also given multiple opportunities to perform on stage with The Spring Concert, House Music and House Dance – all incredible moments that allow children to develop their confidence to perform and the belief in themselves. It is also deliberately made into a mistake friendly environment which allows children to give their best effort knowing that both success and failure are equally valuable.

In the Senior School, once again the year was packed with co-curricular activities. Performing arts events included a "Night at the Musicals", as well as performances of The Lion, the Witch and the Wardrobe (Years 7/8) an ambitious production of A Monster Calls (Years 9/10) and a Jacobean play Revengers Tragedy (Years 11-13)

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giving students of all ages an opportunity to test their acting skills and perform in the Miller Theatre. There continued to be a plethora of musical opportunities for students with more informal half termly recitals and "Agora Gigs" as well as our more traditional concerts such as the Spring Concert which involved almost 150 performers and the Choir and Orchestra concert which celebrated 100 years of the School's organ. The now traditional "singing Christmas Card" video production was particularly poignant this year as the community looked back at memories of the past, this again united our entire community.

On a sporting note, our senior netball, hockey and rugby teams had an inspirational two-week tour to South Africa, playing competitive matches as well as taking part in a number of activities such as climbing Table Mountain and, perhaps most humbling, being able to visit the Afrika Tikkun Learning Community Centre where RGS sponsor a classroom. There was both broad participation, with 89% of the student body taking part in fixtures, and the highest level of performance across a wide range of sports which this year also included our first ever Girl's Rugby fixture as well as significantly increased participation in Girls Football and Girls Cricket this year. RGS teams reached national finals in netball, gymnastics and cross country, in some cases with several teams at different age groups. The Senior Girls' hockey team reached the last eight in the national Tier 1 competition and the boys Rugby Team reached the Quarter Finals of the NatWest trophy. There was a broad range of both collective and individual success in a wide range of other sports.

Other major school activities which brought the community together were our RGS Winter Wonderland and Art of Hope exhibition and auction, where over 300 students, from year 6 and above, produced artwork, which were auctioned, raising over £10k for three student selected charities. Students raised over £4,000 for the humanitarian appeal following the earthquake in Turkey and Syria, and over £2,000 for local homeless charity Depaul UK through a variety of activities. Children in Need raised just under £3,000, and donations were collected during musical performances throughout the year. Students organised a successful Easter Egg collection for Feeding Families, on top of our now annual Christmas food appeal, which has become a significant part of the charity's planning and makes a tangible difference to families across the North East. Voluntary Service remained high profile in the school, with RGS school students giving an over 4,000 hours of time to local causes. The Junior School supported a number of charitable events in the year and raised over £2,700 for national appeals such as Children in Need and entered a large number of families into the Cancer Run. Money was raised for the Food Bank and a selection of Y6 children visited the supermarket to spend the money and deliver the goods to the Food Bank in order to enhance their understanding of shopping to a budget and the very real need there is within the city. The Junior School Parent Team raises money for our bursary scheme and for a charity voted for each year by the students and all students were invited to nominate a charity close to them with a small number then selected to present in the Charity Dragon's Den Assembly. After the presentations the whole student body voted for their favourite charity and the 2023 recipient of £1,000 was the Children's Heart Unit Fund.

Outside of sport and music, our co-curricular programme continues to thrive with success for our students in F1 in Schools with our Sixth Form team winning Best Engineered Car, Fastest Car, the Sponsorship and Marketing Award and First Overall – winning them a place at the Nationals. The Year 9 Development Team also won Fastest Car and Second overall, also winning them a place at the Nationals. Students also competed throughout the year in numerous STEM competitions such as VEX Robotics, First Lego League, Scalextric, Coding, Computer Science and E-Sport and continue to perform at the highest level both regionally and nationally.

Various residential trips took place, including the Year 7 trip to the Lake District which included a night in a bivouac sleeping under the stars; Duke of Edinburgh (DofE) expeditions continued to be popular and the Combined Cadet Force (CCF) continued to thrive with the biggest ever cohort of over 200 students participating as well as being the only school based CCF to be involved in the Remembrance Service in London in November 2022.

Pastoral

In such an ambitious and high performing school, supporting the wellbeing of our staff and students is always a priority and this year we were delighted to receive an award for promoting emotional wellbeing and positive mental health throughout our community. Our pastoral team has been working hard for the past two years across both our Junior and Senior schools to embed this as an integral part of RGS culture.

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EDI remains a School priority and work has continued in the year to ensure we remain an inclusive community that celebrates our diversity. Activities in the year have included, for example, our continued work with Bold Voices and developing our peer support network with Bold Voices Ambassadors and Well Being Prefects.

We also restructured and relocated our SEND provision, appointing a qualified SENDCO and giving the Learning Support team a new purpose designed base in the heart of the school.

2. **RGS Bursaries** open access to our school for children who could not otherwise attend, which creates deep and generational impact for both bursary children and their families.

RGS BURSARIES ACHIEVEMENTS

83 (1 in 16) students at RGS attended on transformational means-tested RGS Bursaries.

21 new bursary students joined in September 2022

14 new bursary students will join in September 2023 (taking total bursary students to 86).

440 bursary students have been supported since RGS Bursaries were established in 2002, collectively attending for the equivalent of **1,855** teaching years.

RGS BURSARIES ACTIVITIES

The RGS remains committed to welcoming students from a wide range of backgrounds, increasing access to the opportunities it provides for boys and girls from those families whose circumstances means they are unable to afford school fees. We are indebted to a broad range of donors for their support and are especially grateful to the parents of existing and former RGS students, and Old Novocastrians, who have personally supported this important element of RGS's work, and have seen first-hand how the bursary programme can change the trajectory of the beneficiaries lives.

RGS Bursaries are strictly means tested and the average award is **94.6%** of fees, in line with our commitment to target our finite funds at students with proven academic ability from families in the most financial need.

RGS Bursaries are highly sought after, and the competition for the limited places is fierce. In addition to the academic assessments and a comprehensive financial review, the Head of Bursary support conducts home visits before the bursary assessment team convenes to make recommendations regarding the allocation of Bursary places. The school continues to observe a significant increase in bursary applications, reflecting the growing awareness of this life changing opportunity. The responsibilities of the Head of Bursary support have been expanded to establish meaningful links with our bursary applicants and offer ongoing support throughout their time studying at RGS. This role compliments the standard pastoral support available to all students.

The status of our bursary students' funding is confidential unless they otherwise choose to disclose to their peers; a growing number of Sixth Form bursary holders have been very open, considering their bursary a 'badge of honour'. Anonymous or not, the bursary students search out every possible opportunity available during their time here, and each term it is a delight to see them winning national competitions, Chiring school clubs and societies, leading drama productions and musical ensembles as well as excelling in sports. They contribute greatly to the school and our community flourishes from the broad perspectives that can only come from a socially diverse student body.

We are extremely particularly proud of the twelve year 13 means-tested bursary holders, who this year collectively secured 60 A Levels across 16 different subjects. Four of these students secured all A*-As.

Our long-term vision is for the RGS student population to reflect the social diversity of the City of Newcastle. We aspire to offer an increasing number of individuals in our region the option of a highly academic education, irrespective of the applicants' background.

We believe that if we were a needs blind school, selecting students only on their academic merit, up to 25% of our school population could be eligible for a mean-tested bursary, based on the proportion of people

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experiencing significant economic challenges in the North East. To that end, we have consciously invested in expanding our Development team with a view to increasing the funding available both for Bursaries and for our wider partnership work.

The School benefits from its active engagement with its alumni, who provide a significant contribution to bursaries, through the Old Novocastrians Association (ONA). The ONA magazine reaches a large number of former students and this year's edition focused on Computer Science at the RGS and included an interview with former student Jim Ryan, now President and Chief Executive of Sony Interactive Entertainment, who came and spoke to pupils at the school. This year the school proudly partnered with the North East Chamber of Commerce to host the inaugural President's supper in our main hall, with the active participation of students, including many bursary recipients where another ON, Leo Pearlman, the Managing Partner of Fulwell 73 spoke about his ambition to build a film studio creating over 8,000 jobs in Sunderland. The RGS Garden party also proved to be a vibrant evening filled with joy and dancing, generating funds and further increasing the awareness of our Bursary campaign.

3. **RGS Partnerships** encompass genuinely equal collaboration with state schools, to deliver broad impact to bright, capable children from across the entire North East region.

RGS PARTNERSHIPS ACHIEVEMENTS

4 RGS teachers are *dedicated* to RGS Partnerships work, with countless more RGS teachers supporting outreach activities.

In 2022-23, over **10,000** individual students in local state schools benefitted from RGS Partnerships activities, for a total **26,500** hours.

105 different schools across the region were involved in RGS Partnerships activities.

More than **750** teachers received **1,500** hours of CPD or collaborated on curriculum development.

Over **50** RGS Partnerships projects have taken place, including STEAM, Sport, Languages, Classics, Debating, UCAS Mentoring and much more.

RGS PARTNERSHIPS ACTIVITIES

RGS Partnerships continued to develop in school year 2022-23. The number of teachers and students that RGS Partnerships impacted beyond the RGS school gates grew significantly and behind these numbers there are so many inspiring stories, innovative and collaborative initiatives, as well as relationships that have developed.

Resourcing

Fundamental to the delivery of our RGS Partnerships projects are our dedicated staff in the form of a Director of Partnerships and three dedicated Partnerships Teachers, one specialist in Maths, one Physics and one in Robotics (encompassing EDT and aspects of Computer Science) respectively. Maths and Physics work is funded by the Reece Foundation, with Robotics funded by British Engines. In addition to this dedicated RGS Partnerships resource, RGS teachers and support staff from across the school gave time to support our diverse and innovative range of projects.

RGS Partnerships with state schools are genuinely collaborative and mutually beneficial; we believe that when passionate colleagues from all kinds of schools and organisations work together towards the twin goals of raising attainment and access to opportunity, amazing things can happen.

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Projects

Our range of projects have developed following open dialogue with partner schools and a range of pilots, the learnings from which, have shaped our focus. Given that we work with schools from Berwick to Middlesbrough, and everywhere in between, the geographical location and catchment area of partner schools also greatly influence their needs; as such, the context in each partner school directly affects the ways in which we will work together. This discussion is often formalised with a memorandum of understanding, confirming each party's commitment.

Maths specific projects have included:

- 930 students benefitted from Maths Partnerships activities [from at least 48 schools].
- 3,555 student-hours of teaching, of which 77% were recurring [weekly / fortnightly / half-termly].
- ... with approximately 56% girls and 44% boys.
- Furthermore, 17 teachers were involved in Maths CPD.

Individual Projects

- **Stretch and Challenge** – At a secondary school in West Newcastle, we have worked on a weekly basis with students in Y9, Y10 and Y11 through taught lessons and enrichment activities.
 - 20 students from Y10 and Y11 attended lessons regularly and have been able to access the content necessary to achieve Grades 7-9.
 - 12 students from Y9 have enjoyed weekly enrichment sessions to improve their mathematical problem solving skills.
 - We have begun running enrichment sessions for a small number of Y7 and Y8 students, with a view to expanding involvement from September 2023.
 - **Access to Further Maths GCSE** – In partnership with Westfield School, we continue to run a **weekly virtual course** alongside the in-person model. We teach the same course in person at an Academy in Sunderland to students in Y9 and Y10.
 - Around 70 students in Y11 have taken the FM GCSE exams in summer 2023 who would not have been able to access the qualification in their own school.
 - **Enrichment and Support** – We continue to run a weekly enrichment club at a local technical college, attended by students in Y10 and Y11. We have also offered regular support sessions for students taking Further Maths GCSE and Further Maths A Level.
 - **University Admission Test Preparation** – We continue to work with the Advanced Mathematics Support Programme (AMSP) to offer weekly problem solving sessions for Year 12 students alongside AMSP's existing programme for Year 13 students preparing to take university admissions tests in Maths.
 - Of the 21 extra students who took part in Year 12 sessions last year, 6 continued to take part in the Autumn Term 2022 course (along with around 20 new Year 13 students), and 1 took part in the Spring/Summer 2023 course after receiving an offer to study Mathematics at Cambridge University.
 - 31 Year 12 students took part in the Autumn Term 2022 course, and 26 in the Spring/Summer 2023 course.
 - **'Bright Sparks' Stretch and Challenge** – We run half-termly events for more able Y9 and Y10 students to explore **Maths topics beyond the syllabus**.
 - **14 schools** have taken part this year, averaging **60 students from 7 schools** at each event.
 - The addition of Y10 events has created a 'talent pipeline' towards the Further Maths GCSE courses, ultimately giving students the confidence and skills to access Maths and Further Maths A-Levels.
 - Feedback is collated at events and has been hugely positive and useful in shaping future events.
 - This year the events have been oversubscribed and we expect similar levels of interest next year. If numbers are high enough, we will aim to run duplicate sessions.
 - In November 2023 we will also be running a new Bright Sparks event for Year 12 and Year 13 Students.
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- **Primary School Workshops** – We have been creating workshops to deliver to Year 6 students at their schools to explore **Maths topics beyond the syllabus**.
- A workshop on Codes and Ciphers will be piloted with three primary schools in July 2023, and we will extend the offer to other primary schools in 2024.
- Further workshops are also in development to be piloted next year.
- The workshops have the potential to be developed into Year 6 'Bright Sparks' sessions in future but we are keen to work with as many Year 6 students as possible to encourage **enjoyment of mathematics**.
- **A Level Maths Revision Sessions** – We have run regular revision sessions for A-Level Maths at a local college.
 - Students who attended the sessions found them very beneficial to develop understanding and retention of the topics covered.
 - This year we were only able to offer a few sessions, but we hope to increase this in future to a wider range of students.
- **STEM Learning CPD** – We have been building a relationship with STEM Learning to increase our CPD offering.
- In June 2023, we ran a STEM Learning course on Maths for A-Level Chemistry, alongside an experienced member of the STEM Learning Chemistry team.
- Feedback has been overwhelmingly positive.

Physics specific projects:

In Autumn 2022, our Physics Partnerships Teacher received a national Physics Teacher Award from the Institute of Physics for his work both in RGS and in the community: the first time a North-East teacher has achieved this accolade in the past decade.

His work has ranged from academic intervention to CPD-related 'shared' or lead sessions to extra-curricular and super-curricular projects.

- Headlines
 - 3,903.5 student hours (that is number of students x number of hours).
 - there were 52 teacher hours of CPD, curriculum development and joint-planning;
 - 5 secondary schools involved on a weekly/fortnightly basis on student-focused sessions; and
 - 4 secondaries involved on an irregular or ad hoc basis, and 8 primaries.
- At a secondary school in West Newcastle, we worked with intervention groups at GCSE level.
- At a local technical college, we worked with an intervention group of Year 13 pupils, all of whom aspiring to outcomes above their mock 1 achievement grades. Mock 2 results were far improved, with all achieving above their mock 1 grade and the majority in line or above their target grades. The teacher (a non-specialist) remarked how much more motivated the students were towards independent work and revision after these sessions had begun.
- There has been large demand for our Curriculum Development and 'Upskilling non-specialists' strand of work.
- At Primary Level, we have worked with a range of schools to upskill their Science Leads through Curriculum Design, exemplar delivery of sessions with children, and advisory support.
- A joint, cross school, GCSE masterclass was designed and delivered in conjunction with a non-specialist Physics Teacher locally, where we hosted 24 students and undertook activities and exemplar work aimed at scoring grades 7 to 9. This was both a benefit to the pupils but also the non-specialist teacher.
- Science Week: 5 schools and 1,025 pupils enjoyed Physics, Chemistry and Biology 'flashmob-style' experiment, with the older pupils (Years 4 to 6) leaving with a STEM goody bag filled with materials and instructions for a selection of IoP 'Do Try This at Home experiments'.

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Robotics projects:

Headlines:

- 34 schools reached, with a total of around 1,500 unique student interactions

Our recently appointed (September 2022) Robotics Partnerships teacher has made a huge impact. He has been entrepreneurial and creative in shaping this new role over the past year. His projects have ranged from regular Robotics clubs / sessions in schools to one-off events engaging both primary and secondary age children. In July 2023, his 'Bomb Disposal' session was a huge hit with students at the Northumbria Water Innovation Festival – students programmed and modified Sphero robots to detonate bombs (/ balloons!) off a miniature Blyth coast, so learning about the sub-sea robotics developed on the banks of the Tyne. It is great example how the work aims to link career pathways to local contexts, while also developing skills. He also played a significant role in the recent 'Houses of the Future' project as part of the launch of the Farrell Centre at Newcastle University:

Computer Science Partnership Projects have included:

Digital Schoolhouse - our Digital Schoolhouse sessions have been running weekly – it was great to welcome students back into school for 'in-person' workshops as lockdown rules allowed. Several unique schools have taken part in these termly (by School) mornings off timetable to develop coding skills.

CyberFirst Girls - We supported four secondary schools in entering CyberFirst Girls this year, and will look to build on our successes in Cyber Centurion by offering support to schools in setting up this challenge. As part of our newly awarded **Gold Cyber-First school accreditation** we will grow our 'cyber' outreach next year, to build on our aim to inspire the next generation of coders, software gurus and design engineers through our 'maker' approach to Computing.

Engineering, Design and Technology (EDT) equipment - We have loaned equipment to a local school to facilitate the development of their curriculum.

Computing - partner Primary schools have benefitted from the loan of equipment to facilitate First Lego League sessions, MicroBits have been distributed in a similar way, as have Nintendo Switches for our e-sports pilot via Digital Schoolhouse.

Cultural Capital Projects included:

In **Classics**, we introduced students from a local Primary to the Gladiators via a Student-Led project. In addition, we have continued to work with a local secondary school to upskill a non-specialist to deliver Latin GCSE by joint-planning and observing lessons delivered both remotely and in person.

Art Week at two local Primary Schools saw four RGS Sixth Form Artists working with students from four classes – sharing their projects while also supporting the Key Stage 2 students in their work.

Battle of the Bands was a continued fixture in the calendar, local schools including five partner State schools took part in this brilliant event.

Our **Storytelling** project was up and running again, with students from Year 9 Drama sharing their stories in a workshop at 2 local first Schools.

Through **Borrow Box**, we have worked closely with local partner Primary Schools where a box of Class Readers is loaned, resources added by the partner teacher, before being returned to pass on to the next school. The scheme reached 180 students across 6 classes this year, with students from Key Stages 1 and 2 benefitting from shared teacher resources and recently published books from exciting, diverse authors. 100% of participants in this scheme said they would use it again.

As well as more traditional CPD, including **workshops, teachmeets** and **PGCE placements**, we have worked

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with partner schools on curriculum development, with the long-term aim of embedding a new subject or club in a school:

EPQ - Our Head of Projects has worked closely with a local High School to develop their EPQ course.

Classics – With thanks to funding from Classics for All, we have worked with an Academy to offer Latin GCSE with a group of Year 9 students. We worked closely with a colleague at the partner school to embed the subject as part of the curriculum offer at GCSE: this teacher is now equipped to bring a new group through Y9 alongside taking the current Year 9s into Year 10.

Debating – We are working with partner schools to upskill teachers to offer Debating Clubs. Teachers and students have joined our clubs to gain confidence in starting a club. We hope to build a network of schools to offer competitions in time. An exciting project for all involved!

Securing the future

In addition to the above component RGS Partnerships projects, we progressed plans to address a systemic challenge for the region, the alarming local shortage of maths and physics teachers. During the year we recruited trainees for the North East branch (in RGS), of the National Maths and Physics School-Centred Initial Teacher Training (SCITT) scheme: 4 trainees started their teacher training journey with us in September 2023.

We believe that we are only just realising the potential scope and power of cross-sector partnerships at local and national levels.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term – as covered in the Section on Principal Risks and Uncertainties on page 14.
- b. The interests of the company's employees as covered in the section on Engagement with Staff on page 17.
- c. The need to foster the Charity's relationships with third party stakeholders such as parents, students, partner state schools. Alumni, donors, contractors, suppliers as well as independent school organisations and national and local government. This is covered throughout this Report although primarily in the Review of Activities and Achievements section on page 5.
- d. The impact of the Charity's operations on the community and the environment as covered in the Greenhouse gas emissions and energy section on page 18 as well as in the section detailing our Community work on page 9.
- e. The desirability of the Charity maintaining a reputation for high standards of business conduct as covered in the Financial Review.
- f. The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented and is covered in the section on Engagement with Staff on page 17.

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Governors' report (continued) Year ended 31 July 2023

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to remain robust in 2023-24. Careful management of expenditure and cashflow led to an operating surplus of £970k. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before losses on investment assets of £988,340 (2022: £631,867). Investment losses amounted to £18,826 (2022: gains £4,862) resulting in a net surplus of £969,514 (2022: £636,729).

The school's subsidiary trading company, RGS Trading Limited, generated a surplus of £8,951 (2022: surplus of £532) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £3.6 million (2022: £3.1 million).

In all our dealings the school ensures that the businesses we contract with are dealt with fairly by adhering to payment terms and complying with all legal agreements and responsibilities. We put out to tender for all large projects to ensure we support local suppliers and ensure suppliers are giving value for money and are also adhering to the high standards which we would expect. We strive for high levels of integrity in all that we do and choose to work with companies who echo our values.

Going concern

Pupil numbers remained strong throughout 2022/23 and, although dropping to more usual levels at the start of the 2023/24 academic year, numbers remain robust and in line with forecast. Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme, forecast to increase from April 2024. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Having due regard to these matters and after making appropriate enquiries, the Board have therefore continued to adopt the Going Concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment policy and performance

The Governors' investment powers are governed by the Articles of Association. The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments.

The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2023 were +0.94% (2022: +1.69%) on the Peter Taylor Fund, +0.94% (2021: +1.69%) on the J R Howarth Bequest Fund and +0.94% (2022: 1.69%) on the Storrow Scott Trust. The total returns (capital growth with income received and after investment management fees), for the 3 years ended 31 July 2023 was 7.12% for each of the aforementioned funds. All three portfolios are invested in the COIF Charities Investment Fund (Income Units).

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Governors' report (continued) Year ended 31 July 2023

The returns for the year ended 31 July 2023 compare with a total return for the comparator benchmark of 1.97% (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 10.86% (the fund objective being CPI +4% after fees). The returns for the 3 years ended 31 July 2023 compare with a total return for the comparator benchmark of 7.59% per annum (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 10.26% (the fund objective being CPI +4% after fees).

It should be noted that the recent spike in UK inflation has made the Fund objective very challenging. The COIF Charities Investment Fund is a Risk Category 3 under PRIIPS (in a range of 1 to 7).

Reserves policy and performance

The Governors continue to take steps to review their reserves policy. Their intention is to continue to develop the school facilities with a focus on sustainability whilst at the same time containing increases in tuition fees to a reasonable level. Note 20 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £37.1 million. Of this, designated bursary funds totalling £2.9 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows.

Also within unrestricted funds are fixed assets totalling £44.9 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £10.6 million (2022: deficit of £12.0 million) due to loans of £11.8 million (2022: £12.6 million) which were taken out to fund building projects.

The Governors are satisfied with the reserves position of the school.

Principal funding

The school's day to day charitable activities are self-funding.

Principal risks and uncertainties

The main risk areas for the school are risks associated with the safeguarding of students as well as the potential impact of adverse political and economic environments.

Procedures and systems to minimise these risks are regularly reviewed and updated. All staff are required to undergo annual safeguarding training and from September 2022 this requirement has been extended to require that Governors receive specific Safeguarding training as part of their induction; all School Governors undergo annual Safeguarding training and in addition specific training will be given to Governors each year from September 2022.

External financial pressures that are out of the control of the school which include major impacts on the national economy such as the current cost of living and energy crisis, increases to contribution rates for the Teacher's Pension Scheme, changes to employers National Insurance contributions, the removal of charitable relief and the possibility of VAT on school fees are carefully monitored and contingency plans drawn up to manage the risks.

Fee income is a key risk and the school is aware that the cost of living impact whilst impacting the operational costs of the school also has a significant impact on parents and on their ability to pay school fees. The income from the Educational Trust to the school for the support of existing bursaries could be impacted due to the economic slowdown and resulting impact on donations, and income from investments and rental properties. Detailed modelling is conducted and reviewed on a regular basis to monitor and manage this risk.

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Governors' report (continued) Year ended 31 July 2023

Within financial risks, liquidity risk is managed by loans to finance long term projects and careful cash management to deal with month on month fluctuations in cash flow.

This academic year has seen the school continue to see some impact of the Covid-19 pandemic with some restriction on activities in the academic year as well as increased operational costs due to staff absenteeism and additional energy cost with additional ventilation required in colder months and therefore increased heating costs. with increased hygiene measures and cleaning to minimise transmission of the virus as well as increased ventilation throughout the site.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The school was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the school was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020.

On 1 August 2006, the assets, liabilities and undertaking of the school were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held.

By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 11144241.

- **Method of appointment or election of Governors**

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected, and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body. On joining the Board all Governors receive an induction and undergo appropriate training, both at induction, and throughout their tenure.

The Co-opted Governors are co-opted by the existing Governors.

- **Pay policy for senior staff**

The Nominations and Remuneration Committee review the pay of the Headmaster, Deputy Head and Director of Finance & Operations on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point due consideration is taken of benchmarked information for schools of a similar size and location.

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Governors' report (continued) Year ended 31 July 2023

• Organisational structure and decision making

The membership of the Governing Board has remained unchanged across the year and has focused on the strategy of the school. In addition, a new sub committee was established in the year, the Education Committee whose purpose is to inform, advise and assist the Governing Body on all matters associated with the educational life of RGS: curricular, co-curricular, pastoral, teaching and learning; in order to ensure that the strategic objectives of the school are delivered.

The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the school's vision. During the year the school commissioned a review of governance, which was very positive. The report gave a number of recommendations that the school is in the process of implementing.

The Governing body is supported by three sub-committees, the Finance and General Purposes Committee, the Education Committee and the Nominations and Remuneration Committee.

Governors meet six times a year, at least once every term, to review the activities of the school and its subsidiary.

Financial control is exercised over the activities of the school by means of an agreed Annual Budget.

More detailed issues are dealt with in advance of Governors' meetings by the Finance and General Purposes Committee and the Nominations and Remuneration Committee.

The Finance and General Purposes Committee is responsible for ensuring the sound management and auditing of the School's finances and resources, including proper planning, monitoring and probity.

Governors who served on the Finance and General Purposes Committee during the period were:

Mr Alex Lamb (Chair) (resigned 16 June 2023)
Mr Alan Fletcher
Mr Hugh Fell
Mr Nigel McMinn
Mr Tony Murphy (resigned 16 June 2023)

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head and Director of Finance & Operations annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr Hugh Fell (Chair)
Mr Alan Fletcher
Miss Scarlett Milligan
Mrs Sally Green

The Education Committee is responsible for providing an initial discussion forum for all matters of the education provided by the school including the pastoral, co-curricular, quality of teaching and staff development (of educational staff) as well as to have an oversight of other areas such as SEND, EDI, examination results and safeguarding.

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Governors' report (continued) Year ended 31 July 2023

Governors who served on the Education Committee during the period were:

Mrs Sally Green (Chair)
Mr Alan Fletcher
Mrs Joanna Berry
Mrs Aarti Gupta (resigned 16 June 2023)
Mrs Muzlifah Haniffa
Mrs Sue Woodroffe

The day to day running of the school is vested in the Headmaster and Director of Finance and Operations alongside seven other members of the Senior Leadership Team:

| | |
|---|---|
| The Headmaster: | Mr Geoffrey Stanford |
| The Director of Finance and Operations: | Mrs Rachel Amey |
| The Deputy Head: | Mr Tom Keenan |
| The Head of Junior School: | Mr James Miller |
| The Deputy Head Academic: | Mr Roger Loxley (stepped down 31 August 2022) |
| The Deputy Head Academic: | Mr Chris Quayle (appointed 1 September 2022) |
| The Deputy Head Pastoral | Miss Sarah Longville |
| The Deputy Head of Co-curricular: | Mr Andrew McBride |
| The Head of Sixth Form: | Mrs Naomi McGough |
| The Director of Development and Communications: | Mrs Susan Beck |
| The Director of Partnerships: | Mr John Smith |

• Engagement with staff and equal opportunities

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the Teachers' Pension Scheme, the aftermath of the Covid-19 pandemic, the introduction of digital devices and the financial position of the school. The school has an Information and Consultation Committee (ICC) that meets regularly at which staff may raise issues of concern and where feedback from Governor's meetings is provided; the members of the ICC represent both teaching and support staff. In addition, there have been a number of specific meetings with staff and Governors and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive.

When recruiting staff the School looks to appoint individuals from a wide variety of backgrounds. Not just because it is the right thing to do but because at the RGS we recognise that those different experiences provide fresh perspectives, opportunities to challenge existing beliefs and provide opportunities to act as excellent role models for our diverse student body. We are committed to creating an inclusive and diverse school culture and our staff are at the heart of this. We are proud to be an equal opportunities employer and all qualified applicants will receive consideration for employment regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships. RGS works with all staff to ensure appropriate training is provided and adjustments made should an individual's circumstances change during their employment, and that ongoing training, development and progression is available to all staff regardless of their circumstances.

• Related party relationships

The school shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school meets the Trust's campaign appeal costs.

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Governors' report (continued) Year ended 31 July 2023

- **Risk management**

The Governors examine the major risks that the school faces each year, in the course of reviewing their strategic planning for the development of the school. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the school in the future. The principal risks faced by the school are covered under principal risks and uncertainties on page 14.

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 August 2022 to 31 July 2023

| | |
|---|--------------|
| Energy Consumption used to calculate emissions (kWh) | 5,033,162 |
| Scope 1 emissions in metric tonnes CO ₂ e | |
| Gas consumption | 630.0 |
| Transport fuel | 16.3 |
| Total Scope 1 | 646.3 |
| Scope 2 emissions in metric tonnes CO ₂ e | |
| Purchased electricity | 317.5 |
| Scope 3 emissions in metric tonnes CO ₂ e | |
| Business travel in employee owned vehicles | 2.9 |
| Total gross emissions in metric tonnes CO₂e | 967.4 |
| Intensity ratio tonnes CO₂e per pupil | 0.72 |

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued)

Year ended 31 July 2023

Measures taken to improve energy efficiency and sustainability

The intensity ratio has decreased to 0.72 tonnes CO₂ emissions per pupil (2022: 0.82) due in main to decreases in both gas and electricity consumption in the period.

LED lights are installed across the school site, including the use of PIR sensors and daylight dimming in appropriate spaces to further reduce the School's energy consumption. The Trustees approved the investment in solar panels during the year and these were installed in Summer 2023. We are actively looking at sustainability as part of our Development plan and exploring means to decrease our energy intensity ratio. A Procurement Manager was recruited in the year to ensure we are purchasing in a sustainable and cost effective way to reduce spend and wastage.

The school recognises that its activities and actions have an impact on the environment, locally and nationally. RGS is committed to becoming a more sustainable School as part of our 2030 vision, by reducing our negative impact on the environment and enhancing our positive impact.

Sustainability at RGS

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. This encompasses not only the environment, but also social factors and economic resources.

Educating the RGS community about the need to live and learn in a sustainable way is fundamental to the school's vision and ethos of treating everything and everyone with care and respect along with recognising it belongs in the city and that its operations should not compromise future inhabitants.

RGS will celebrate its 500th Anniversary in 2025. The current generation of RGS staff and pupils wish to ensure that we shape a School that is able to flourish for at least another half millennium.

RGS has identified the following areas of focus:

- **An estate built to last:** RGS will ensure the Estate is built and managed in a sustainable way.
- **Lowering our carbon emissions:** The school quantified its carbon emissions for the first time in 2021 and will seek to establish targets in order to quantify the decarbonisation of the Estate.
- **A culture of using less:** The RGS community commits to using less, encompassing all aspects of school life, from pens and paper to reducing printing and electricity.
- **Sustainable purchasing:** RGS will embed life cycle considerations into all purchases and make environmentally friendly choices regarding products and suppliers.
- **Environmentally friendly catering:** RGS will ensure its catering operation minimises food miles, reduces its carbon footprint, and educates the community about healthy and sustainable food choices.

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Governors' report (continued) Year ended 31 July 2023

PLANS FOR FUTURE PERIODS

- **Future developments**

At the end of each academic year the school reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders and in recognition of our charitable objectives. For the next period (2023-2027), the following key areas for regular review are as follows:

- Vision, ethos and values
- Teaching and learning
- Pastoral care and wellbeing of staff and students
- Co-curricular provision
- Continuum of pupil experience
- Staff recruitment, retention and development
- Wider community impact
- Marketing, communications and development
- Finance and operations

They are, of course, central to the effective running of the school and will be continuously reviewed. These all fall within specific areas of management oversight for members of the Senior Leadership Team (both Senior and Junior) and will be appraised and reviewed within SLT meetings.

A fundamental part of the process for the school Development Plan is to consider a longer timeframe and how we will strive to fully realise our Vision. To this end, a range of key areas continue to emerge from consultations and these form the main focus points for additional specific developments):

1. Vision, ethos and values – reinforce the vision and ethos in the school and ensure there is a positive and inclusive culture in school focusing on tolerance, respect and awareness of others.
2. Teaching and learning – ensure implementation of our digital strategy and the roll out of devices to students promotes best practice in teaching and learning which helps to ensure high quality outcomes for all students.
3. Pastoral care and wellbeing – develop a dynamic well being strategy to support all members of the RGS community and to review the School's approach towards rewards to instill behaviours consistent with the school's ethos and values.
4. Co-curricular provision – growing the capacity to lead and serve and improve the cocurricular opportunities for every student.
5. Continuity of pupil experience – with a focus on appropriate support at transition points, from recruiting pupils to the school at different entry points, moving up through key stages and to the next stage beyond the RGS as well as developing existing opportunities for pupils to take on positions of responsibility that set and excellent leadership example to younger years.
6. Staff recruitment, retention and development – develop a culture of continuous professional development with an emphasis on identifying individual needs and sharing best practice along with the evolution of the staff appraisal system and leadership training at all levels.
7. Development, marketing and communications – use all channels available to foster stronger information sharing and improve engagement whilst have a better understanding of RGS stakeholders.
8. Wider community impact – to continue to engage with the community in creating meaningful impact in the North East through outreach activities including: partnership activity, voluntary service, charity activity and the establishment of the Maths and Physics SCITT programme.
9. Finance and operations – ensuring there is sound financial control and governance to help deal with the economic uncertainties alongside maintaining and improving our facilities in a sustainable manner.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2023

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditors in connection with preparing their report and to establish that the charitable company and the group's auditors are aware of that information.

This report, which includes the strategic report, was approved by the Governors on 1 February 2024 and signed on their behalf by:

DocuSigned by:

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A C Fletcher
(Chair of Governors)



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2023 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 July 2023 and of the group's 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 group's or the parent 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 governors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (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 governors 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 governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the governors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the governors and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law, safeguarding and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Anne Hallowell

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**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor**

Chartered Accountants
Newcastle upon Tyne

1 February 2024

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of financial activities Year ended 31 July 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------------|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 481,475 | 1,181,276 | - | 1,662,751 | 1,085,357 |
| Charitable activities | 4 | 20,363,742 | - | - | 20,363,742 | 19,213,643 |
| Other trading activities | 5 | 150,286 | - | - | 150,286 | 113,621 |
| Investments | 6 | 134,472 | 60,648 | - | 195,120 | 100,947 |
| Other income | | 65,584 | - | - | 65,584 | 42,253 |
| Total income | | 21,195,559 | 1,241,924 | - | 22,437,483 | 20,555,821 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 177,054 | 1,440 | - | 178,494 | 166,142 |
| Charitable activities | 8 | 20,048,358 | 1,222,291 | - | 21,270,649 | 19,757,812 |
| Total expenditure | | 20,225,412 | 1,223,731 | - | 21,449,143 | 19,923,954 |
| Net (losses)/gains on investments | | - | - | (18,826) | (18,826) | 4,862 |
| Net income / (expenditure) | | 970,147 | 18,193 | (18,826) | 969,514 | 636,729 |
| Net movement in funds | | 970,147 | 18,193 | (18,826) | 969,514 | 636,729 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 36,154,423 | 186,343 | 1,328,975 | 37,669,741 | 37,033,012 |
| Net movement in funds | | 970,147 | 18,193 | (18,826) | 969,514 | 636,729 |
| Total funds carried forward | | 37,124,570 | 204,536 | 1,310,149 | 38,639,255 | 37,669,741 |

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated income and expenditure account

Year ended 31 July 2023

| | Total funds 2023 £ | Total funds 2022 £ |
|---|-----------------------------------|--------------------------|
| Gross income in the reporting period | 22,437,483 | 20,555,821 |
| Less: Total expenditure | (21,449,143) | (19,923,954) |
| Net income for the reporting period | 988,340 | 631,867 |

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 44,890,255 | 45,266,729 |
| Investments | 13 | 945,149 | 963,975 |
| Investment property | 14 | 365,000 | 365,000 |
| | | <u>46,200,404</u> | <u>46,595,704</u> |
| Current assets | | | |
| Stocks | 15 | 23,051 | 16,298 |
| Debtors | 16 | 418,418 | 338,557 |
| Cash at bank and in hand | | 6,930,784 | 6,678,030 |
| | | <u>7,372,253</u> | <u>7,032,885</u> |
| Creditors: amounts falling due within one year | 17 | (3,771,788) | (3,928,258) |
| Net current assets | | <u>3,600,465</u> | <u>3,104,627</u> |
| Total assets less current liabilities | | <u>49,800,869</u> | <u>49,700,331</u> |
| Creditors: amounts falling due after more than one year | 18 | (11,161,614) | (12,030,590) |
| Total net assets | | <u><u>38,639,255</u></u> | <u><u>37,669,741</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,310,149 | 1,328,975 |
| Restricted funds | 19 | 204,536 | 186,343 |
| Unrestricted funds: | | | |
| - Designated funds | 19 | 2,878,404 | 2,878,404 |
| - Revaluation reserve | 19 | 12,941,804 | 12,941,804 |
| - General funds | 19 | 21,304,362 | 20,334,215 |
| Total unrestricted funds | 19 | <u>37,124,570</u> | <u>36,154,423</u> |
| Total funds | | <u><u>38,639,255</u></u> | <u><u>37,669,741</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)


Consolidated balance sheet (continued)

At 31 July 2023

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 01 February 2024 and signed on their behalf by:

DocuSigned by:


1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet At 31 July 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible fixed assets | 12 | 44,890,255 | 45,264,574 |
| Investments | 13 | 945,150 | 963,976 |
| Investment property | 14 | 365,000 | 365,000 |
| | | <u>46,200,405</u> | <u>46,593,550</u> |
| Current assets | | | |
| Stocks | 15 | 12,068 | 11,093 |
| Debtors | 16 | 434,758 | 347,231 |
| Cash at bank and in hand | | 6,910,740 | 6,670,138 |
| | | <u>7,357,566</u> | <u>7,028,462</u> |
| Creditors: amounts falling due within one year | 17 | (3,769,923) | (3,925,834) |
| Net current assets | | <u>3,587,643</u> | <u>3,102,628</u> |
| Total assets less current liabilities | | <u>49,788,048</u> | <u>49,696,178</u> |
| Creditors: amounts falling due after more than one year | 18 | (11,161,614) | (12,030,590) |
| Total net assets | | <u><u>38,626,434</u></u> | <u><u>37,665,588</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,310,149 | 1,328,975 |
| Restricted funds | 19 | 204,536 | 186,343 |
| Unrestricted funds: | | | |
| - Designated funds | 19 | 2,878,404 | 2,878,404 |
| - Revaluation reserve | 19 | 12,941,804 | 12,941,804 |
| - General funds | 19 | 21,291,541 | 20,330,062 |
| Total unrestricted funds | 19 | <u>37,111,749</u> | <u>36,150,270</u> |
| Total funds | | <u><u>38,626,434</u></u> | <u><u>37,665,588</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet (continued)

At 31 July 2023

The company's net movement in funds for the year was £960,846 (2022: £636,197).

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 01 February 2024 and signed on their behalf by:

DocuSigned by:

1FC8F46892FC48C...

A C Fletcher
(Chair of Governors)

Company registered number: 05664801

The notes on pages 34 to 65 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 July 2023

| | Note | 2023 £ | 2022 £ |
|---|------|--------------------|-------------|
| Cash flows from operating activities | | | |
| Net cash generated from operating activities | 21 | 2,148,805 | 3,423,756 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 195,094 | 100,947 |
| Purchase of tangible fixed assets | | (821,258) | (558,163) |
| Net cash used in investing activities | | (626,164) | (457,216) |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (840,000) | (840,000) |
| Interest paid | | (429,887) | (463,545) |
| Net cash used in financing activities | | (1,269,887) | (1,303,545) |
| Change in cash and cash equivalents in the year | | 252,754 | 1,662,995 |
| Cash and cash equivalents at the beginning of the year | | 6,678,030 | 5,015,035 |
| Cash and cash equivalents at the end of the year | 22 | 6,930,784 | 6,678,030 |

The notes on pages 34 to 65 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

1. General information

The Newcastle upon Tyne Royal Grammar School ('the charitable company') and its subsidiaries (together, 'the group') are engaged in the education of children and young persons in the North of England.

The charitable company is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the charitable company are the governors named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary, RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the charitable company's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the charitable company for reporting purposes.

The charitable company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

2. Accounting policies (continued)

2.4 Going concern

The school recorded a net surplus of income over expenditure in the year ended 31 July 2023 and has net assets at the year end of £38.6 million (2022: £37.7 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings; the school is not reliant on short term loans or overdraft facilities.

Forecasts have been prepared based upon current pupil numbers and Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

2. Accounting policies (continued)

2.5 Income

All income is recognised when the group has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the group from its unrestricted funds, but before deducting grants of bursaries.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The group receives a grant from the Hospital of St Mary the Virgin charity, and recognises all grants receivable from that charity, including amounts not yet paid by the year end, but which under the terms of that charity's trust deed, it must pay over in due course to the group.

Grants and donations received for the general purposes of the group are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction.

Investment income

Investment income is accounted for in the period in which the group is entitled to receipt. Incoming resources from endowment funds are restricted.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the group, including those incurred in connection with the administration of the group and compliance with constitutional and statutory requirements. They are apportioned against the activities of the group in line with the estimated usage of those costs.

Grants and bursaries are included as expenditure in the period for which the award is given.

Expenditure on raising funds includes all expenditure incurred by the group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the group's objectives, as well as any associated support costs.

2.7 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the statement of financial activities.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the group plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the school are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the group.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

| | |
|------------------------------|------------------------------|
| Freehold property | - 50 years |
| Leasehold land and buildings | - over the life of the lease |
| All weather pitch | - 20 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 3 - 10 years |
| Trading subsidiary equipment | - 4 years |

Assets under construction are not depreciated until they are transferred to freehold land and buildings.

Revaluation of fixed assets

The group has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

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

2.9 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the charitable company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.10 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties, including fellow group companies.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the statement of financial activities.

2.15 Operating leases

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

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.16 Pension costs

The group operates two main schemes:

The group participates in the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The group also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.17 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are funds which are held for the permanent benefit of the group. There is no power to convert capital into income.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

2. Accounting policies (continued)

2.18 Critical accounting estimates and areas of judgment

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

Significant judgments in applying the group's accounting policies

In preparing these financial statements, the governors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owned by the group, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income from donations and legacies

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 197,690 | - | 197,690 |
| The Royal Grammar School Educational Trust | - | 1,099,709 | 1,099,709 |
| Other income | 283,785 | 81,567 | 365,352 |
| | <u>481,475</u> | <u>1,181,276</u> | <u>1,662,751</u> |

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 170,448 | - | 170,448 |
| The Royal Grammar School Educational Trust | - | 904,035 | 904,035 |
| Other income | - | 10,874 | 10,874 |
| | <u>170,448</u> | <u>914,909</u> | <u>1,085,357</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2023

4. Income from charitable activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Provision of school services | 20,363,742 | 20,363,742 | 19,213,643 |

School fees

| | 2023 £ | 2022 £ |
|----------------------------|-------------------|-------------------|
| Gross fees | 20,028,202 | 18,910,076 |
| Less: Grants and allowance | (463,157) | (451,124) |
| Catering income | 798,697 | 754,691 |
| | 20,363,742 | 19,213,643 |

5. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Facilities lettings income | 92,334 | 92,334 | 70,915 |

Income from non charitable trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Subsidiary trading | 57,952 | 57,952 | 42,706 |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

6. Investment income

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|----------------------------|------------------------------------|----------------------------------|------------------------------|
| Property rental income | - | 33,510 | 33,510 |
| Dividend income | - | 23,707 | 23,707 |
| Prize fund dividend income | - | 3,431 | 3,431 |
| Bank interest | 134,472 | - | 134,472 |
| | <u>134,472</u> | <u>60,648</u> | <u>195,120</u> |
| | <u><u>134,472</u></u> | <u><u>60,648</u></u> | <u><u>195,120</u></u> |
| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
| Property rental income | - | 33,891 | 33,891 |
| Dividend income | - | 29,317 | 29,317 |
| Prize fund dividend income | - | 3,414 | 3,414 |
| Bank interest | 34,325 | - | 34,325 |
| | <u>34,325</u> | <u>66,622</u> | <u>100,947</u> |
| | <u><u>34,325</u></u> | <u><u>66,622</u></u> | <u><u>100,947</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2023

7. Cost of raising funds

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|-----------------------------|------------------------------------|------------------------------------|-----------------------------|
| Fundraising costs | 11,614 | - | 11,614 |
| Marketing costs | 95,712 | - | 95,712 |
| Costs of letting facilities | - | 1,440 | 1,440 |
| Professional fees | 12,444 | - | 12,444 |
| Subsidiary trading costs | 57,286 | - | 57,286 |
| | <u>177,056</u> | <u>1,440</u> | <u>178,496</u> |
| | | Unrestricted funds 2022 £ | Total funds 2022 £ |
| Fundraising costs | | 21,552 | 21,552 |
| Marketing costs | | 89,789 | 89,789 |
| Costs of letting facilities | | 1,658 | 1,658 |
| Professional fees | | 6,402 | 6,402 |
| Subsidiary trading costs | | 46,741 | 46,741 |
| | | <u>166,142</u> | <u>166,142</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2023

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Provision of school services | 19,771,904 | 91,844 | 19,863,748 |
| Bursaries provided | 276,454 | 1,130,447 | 1,406,901 |
| | <u>20,048,358</u> | <u>1,222,291</u> | <u>21,270,649</u> |
| | <u>20,048,358</u> | <u>1,222,291</u> | <u>21,270,649</u> |
| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
| Provision of school services | 18,034,700 | - | 18,034,700 |
| Bursaries provided | 764,706 | 958,406 | 1,723,112 |
| | <u>18,799,406</u> | <u>958,406</u> | <u>19,757,812</u> |
| | <u>18,799,406</u> | <u>958,406</u> | <u>19,757,812</u> |

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Year ended 31 July 2023

9. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ |
|------------------------------|---|-------------------------------|-----------------------------|
| Provision of school services | 18,166,440 | 1,697,308 | 19,863,748 |
| Bursaries provided | 1,191,923 | 214,978 | 1,406,901 |
| | <u>19,358,363</u> | <u>1,912,286</u> | <u>21,270,649</u> |

| | Activities undertaken directly 2022 £ | Grant funding of activities 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 16,110,062 | - | 1,924,638 | 18,034,700 |
| Bursaries provided | 1,084,547 | 450,000 | 188,565 | 1,723,112 |
| | <u>17,194,609</u> | <u>450,000</u> | <u>2,113,203</u> | <u>19,757,812</u> |

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Notes to the financial statements Year ended 31 July 2023

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2023 £ | Total funds 2022 £ |
|--|-----------------------------|-----------------------------|
| Depreciation | 1,195,577 | 1,257,029 |
| Teachers' salaries | 9,911,146 | 9,440,181 |
| Teaching resources | 744,720 | 878,497 |
| Other educational costs | 939,766 | 215,473 |
| Other teaching staff costs | 199,462 | 170,404 |
| Premises costs - salary | 705,600 | 687,949 |
| Premises costs - maintenance | 798,388 | 877,407 |
| Premises costs - occupancy | 1,222,591 | 594,001 |
| Premises costs - insurance | 169,936 | 166,642 |
| Catering costs - staff salaries | 321,760 | 290,397 |
| Catering costs - food | 473,122 | 445,226 |
| Catering costs - kitchen overheads | 151,542 | 66,289 |
| Academic support expenditure - educational support salaries | 1,082,251 | 733,483 |
| Academic support expenditure - PE and sport | 226,450 | 256,481 |
| Academic support expenditure - clubs, school magazines and miscellaneous costs | 14,446 | 21,565 |
| Bursaries provided | 1,191,923 | 1,084,547 |
| Prizes and awards | 9,683 | 9,038 |
| | 19,358,363 | 17,194,609 |

Analysis of support costs

| | Provision of school services 2023 £ | Bursaries provided 2023 £ | Total funds 2023 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 996,325 | 214,978 | 1,211,303 |
| Financial costs | 550,180 | - | 550,180 |
| Other central costs | 113,460 | - | 113,460 |
| Governance | 37,343 | - | 37,343 |
| | 1,697,308 | 214,978 | 1,912,286 |

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Notes to the financial statements Year ended 31 July 2023

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Provision of school services 2022 £ | Bursaries provided 2022 £ | Total funds 2022 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 1,232,721 | 188,565 | 1,421,286 |
| Financial costs | 545,507 | - | 545,507 |
| Other central costs | 129,713 | - | 129,713 |
| Governance | 16,697 | - | 16,697 |
| | <u>1,924,638</u> | <u>188,565</u> | <u>2,113,203</u> |

10. Auditor's remuneration

| | 2023 £ | 2022 £ |
|---|----------------------|---------------|
| Fees payable to the group's auditor for the audit of the charitable company's annual accounts | 10,900 | 8,600 |
| Fees payable to the group's auditor in respect of: | | |
| - The auditing of accounts of associates of the group | 5,680 | 5,190 |
| - All assurance services not included above | 920 | 840 |
| | <u>17,500</u> | <u>14,630</u> |

11. Pupils and employees details

| | 2023 £ | 2022 £ |
|-----------------------|--------------------------|-------------------|
| Staff costs | | |
| Wages and salaries | 10,027,805 | 9,408,516 |
| Social security costs | 1,072,685 | 1,000,253 |
| Pension contributions | 1,884,086 | 1,798,830 |
| | <u>12,984,576</u> | <u>12,207,599</u> |

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Notes to the financial statements

Year ended 31 July 2023

| | 2023 No. | 2022 No. |
|---|-------------|-------------|
| The number of employees receiving remuneration of more than £60,000 per annum is as follows: | | |
| £60,001 - £70,000 | 22 | 18 |
| £70,001 - £80,000 | 4 | 4 |
| £80,001 - £90,000 | 3 | 1 |
| £90,001 - £100,000 | 1 | 1 |
| £100,001 - £110,000 | - | - |
| £120,001 - £130,000 | 1 | 1 |
| £130,001 - £140,000 | - | - |
| £140,001 to £150,000 | 1 | 1 |
| | <u>32</u> | <u>26</u> |

Key management personnel has been determined to be the governors and the 10 (2022: 10) members of the senior management team. The total remuneration of the senior management team, excluding employer's national insurance costs, was £1,098,259 (2022: £1,000,307).

During the year, no governors received any remuneration (2022: £nil). No expenses were reimbursed to governors (2022: £576 reimbursed to 2 governors).

| | Headcount 2023 No. | Headcount 2022 No. | FTE 2023 No. | FTE 2022 No. |
|-----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Staff numbers | | | | |
| Senior school teachers | 124 | 120 | 114 | 111 |
| Junior school teachers | 21 | 20 | 19 | 19 |
| Academic support | 51 | 42 | 34 | 29 |
| Property management | 30 | 32 | 24 | 25 |
| Clerical and administrative | 30 | 29 | 25 | 24 |
| Catering | 21 | 21 | 16 | 16 |
| | <u>277</u> | <u>264</u> | <u>232</u> | <u>224</u> |

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Notes to the financial statements

Year ended 31 July 2023

Pupil numbers at 31 July

| | 2023 | 2022 |
|----------------------|---------------------|--------------|
| | No. | No. |
| Senior school | | |
| Full fees | 1,002 | 997 |
| Receiving bursaries | 77 | 75 |
| | <u>1,079</u> | <u>1,072</u> |
| | 2023 | 2022 |
| | No. | No. |
| Junior school | | |
| Full fees | 264 | 270 |
| Receiving bursaries | 6 | 7 |
| | <u>270</u> | <u>277</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

12. Tangible fixed assets

Group

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Trading subsidiary equipment £ | Assets under constr- uction £ | Total £ |
|------------------------------|----------------------------|------------------------|-------------------------------|---|---|--------------------------|
| Cost or valuation | | | | | | |
| At 1 August 2022 | 51,840,394 | 195,626 | 3,886,021 | 12,067 | - | 55,934,108 |
| Additions | - | 23,172 | 227,769 | - | 570,317 | 821,258 |
| Transfers between classes | 29,610 | - | (29,610) | - | - | - |
| At 31 July 2023 | <u>51,870,004</u> | <u>218,798</u> | <u>4,084,180</u> | <u>12,067</u> | <u>570,317</u> | <u>56,755,366</u> |
| Depreciation | | | | | | |
| At 1 August 2022 | 7,289,279 | 119,015 | 3,249,173 | 9,912 | - | 10,667,379 |
| Charge for the year | 953,167 | 3,291 | 239,119 | 2,155 | - | 1,197,732 |
| At 31 July 2023 | <u>8,242,446</u> | <u>122,306</u> | <u>3,488,292</u> | <u>12,067</u> | <u>-</u> | <u>11,865,111</u> |
| Net book value | | | | | | |
| At 31 July 2023 | <u><u>43,627,558</u></u> | <u><u>96,492</u></u> | <u><u>595,888</u></u> | <u><u>-</u></u> | <u><u>570,317</u></u> | <u><u>44,890,255</u></u> |
| At 31 July 2022 | <u><u>44,551,115</u></u> | <u><u>76,611</u></u> | <u><u>636,848</u></u> | <u><u>2,155</u></u> | <u><u>-</u></u> | <u><u>45,266,729</u></u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

12. Tangible fixed assets (continued)

Company

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|---------------------------|----------------------------|------------------------|-------------------------------|--------------------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 August 2022 | 51,840,394 | 195,626 | 3,886,021 | - | 55,922,041 |
| Additions | - | 23,172 | 227,769 | 570,317 | 821,258 |
| Transfers between classes | 29,610 | - | (29,610) | - | - |
| At 31 July 2023 | <u>51,870,004</u> | <u>218,798</u> | <u>4,084,180</u> | <u>570,317</u> | <u>56,743,299</u> |
| Depreciation | | | | | |
| At 1 August 2022 | 7,289,279 | 119,015 | 3,249,173 | - | 10,657,467 |
| Charge for the year | 953,167 | 3,291 | 239,119 | - | 1,195,577 |
| At 31 July 2023 | <u>8,242,446</u> | <u>122,306</u> | <u>3,488,292</u> | <u>-</u> | <u>11,853,044</u> |
| Net book value | | | | | |
| At 31 July 2023 | <u>43,627,558</u> | <u>96,492</u> | <u>595,888</u> | <u>570,317</u> | <u>44,890,255</u> |
| At 31 July 2022 | <u>44,551,115</u> | <u>76,611</u> | <u>636,848</u> | <u>-</u> | <u>45,264,574</u> |

Included in land and buildings is freehold land at valuation of £6,700,000 (2022: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2023, included within the net book value of land and buildings is £43,610,553 (2022: £44,533,139) relating to freehold land and buildings and £17,003 (2022: £17,976) relating to long term leasehold land and buildings.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

13. Fixed asset investments

| Group | Listed investments £ | | |
|--------------------------|--|-------------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 August 2022 | | | 963,975 |
| Revaluations | | | (18,826) |
| At 31 July 2023 | | | 945,149 |
| Net book value | | | |
| At 31 July 2023 | | | 945,149 |
| At 31 July 2022 | | | 963,975 |
| | | | |
| Company | Investments in subsidiary companies £ | Listed investments £ | Total £ |
| Cost or valuation | | | |
| At 1 August 2022 | 1 | 963,975 | 963,976 |
| Revaluations | - | (18,826) | (18,826) |
| At 31 July 2023 | 1 | 945,149 | 945,150 |
| Net book value | | | |
| At 31 July 2023 | 1 | 945,149 | 945,150 |
| At 31 July 2022 | 1 | 963,975 | 963,976 |

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Notes to the financial statements Year ended 31 July 2023

14. Investment property

Group

Freehold
investment
property
£

Valuation

At 1 August 2022 and 31 July 2023

365,000

Company

Freehold
investment
property
£

Valuation

At 1 August 2022 and 31 July 2023

365,000

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

15. Stocks

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--------------------------|----------------------------------|--------------------|------------------------------------|----------------------|
| Teaching and other stock | 3,683 | 3,683 | 3,683 | 3,683 |
| Kitchen | 8,385 | 7,410 | 8,385 | 7,410 |
| Goods for resale | 10,983 | 5,205 | - | - |
| | 23,051 | 16,298 | 12,068 | 11,093 |

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Notes to the financial statements Year ended 31 July 2023

16. Debtors

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Trade debtors | 93,981 | 81,008 | 93,825 | 81,008 |
| Amounts owed by group undertakings | - | - | 16,867 | 11,862 |
| Other debtors | 75,373 | 9,042 | 75,002 | 5,854 |
| Prepayments and accrued income | 249,064 | 248,507 | 249,064 | 248,507 |
| | 418,418 | 338,557 | 434,758 | 347,231 |

17. Creditors: amounts falling due within one year

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|------------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Bank loans | 840,000 | 840,000 | 840,000 | 840,000 |
| Trade creditors | 751,538 | 272,378 | 751,538 | 271,683 |
| School field trip creditors | 150,546 | 86,501 | 150,261 | 86,501 |
| Pension creditor | 205,310 | 203,022 | 205,310 | 203,022 |
| Other taxation and social security | 268,253 | 260,155 | 268,253 | 260,155 |
| Other creditors | 99,747 | 583,029 | 99,747 | 583,029 |
| Accruals and deferred income | 1,332,905 | 1,506,844 | 1,331,325 | 1,505,115 |
| Fees received in advance | 53,089 | 107,129 | 53,089 | 107,129 |
| Deposits | 70,400 | 69,200 | 70,400 | 69,200 |
| | 3,771,788 | 3,928,258 | 3,769,923 | 3,925,834 |

The movement in deferred income in the year is as follows:

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--|-----------------------------|--------------------|-------------------------------|----------------------|
| Deferred income at the beginning of the year | 176,329 | 197,369 | 176,329 | 197,369 |
| Resources deferred during the year | 123,489 | 176,329 | 123,489 | 176,329 |
| Amounts released from previous periods | (176,329) | (197,369) | (176,329) | (197,369) |
| | 123,489 | 176,329 | 123,489 | 176,329 |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

18. Creditors: amounts falling due after more than one year

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|--------------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Bank loans | 10,947,000 | 11,787,000 | 10,947,000 | 11,787,000 |
| Deposits | 191,600 | 197,600 | 191,600 | 197,600 |
| Fees received in advance | 23,014 | 45,990 | 23,014 | 45,990 |
| | 11,161,614 | 12,030,590 | 11,161,614 | 12,030,590 |

Included within the above are amounts falling due as follows:

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|-----------------------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Between one and two years | | | | |
| Bank loans | 840,000 | 840,000 | 840,000 | 840,000 |
| Between two and five years | | | | |
| Bank loans | 2,520,000 | 2,520,000 | 2,520,000 | 2,520,000 |
| Over five years | | | | |
| Bank loans | 7,587,000 | 8,427,000 | 7,587,000 | 8,427,000 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2023 | Group 2022 | Company 2023 | Company 2022 |
|-------------------------------------|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Payable or repayable by instalments | 7,587,000 | 8,427,000 | 7,587,000 | 8,427,000 |

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the group and a debenture. At 31 July 2023, bank loans, including amounts falling due within one year, comprise the following loans:

- £11.5 million term loan, of which £8.9 million remained outstanding at the year end, secured on the group's freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates; and
- £3.5 million facility, of which £2.9 million remained outstanding at the year end, secured on the group's freehold land and buildings and repayable by instalments over a 15 year term and bearing interest at market rates.

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Notes to the financial statements Year ended 31 July 2023

19. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2022 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2023 £ |
|---------------------------------|----------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 2,878,404 | - | - | - | 2,878,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| General funds | | | | | |
| School general fund | 20,330,062 | 21,129,322 | (20,168,126) | - | 21,291,258 |
| RGS Trading | 4,153 | 66,237 | (57,286) | - | 13,104 |
| | <u>20,334,215</u> | <u>21,195,559</u> | <u>(20,225,412)</u> | <u>-</u> | <u>21,304,362</u> |
| Total unrestricted funds | <u>36,154,423</u> | <u>21,195,559</u> | <u>(20,225,412)</u> | <u>-</u> | <u>37,124,570</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 122,958 | - | - | (2,571) | 120,387 |
| J R Howarth Bursary Fund | 147,923 | - | - | (2,859) | 145,064 |
| Peter Taylor Bursary Fund | 94,946 | - | - | (1,835) | 93,111 |
| The Storrow Scott Trust | 963,148 | - | - | (11,561) | 951,587 |
| | <u>1,328,975</u> | <u>-</u> | <u>-</u> | <u>(18,826)</u> | <u>1,310,149</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | 1,970 | - | - | - | 1,970 |
| Peter Taylor Bursary Fund | 15,499 | - | - | - | 15,499 |
| School Bursary Fund | 123,552 | 1,188,122 | (1,188,122) | - | 123,552 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 44,890 | 50,371 | (32,178) | - | 63,083 |
| Prize Fund | - | 3,431 | (3,431) | - | - |
| | <u>186,343</u> | <u>1,241,924</u> | <u>(1,223,731)</u> | <u>-</u> | <u>204,536</u> |
| Total of funds | <u>37,669,741</u> | <u>22,437,483</u> | <u>(21,449,143)</u> | <u>(18,826)</u> | <u>38,639,255</u> |

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Notes to the financial statements Year ended 31 July 2023

19. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2022 £ |
|---------------------------------|----------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 3,328,404 | - | (450,000) | - | 2,878,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| General funds | | | | | |
| School general fund | 19,271,852 | 19,527,017 | (18,468,807) | - | 20,330,062 |
| RGS Trading | 3,621 | 47,273 | (46,741) | - | 4,153 |
| | <u>19,275,473</u> | <u>19,574,290</u> | <u>(18,515,548)</u> | <u>-</u> | <u>20,334,215</u> |
| Total unrestricted funds | <u>35,545,681</u> | <u>19,574,290</u> | <u>(18,965,548)</u> | <u>-</u> | <u>36,154,423</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 107,408 | - | - | 15,550 | 122,958 |
| J R Howarth Bursary Fund | 149,803 | - | - | (1,880) | 147,923 |
| Peter Taylor Bursary Fund | 96,153 | - | - | (1,207) | 94,946 |
| The Storrow Scott Trust | 970,749 | - | - | (7,601) | 963,148 |
| | <u>1,324,113</u> | <u>-</u> | <u>-</u> | <u>4,862</u> | <u>1,328,975</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | 1,970 | - | - | - | 1,970 |
| Peter Taylor Bursary Fund | 15,499 | - | - | - | 15,499 |
| School Bursary Fund | 126,171 | 923,375 | (925,994) | - | 123,552 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 19,146 | 54,742 | (28,998) | - | 44,890 |
| Prize Fund | - | 3,414 | (3,414) | - | - |
| | <u>163,218</u> | <u>981,531</u> | <u>(958,406)</u> | <u>-</u> | <u>186,343</u> |
| Total of funds | <u>37,033,012</u> | <u>20,555,821</u> | <u>(19,923,954)</u> | <u>4,862</u> | <u>37,669,741</u> |

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Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- A donation to be expended on the cricket equipment and facilities.

LINKED CHARITIES

The charitable company is the trustee of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Under the 2006 Scheme of the Property Trust retains the group's permanent endowments. Land and buildings must be managed by the group in accordance with the objects of this charity and various prize funds held by the charity must be managed by the group in accordance with their trusts.

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Year ended 31 July 2023

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Trustee of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Trustees. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be played there on grass.

The capital of The Endowment Fund is now to be held at the discretion of the Trustees subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Fields Association and the Northumberland Playing Fields Association.

However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Trustees in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Trustee shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received into the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring trustees, Mr Scott having been a pupil at the school).

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2023

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total funds 2023 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 44,890,255 | - | - | 44,890,255 |
| Fixed asset investments | - | - | 945,149 | 945,149 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 7,167,717 | 204,536 | - | 7,372,253 |
| Creditors due within one year | (3,771,788) | - | - | (3,771,788) |
| Creditors due in more than one year | (11,161,614) | - | - | (11,161,614) |
| Total | 37,124,570 | 204,536 | 1,310,149 | 38,639,255 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 45,266,729 | - | - | 45,266,729 |
| Fixed asset investments | - | - | 963,975 | 963,975 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 6,846,542 | 186,343 | - | 7,032,885 |
| Creditors due within one year | (3,928,258) | - | - | (3,928,258) |
| Creditors due in more than one year | (12,030,590) | - | - | (12,030,590) |
| Total | 36,154,423 | 186,343 | 1,328,975 | 37,669,741 |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

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

| | Group 2023 £ | Group 2022 £ |
|--|--------------------|--------------------|
| Net income for the year (as per statement of financial activities) | 969,514 | 636,729 |
| Adjustments for: | | |
| Depreciation charges | 1,197,732 | 1,257,029 |
| Interest paid | 429,887 | 463,545 |
| Losses/(gains) on investments | 18,826 | (4,862) |
| Dividends, interests and rents from investments | (195,094) | (100,947) |
| Increase in stocks | (6,753) | (3,919) |
| (Increase)/decrease in debtors | (79,861) | 10,852 |
| (Decrease)/increase in creditors | (185,446) | 1,165,329 |
| Net cash provided by operating activities | 2,148,805 | 3,423,756 |

22. Analysis of cash and cash equivalents

| | Group 2023 £ | Group 2022 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 6,930,784 | 6,678,030 |

23. Analysis of changes in net debt

| | At 1 August 2022 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2023 £ |
|--------------------------|--------------------------|------------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 6,678,030 | 252,754 | - | 6,930,784 |
| Debt due within 1 year | (840,000) | 840,000 | (840,000) | (840,000) |
| Debt due after 1 year | (11,787,000) | - | 840,000 | (10,947,000) |
| | (5,948,970) | 1,092,754 | - | (4,856,216) |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

24. Pension commitments

The group's employees belong to two principal pension schemes, the Teachers' Pension Scheme for teaching staff, and the RGS Support Staff Pension Scheme for support staff.

Teachers' Pension Scheme

The Teachers' Pension Scheme ('TPS') is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,658,929 (2022: £1,591,320). Contributions totalling £205,310 (2022: £203,022) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

Valuation of the Teacher's Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

RGS Support Staff Pension Scheme

The RGS Support Staff Pension Scheme is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £225,157 (2022: £207,510). Contributions totalling £nil (2022: £nil) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2023

25. Operating lease commitments

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

| | Group 2023 £ | Group 2022 £ | Company 2023 £ | Company 2022 £ |
|--|-----------------------------|--------------------|-------------------------------|----------------------|
| Not later than 1 year | 101,963 | 61,945 | 101,963 | 61,945 |
| Later than 1 year and not later than 5 years | 321,006 | 71,269 | 321,006 | 71,269 |
| Later than 5 years | 231,602 | 246,293 | 231,602 | 246,293 |
| | 654,571 | 379,507 | 654,571 | 379,507 |

26. Related party transactions

Some governors are also trustees of The Royal Grammar School Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The grant made towards bursaries in the year amounted to £1,099,709 (2022: £904,035). The group's administrative staff provide assistance with the charity's record keeping at no charge to the charity. The group maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school has met the Trust's campaign appeal costs totalling £105,508 (2022: £133,502). The group made no donations to the charity during the year (2022: £450,000).

The Trust has provided Hardship funds to help support families (e.g. purchasing suitable clothes for Sixth formers, transportation expenses to the school) to the group totalling £2,425 (2022: £5,759)

The Trust has also received donations totalling £63,595 (2022: £51,196) from trustees or charities with which trustees have an association.

The Storrow Scott Charitable Will Trust, a charity controlled by the school, applies its income to the Royal Grammar School Educational Trust. Grants paid or payable in the year amounted to £30,738 (2022: £28,998).

The group purchased merchandise from RGS Trading Limited in the year totalling £2,972 (2022: £4,567) as well as recharges of £14,056 (2022: £8,501) for staff costs and administration. The balance owed by RGS Trading Limited at year end is £16,867 (2022: £11,862).

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2023

27. Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

| Name | Company number | Class of shares | Holding | Included in consolidation |
|---------------------|-----------------------|------------------------|----------------|----------------------------------|
| RGS Trading Limited | 04063794 | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit for the year £ | Net assets £ |
|---------------------|---------------------|--------------------------|--------------------------------------|-------------------------|
| RGS Trading Limited | 66,237 | (57,286) | 8,951 | 13,107 |

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales - Charity number 1114424

Accounts

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2022

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details

Year ended 31 July 2022

Governors

J Drummond, Co-opted Governor (Chair from 2 December 2017, resigned as Chair on 3 August 2021) (resigned 31 December 2021)
T E B Hartley, Co-opted Governor (Vice Chair from 9 March 2017) (resigned 8 April 2022)
J S Berry, Co-opted Governor
R H Fell, Co-opted Governor
A C Fletcher, Co-opted Governor (Chair from 3 August 2021)
S A Green, Co-opted Governor
A Gupta, Co-opted Governor
M Hannifa, Co-opted Governor
A H Lamb, Co-opted Governor
N J McMinn, Co-opted Governor
S Milligan, Co-opted Governor
A P Murphy, Co-opted Governor
M D Robinson, Co-opted Governor
C Stonehouse, Co-opted Governor
T N Thorne, Nominated by Northumberland County Council
S Woodroffe, Co-opted Governor

Company registered number 05664801

Charity registered number 1114424

Registered office Eskdale Terrace
Newcastle upon Tyne
NE2 4DX

Company secretary C F Black

Headmaster G Stanford

Independent auditor UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details (continued)

Year ended 31 July 2022

| | |
|----------------------------|--|
| Bankers | Barclays Bank PLC PO Box 379 71 Grey Street Newcastle upon Tyne NE99 1JA |
| | National Westminster Bank plc 2nd Floor 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF |
| Investment advisors | CCLA Senator House 85 Queen Victoria Street London EC4V 4ET |
| Insurance broker | Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report Year ended 31 July 2022

The governors present their annual report together with the audited financial statements for the year 1 August 2021 to 31 July 2022. The annual report serves the purposes of both a governors' report and a directors' report under company law. The governors confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

AIMS AND OBJECTIVES

Charitable Objectives

The charitable objectives of The Newcastle upon Tyne Royal Grammar School (RGS) are set out in the school's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England; and
- Facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Purpose, Vision and Values

RGS remains connected to the purpose for which we were established and has a very clear vision as to what we wish to achieve:

- We believe in inspiring young people and equipping them to make a positive contribution to society; and
- The RGS as a school should promote excellence and is committed to raising aspiration and attainment across the North East.

Our values run through everything we do to deliver the above vision, in our work both within our school and outside in the wider community. Like fingerprints, our values are invisible but indelibly cover everything we do, they are integral to our prioritisation of activities both in the school and our work in the broader community, and are explicit in the standards and behaviour we expect of our students and staff:

- **Belief In Each Other** is the value of trust. When self-belief seems in short supply, we understand how believing in others can bolster confidence, make someone glow and foster their faith in themselves once again. Belief can break all sorts of ceilings and there are no limits to what can be achieved with tenacity, sheer graft and people you trust at your back. We celebrate everyone's achievements and allow ourselves to be guided by those we believe in. We catch when others fall but most importantly, we help them get back up again. Pastoral care and wellbeing is at the heart of this value. We work hard and believe that others will do the same.
- **Love for Learning** seems self-evident in a school built on RGS's formidable academic reputation. We communicate unashamedly how passionate we are, we encourage everyone to enjoy school and believe that a positive approach each day can bring out the best in every learner. Teaching happens in the most surprising and diverse ways and the best learning often happens by stealth, when it is least expected, in the nooks and crannies of the curriculum. The thirst for knowledge and freedom to explore can help that love of learning grow. We support self-expression, critical thinking and creativity in both teaching and learning – for academic success but also to enable people to be their best selves.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued)

Year ended 31 July 2022

- We value a **Sense of Belonging**, combining our kinship with each other in the school community with our heritage on Newcastle soil, where we took root five hundred years ago. We are place and people. We respect those around us, are openminded and non-judgemental. Everyone belongs. We are northern, where clanship is strong and bonds forged last a lifetime but we are of the global age. Borders and boundaries are transcended as the RGS family connects like other families spread across the world. We rest in the heart of our Tyneside community, where our Partnership work sees us collaborate within the wider educational and social landscape. Unity with our neighbours means an increased sense of belonging: we want to nurture good citizens: part of a network of people who strive for the greater good.
- **Ambition to Succeed** is to push forwards, move and innovate. It might be our final value but it doesn't act as a full stop. This is the thread that ties our other values together. We must never stand still, unless it is to reflect on what we have done and how we might do it differently next time. We have the intellectual freedom to explore and take risks – so we can push boundaries in and out of the classroom. We have a strong support network, both internally and externally, which helps us to change, adapt and respond together. We are constantly evolving and are ambitious for the future – because it is our future and we are excited by its opportunities. We recognise that success looks different for each individual, but whatever it looks like, we hope everyone in our community can strive to challenge themselves. We can be brave with academic content and co-curricular opportunities, encouraging that first small spark of ambition to flare. Conventional, eccentric, classic, left-field, surprising and delightful, we celebrate ambition in all its forms.

Our Public Benefit

RGS is driven by the social impact we can make, not only to the trajectory of the lives of students who attend our school, but also to our broader community and wider society.

Founded almost 500 years ago during Henry VIII's reign, Thomas Horsley, five time mayor of Newcastle, endowed RGS as the City's first school; that early philanthropic gift and social vision has been a constant throughout our almost half a millennium of existence. Our social responsibility remains at the forefront of our minds and is central to our future endeavours.

We believe that RGS is uniquely placed to stretch and challenge bright young people and consequently we have a well-deserved reputation for academic excellence, consistently outstripping national averages. Our students deliver phenomenal, nationally and internationally recognised achievements, with RGS often cited as an asset when encouraging inward investment to the North East. However, we are an exceptional school in a relatively deprived area of the UK. While we are convinced of the infinite potential of young people from the North East, the social mobility statistics in our region are some of the worst in the country and the challenges have been compounded by the pandemic. Too many children are missing opportunities afforded to others born elsewhere.

We believe that our model of a highly academic education ought to be available to *any* child who is intellectually curious, able and aspiring, and who would benefit from a fast paced and challenging curriculum through 1. RGS School, 2. RGS Bursaries and 3. RGS Partnerships.

The Governors have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits that our activities bring, to both pupils and the wider community.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2022

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND ACTIVITIES

1. **RGS School** delivers our core educational activities. Pupil numbers at our Senior school increased to 1,071 (2021: 1,052) and the number of pupils at our Junior school increased in the year to 275 (2021: 265). Our fees for the current year were:

Junior School - £12,213 per year

Senior School - £14,499 per year

RGS SCHOOL ACHIEVEMENTS

1,345 students attended RGS, which would have otherwise cost the taxpayer an annual c£8m if educated in the state system.

In GCSEs, **86.3%** of grades achieved were A*-A (grades 9-7) and **51.9%** were grade 9.

In A Level, **90.2%** of grades achieved were A*-B and **71.8%** were A*-A.

Over **4,000** hours of volunteering were delivered by RGS students.

13 members of RGS staff are Governors at local schools and 2 are in Director/Trustee positions.

28 local community groups and organisations accessed RGS school buildings and facilities for their events and activities.

RGS SCHOOL ACTIVITIES

Operations

The academic year began with continued complications of the Covid-19 pandemic impacting the operational life of the school, but the relaxation of social distancing guidance enabled the return of more meaningful interactions between year groups including the re-establishment of Tutor Sets. Teaching staff were challenged by the requirement to deliver live lessons in school, and simultaneously stream online to students self-isolating. Meanwhile support staff were confronted with the need to deliver contact tracing and organise mass lateral flow testing. Events were organised, postponed, and re-organised online; both the Autumn 2021 and Spring 2022 Terms were disrupted, yet the entire community continued to rise to the challenges, and were relieved to see a sense of 'normality' return in the Summer Term.

Inspection

In September 2021 the school was subject to full Compliance and Educational Quality Inspections led by ISI, the outcome of which was to find us fully compliant and rated 'excellent', the highest possible ranking. The inspection report was a tribute to the whole RGS community, the hard work of teaching and support staff, continuing support of parents and the energy and enthusiasm of pupils.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued)

Year ended 31 July 2022

Academic

In October 2021, RGS was recognised as The Sunday Times' North East Independent School of the Year, reflecting our outstanding 2020-21 public exam results. While various contingency arrangements were put in place should Summer 2022 public exams not proceed, in the end students sat formal GCSE and A Level examinations for the first time in two years. RGS students continued to achieve outstanding grades, outperforming others regionally as well as national averages. At GCSE, students performed well at all levels with 19 individuals being awarded Grade 9s across the board. At A Level, our students also produced a superb set of results with 163 students achieving 518 A Levels across 24 different subjects. 31 students achieved three or more A*s and 85 students achieved all A*-As. However, it is also worth celebrating that students have achieved at all levels of ability.

Outside of the core curriculum, RGS continued to prioritise enquiry-based learning with Y7 students making rocket cars and Y8 students engaging with their sustainable goals project, in both cases producing some creative and imaginative outcomes. Y9 participated in an essay writing competition, securing a number of national winning entries and Y12 students completed a broad range of Extended Project Qualifications (EPQs) demonstrating an extraordinary level of intellectual curiosity and academic achievement.

Through the year the school's Digital Strategy was developed, which included the increasing use of technology to deliver and reinforce teaching and learning, and comprehensive plans were developed to roll out standardised digital device from early 2022-23.

During the year, our Deputy Head (Academic) of 17 years, Roger Loxley, planned his semi-retirement, and Chris Quayle was appointed as his replacement to commence in September 2022.

Co-curricular

The new role of Deputy Head (Co-Curricular) was created and Andrew McBride commenced in this role in April 2022.

The year was packed with co-curricular activities, performing arts events included a script in hand production of the play 'Maryland', a dramatic performance of 'Skylight'; musical productions included 'Shrek', 'Sister Act' and 'Matilda'; members from across our community performed in our Junior and Senior school Carol Services, Remembrance Service and Founder's Service; major Orchestral and Choir Concerts took place, as well as less formal Gigs and Lunchtime Recitals; House Music, House Dance and Battle of the Bands took place, encouraging anyone and everyone to participate. Our second 'singing Christmas Card' again brought joy to the whole community as well as being a social media hit.

The whole RGS community united to celebrate Queen Elizabeth II's Platinum Jubilee, which included a major Concert opened by the Lord-Lieutenant of Tyne and Wear, Mrs Susan Winfield CVO OBE CStJ. Following this Y12 students participated in a Day of Service, volunteering for good causes across the City, and a school assembly broadcast to parents and Old Novos across the globe, showcasing the developments at the RGS and in the wider world over the course of each of the seven decades of the Queen's reign, using extensive material from the school's Archive. The Assembly was opened by the new Lord Mayor of Newcastle, Councillor Karen Robinson, in her first public duty who, following longstanding tradition, asked for the Lord Mayor's holiday to be granted that we will take in December.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2022

Other major school activities which brought the community together were our RGS Art of Hope exhibition and auction, where over 300 students produced artwork on the theme of 'Hope', which were auctioned, raising over £12k for student selected charities. There were major collections of aid, with three lorries of items donated to support the humanitarian crisis in Ukraine, an Advent Calendar Appeal, Preloved Clothing Sale and Foodbank appeals were all met with enthusiastic response from students and parents. Voluntary Service remained high profile in the school, with RGS school students giving an estimated 4,000 hours of time to local causes.

Co-curricular sport continued to be strong at RGS, with broad participation and the highest level of performance across all sports. RGS teams reached national finals in eight different sports, in some cases with several teams at different age groups. There was a national win for the Senior Girls' hockey team as well as a broad range of both collective and individual success in a wide range of sports.

Outside of sport, other co-curricular achievements included success for the Young Enterprise Team 'Project Parrot' who made it to the National Finals with their illustrated book aimed at making learning language fun. Computer Science had a successful year and represented the school in 17 different competitions with notable success in Bebras, the Oxford University Computing Challenge, CyberCenturions, First Lego League and Vex IQ as well as one of our students being awarded the Young Game Designed of the Year by BAFTA. Various residential trips took place, to Robinwood, Kirknewton and Patterdale; Duke of Edinburgh (DofE) expeditions took place and the Combined Cadet Force (CCF) celebrated 111 years since it was established at RGS, with the biggest ever cohort of students participating.

Pastoral

In such an ambitious and high performing school, supporting the wellbeing of our staff and students is always a priority and the Covid-19 related challenges of the year brought our commitment into even sharper relief. We continued towards achieving the Optimus Education 'Wellbeing Award' a school's highest achievement for commitment to all aspects of wellbeing, we expanded our team of Counsellors and also introduced 'TES Staff Pulse', a nationally recognised process to measure various aspects of staff wellbeing.

We planned to expand our PSHE resource by appointing a full time postholder to 'Head of PSHE' from September 2022. The school continued its commitment to Equality, Diversity and Inclusion (EDI) with the introduction of a new Action Plan, supported by an Advisory Group. A highlight of the year was a talk delivered to RGS students and broadcast to school across the Region, by Hashi Mohammed, barrister and social mobility campaigner. Our 'RGS Talks' series continues with multiple high profile speakers delivering lectures to our students, with invitations made to all Partner schools. We introduced a new staff intranet, the 'Digital Common Room' to streamline internal communications.

2. **RGS Bursaries** open access to our school for children who could not otherwise attend, which creates deep and generational impact for both bursary children and their families.

RGS BURSARIES ACHIEVEMENTS

82 (1 in 16) students at RGS attended on transformational means-tested RGS Bursaries.

92.85% is the average bursary awarded.

16 new bursary students joined in September 2021

22 new bursary students will join in September 2022 (taking total bursary students to 86).

426 bursary students have been supported since RGS Bursaries were established in 2002, collectively attending for the equivalent of **1,841** teaching years.

222 donors donated to the Bursary Campaign to fund this work.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued)

Year ended 31 July 2022

RGS BURSARIES ACTIVITIES

The RGS is fully committed to welcoming students from a wide range of backgrounds, increasing access to the opportunities it provides for boys and girls from those families whose means would not allow them to afford school fees. We are indebted to a broad range of donors for their support and are especially grateful to the parents of existing and former RGS students, and Old Novocastrians, who have seen first-hand how the bursary programme changes lives, who have personally supported this important element of RGS's work.

RGS Bursaries are strictly means tested and the average award is **92.85%** of fees, in line with our commitment to target our finite funds at students with proven academic ability from families in the most financial need.

RGS Bursaries are highly coveted and the competition for the limited places is fierce. Along with the academic assessments and the full financial review, the school's Bursary Outreach Officer makes home visits before the bursary assessment team meet to make recommendations on the award of bursaries. The school continues to see a significant increase in bursary applications as more and more people become aware of the opportunity. The role of the Bursary Outreach Officer has been extended and provides a link with bursary applicants and also supports them throughout their time in the school, this is in addition to the normal pastoral support provided to all students.

The status of our bursary students' funding is confidential unless they otherwise choose to disclose to their peers; a growing number of Sixth Form bursary holders have been very open, considering their bursary a 'badge of honour'. Anonymous or not, the bursary students search out every possible opportunity available during their time here, and each term it is a delight to see them winning national competitions, Charing school clubs and societies, leading drama productions and excelling in sports. They contribute greatly to the rich life of the school and our community flourishes from the broad perspectives that can only come from a socially diverse student body.

We are particularly proud of the 15 Y13 means-tested bursary holders, who this year collectively secured 49 A Levels across 21 different subjects. Ten of these students secured all A*-As, with four securing three A*s and two securing four A*s.

Our long-term vision is for the RGS student population is to reflect the social diversity of the City of Newcastle, and for us to return to offering in the Region the option of a highly academic education, *irrespective of applicants' backgrounds*. We believe that if we were a needs blind school, selecting students **only** on their academic merit, up to 25% of our school population could be eligible for a mean-tested bursary, based on the proportion of people experiencing poverty in the North East. Our interim target is to reach 1 in 10 students by our Quincentenary year in 25-26 and grow an enduring endowment to help sustain this, which we aim to reach through our RGS Gives fundraising campaign.

Achieving this long-term vision for RGS Bursaries is a hugely ambitious goal, but 2021-22 saw us make even further progress towards this, with thanks to our incredible supporters. The School benefits from its close involvement with its alumni, who provide a significant contribution to bursaries, through the Old Novocastrians Association (ONA). The normal range of in person alumni engagement events during the year was curtailed but a significant number of alumni engaged with the school's programme of virtual events. The ONA magazine reaches a large number of former students and this year the two editions focused on how the Junior School has contributed to the RGS and helped shape the future careers of individual alumni, as well as the 20th Anniversary of the first Girls to join RGS in 2002. The school held a stunning Philanthropy Dinner for donors, in the main hall, supported by students including many bursary holders. The RGS Garden Party also proved a colourful evening full of joy and dancing, with funds raised to support our Bursary Campaign.

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Governors' report (continued)

Year ended 31 July 2022

3. **RGS Partnerships** encompass genuinely equal collaboration with state schools, to deliver broad impact to bright, capable children from across the entire North East region.

RGS PARTNERSHIPS ACHIEVEMENTS

3 RGS teachers are *dedicated* to RGS Partnerships work, with countless more RGS teachers supporting outreach activities.

Over **7,300** individual students in local state schools benefitted from RGS Partnerships activities, for a total **23,000** hours.

76 different schools across the region were involved in RGS Partnerships activities.

More than **300** teachers received **1,500** hours of CPD or collaborated on curriculum development.

Over **40** RGS Partnerships projects have taken place, including STEAM, Sport, Languages, Classics, Debating, UCAS Mentoring and much more.

RGS PARTNERSHIPS ACTIVITIES

Despite the continued operational challenges relating to Covid-19 in the earlier part of the academic year, RGS Partnerships continued to be delivered, albeit more creatively, in the wider community. The number of teachers and students that RGS Partnerships impacted beyond the RGS school gates grew significantly and behind these numbers there are so many inspiring stories, innovative and collaborative initiatives, as well as relationships that have developed.

Resourcing

Fundamental to the delivery of our RGS Partnerships projects are our dedicated staff in the form of a Director of Partnerships and two dedicated Partnerships Teachers, one specialist in Maths and the other in Physics, both funded by the Reece Foundation. During the year, funding for a further dedicated partnerships teacher (a specialist in Robotics) was agreed with British Engines, and a postholder appointed to start in September 2022. In addition to this dedicated RGS Partnerships resource, RGS teachers from across the school gave time to support our diverse and innovative range of projects.

RGS Partnerships with state schools are genuinely collaborative and mutually beneficial; we believe that when passionate colleagues from all kinds of schools and organisations work together towards the twin goals of raising attainment and aspirations of our young people, amazing things can happen.

Projects

Our range of projects have all developed following open dialogue with partner schools and a range of pilots, the learnings from which, have shaped our focus. Given that we work with schools from Berwick to Middlesborough, and everywhere in between, the geographical location and catchment area of partner schools also greatly influence their needs; as such, the context in each partner school directly affects the ways in which we will work together. This discussion is then formalised with a memorandum of understanding, confirming each party's commitment.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2022

Maths specific projects have included:

Higher Tier Maths GCSE - At an 11-16 school in West Newcastle, we have worked weekly with students in Year 10 and Year 11 to improve attainment through a variety of taught lessons and intervention groups. A number of Year 11 students have had the opportunity to be entered for Higher Tier Maths GCSE which they would have otherwise been unable to access.

AQA Level 2 Certificate in Further Mathematics - In partnership with Westfield School and the Reece Foundation, we run a weekly virtual course to teach the AQA Level 2 Certificate in Further Mathematics to Year 10 students from seven schools in the North-East. We teach the same course in person at a secondary academy in Sunderland. ?

Maths enrichment clubs - Twice a week we run enrichment clubs at a local Technical College for students in Years 9 to 11. Some sessions have focused on consolidation and problem-solving, while in others we have explored a wide variety of interesting and unusual topics.

Maths University Admission Test Preparation - we have worked with the government-funded Advanced Mathematics Support Programme (AMSP) to provide weekly problem-solving sessions for Sixth Form students preparing to take university admission tests in mathematics. Students travelled from as far as Morpeth, Hexham, and even Carlisle to attend sessions held at RGS.

Bright Sparks - we have run half-termly Bright Sparks events for more able Year 9 mathematicians to explore fun Maths topics beyond the syllabus. 12 schools have taken part in the programme this year, with an average of 60 students from 7 schools at each event.

Physics specific projects have included:

Intervention groups - in partnership with the Newcastle UTC we have been delivering challenging, thought provoking real-world STEM projects.

Real life physics - at Benfield School and at Studio West Academy in Denton, we have delivered practical projects to enable students to learn through research, design, build and evaluation cycles.

Science Week Takeover - in Rainbird Excelsior Primary School we supported a Science Week Takeover.

Upskilling teachers - in Berwick Academy we have been directly supporting a non-physics specialist through remote and in-person support.

Curriculum Development - We have worked with a local Primary school in reviewing and re-launching their Science Curriculum and Tom Williams has worked with a secondary Academy on their A Level Physics offer.

Computer Science Partnership Projects have included:

Digital Schoolhouse - our Digital Schoolhouse sessions have been running weekly - beamed into Primary classrooms around the region in Autumn and Spring Terms, it was great to welcome students back into school for 'in-person' workshops as lockdown rules allowed. 10 schools have taken part in these termly mornings off timetable to develop coding skills. In one session of Pac-Man game design, our Head of Computing taught four separate remote classrooms, reaching over 100 students!

E-sports - We have launched an e-sports pilot with four local schools, impacting all of their Year 5 and 6 students, using funds from our Digital SchoolHouse work to buy devices, we also provided training for the teachers involved to implement the programme. We will offer this scheme to more schools next year following this successful pilot.

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Governors' report (continued) Year ended 31 July 2022

First Lego Leagues (FLL) - Our Reece Foundation- funded boxes of Lego have facilitated innovation and creativity in Primary Schools setting up FLL co-curricular clubs in 10 schools. We aim to host an expo for FLL junior in school next year, coordinated by our new Robotics Partnerships teacher.

CyberFirst Girls - We supported four secondary schools in entering CyberFirst Girls this year, and will look to build on our successes in Cyber Centurion by offering support to schools in setting up this challenge. As part of our newly awarded Gold Cyber-First school accreditation we will grow our 'cyber' outreach next year, to build on our aim to inspire the next generation of coders, software gurus and design engineers through our 'maker' approach to Computing.

Engineering, Design and Technology (EDT) equipment - We have loaned equipment to a local school to facilitate the development of their curriculum. With a new Robotics Partnerships Teacher joining us in September 2022, this will be a growing strand of our work.

Computing - partner Primary schools have benefitted from the loan of equipment to facilitate First Lego League sessions, MicroBits have been distributed in a similar way, and perhaps most excitingly, we have been able to fund the purchase of Nintendo Switches for our e-sports pilot via Digital Schoolhouse.

Cultural Capital Projects included:

In **Classics**, we introduced students from a local Primary to the 'Groovy Greeks'. In addition, we have worked with two local secondary schools to upskill non-specialists to deliver Latin GCSE by joint-planning and observing lessons delivered both remotely and in person.

Art Week at an Outer West Primary School saw four RGS Sixth Form Artists working with students from four classes – sharing their projects while also supporting the Key Stage 2 students in their work.

This is Creative Enterprise (TICE) is an innovative programme in partnership with Northumbria University. 20 students from a partner secondary joined RGS students for workshops and masterclasses.

Battle of the Bands was back with a bang: local schools including five partner State schools took part in this brilliant event.

Our **Storytelling** project was up and running again, with students from Year 9 Drama sharing their stories in a workshop at a local 1st School. We also supported this school with their summer show, through tech and teacher support.

In **Modern Languages**, our wonderful Spanish Assistant volunteered at a local school, speaking with students to hone their skills one day per week: in the course of this work, she saw around 270 young linguists.?

Through Borrow Box, we have worked closely with local partner Primary Schools where a box of Class Readers is loaned, resources added by the partner teacher, before being returned to pass on to the next school. The scheme reached 240 students across 8 classes this year, with students from Key Stages 1 and 2 benefitting from shared teacher resources and recently published books from exciting, diverse authors. We hope to grow this scheme by doubling the boxes in 2022-23. 100% of participants in this scheme said they would use it again.

With our **Library Link** project we were delighted to donate 300 books to a partner secondary library in the summer of 2022. This link will be ongoing and we look forward to working collaboratively in the future.

As well as more traditional CPD, including **workshops, teachmeets** and **PGCE placements**, we have worked with partner schools on curriculum development, with the long-term aim of embedding a new subject or club in a school:

EPQ - Our Head of Projects has worked closely with a local High School to develop their EPQ course, which launched this year, with eight students.

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Governors' report (continued) Year ended 31 July 2022

Classics – With thanks to funding from Classics for All, we have worked with an Academy to offer Latin GCSE with a group of Year 9 students. We worked closely with a colleague at the partner school to embed the subject as part of the curriculum offer at GCSE: this teacher is now equipped to bring a new group through Y9 alongside taking the current Year 9s into Year 10.

Debating – We are working with 2 partner schools to upskill teachers to offer Debating Clubs. Teachers and students have joined our clubs to gain confidence in starting a club. We hope to build a network of schools to offer competitions in time. An exciting project for all involved!

Securing the future

In addition to the above component RGS Partnerships projects, we progressed plans to address a systemic challenge for the region, the alarming local shortage of maths and physics teachers. During the year we confirmed plans to open a North East branch in RGS, of the National Maths and Physics School-Centred Initial Teacher Training (SCITT) scheme, with recruitment of new teachers to be trained and hosted at RGS, due to commence in September 2022.

We believe that we are only just realising the potential scope and power of cross-sector partnerships at local and national levels.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term – as covered in the Section on Principal Risks and Uncertainties on page 14.
- b. The interests of the company's employees as covered in the section on Engagement with Staff on page 17.
- c. The need to foster the Charity's relationships with third party stakeholders such as parents, students, partner state schools. Alumni, donors, contractors, suppliers as well as independent school organisations and national and local government. This is covered throughout this Report although primarily in the Review of Activities and Achievements section on page 5.
- d. The impact of the Charity's operations on the community and the environment as covered in the Greenhouse gas emissions and energy section on page 18 as well as in the section detailing our Community work on page 9.
- e. The desirability of the Charity maintaining a reputation for high standards of business conduct as covered in the Financial Review
- f. The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented and is covered in the section on Engagement with Staff on page 17.

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Governors' report (continued) Year ended 31 July 2022

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to maintain a high level in 2022-23. Careful management of expenditure and cashflow led to an operating surplus of £637k. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before gains on investment assets of £631,867 (2021: £530,624). Investment gains amounted to £4,862 (2021: £109,598) resulting in a net surplus of £636,729 (2021: £640,222).

The school's subsidiary trading company, RGS Trading Limited, generated a surplus of £532 (2021: deficit of £6,438) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £3.1 million (2021: £2.7 million).

In all our dealings the school ensures that the businesses we contract with are dealt with fairly by adhering to payment terms and complying with all legal agreements and responsibilities. We put out to tender for all large projects to ensure we support local suppliers and ensure suppliers are giving value for money and are also adhering to the high standards which we would expect. We strive for high levels of integrity in all that we do and choose to work with companies who echo our values.

Going concern

The Covid-19 pandemic continued to impact operations in 2021-22 as although school remained open throughout there were additional staff costs to combat the high levels of staff absences. Pupil numbers at the start of the 2022/23 academic year remain extremely robust and slightly ahead of forecast. Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Having due regard to these matters and after making appropriate enquiries, the Board have therefore continued to adopt the Going Concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment policy and performance

The Governors' investment powers are governed by the Articles of Association. The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments. The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2022 were 1.69% (2021: 19.75%) on the Peter Taylor Fund, 1.69% (2021: 19.75%) on the J R Howarth Bequest Fund and 1.69% (2021: 19.75%) on the Storrow Scott Trust. All three portfolios are invested in the COIF Charities Investment Fund (Income Units).

These returns compare with a total return for the comparator benchmark of 1.64% (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 14.06% (the fund objective being CPI +4% after fees). It should be noted that the recent spike in UK inflation has made the Fund objective very challenging. The COIF Charities Investment Fund is a Risk Category 3 under PRIIPS.

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Governors' report (continued) Year ended 31 July 2022

Reserves policy and performance

The Governors continue to take steps to review their reserves policy. Their intention is to continue to develop the school facilities with a focus on sustainability whilst at the same time containing increases in tuition fees to a reasonable level. Note 20 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £36.2 million. Of this, designated bursary funds totalling £2.9 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows. This year £450,000 of this fund has been used to support bursary students and was transferred to the Educational Trust.

Also within unrestricted funds are fixed assets totalling £45.3 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £12.0 million (2021: deficit of £13.7 million) due to loans of £12.6 million (2021: £13.5 million) which were taken out to fund building projects.

The Governors are satisfied with the reserves position of the school.

Principal funding

The school's day to day charitable activities are self-funding.

Principal risks and uncertainties

The main risk areas for the school are risks associated with the safeguarding of students as well as the potential impact of adverse political and economic environments.

Procedures and systems to minimise these risks are regularly reviewed and updated. All staff are required to undergo annual safeguarding training and from September 2022 this requirement has been extended to require that Governors receive specific Safeguarding training as part of their induction; all School Governors undergo annual Safeguarding training and in addition specific training will be given to Governors each year from September 2022.

External financial pressures that are out of the control of the school which include major impacts on the national economy such as the current cost of living and energy crisis, increases to contribution rates for the Teacher's Pension Scheme, changes to employers National Insurance contributions, the removal of charitable relief and the possibility of VAT on school fees are carefully monitored and contingency plans drawn up to manage the risks.

Fee income is a key risk and the school is aware that the cost of living impact whilst impacting the operational costs of the school also has a significant impact on parents and on their ability to pay school fees. The income from the Educational Trust to the school for the support of existing bursaries could be impacted due to the economic slowdown and resulting impact on donations, and income from investments and rental properties. Detailed modelling is conducted and reviewed on a regular basis to monitor and manage this risk.

Within financial risks, liquidity risk is managed by loans to finance long term projects and careful cash management to deal with month on month fluctuations in cash flow

This academic year has seen the school continue to see some impact of the Covid-19 pandemic with some restriction on activities in the academic year as well as increased operational costs due to staff absenteeism and additional energy cost with additional ventilation required in colder months and therefore increased heating costs. with increased hygiene measures and cleaning to minimise transmission of the virus as well as increased ventilation throughout the site.

The Newcastle upon Tyne Royal Grammar School

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Governors' report (continued) Year ended 31 July 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Constitution**

The school was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the school was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020.

On 1 August 2006, the assets, liabilities and undertaking of the school were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held.

By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 11144241.

- **Method of appointment or election of Governors**

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected, and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body. On joining the Board all Governors receive an induction and undergo appropriate training, both at induction, and throughout their tenure.

The Co-opted Governors are co-opted by the existing Governors.

- **Pay policy for senior staff**

The Nominations and Remuneration Committee review the pay of the Headmaster, Deputy Head and Director of Finance & Operations on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point due consideration is taken of benchmarked information for schools of a similar size and location.

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Governors' report (continued)

Year ended 31 July 2022

- **Organisational structure and decision making**

The membership of the Governing Board has remained unchanged across the year and has focused on the strategy of the school. In addition, a new sub committee was established in the year, the Education Committee whose purpose is to inform, advise and assist the Governing Body on all matters associated with the educational life of RGS: curricular, co-curricular, pastoral, teaching and learning; in order to ensure that the strategic objectives of the school are delivered.

The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the school's vision. During the year the school commissioned a review of governance, which was very positive. The report gave a number of recommendations that the school is in the process of implementing.

The Governing body is supported by three sub-committees, the Finance and General Purposes Committee, the Education Committee and the Nominations and Remuneration Committee.

Governors meet six times a year, at least once every term, to review the activities of the school and its subsidiary.

Financial control is exercised over the activities of the school by means of an agreed Annual Budget.

More detailed issues are dealt with in advance of Governors' meetings by the Finance and General Purposes Committee and the Nominations and Remuneration Committee.

The Finance and General Purposes Committee is responsible for ensuring the sound management and auditing of the School's finances and resources, including proper planning, monitoring and probity.

Governors who served on the Finance and General Purposes Committee during the period were:

Mr Alex Lamb (Chair)
Mr Alan Fletcher
Mrs Julie Drummond (resigned 3 August 2021)
Mr Hugh Fell
Mr Nigel McMinn

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head and Director of Finance & Operations annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr Hugh Fell (Chair)
Mr Alan Fletcher
Miss Scarlett Milligan
Mrs Julie Drummond (resigned 3 August 2021)
Mrs Sally Green (appointed 26 September 2021)

The Education Committee is responsible for providing an initial discussion forum for all matters of the education provided by the school including the pastoral, co-curricular, quality of teaching and staff development (of educational staff) as well as to have an oversight of other areas such as SEND, EDI, examination results and safeguarding.

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Governors' report (continued) Year ended 31 July 2022

Governors who served on the Education Committee during the period were:

Mrs Sally Green (Chair, appointed 26 September 2021)
Mr Alan Fletcher
Mrs Joanna Berry
Mrs Aarti Gupta
Mrs Muzlifah Haniffa
Mrs Sue Woodroffe

The day to day running of the school is vested in the Headmaster and Director of Finance and Operations alongside seven other members of the Senior Leadership Team:

| | |
|---|---|
| The Headmaster | Mr Geoffrey Stanford |
| The Director of Finance and Operations: | Mrs Rachel Amey |
| The Deputy Head: | Mr Tom Keenan |
| The Head of Junior School: | Mr James Miller |
| The Deputy Head Academic: | Mr Roger Loxley (stepped down 31 August 2022) |
| The Deputy Head Academic: | Mr Chris Quayle (appointed 1 September 2022) |
| The Deputy Head Pastoral | Miss Sarah Longville |
| The Deputy Head of Co-curricular: | Mr Andrew McBride |
| The Head of Sixth Form: | Mrs Naomi McGough |
| The Director of Development and Communications: | Mrs Susan Beck |
| The Director of Partnerships | Mr John Smith |

• Engagement with staff and equal opportunities

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the Teachers' Pension Scheme, the Covid-19 pandemic and the financial position of the school. The school has an Information and Consultation Committee (ICC) that meets regularly at which staff may raise issues of concern and where feedback from Governor's meetings is provided; the members of the ICC represent both teaching and support staff. In addition, there have been a number of specific meetings with staff and Governors and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive.

When recruiting staff the School looks to appoint individuals from a wide variety of backgrounds. Not just because it is the right thing to do but because at the RGS we recognise that those different experiences provide fresh perspectives, opportunities to challenge existing beliefs and provide opportunities to act as excellent role models for our diverse student body. We are committed to creating an inclusive and diverse school culture and our staff are at the heart of this. We are proud to be an equal opportunities employer and all qualified applicants will receive consideration for employment regardless of age, disability, sex, gender reassignment, sexual orientation, pregnancy and maternity, race, religion or belief and marriage and civil partnerships. RGS works with all staff to ensure appropriate training is provided and adjustments made should an individual's circumstances change during their employment, and that ongoing training, development and progression is available to all staff regardless of their circumstances.

• Related party relationships

The school shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school meets the Trust's campaign appeal costs.

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Governors' report (continued)

Year ended 31 July 2022

- **Risk management**

The Governors examine the major risks that the school faces each year, in the course of reviewing their strategic planning for the development of the school. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the school in the future. The principal risks faced by the school are covered under principal risks and uncertainties on page 14.

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 August 2021 to 31 July 2022

| | |
|---|----------------|
| Energy Consumption used to calculate emissions (kWh) | 5,836,342 |
| Scope 1 emissions in metric tonnes CO ₂ e | |
| Gas consumption | 756.3 |
| Transport fuel | 17.4 |
| Total Scope 1 | 773.7 |
| Scope 2 emissions in metric tonnes CO ₂ e | |
| Purchased electricity | 327.4 |
| Scope 3 emissions in metric tonnes CO ₂ e | |
| Business travel in employee owned vehicles | 2.1 |
| Total gross emissions in metric tonnes CO₂e | 1,103.3 |
| Intensity ratio tonnes CO₂e per pupil | 0.82 |

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

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Governors' report (continued) Year ended 31 July 2022

Measures taken to improve energy efficiency and sustainability

In addition to smart meters already installed across the site to monitor electricity consumption and the installation of LED in Junior School in July 2021 we have continued the roll out of the LED lights and over summer 2022 a significant investment was made in installing LED lighting in much of the Main School. The installation included the use of PIR sensors and daylight dimming in appropriate spaces to further reduce the School's energy consumption. We are actively looking at sustainability as part of our Development plan and exploring means to decrease our energy intensity ratio. A Procurement Manager was recruited in the year to ensure we are purchasing in a sustainable and cost effective way to reduce spend and wastage.

The school recognises that its activities and actions have an impact on the environment, locally and nationally. RGS is committed to becoming a more sustainable School as part of our 2030 vision, by reducing our negative impact on the environment and enhancing our positive impact.

Sustainability at RGS

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. This encompasses not only the environment, but also social factors and economic resources.

Educating the RGS community about the need to live and learn in a sustainable way is fundamental to the school's vision and ethos of treating everything and everyone with care and respect along with recognising it belongs in the city and that its operations should not compromise future inhabitants.

RGS will celebrate its 500th Anniversary in 2025. The current generation of RGS staff and pupils wish to ensure that we shape a School that is able to flourish for at least another half millennium.

RGS has identified the following areas of focus:

- **An estate built to last:** RGS will ensure the Estate is built and managed in a sustainable way.
- **Lowering our carbon emissions:** The school quantified its carbon emissions for the first time in 2021 and will seek to establish targets in order to quantify the decarbonisation of the Estate.
- **A culture of using less:** The RGS community commits to using less, encompassing all aspects of school life, from pens and paper to reducing printing and electricity.
- **Sustainable purchasing:** RGS will embed life cycle considerations into all purchases and make environmentally friendly choices regarding products and suppliers.
- **Environmentally friendly catering:** RGS will ensure its catering operation minimises food miles, reduces its carbon footprint, and educates the community about healthy and sustainable food choices.

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Governors' report (continued) Year ended 31 July 2022

PLANS FOR FUTURE PERIODS

- **Future developments**

At the end of each academic year the school reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders and in recognition of our charitable objectives. For the next period (2022-2027), the following key areas for regular review are as follows:

- Vision, ethos and values
- Teaching and learning
- Pastoral care and wellbeing of staff and students
- Co-curricular provision
- Continuum of pupil experience
- Staff recruitment, retention and development
- Wider community impact
- Marketing, communications and development
- Finance and operations

They are, of course, central to the effective running of the school and will be continuously reviewed. These all fall within specific areas of management oversight for members of the Senior Leadership Team (both Senior and Junior) and will be appraised and reviewed within SLT meetings.

A fundamental part of the process for the school Development Plan is to consider a longer timeframe and how we will strive to fully realise our Vision. To this end, a range of key areas continue to emerge from consultations and these form the main focus points for additional specific developments):

1. Vision, ethos and values – reinforce the vision and ethos in the school and ensure there is a positive and inclusive culture in school focusing on tolerance, respect and awareness of others
2. Teaching and learning - ensure implementation of our digital strategy and the roll out of devices to students promotes best practice in teaching and learning which helps to ensure high quality outcomes for all students
3. Pastoral care and wellbeing – develop a dynamic well being strategy to support all members of the RGS community and to review the School's approach towards rewards to instil behaviours consistent with the school's ethos and values
4. Co-curricular provision – growing the capacity to lead and serve and improve the cocurricular opportunities for every student
5. Continuity of pupil experience – with a focus on appropriate support at transition points, from recruiting pupils to the school at different entry points, moving up through key stages and to the next stage beyond the RGS as well as developing existing opportunities for pupils to take on positions of responsibility that set and excellent leadership example to younger years.
6. Staff recruitment, retention and development – develop a culture of continuous professional development with an emphasis on identifying individual needs and sharing best practice along with the evolution of the staff appraisal system and leadership training at all levels.
7. Development, marketing and communications – use all channels available to foster stronger information sharing and improve engagement whilst have a better understanding of RGS stakeholders
8. Wider community impact – to continue to engage with the community in creating meaningful impact in the North East through outreach activities including: partnership activity, voluntary service, charity activity and the establishment of the Maths and Physics SCITT programme
9. Finance and operations – ensuring there is sound financial control and governance to help deal with the economic uncertainties alongside maintaining and improving our facilities in a sustainable manner

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Governors' report (continued) Year ended 31 July 2022

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

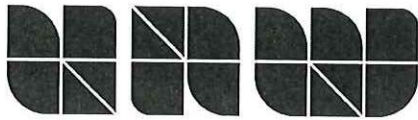
Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditors in connection with preparing their report and to establish that the charitable company and the group's auditors are aware of that information.

This report, which includes the strategic report, was approved by the Governors on 25 November 2022 and signed on their behalf by:



A C Fletcher
(Chair of Governors)



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2022 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 July 2022 and of the group's 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' 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 group's or the parent 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 governors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of governors

As explained more fully in the governors' responsibilities statement, the governors (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 governors 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 governors are responsible for assessing the group's and the parent 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 governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the governors and other management (as required by Auditing Standards) and from inspection of the charity's legal correspondence and we discussed with the governors and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law, safeguarding and certain aspects of company legislation, recognising the nature of the charity's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of The Newcastle upon Tyne Royal Grammar School (continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anne Hallowell

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

25 November 2022

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of financial activities Year ended 31 July 2022

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------------------|------|---------------------------------|-------------------------------|------------------------------|--------------------------|--------------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 170,448 | 914,909 | - | 1,085,357 | 1,362,666 |
| Charitable activities | 4 | 19,213,643 | - | - | 19,213,643 | 17,903,997 |
| Other trading activities | 5 | 113,621 | - | - | 113,621 | 14,463 |
| Investments | 6 | 34,325 | 66,622 | - | 100,947 | 52,683 |
| Other income | | 42,253 | - | - | 42,253 | 17,493 |
| Total income | | 19,574,290 | 981,531 | - | 20,555,821 | 19,351,302 |
| Expenditure on: | | | | | | |
| Raising funds | | 166,142 | - | - | 166,142 | 82,990 |
| Charitable activities | 8 | 18,799,406 | 958,406 | - | 19,757,812 | 18,737,688 |
| Total expenditure | | 18,965,548 | 958,406 | - | 19,923,954 | 18,820,678 |
| Net gains on investments | | - | - | 4,862 | 4,862 | 109,598 |
| Net income / (expenditure) | | 608,742 | 23,125 | 4,862 | 636,729 | 640,222 |
| Net movement in funds | | 608,742 | 23,125 | 4,862 | 636,729 | 640,222 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 35,545,681 | 163,218 | 1,324,113 | 37,033,012 | 36,392,790 |
| Net movement in funds | | 608,742 | 23,125 | 4,862 | 636,729 | 640,222 |
| Total funds carried forward | | 36,154,423 | 186,343 | 1,328,975 | 37,669,741 | 37,033,012 |

The notes on pages 33 to 63 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated income and expenditure account Year ended 31 July 2022

| | Total funds 2022 £ | Total funds 2021 £ |
|--|--------------------------|--------------------------|
| Gross income in the reporting period | 20,555,821 | 19,351,302 |
| Less: Total expenditure | (19,923,954) | (18,820,678) |
| Net income for the reporting period | 631,867 | 530,624 |

The notes on pages 33 to 63 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 45,266,729 | 45,965,595 |
| Investments | 13 | 963,975 | 959,113 |
| Investment property | 14 | 365,000 | 365,000 |
| | | <u>46,595,704</u> | <u>47,289,708</u> |
| Current assets | | | |
| Stocks | 15 | 16,298 | 12,379 |
| Debtors | 16 | 338,557 | 322,407 |
| Cash at bank and in hand | | 6,678,030 | 5,015,035 |
| | | <u>7,032,885</u> | <u>5,349,821</u> |
| Creditors: amounts falling due within one year | 17 | (3,928,258) | (2,669,727) |
| Net current assets | | <u>3,104,627</u> | <u>2,680,094</u> |
| Total assets less current liabilities | | <u>49,700,331</u> | <u>49,969,802</u> |
| Creditors: amounts falling due after more than one year | 18 | (12,030,590) | (12,936,790) |
| Total net assets | | <u><u>37,669,741</u></u> | <u><u>37,033,012</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,328,975 | 1,324,113 |
| Restricted funds | 19 | 186,343 | 163,218 |
| Unrestricted funds: | | | |
| - Designated funds | 19 | 2,878,404 | 3,328,404 |
| - Revaluation reserve | 19 | 12,941,804 | 12,941,804 |
| - General funds | 19 | 20,334,215 | 19,275,473 |
| Total unrestricted funds | 19 | <u>36,154,423</u> | <u>35,545,681</u> |
| Total funds | | <u><u>37,669,741</u></u> | <u><u>37,033,012</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet (continued)

At 31 July 2022

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 25 November 2022 and signed on their behalf by:



A C Fletcher
(Chair of governors)

The notes on pages 33 to 63 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet

At 31 July 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 45,264,574 | 45,961,285 |
| Investments | 13 | 963,976 | 959,114 |
| Investment property | 14 | 365,000 | 365,000 |
| | | <u>46,593,550</u> | <u>47,285,399</u> |
| Current assets | | | |
| Stocks | 15 | 11,093 | 11,657 |
| Debtors | 16 | 347,231 | 322,407 |
| Cash at bank and in hand | | 6,670,138 | 5,014,475 |
| | | <u>7,028,462</u> | <u>5,348,539</u> |
| Creditors: amounts falling due within one year | 17 | (3,925,834) | (2,667,757) |
| Net current assets | | <u>3,102,628</u> | <u>2,680,782</u> |
| Total assets less current liabilities | | <u>49,696,178</u> | <u>49,966,181</u> |
| Creditors: amounts falling due after more than one year | 18 | (12,030,590) | (12,936,790) |
| Total net assets | | <u><u>37,665,588</u></u> | <u><u>37,029,391</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,328,975 | 1,324,113 |
| Restricted funds | 19 | 186,343 | 163,218 |
| Unrestricted funds: | | | |
| - Designated funds | 19 | 2,878,404 | 3,328,404 |
| - Revaluation reserve | 19 | 12,941,804 | 12,941,804 |
| - General funds | 19 | 20,330,062 | 19,271,852 |
| Total unrestricted funds | 19 | <u>36,150,270</u> | <u>35,542,060</u> |
| Total funds | | <u><u>37,665,588</u></u> | <u><u>37,029,391</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet (continued)

At 31 July 2022

The company's net movement in funds for the year was £636,197 (2021: £646,666).

The governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the governors on 25 November 2022 and signed on their behalf by:



A C Fletcher
(Chair of governors)

Company registered number: 05664801

The notes on pages 33 to 63 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 July 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------|-------------|
| Cash flows from operating activities | | | |
| Net cash generated from operating activities | 21 | 3,423,756 | 2,180,472 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 100,947 | 52,683 |
| Purchase of tangible fixed assets | | (558,163) | (261,672) |
| Proceeds from sale of investments | | - | 270,991 |
| Purchase of investments | | - | (270,991) |
| Net cash used in investing activities | | (457,216) | (208,989) |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (840,000) | (5,420,000) |
| Interest paid | | (463,545) | (560,872) |
| Net cash used in financing activities | | (1,303,545) | (5,980,872) |
| Change in cash and cash equivalents in the year | | 1,662,995 | (4,009,389) |
| Cash and cash equivalents at the beginning of the year | | 5,015,035 | 9,024,424 |
| Cash and cash equivalents at the end of the year | 22 | 6,678,030 | 5,015,035 |

The notes on pages 33 to 63 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2022

1. General information

The Newcastle upon Tyne Royal Grammar School ('the charitable company') and its subsidiaries (together, 'the group') are engaged in the education of children and young persons in the North of England.

The charitable company is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The charitable company is a company limited by guarantee. The members of the charitable company are the governors named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary, RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the charitable company's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the charitable company for reporting purposes.

The charitable company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2022

2. Accounting policies (continued)

2.4 Going concern

The COVID 2019 pandemic continued to impact operations in 2021/22 as although school remained open throughout there were additional staff costs to combat the high levels of staff absences. Pupil numbers at the start of the 2022/23 academic year remain extremely robust and slightly ahead of forecast.

The school recorded a net surplus of income over expenditure in the year ended 31 July 2022 and has net assets at the year end of £37.7 million (2021: £37.0 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings; the school is not reliant on short term loans or overdraft facilities.

Forecasts have been prepared based upon current pupil numbers and Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the cost of living crisis, as well as the wider macro economic situation, continues to lead to uncertainty. In addition, longer term scenarios have also been modelled which include evaluating the potential financial impact of the loss of charitable status, the loss of rate relief and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2022

2. Accounting policies (continued)

2.5 Income

All income is recognised when the group has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the group from its unrestricted funds, but before deducting grants of bursaries.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The group receives a grant from the Hospital of St Mary the Virgin charity, and recognises all grants receivable from that charity, including amounts not yet paid by the year end, but which under the terms of that charity's trust deed, it must pay over in due course to the group.

Grants and donations received for the general purposes of the group are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction. Government grants awarded under the Coronavirus Job Retention Scheme (CJRS) are recognised when receivable.

Investment income

Investment income is accounted for in the period in which the group is entitled to receipt. Incoming resources from endowment funds are restricted.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2022

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the group, including those incurred in connection with the administration of the group and compliance with constitutional and statutory requirements. They are apportioned against the activities of the group in line with the estimated usage of those costs.

Grants and bursaries are included as expenditure in the period for which the award is given.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the statement of financial activities.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2022

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the group plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the school are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the group.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

| | |
|------------------------------|------------------------------|
| Freehold property | - 50 years |
| Leasehold land and buildings | - over the life of the lease |
| All weather pitch | - 20 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 3 - 10 years |

Revaluation of fixed assets

The group has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

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

2.10 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the charitable company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

2.11 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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Notes to the financial statements

Year ended 31 July 2022

2. Accounting policies (continued)

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

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

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.15 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans with related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

2.16 Operating leases

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

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Notes to the financial statements Year ended 31 July 2022

2. Accounting policies (continued)

2.17 Pension costs

The group operates two main schemes:

The group participates in the Teachers' Pension Scheme ('TPS'), which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The group also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are funds which are held for the permanent benefit of the group. There is no power to convert capital into income.

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Notes to the financial statements

Year ended 31 July 2022

2. Accounting policies (continued)

2.19 Critical accounting estimates and areas of judgment

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

Significant judgments in applying the group's accounting policies

In preparing these financial statements, the governors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owned by the group, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income from donations and legacies

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 170,448 | - | 170,448 |
| The Royal Grammar School Educational Trust | - | 904,035 | 904,035 |
| Other income for bursaries | - | 10,874 | 10,874 |
| | <u>170,448</u> | <u>914,909</u> | <u>1,085,357</u> |

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 137,270 | - | 137,270 |
| The Royal Grammar School Educational Trust | - | 828,468 | 828,468 |
| Government grants | 396,928 | - | 396,928 |
| | <u>534,198</u> | <u>828,468</u> | <u>1,362,666</u> |

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Notes to the financial statements Year ended 31 July 2022

4. Income from charitable activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Provision of school services | 19,213,643 | 19,213,643 | 17,903,997 |

School fees

| | 2022 £ | 2021 £ |
|----------------------------|-------------------|-------------------|
| Gross fees | 18,910,076 | 17,804,175 |
| Less: Grants and allowance | (451,124) | (447,695) |
| Catering income | 754,691 | 547,517 |
| | 19,213,643 | 17,903,997 |

5. Income from other trading activities

Income from fundraising events

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Facilities lettings income | 70,915 | 70,915 | 14,463 |

Income from non charitable trading activities

| | Unrestricted funds 2022 £ | Total funds 2022 £ | Total funds 2021 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Subsidiary trading | 42,706 | 42,706 | - |

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Year ended 31 July 2022

6. Investment income

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Property rental income | - | 33,891 | 33,891 |
| Dividend income | - | 29,317 | 29,317 |
| Prize fund dividend income | - | 3,414 | 3,414 |
| Bank interest | 34,325 | - | 34,325 |
| | <u>34,325</u> | <u>66,622</u> | <u>100,947</u> |

| | Restricted funds 2021 £ | Total funds 2021 £ |
|----------------------------|----------------------------------|-----------------------------|
| Property rental income | 30,157 | 30,157 |
| Dividend income | 20,038 | 20,038 |
| Prize fund dividend income | 2,488 | 2,488 |
| | <u>52,683</u> | <u>52,683</u> |

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Notes to the financial statements Year ended 31 July 2022

7. Cost of raising funds

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|-----------------------------|------------------------------------|-----------------------------|
| Fundraising costs | 21,552 | 21,552 |
| Marketing costs | 89,789 | 89,789 |
| Costs of letting facilities | 1,658 | 1,658 |
| Professional fees | 6,402 | 6,402 |
| Subsidiary trading costs | 46,741 | 46,741 |
| | <hr/> | <hr/> |
| | 166,142 | 166,142 |
| | <hr/> | <hr/> |

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-----------------------------|------------------------------------|-----------------------------|
| Fundraising costs | 9,430 | 9,430 |
| Marketing costs | 58,907 | 58,907 |
| Costs of letting facilities | 652 | 652 |
| Professional fees | 5,700 | 5,700 |
| Subsidiary trading costs | 8,305 | 8,305 |
| | <hr/> | <hr/> |
| | 82,994 | 82,994 |
| | <hr/> | <hr/> |

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Notes to the financial statements

Year ended 31 July 2022

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Provision of school services | 18,034,700 | - | 18,034,700 |
| Bursaries provided | 764,706 | 958,406 | 1,723,112 |
| | <u>18,799,406</u> | <u>958,406</u> | <u>19,757,812</u> |
| | | | |
| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
| Provision of school services | 17,111,641 | - | 17,111,641 |
| Bursaries provided | 769,829 | 856,218 | 1,626,047 |
| | <u>17,881,470</u> | <u>856,218</u> | <u>18,737,688</u> |

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Notes to the financial statements Year ended 31 July 2022

9. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Grant funding of activities 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 16,110,062 | - | 1,924,638 | 18,034,700 |
| Bursaries provided | 1,084,547 | 450,000 | 188,565 | 1,723,112 |
| | <u>17,194,609</u> | <u>450,000</u> | <u>2,113,203</u> | <u>19,757,812</u> |

| | Activities undertaken directly 2021 £ | Grant funding of activities 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 15,301,549 | - | 1,810,092 | 17,111,641 |
| Bursaries provided | 1,049,312 | 396,928 | 179,807 | 1,626,047 |
| | <u>16,350,861</u> | <u>396,928</u> | <u>1,989,899</u> | <u>18,737,688</u> |

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Notes to the financial statements

Year ended 31 July 2022

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2022 £ | Total funds 2021 £ |
|--|-----------------------------|-----------------------------|
| Depreciation | 1,257,029 | 1,439,983 |
| Teachers' salaries | 9,440,181 | 9,028,213 |
| Teaching resources | 878,497 | 930,671 |
| Other educational costs | 215,473 | 228,404 |
| Other teaching staff costs | 170,404 | 170,859 |
| Premises costs - salary | 687,949 | 693,493 |
| Premises costs - maintenance | 877,407 | 560,256 |
| Premises costs - occupancy | 594,001 | 514,502 |
| Premises costs - insurance | 166,642 | 161,784 |
| Catering costs - staff salaries | 290,397 | 278,975 |
| Catering costs - food | 445,226 | 425,219 |
| Catering costs - kitchen overheads | 66,289 | 64,331 |
| Academic support expenditure - educational support salaries | 733,483 | 695,237 |
| Academic support expenditure - PE and sport | 256,481 | 72,949 |
| Academic support expenditure - clubs, school magazines and miscellaneous costs | 21,565 | 29,607 |
| Bursaries provided | 1,084,547 | 1,049,312 |
| Prizes and awards | 9,038 | 7,066 |
| | <u>17,194,609</u> | <u>16,350,861</u> |

Analysis of support costs

| | Provision of school services 2022 £ | Bursaries provided 2022 £ | Total funds 2022 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 1,232,721 | 188,565 | 1,421,286 |
| Financial costs | 545,507 | - | 545,507 |
| Other central costs | 129,713 | - | 129,713 |
| Governance | 16,697 | - | 16,697 |
| | <u>1,924,638</u> | <u>188,565</u> | <u>2,113,203</u> |

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Notes to the financial statements Year ended 31 July 2022

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Provision of school services 2021 £ | Bursaries provided 2021 £ | Total funds 2021 £ |
|----------------------|---|------------------------------------|-----------------------------|
| Administration costs | 1,105,602 | 179,807 | 1,285,409 |
| Financial costs | 533,190 | - | 533,190 |
| Other central costs | 156,076 | - | 156,076 |
| Governance | 15,224 | - | 15,224 |
| | <u>1,810,092</u> | <u>179,807</u> | <u>1,989,899</u> |

10. Auditor's remuneration

| | 2022 £ | 2021 £ |
|---|--------------|---------------|
| Fees payable to the group's auditor for the audit of the charitable company's annual accounts | 8,600 | 7,960 |
| Fees payable to the group's auditor in respect of: | | |
| - The auditing of accounts of associates of the group | 5,190 | 4,800 |
| - All assurance services not included above | 840 | 2,360 |
| - All non-audit services not included above | - | 2,000 |
| | <u>8,600</u> | <u>12,120</u> |

11. Pupils and employees details

| | 2022 £ | 2021 £ |
|-----------------------|-------------------|-------------------|
| Staff costs | | |
| Wages and salaries | 9,408,516 | 8,940,580 |
| Social security costs | 1,000,253 | 910,703 |
| Pension contributions | 1,798,830 | 1,710,875 |
| | <u>12,207,599</u> | <u>11,562,158</u> |

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Notes to the financial statements Year ended 31 July 2022

| | 2022 No. | 2021 No. |
|---|-------------|-------------|
| The number of employees receiving remuneration of more than £60,000 per annum is as follows: | | |
| £60,001 - £70,000 | 18 | 9 |
| £70,001 - £80,000 | 4 | 4 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | 1 | 1 |
| £100,001 - £110,000 | - | - |
| £120,001 - £130,000 | 1 | - |
| £130,001 - £140,000 | - | 1 |
| £140,001 to £150,000 | 1 | - |
| | 26 | 16 |
| | 26 | 16 |

Key management personnel has been determined to be the governors and the 10 (2021: 9) members of the senior management team. The total remuneration of the senior management team, excluding employer's national insurance costs, was £1,000,307 (2021: £938,843).

During the year, no governors received any remuneration (2021: £nil). Expenses of £576 were reimbursed to 2 governors (2021: £187 reimbursed to 1 governor).

| | Headcount 2022 No. | Headcount 2021 No. | FTE 2022 No. | FTE 2021 No. |
|-----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Staff numbers | | | | |
| Senior school teachers | 120 | 116 | 111 | 109 |
| Junior school teachers | 20 | 21 | 19 | 19 |
| Academic support | 42 | 43 | 29 | 32 |
| Property management | 32 | 34 | 25 | 25 |
| Clerical and administrative | 29 | 26 | 24 | 23 |
| Catering | 21 | 20 | 16 | 14 |
| | 264 | 260 | 224 | 222 |
| | 264 | 260 | 224 | 222 |

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Notes to the financial statements Year ended 31 July 2022

Pupil numbers at 31 July

| | 2022 No. | 2021 No. |
|----------------------|--------------|--------------|
| Senior school | | |
| Full fees | 997 | 976 |
| Receiving bursaries | 75 | 76 |
| | <u>1,072</u> | <u>1,052</u> |
| | 2022 No. | 2021 No. |
| Junior school | | |
| Full fees | 270 | 259 |
| Receiving bursaries | 7 | 6 |
| | <u>277</u> | <u>265</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2022

12. Tangible fixed assets

Group

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Trading subsidiary equipment £ | Total £ |
|--------------------------|----------------------------|------------------------|-------------------------------|---|------------|
| Cost or valuation | | | | | |
| At 1 August 2021 | 51,840,394 | 121,290 | 3,660,946 | 12,067 | 55,634,697 |
| Additions | - | 74,336 | 483,827 | - | 558,163 |
| Disposals | - | - | (258,752) | - | (258,752) |
| At 31 July 2022 | 51,840,394 | 195,626 | 3,886,021 | 12,067 | 55,934,108 |
| Depreciation | | | | | |
| At 1 August 2021 | 6,334,060 | 111,803 | 3,215,482 | 7,757 | 9,669,102 |
| Charge for the year | 955,219 | 7,212 | 292,443 | 2,155 | 1,257,029 |
| On disposals | - | - | (258,752) | - | (258,752) |
| At 31 July 2022 | 7,289,279 | 119,015 | 3,249,173 | 9,912 | 10,667,379 |
| Net book value | | | | | |
| At 31 July 2022 | 44,551,115 | 76,611 | 636,848 | 2,155 | 45,266,729 |
| At 31 July 2021 | 45,506,334 | 9,487 | 445,464 | 4,310 | 45,965,595 |

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Notes to the financial statements Year ended 31 July 2022

12. Tangible fixed assets (continued)

Company

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|----------------------------|------------------------|-------------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 August 2021 | 51,840,394 | 121,290 | 3,660,946 | 55,622,630 |
| Additions | - | 74,336 | 483,827 | 558,163 |
| Disposals | - | - | (258,752) | (258,752) |
| At 31 July 2022 | <u>51,840,394</u> | <u>195,626</u> | <u>3,886,021</u> | <u>55,922,041</u> |
| Depreciation | | | | |
| At 1 August 2021 | 6,334,060 | 111,803 | 3,215,482 | 9,661,345 |
| Charge for the year | 955,219 | 7,212 | 292,443 | 1,254,874 |
| On disposals | - | - | (258,752) | (258,752) |
| At 31 July 2022 | <u>7,289,279</u> | <u>119,015</u> | <u>3,249,173</u> | <u>10,657,467</u> |
| Net book value | | | | |
| At 31 July 2022 | <u>44,551,115</u> | <u>76,611</u> | <u>636,848</u> | <u>45,264,574</u> |
| At 31 July 2021 | <u>45,506,334</u> | <u>9,487</u> | <u>445,464</u> | <u>45,961,285</u> |

Included in land and buildings is freehold land at valuation of £6,700,000 (2021: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2022, included within the net book value of land and buildings is £44,533,139 (2021: £45,487,083) relating to freehold land and buildings and £17,976 (2021: £19,251) relating to long term leasehold land and buildings.

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Notes to the financial statements Year ended 31 July 2022

13. Fixed asset investments

| Group | Listed investments £ | | |
|--------------------------|--|-------------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 August 2021 | | | 959,113 |
| Revaluations | | | 4,862 |
| At 31 July 2022 | | | <u>963,975</u> |
| Net book value | | | |
| At 31 July 2022 | | | <u>963,975</u> |
| At 31 July 2021 | | | <u>959,113</u> |
| | | | |
| Company | Investments in subsidiary companies £ | Listed investments £ | Total £ |
| Cost or valuation | | | |
| At 1 August 2021 | 1 | 959,113 | 959,114 |
| Revaluations | - | 4,862 | 4,862 |
| At 31 July 2022 | <u>1</u> | <u>963,975</u> | <u>963,976</u> |
| Net book value | | | |
| At 31 July 2022 | <u>1</u> | <u>963,975</u> | <u>963,976</u> |
| At 31 July 2021 | <u>1</u> | <u>959,113</u> | <u>959,114</u> |

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14. Investment property

Group

| | Freehold investment property £ |
|-----------------------------------|---|
| Valuation | |
| At 1 August 2021 and 31 July 2022 | <u><u>365,000</u></u> |

Company

| | Freehold investment property £ |
|-----------------------------------|---|
| Valuation | |
| At 1 August 2021 and 31 July 2022 | <u><u>365,000</u></u> |

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

15. Stocks

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| Teaching and other stock | 3,683 | 4,152 | 3,683 | 4,152 |
| Kitchen | 7,410 | 7,505 | 7,410 | 7,505 |
| Goods for resale | 5,205 | 722 | - | - |
| | <u><u>16,298</u></u> | <u><u>12,379</u></u> | <u><u>11,093</u></u> | <u><u>11,657</u></u> |

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16. Debtors

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 81,008 | 58,475 | 81,008 | 58,475 |
| Amounts owed by group undertakings | - | - | 11,862 | - |
| Other debtors | 9,042 | 21,389 | 5,854 | 21,389 |
| Prepayments and accrued income | 248,507 | 242,543 | 248,507 | 242,543 |
| | <u>338,557</u> | <u>322,407</u> | <u>347,231</u> | <u>322,407</u> |

17. Creditors: amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 840,000 | 840,000 | 840,000 | 840,000 |
| Trade creditors | 272,378 | 296,973 | 271,683 | 296,973 |
| School field trip creditors | 86,501 | 74,705 | 86,501 | 74,705 |
| Pension creditor | 203,022 | 9,016 | 203,022 | 9,016 |
| Other taxation and social security | 260,155 | 228,314 | 260,155 | 227,941 |
| Other creditors | 583,029 | 97,922 | 583,029 | 97,922 |
| Accruals and deferred income | 1,506,844 | 925,428 | 1,505,115 | 923,831 |
| Fees received in advance | 107,129 | 125,969 | 107,129 | 125,969 |
| Deposits | 69,200 | 71,400 | 69,200 | 71,400 |
| | <u>3,928,258</u> | <u>2,669,727</u> | <u>3,925,834</u> | <u>2,667,757</u> |

The movement in deferred income in the year is as follows:

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Deferred income at the beginning of the year | 197,369 | 167,026 | 197,369 | 167,026 |
| Resources deferred during the year | 176,329 | 197,369 | 176,329 | 197,369 |
| Amounts released from previous periods | (197,369) | (167,026) | (197,369) | (167,026) |
| | <u>176,329</u> | <u>197,369</u> | <u>176,329</u> | <u>197,369</u> |

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Notes to the financial statements Year ended 31 July 2022

18. Creditors: amounts falling due after more than one year

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Bank loans | 11,787,000 | 12,627,000 | 11,787,000 | 12,627,000 |
| Deposits | 197,600 | 190,400 | 197,600 | 190,400 |
| Fees received in advance | 45,990 | 119,390 | 45,990 | 119,390 |
| | <u>12,030,590</u> | <u>12,936,790</u> | <u>12,030,590</u> | <u>12,936,790</u> |

Included within the above are amounts falling due as follows:

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|-----------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Between one and two years | | | | |
| Bank loans | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> |
| Between two and five years | | | | |
| Bank loans | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> |
| Over five years | | | | |
| Bank loans | <u>8,427,000</u> | <u>9,267,000</u> | <u>8,427,000</u> | <u>9,267,000</u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|-------------------------------------|-----------------------------|--------------------|-------------------------------|----------------------|
| Payable or repayable by instalments | <u>8,427,000</u> | <u>9,267,000</u> | <u>8,427,000</u> | <u>9,267,000</u> |

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the group and a debenture. At 31 July 2022, bank loans, including amounts falling due within one year, comprise the following loans:

- £11.5 million term loan, secured on the group's freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates; and
- £3.5 million facility, secured on the group's freehold land and buildings and repayable by instalments over a 15 year term and bearing interest at market rates.

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19. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2022 £ |
|---------------------------------|----------------------------------|--------------------------|----------------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 3,328,404 | - | (450,000) | - | 2,878,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| General funds | | | | | |
| School general fund | 19,271,852 | 19,527,017 | (18,468,807) | - | 20,330,062 |
| RGS Trading | 3,621 | 47,273 | (46,741) | - | 4,153 |
| | <u>19,275,473</u> | <u>19,574,290</u> | <u>(18,515,548)</u> | <u>-</u> | <u>20,334,215</u> |
| Total unrestricted funds | <u>35,545,681</u> | <u>19,574,290</u> | <u>(18,965,548)</u> | <u>-</u> | <u>36,154,423</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 107,408 | - | - | 15,550 | 122,958 |
| J R Howarth Bursary Fund | 149,803 | - | - | (1,880) | 147,923 |
| Peter Taylor Bursary Fund | 96,153 | - | - | (1,207) | 94,946 |
| The Storrow Scott Trust | 970,749 | - | - | (7,601) | 963,148 |
| | <u>1,324,113</u> | <u>-</u> | <u>-</u> | <u>4,862</u> | <u>1,328,975</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | 1,970 | - | - | - | 1,970 |
| Peter Taylor Bursary Fund | 15,499 | - | - | - | 15,499 |
| School Bursary Fund | 126,171 | 923,375 | (925,994) | - | 123,552 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 19,146 | 54,742 | (28,998) | - | 44,890 |
| Prize Fund | - | 3,414 | (3,414) | - | - |
| | <u>163,218</u> | <u>981,531</u> | <u>(958,406)</u> | <u>-</u> | <u>186,343</u> |
| Total of funds | <u><u>37,033,012</u></u> | <u><u>20,555,821</u></u> | <u><u>(19,923,954)</u></u> | <u><u>4,862</u></u> | <u><u>37,669,741</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2022

19. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2021 £ |
|---------------------------------|----------------------------------|--------------------------|----------------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 3,725,332 | - | (396,928) | - | 3,328,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| General funds | | | | | |
| School general fund | 18,390,545 | 18,468,284 | (17,586,977) | - | 19,271,852 |
| RGS Trading | 10,059 | 1,867 | (8,305) | - | 3,621 |
| | <u>18,400,604</u> | <u>18,470,151</u> | <u>(17,595,282)</u> | <u>-</u> | <u>19,275,473</u> |
| Total unrestricted funds | <u>35,067,740</u> | <u>18,470,151</u> | <u>(17,992,210)</u> | <u>-</u> | <u>35,545,681</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 106,845 | - | - | 563 | 107,408 |
| J R Howarth Bursary Fund | 132,874 | - | - | 16,929 | 149,803 |
| Peter Taylor Bursary Fund | 82,899 | - | - | 13,254 | 96,153 |
| The Storrow Scott Trust | 891,897 | - | - | 78,852 | 970,749 |
| | <u>1,214,515</u> | <u>-</u> | <u>-</u> | <u>109,598</u> | <u>1,324,113</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | 1,800 | 170 | - | - | 1,970 |
| Peter Taylor Bursary Fund | 15,428 | 71 | - | - | 15,499 |
| School Bursary Fund | 89,620 | 834,781 | (798,230) | - | 126,171 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 3,255 | 43,641 | (27,750) | - | 19,146 |
| Prize Fund | - | 2,488 | (2,488) | - | - |
| | <u>110,535</u> | <u>881,151</u> | <u>(828,468)</u> | <u>-</u> | <u>163,218</u> |
| Total of funds | <u><u>36,392,790</u></u> | <u><u>19,351,302</u></u> | <u><u>(18,820,678)</u></u> | <u><u>109,598</u></u> | <u><u>37,033,012</u></u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2022

Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- A donation to be expended on the cricket equipment and facilities.

LINKED CHARITIES

The charitable company is the trustee of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Under the 2006 Scheme of the Property Trust retains the group's permanent endowments. Land and buildings must be managed by the group in accordance with the objects of this charity and various prize funds held by the charity must be managed by the group in accordance with their trusts.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2022

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Trustee of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Trustees. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be played there on grass.

The capital of The Endowment Fund is now to be held at the discretion of the Trustees subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Fields Association and the Northumberland Playing Fields Association.

However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Trustees in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Trustee shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received into the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring trustees, Mr Scott having been a pupil at the school).

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2022

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 45,266,729 | - | - | 45,266,729 |
| Fixed asset investments | - | - | 963,975 | 963,975 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 6,846,542 | 186,343 | - | 7,032,885 |
| Creditors due within one year | (3,928,258) | - | - | (3,928,258) |
| Creditors due in more than one year | (12,030,590) | - | - | (12,030,590) |
| Total | 36,154,423 | 186,343 | 1,328,975 | 37,669,741 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 45,965,595 | - | - | 45,965,595 |
| Fixed asset investments | - | - | 959,113 | 959,113 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 5,186,603 | 163,218 | - | 5,349,821 |
| Creditors due within one year | (2,669,727) | - | - | (2,669,727) |
| Creditors due in more than one year | (12,936,790) | - | - | (12,936,790) |
| Total | 35,545,681 | 163,218 | 1,324,113 | 37,033,012 |

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Notes to the financial statements Year ended 31 July 2022

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

| | Group 2022 £ | Group 2021 £ |
|--|--------------------|--------------------|
| Net income for the year (as per statement of financial activities) | 636,729 | 640,222 |
| Adjustments for: | | |
| Depreciation charges | 1,257,029 | 1,439,983 |
| Interest paid | 463,545 | 560,872 |
| (Gains)/losses on investments | (4,862) | (109,598) |
| Dividends, interests and rents from investments | (100,947) | (52,683) |
| (Increase)/decrease in stocks | (3,919) | 12,154 |
| Decrease/(increase) in debtors | 10,852 | (73,994) |
| Increase/(decrease) in creditors | 1,165,329 | (236,484) |
| Net cash provided by operating activities | 3,423,756 | 2,180,472 |

22. Analysis of cash and cash equivalents

| | Group 2022 £ | Group 2021 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 6,678,030 | 5,015,035 |

23. Analysis of changes in net debt

| | At 1 August 2021 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2022 £ |
|--------------------------|--------------------------|------------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 5,015,035 | 1,662,995 | - | 6,678,030 |
| Debt due within 1 year | (840,000) | 840,000 | (840,000) | (840,000) |
| Debt due after 1 year | (12,627,000) | - | 840,000 | (11,787,000) |
| | (8,451,965) | 2,502,995 | - | (5,948,970) |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2022

24. Pension commitments

The group's employees belong to two principal pension schemes, the Teachers' Pension Scheme for teaching staff, and the RGS Support Staff Pension Scheme for support staff.

Teachers' Pension Scheme

The Teachers' Pension Scheme ('TPS') is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The pension cost charge represents contributions payable by the company to the fund and amounted to £1,591,320 (2021: £1,519,350). Contributions totalling £203,022 (2021: £9,016) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

Valuation of the Teacher's Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

RGS Support Staff Pension Scheme

The RGS Support Staff Pension Scheme is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £207,510 (2021: £191,525). Contributions totalling £nil (2021: £nil) (including employees' contributions) were payable to the fund at the balance sheet date and are included in creditors.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2022

25. Operating lease commitments

At 31 July 2022 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2022 | Group 2021 | Company 2022 | Company 2021 |
|--|-----------------------|---------------|-------------------------|-----------------|
| | £ | £ | £ | £ |
| Not later than 1 year | 61,945 | 90,089 | 61,945 | 90,089 |
| Later than 1 year and not later than 5 years | 71,269 | 108,285 | 71,269 | 108,285 |
| Later than 5 years | 246,293 | 260,944 | 246,293 | 260,944 |
| | 379,507 | 459,318 | 379,507 | 459,318 |

26. Related party transactions

Some governors are also trustees of The Royal Grammar School Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The group maintains a bank account on behalf of the charity in respect of donations towards the charity's campaign appeal and the group has met the charity's campaign costs totalling £133,502 (2021: £123,220). The contribution towards bursaries by the charity this year amounted to £904,035 (2021: £828,468). The group made a donation to the charity during the year of £450,000 (2021: £396,928), to be invested to provide future bursaries.

The Storrow Scott Charitable Will Trust, a charity controlled by the group, applies its income to The Royal Grammar School Educational Trust. Grants paid or payable in the year amount to £28,998 (2021: £27,750).

Purchases of £4,567 were made in the year from the charity's subsidiary RGS Trading Limited as well as recharges of £8,501 for staff costs and administration. The balance owed by RGS Trading Limited at year end is £11,862.

27. Principal subsidiaries

The following was a subsidiary undertaking of the charitable company:

| Name | Company number | Class of shares | Holding | Included in consolidation |
|---------------------|---------------------------|----------------------------|----------------|--------------------------------------|
| RGS Trading Limited | 04063794 | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit for the year £ | Net assets £ |
|---------------------|---------------------|--------------------------|--------------------------------------|-------------------------|
| RGS Trading Limited | 47,273 | (46,741) | 532 | 4,153 |

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales - Charity number 1114424

Accounts

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2021

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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Reference and administrative details

Year ended 31 July 2021

Governors

Mrs J Drummond, Co-opted Governor (Chair from 2 December 2017, resigned as Chair on 3 August 2021)
Ms T Hartley, Co-opted Governor (Vice Chair from 9 March 2017)
Mrs J Berry (appointed 15 October 2020)
Mr H Fell, Co-opted Governor
Mr A Fletcher, Co-opted Governor (Chair from 3 August 2021)
Mrs S Green, Co-opted Governor
Mrs A Gupta, Co-opted Governor
Prof S Hambleton, Co-opted Governor (resigned 30 June 2021)
Prof M Hannifa, Co-opted Governor
Mr A Lamb, Co-opted Governor
Mr N McMinn, Co-opted Governor
Miss S Milligan, Co-opted Governor
Mr A Murphy, Co-opted Governor
Mr M Robinson (appointed 15 October 2020)
Mr I Simpson, Co-opted Governor (resigned 30 June 2021)
Ms C Stonehouse, Co-opted Governor
Cllr T Thorne, Nominated by Northumberland County Council
Mrs S Woodroffe, Co-opted Governor

Company registered number 05664801

Charity registered number 1114424

Registered office Eskdale Terrace
Newcastle upon Tyne
NE2 4DX

Company secretary C Black

Headmaster Mr G Stanford

Independent auditor UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details (continued)

Year ended 31 July 2021

| | |
|----------------------------|--|
| Bankers | Barclays Bank plc PO Box 379 71 Grey Street Newcastle upon Tyne NE99 1JA |
| | NatWest 2nd Floor 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF |
| Investment advisors | CCLA Senator House 85 Queen Victoria Street London EC4V 4ET |
| Insurance broker | Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Trustees' report Year ended 31 July 2021

The Governors present their annual report together with the audited financial statements for the year 1st August 2020 to 31st July 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives of the Newcastle Royal Grammar School (RGS) are set out in the School's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England;
- To provide facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Vision and Ethos

The school has a very clear vision as to what it wishes to achieve and the purposes for which it was established:

- We believe in inspiring young people and equipping them to make a positive contribution to society.
- The RGS as a school should be a centre of excellence that is committed to raising aspiration and attainment across the North East.
- By inspiring and nurturing hearts and minds, we can give those around us the freedom to create and shape their own future.
- A future that is built on our sense of history and belonging in the city but is fueled by an ambition to succeed and evolve.
- A place where freedom of expression, ideas and beliefs can be shared, exchanged and grow openly in our happy environment.
- An environment where we look out for each other and treat everyone with care and respect, within and beyond our community.
- A spirit to challenge, inspire and stretch the minds of everyone here so we feel free to explore, free to think, free to try, free to dream of possibilities and free to be ourselves.

The school has identified 4 key pillars which are applied practically on a daily basis:

- **Sense of belonging:** The RGS is proud of its heritage and has a deep sense of belonging in a community that reaches far and wide. With an open mind and with care and respect for those around it, the RGS inspires collaboration and the forging of connections that last a lifetime.
- **Love for learning:** In a happy environment where people can be themselves, the RGS is able to teach and learn in diverse and surprisingly different ways. By giving the freedom to explore individual passions, the RGS is able to bring specialist knowledge to life, support creativity, encourage self-expression and truly nurture academic promise.
- **Belief in each other:** The RGS culture seeks to appreciate and celebrate each individual's skills and talents and the school firmly believes that there are no limits as to what we can be achieved with hard work, support and 'looking out' for each other. Through a shared belief, everyone's achievements are appreciated and

The Newcastle upon Tyne Royal Grammar School

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Trustees' report (continued) Year ended 31 July 2021

celebrated. With well-being at the heart of the school, the warm and caring culture helps nurture confidence and develop the skills needed for a successful and happy life.

- Ambition to succeed: Excellence and success are built upon our ethos of the freedom to explore, providing the courage to innovate and the spirit to push boundaries both in and outside the classroom. At RGS we do not stand still: we challenge, provoke and stretch minds to help our students evolve new ways of thinking and discover future opportunities.

The education we provide to all of our students, founded on the vision and ethos outlined, creates public benefit by giving all students the opportunity to reach their potential and go on to make a positive contribution to society. The Governors have considered the public benefit guidance issued by the Charity Commission and have set out throughout this report the benefits the work of the school brings to both pupils and the wider community.

STRATEGIC REPORT

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Our educational activities are carried out through our Senior School and our Junior School. Pupil numbers at our Senior School were consistent at 1,052 and the number of pupils at our Junior School increased in the year to 265 (2020: 262).

Our fees for the current year were:

Junior School - £11,688 per year

Senior School - £13,875 per year

1. Response to the Covid pandemic

Much of the operation of the school during the academic year continued to be substantially different from "normal" with many different versions of guidance of schools published by the Department for Education, leading to iterations of the school's covid risk assessment and ways of working. The Autumn term saw pupils back in school, albeit with government guidance requiring them to be kept in year group bubbles. In practice this meant year groups were restricted to specified areas and facilities within the school. These restrictions inevitably meant that cross year group activities and in particular leadership opportunities for older pupils were severely restricted.

During the second covid lockdown, before Christmas 2020, pupils were still expected to come into school. However, the third lockdown in January 2021 saw all pupils learning remotely from home again, with the exception of the children of key workers and those who were deemed vulnerable who continued to be supported in school. Following the experience of the first lockdown in the summer of 2020 where live lessons were taught remotely, the school was well prepared with the technology in place to support this. Once the third lockdown restrictions were lifted, pupils returned to school for the whole of the summer term. However, those self-isolating, either as a result of testing positive for covid or through being identified as close contacts, continued to engage with their learning remotely from home as teachers developed the ability to teach concurrently in the classroom and online via Microsoft Teams.

2. Academic

In a happy environment where people can be themselves, the RGS is able to teach and learn in diverse and surprisingly different ways. By giving the freedom to explore individual passions, the RGS is able to bring specialist knowledge to life, support creativity, encourage self-expression and truly nurture academic promise. The RGS culture recognises that if students can enjoy their lessons and learning, then it follows that they will do better. Teachers at RGS are ambitious in their teaching practices, encouraging the students to develop the higher order thinking skills, initiative and independence that leads to positive success. We pride ourselves in challenging the students to think, as well as to learn, something that encourages in them the resilience to manage the difficulties that they regularly face in and out of the classroom. The school was incredibly proud to be

The Newcastle upon Tyne Royal Grammar School

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Trustees' report (continued) Year ended 31 July 2021

named North East Independent School of the Decade recognising the consistent academic excellence in both Senior and Junior School as well as the wider contribution to the North East region.

The challenges of the Covid 19 Pandemic have been great. The school is proud that its ethos of 'Love of Learning' has managed to transfer into the necessity of remote teaching where necessary and, in spite of the significant changes in the assessment of both GCSEs and A Levels by the examination boards, its students and teachers have coped remarkably well. Although examination results are certainly not the only measure, they remain an important benchmark and although the assessment and awarding of examination results this year was severely affected by the Covid-19 pandemic, which meant that examination grades were awarded on Teacher Assessed Grades rather than the normal process of public examinations, the school is rightly proud of the academic results achieved by its students this year. At GCSE, we have seen, once again, a really impressive set of results from Year 11 students with students performing well at all levels and 25 individuals being awarded Grade 9s across the board. At A Level, our students also produced a superb set of results with 175 students achieving 539 A Levels across 24 different subjects. 65 students achieved three or more A*s and 112 students achieved all A*-As. However, it is also worth celebrating that students have achieved at all levels of ability. We are particularly proud of the 15 means-tested bursary holders, who this year collectively secured 49 A Levels across 21 different subjects. Ten of these students secured all A*-As, with four securing three A*s and two securing four A*s.

Our students' University choices are once again led by subjects relating to medicine (c.19%), engineering (c.19%) and economics (c.14%). However, our young people have also successfully secured places on a phenomenal breadth of competitive courses, from Anthropology to Architecture, Classics to Film Production, and Politics to Theology. On results day, 92% of students had achieved the grades required for their first or second choice of University. Supporting and promoting their longer-term ambitions, we put significant time in to giving students access and information about careers / university opportunities via presentations, visiting speakers and trips; something which very much encourages them to aim high for the future.

Away from the classroom, students also take part, and are hugely successful, in a range of national competitions. For example, gold, silver and bronze awards were achieved in the Maths, Biology, Physics and Chemistry Olympiad competitions. Students from Year 6 through to Upper Sixth took part in the Bebras Challenge (an international initiative aiming to promote Informatics) with four students achieving the best scores in Tyne and Wear and four Year 8 girls making it through to the semi-finals of the national CyberFirst girls competition.

3. Pastoral care

Pastoral care support for each individual remains central to the RGS as the school works hard to support every member of its community. With well-being at the heart of the school, the warm and caring culture helps nurture confidence and develop the skills needed for a successful and happy life.

The Deputy Head (Pastoral) is supported by a team of Heads of Year and Assistant Heads of Year, who coordinate the work of form supervisors and academic tutors for each child. Meanwhile, in the Junior School pastoral care is overseen by the Assistant Head Pastoral. In addition, the school has a dedicated counsellor, a school Doctor and two school nurses. All staff and governors have received training in the safeguarding of children and the topic has also been a focus amongst the pupils with a full PSHE programme offered throughout the school in 2020/21. The school continues to invest in wellbeing and mental health, an area of focus that is seen as being an essential part of meeting its vision. This investment has never been more important than now, where as a community we have collectively faced the challenges of the Covid-19 pandemic.

Over the course of the pandemic the Junior School "Super Powers" evolved – Able, Strong, Calm and Kind – as a focal point for our widely spread, remote, community. They were introduced to help generate a sense of togetherness, a common and collective resource to tap into, and something energizing for our mental health. There is a sense of comfort knowing that others are facing similar challenges and the collective effort to show ability, strength, calmness and kindness had the effect of generating something akin to the Blitz Spirit. If ever there was a time to feel like you belong to a strong and compassionate community, the pandemic was it.

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During the year the RGS also commissioned independent research to track progress in building an anti-racist culture in school. and as part of our response to the recent Black Lives Matter movement has set up an Equality Diversity and Inclusion advisory group with representation of parents, governors, staff and alumni. The Governing Board and the school take their place and sense of belonging in the community very seriously.

4. Co-curricular activity

The RGS culture seeks to appreciate and celebrate each individual's skills and talents and the school firmly believes that there are no limits to what can be achieved with hard work, support and 'looking out' for each other. The school provides wide-ranging and varied opportunities that allow students to try new things and find their passion. The wide range of opportunities is an important part of the school's approach to well-being and helping students and staff develop a healthy approach to daily life. Through a shared belief, everyone's achievements are appreciated and celebrated. Indeed, love of learning goes beyond examinations and encompasses a wide variety of, and mass participation in, co-curricular activities. Supporting each other and working closely together is a major factor in the success of the school and its students, and both the Junior and Senior schools provide a wide range of activities to help students explore new things. These include sport, music, drama, clubs and societies, service opportunities, the D of E awards, Combined Cadet Forces (CCF), camps and expeditions. These have allowed students opportunities find ways to differentiate themselves, grow in confidence and develop life-long skills of teamwork and leadership through playing and performing together.

The range and breadth of sporting opportunity is an important feature of the school, not just for the excellence of its first teams and sports but, crucially through allowing opportunities for wider participation. Health and well-being are also a regular feature in our curriculum provision but, this is also backed by a determination to support this in practical terms by encouraging the students to be active. This is also a major factor in instilling the confidence and self-belief in the children to allow them to be so successful. Despite the cancellation of external sports fixtures throughout most of the academic year, the school continued to provide a wide range of sporting opportunities for pupils as part of our core educational provision, including during the second Covid lockdown when the activities of external sports clubs were curtailed.

While many of the regular performing arts events that the school were curtailed due to Covid-19 restrictions, the school explored a range of new and creative ways to showcase the many talents of our students with online broadcasts of a number of concerts and performances throughout the year. The school has a very active House system which encourages the vast majority of students to play their part in supporting the many inter-House events. Whilst the Covid-19 pandemic led to challenges the House system remained active throughout, albeit in a slightly different format, for example with Sports Day becoming a week of sports afternoons with students competing within their year group, as they did in the House Swimming galas, and the Miller Cup (our annual cross-country event) being amended so that rather than the traditional sign-up system entire year groups competed in a girls' race and a boys' race. The House Drama and House Music competitions moved to a virtual format and the whole school were encouraged to partake in "Lockdown Challenges" winning points for Houses and encouraging all of our community to stay healthy and active throughout lockdown.

Activities and participation in the D of E awards and the CCF, which in the previous year was expanded to include an RAF contingent, continued to give the students opportunities to play their part in the wider community and to also foster in them a strong sense of teamwork, mutual trust and reliance. Many of these activities were curtailed due to the lockdown but virtual activities were conducted remotely and fortunately were able to recommence physically towards the end of the summer term. The usual participation in the wider programme of visits and trips was also severely curtailed this year due to the Covid-19 travel restrictions. However, we were delighted to be able to recommence trips in the Summer Term with D of E expeditions in June as well as outdoor activity day trips for all year groups.

The school continued its excellent reputation in debating competitions across the country with two of our students progressing to the finals of the Oxford Schools Debating Competition – the fourth successive year that the school has had a team progress to the finals. Individuals also pursue their own interests alongside commitments to school, and notable successes include national honours in Photography, Public Speaking, Music, Chess, and, of course, in Sport, e.g. Gymnastics, Fencing, Biathlon, and Trampolining (as well as in the traditional school sports). A number of notable sporting successes from RGS students this year included one

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sixth former representing England in Hockey and three students selected for the Pennine Pumas, representing the North of England. Two students were signed for Newcastle Falcons rugby with one selected to be a member of the England U18 training squad and the other asked to attend the England U20 training camp

5. The RGS Bursary Scheme

The RGS was founded in 1525 when Thomas Horsley pledged his legacy to the school in order to provide education in Newcastle. The school is dedicated to providing education to children in the North East of England and continuing our role in the community of the City and the wider region. The RGS is also fully committed to welcoming students from a wide range of backgrounds, increasing access to the opportunities it provides for boys and girls from those families whose means would not allow them to afford school fees. We are indebted to a broad range of donors for their support and are especially grateful to the parents of existing and former RGS students, and Old Novocastrians, who have seen first-hand how the bursary programme changes lives, who have personally supported this important element of RGS's work.

The school strategy is to increase the number of bursaries. The objective is to source funding from a combination of voluntary donations and legacies. In the school year 2020/21, 82 students were in receipt of bursaries, to a value of £1,022k. The average level of support during the year was 93% of fees, indicating that the majority of bursary students came from homes with very limited family incomes. Sixty-six students received bursaries of between 90% to 100% of school fees. RGS bursaries are means tested and awarded on a sliding scale with parents of bursary holders contributing on a sliding scale according to their family income. Along with the academic assessments and the full financial review, the school's Bursary Outreach Officer makes home visits before the bursary assessment team meet to make recommendations on the award of bursaries. The school continues to see a significant increase in bursary applications as more and more people become aware of the opportunity. The role of the Bursary Outreach Officer has been extended and provides a link with bursary applicants and also supports them throughout their time in the school, this is in addition to the normal pastoral support provided to all students.

The voluntary funding to support bursaries is generated by the Development Office and income on charitable funds held in the RGS Educational Trust; income will always fluctuate year on year. In the FY20/21 the climate for fundraising continued to be impacted by Covid-19 and although the funds raised this year have not been as high as in previous years there have been notable successes and overall the Bursary Campaign has raised a total of £502k. Looking ahead, the school continues to be committed to sustainably increasing the number of bursaries, allowing greater access for boys and girls from those families whose means would not allow them to afford school fees. This will both transform the lives of the families in receipt of a bursary, and adds value to the diverse social mix of the school.

The school benefits from its close involvement with its alumni, who provide a significant contribution to bursaries, through the Old Novocastrians Association (ONA). The normal range of in person alumni engagement events during the year was curtailed but a significant number of alumni engaged with the school's programme of virtual events. The ONA magazine reaches a large number of former students and this year the two editions focused on how sport and the creative arts at the RGS helped shape the future careers of individual alumni.

6. Partnership Work

The school is committed to supporting the community of the city and the wider North East community. The school has strong links with the local and regional communities and is very aware of its role in providing public benefit above and beyond its significant bursary and accessibility provision. Following the establishment of the role the previous year, a new Director of Partnerships was appointed to lead and co-ordinate the school's interactions with maintained sector schools and other organisations; this complements but is separate from the work of the school's well established bursary campaign. The school has worked with the Reece Foundation to create the roles of Physics Partnerships Teacher and Maths Partnerships Teacher respectively. The Physics role started in Easter 2021, with Maths recruitment completed for a September 2022 launch. The objective of these roles is to raise attainment and aspirations in STEM in local state schools. This strand of our Partnerships work is in its pilot stage, with proof of concept to be achieved in the coming academic year. Examples of the Partnerships work that we have done over the last year include provision of educational opportunities such as:

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becoming an accredited 'Digital Schoolhouse', our play-based remote computing workshops have seen us offer sessions to over 500 students; we were able to support CPD and LEGO-Robotics kit to local schools to facilitate a successful joint projects with LNER and the NELEP. Over 100 of our Sixth Formers volunteer on a weekly basis to work with primary school students in our local community. In particular, they listen to children read and over time they were able to build good relationships and act as positive role models.

We now have a seat on the Board of the Outer West Learning Partnership, with whom we work on a variety of projects and cross-collaborations, for example the ongoing Voluntary Service reading support, referred to above. RGS's partnership work was never more vital than during the last 12 months and we have been particularly pleased with the impact of a range of projects that have successfully continued remotely. The Art in the Community project was short-listed for a Goldsmith's Community Engagement award and, as a founding partner of the free 'Colet Mentoring' Maths App, the school has trained 16 Sixth Formers to offer free Maths tuition online. Following the easing of restrictions, Partner Primary Schools have been invited to Swimming Sessions with RGS receiving encouraging feedback, not just in terms of student progress in the pool, but the impact on confidence and resilience. We continue to support local schools with CPD for non-specialists as well as in curriculum development, for example upskilling a Latin teacher to embed the subject in a local secondary school and supporting another school in launching the Extended Project Qualification as an option for Key Stage 5.

7. Community Work

The Governors are very conscious of the wider stakeholder importance of the school in the local community and the region. Within the organisation, the School Governing Board seeks to encourage the very highest standards for the school, and the ambitious Development Plan demonstrates the school's commitment to this aim. Most importantly, however, this focus is not just inwards on the needs of our students and staff, but also sets out our commitment to playing a leading role in supporting the local and regional community. The school strives to ensure that the decisions it makes are consistent with the charitable objectives of the school and are to the benefit of the students and all stakeholders. We seek to use local suppliers where possible and to maintain the school's reputation as a fair and supportive customer. Staff also continue to be involved in the community in many ways ranging from being governors and trustees at state schools in the region to teaching and lecturing at other institutions.

The school has strong links with the local and regional communities and is very aware of its role in providing public benefit above and beyond its significant bursary and accessibility provision. One of the most important ways in which the school community reaches far and wide is through its charitable work. In 2020 we established the RGS Fundraising Committee, which is made up of almost 200 pupils from across year groups. The members debated which charities to support and, given the substantial regional pressures due to Covid, chose children's mental health and homelessness as significant problems to support. The pandemic restricted our ability to raise funds in the traditional way, yet we were able to provide over 25 large crates of food in December 2020 for Feeding Families, which contributed towards the charity delivering over 8,000 hampers to families in need this Christmas. That was an increase from 3,003 hampers delivered in 2019, which demonstrates both hugely increased need, and also enormous generosity in 2020. We also donated around 25 large crates of toys and gifts to the Cash for Kids Mission Christmas Appeal, and raised £1,260 for the local sexual assault charity 'Someone Cares' as a result of our Denim Day campaign. Many other RGS students volunteered and worked with a range of other charities in the city and region and around 128 students performed voluntary work as part of their Duke of Edinburgh Silver or Gold Awards.

The school is blessed with very good facilities and the school continues to expand the use of its facilities by other community users including schools, clubs and societies with the Sports Centre and Performing Arts Centre particularly well used. Unfortunately, the Covid-19 pandemic has curtailed some of this external use of the school facilities with the School acting in accordance with Government guidance although the School was pleased to start to reintroduce some community use in the Summer term and over the Summer holidays. The RGS is strongly committed to supporting the wider education community of the city and North East Region and is engaged in projects with other regional schools. The School also hosts teacher training programmes, academic events, sporting competitions, performing arts shows and other inter-school competitions such as public speaking and debating. These are all open to visitors from around the region and nationally. The excellent sports facilities are also regularly used by local Rugby, Hockey, Cricket and Swimming clubs and this year it was also

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used by the England Rugby team ahead of the Autumn International Series.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Charity for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term – as covered in the Section on Principal Risks and Uncertainties on page 10.
- b. The interests of the company's employees as covered in the section on Engagement with Staff on page 13.
- c. The need to foster the Charity's relationships with third party stakeholders such as parents, students, partner state schools. Alumni, donors, contractors, suppliers as well as independent school organisations and national and local government. This is covered throughout this Report although primarily in the Review of Activities and Achievements section on page 4.
- d. The impact of the Charity's operations on the community and the environment as covered in the Greenhouse gas emissions and energy section on page 13 as well as in the section detailing our Community work on page 8.
- e. The desirability of the Charity maintaining a reputation for high standards of business conduct as covered in the Financial Review.
- f. The need to act fairly as between members of the company which we do by ensuring all members of the community are fully represented and is covered in the section on Engagement with Staff on page 13.

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to maintain a high level in 2021-22. Careful management of expenditure and cashflow led to an operating surplus of £640k. Full details of the school's financial performance are set out in other sections of these Accounts.

The school generated a surplus before gains on investment assets of £530,624 (2020: £340,899). Investment gains amounted to £109,598 (2020: losses of £115,105) resulting in a net surplus of £640,222 (2020: £225,794). The school's subsidiary trading company, RGS Trading Limited, generated a deficit of £6,436 (2020: deficit of £1,175) which is included in the above figures.

The net current assets of the school excluding long-term liabilities total £2.7 million (2020: £2.1 million).

In all our dealings the school ensures that the businesses we contract with are dealt with fairly by adhering to payment terms and complying with all legal agreements and responsibilities. We put out to tender all large projects to ensure we support local suppliers and ensure suppliers are giving value for money and are also adhering to the high standards which we would expect. We strive for high levels of integrity in all that we do and choose to work with companies who echo our values.

Going concern

As set out above, the pandemic had an impact on the operations of the school throughout the academic year. Pupil numbers at the start of the 2021/22 academic year are encouraging and are ahead of those originally forecast. Governors have carried out a detailed sensitivity analysis, looking at the potential for a fall in pupil numbers or increase in bad debts as the full economic impact of the pandemic takes effect, following the cessation of the JRS scheme in the wider economy and as Government measures are relaxed. Scenarios modelled also included evaluating the potential financial impact of the loss of charitable status and the introduction of VAT on fees along with an increase in the contributions to the Teachers Pension Scheme. The school has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the school. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

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Having due regard to these matters and after making appropriate enquiries, the Board have therefore continued to adopt the going concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Investment policy and performance

The Governors' investment powers are governed by the Articles of Association. The Governors have delegated the management of the investment portfolios to CCLA and appraise their performance at regular intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments. During the prior year the Governors conducted a tender exercise for the management of the investment portfolio and after a rigorous selection process decided to appoint CCLA as the new managers of the investment portfolios. The process of transferring the investments from Brewin Dolphin to CCLA was completed in September 2020. The total returns (capital growth with income received and after investment management fees), for the year ended 31 July 2021 were 19.75% (2020: -8.3%) on the Peter Taylor Fund, 19.75% (2020: -11.4%) on the J R Howarth Bequest Fund and 19.75% (2020: 2.5%) on the Storrow Scott Trust. All three portfolios are invested in the COIF Charities Investment Fund (Income Units).

These returns compare with a total return for the comparator benchmark of 20.16% (made up of 75% Equities, 15% UK Govt Bonds/Gilts, 5% UK Commercial Property and 5% Cash) and against the Fund objective of 7.02% (the fund objective being CPI +5%). The COIF Charities Investment Fund is a Risk Category 3 under PRIIPS.

Reserves policy and performance

The Governors continue to take steps to review their reserves policy. Their intention is to continue to develop the school facilities whilst at the same time containing increases in tuition fees to a reasonable level.

Note 21 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £35.5 million. Of this, designated bursary funds totalling £3.3 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows. This year £396,928 of this fund has been used to support bursary students and was transferred to the Educational Trust.

Also within unrestricted funds are fixed assets totalling £46.0 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £12.6 million (2020: deficit of £16.1 million) due to loans of £13.5 million (2020: £18.9 million) which were taken out to fund building projects.

The Governors are satisfied with the reserves position of the school.

Principal funding

The school's day to day charitable activities are self-funding.

Principal risks and uncertainties

The main risk areas for the school are risks associated with the protection of the school's pupils, staff and assets. Procedures and systems to minimise these risks are regularly reviewed and updated. In addition, there are five designated staff training days for all employees as well as specific training for middle and senior leaders to ensure all staff are provided with the training needed to support them in the work place and to ensure all staff are able to equipped support our pupils. The Health & Safety Committee also meets once each academic term and is attended by a designated Trustee, in an advisory capacity, to ensure the health and safety of all members of the community is prioritised. Where necessary the committee does meet on an extraordinary basis, for example to discuss measures being taken in relation to the Covid-19 pandemic. Within financial risks, liquidity

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risk is managed by loans to finance long term projects and careful cash management to deal with month on month fluctuations in cash flow. External financial pressures that are out of the control of the school such as major impacts on the national economy such as the current Covid-19 pandemic, increases to contribution rates for the Teacher's Pension Scheme, changes to employers National Insurance contributions, the removal of charitable relief and the possibility of VAT on school fees are carefully monitored and contingency plans drawn up to manage the risks.

This academic year has seen the school impacted by the Covid-19 pandemic which resulted in the school being closed on Government instruction in the Spring Term and learning undertaken remotely. Throughout the academic year, whilst in school, practices have been adapted and Government guidance followed to instate bubbles for year group to avoid traffic around site and to minimise contact between year groups, increased hygiene measures and cleaning to minimise transmission of the virus as well as increased ventilation throughout the site. In addition, the pandemic has had a major impact on parents with increased concern around jobs and livelihoods which in turn caused uncertainty regarding future fee income. Another major risk is the income from the Educational Trust for the support of existing bursaries due to the economic slowdown and resulting impact on donations, and income from investments and rental properties. In light of this uncertainty the school partook in the only government support scheme available to it, the Job Retention Scheme (JRS). This support protected employees by underpinning the income that supports the bursary students as a result of the anticipated significant reduction in the Educational Trust investment returns and rental incomes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The school was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the school was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020. On 1 August 2006, the assets, liabilities and undertaking of the school were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held. By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 11144241.

Method of appointment or election of Governors

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected, and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body.

The Co-opted Governors are co-opted by the existing Governors.

Pay policy for senior staff

The Nominations and Remuneration Committee review the pay of the Headmaster, Deputy Head and Director of Finance & Operations on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point due consideration is taken of benchmarked information for schools of a similar size and location.

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Organisational structure and decision making

The Governing Board has seen significant change over the year. Towards the end of the year, two long serving Governors stood down and in August 2021, our first female Chair, Julie Drummond, stepped down and was replaced by Alan Fletcher. The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the school's vision. During the year the school commissioned a review of governance, which was very positive. The report gave a number of recommendations that the school is in the process of implementing.

The Governing Body is supported by two sub-committees, the Finance and General Purposes Committee and the Nominations and Remuneration Committee.

Governors meet six times a year, at least once every term, to review the activities of the school and its subsidiary. Financial control is exercised over the activities of the school by means of an agreed Annual Budget. More detailed issues are dealt with in advance of Governors' meetings by the Finance and General Purposes Committee and the Nominations and Remuneration Committee.

The Finance and General Purposes Committee is responsible for ensuring the sound management and auditing of the School's finances and resources, including proper planning, monitoring and probity.

Governors who served on the Finance and General Purposes Committee during the period were:

Mr Alex Lamb (Chairman)
Mr Alan Fletcher (joined the committee on 27 November 2020)
Mrs Julie Drummond (resigned 3 August 2021)
Mr Hugh Fell
Mr Ian Simpson (resigned 30 June 2021)
Mr Nigel McMinn

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head and Director of Finance & Operations annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr Hugh Fell (Chairman)
Mrs Julie Drummond (resigned 3 August 2021)
Mr Alan Fletcher (appointed 3 August 2021)
Professor Sophie Hambleton (resigned 30 June 2021)
Miss Scarlett Milligan (appointed 5 November 2021)
Mr Ian Simpson (resigned 30 June 2021)

The day to day running of the school is vested in the Headmaster and Director of Finance and Operations alongside seven other members of the Senior Leadership Team:

| | |
|--|----------------------|
| The Headmaster: | Mr Geoffrey Stanford |
| The Director of Finance and Operations: | Mrs Rachel Amey |
| The Deputy Headmaster: | Mr Tom Keenan |
| The Head of Junior School: | Mr James Miller |
| The Deputy Head Academic: | Mr Roger Loxley |
| The Deputy Head Pastoral | Miss Sarah Longville |
| The Head of Sixth Form: | Mrs Naomi McGough |
| The Director of Development and Communications | Mrs Susan Beck |
| The Director of Partnerships | Mr John Smith |

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Year ended 31 July 2021

Engagement with staff

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the Teachers' Pension Scheme, the Covid-19 pandemic and the financial position of the school. The school has an Information and Consultation Committee (ICC) that meets regularly at which staff may raise issues of concern and where feedback from Governor's meetings is provided; the members of the ICC represent both teaching and support staff. In addition, there have been a number of specific meetings with staff and Governors and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive.

Related party relationships

The school shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school meets the Trust's campaign appeal costs.

Risk management

The Governors examine the major risks that the school faces each year, in the course of reviewing their strategic planning for the development of the school. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the school in the future. The principal risks faced by the school are covered under principal risks and uncertainties above.

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 August 2020 to 31 July 2021

| | |
|---|----------------|
| Energy Consumption used to calculate emissions (kWh) | 5,240,415 |
| Scope 1 emissions in metric tonnes CO₂e | |
| Gas consumption | 665.18 |
| Transport fuel | 5.87 |
| Total Scope 1 | 671.05 |
| Scope 2 emissions in metric tonnes CO₂e | |
| Purchased electricity | 336.13 |
| Scope 3 emissions in metric tonnes CO₂e | |
| Business travel in employee owned vehicles | 0.22 |
| Total gross emissions in metric tonnes CO₂e | 1007.41 |
| Intensity ratio tonnes CO₂e per pupil | 0.76 |

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

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Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

Measures taken to improve energy efficiency

We have now installed smart meters across the site to monitor electricity consumption and are in the process of installing LED lighting across the site, the first of these installations occurred in July 2021. We are actively looking at sustainability as part of our Development plan and exploring means to decrease our energy intensity ratio.

The school recognises that its activities and actions have an impact on the environment, locally and nationally. RGS is committed to becoming a more sustainable School as part of our 2030 vision, by reducing our negative impact on the environment and enhancing our positive impact.

Sustainability at RGS

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. This encompasses not only the environment, but also social factors and economic resources. Educating the RGS community about the need to live and learn in a sustainable way is fundamental to the school's vision and ethos of treating everything and everyone with care and respect along with recognising it belongs in the city and that its operations should not compromise future inhabitants.

RGS will celebrate its 500th Anniversary in 2025. The current generation of RGS staff and pupils wish to ensure that we shape a School that is able to flourish for at least another half millennium.

RGS has identified the following areas of focus:

- An estate built to last: RGS will ensure the Estate is built and managed in a sustainable way.
- Lowering our carbon emissions: The school quantified its carbon emissions for the first time in 2021 and will seek to establish targets in order to quantify the decarbonisation of the Estate.
- A culture of using less: The RGS community commits to using less, encompassing all aspects of school life, from pens to electricity.
- Sustainable purchasing: RGS will embed life cycle considerations into all purchases, and make environmentally friendly choices regarding products and suppliers.
- Environmentally friendly catering: RGS will ensure its catering operation minimises food miles, reduces its carbon footprint, and educates the community about healthy and sustainable food choices.

PLANS FOR FUTURE PERIODS

Future developments

At the end of each academic year the School reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders. For the next period (2021-2025), the following key areas for regular review are as follows:

- Vision, ethos and values
- Teaching and Learning
- Pastoral care and wellbeing of staff and students
- Co-curricular provision
- Continuum of pupil experience
- Staff recruitment, retention and development
- Wider community impact
- Marketing, communications and development

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 July 2021

- Finance & Operations

They are, of course, central to the effective running of the school and will be continuously reviewed. These all fall within specific areas of management oversight for members of the Senior Leadership Team (both Senior and Junior) and will be appraised and reviewed within SLT meetings.

A fundamental part of the process for the School Development Plan is to consider a longer timeframe and how we will strive to fully realise our Vision. To this end, a range of key areas continue to emerge from consultations and these form the main focus points for additional specific developments):

1. Vision, ethos and values - ensuring a coherent sense of purpose including championing equality and diversity
2. Teaching and learning - to recognise the position of the RGS as a high performing academic institution and driving the evolution of digital learning.
3. Pastoral care and wellbeing - supporting the welfare and happiness of children as they learn and in the short term/ medium term it includes helping pupils and staff come to terms with the impact of Covid-19.
4. Co-curricular provision – to build upon it being central to the pupil experience at the RGS and develop a more coherent strategy and management of co-curricular activities
5. Continuity of pupil experience – with a focus on appropriate support at transition points, from recruiting pupils to the school at different entry points, moving up through key stages and to the next stage beyond the RGS.
6. Staff recruitment, retention and development - continuing professional development, the evolution of the staff appraisal system and leadership training at all levels.
7. Development, marketing and communications – to improve the areas of parental engagement, fundraising and bursaries, and engagement with the ONA in a more integrated manner.
8. Wider community impact – to continue to development of outreach activities including: partnership activity, voluntary service, charity activity and environmental impact.
9. Finance and operations – to ensure the school continues with a sound financial position following Covid-19, overseeing the evolution of the HR function and the continuing the ongoing development of facilities.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 July 2021

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditors in connection with preparing their report and to establish that the charitable company and the group's auditors are aware of that information.

This report, which includes the strategic report, was approved by the Governors on 22 April 2022 and signed on their behalf by:



Mr A Fletcher, Chair



Independent auditor's report to the Members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 group's and of the parent charitable company's affairs as at 31 July 2021 and of the group's 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 group's or the parent 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.



Independent auditor's report to the Members of The Newcastle upon Tyne Royal Grammar School (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent auditor's report to the Members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the trustees and other management (as required by auditing standards) and from inspection of the charitable group's legal correspondence, and we discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the charitable group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation) and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the charitable group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, safeguarding and certain aspects of company legislation, recognising the nature of the group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.



Independent auditor's report to the Members of The Newcastle upon Tyne Royal Grammar School (continued)

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Anne Hallowell'.

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

22 April 2022

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of financial activities Year ended 31 July 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------|---------------------------------|-------------------------------|------------------------------|--------------------------|--------------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 534,198 | 828,468 | - | 1,362,666 | 1,719,653 |
| Charitable activities | 4 | 17,903,997 | - | - | 17,903,997 | 16,986,875 |
| Other trading activities | 5 | 14,463 | - | - | 14,463 | 109,615 |
| Investments | 6 | - | 52,683 | - | 52,683 | 59,902 |
| Other income | | 17,493 | - | - | 17,493 | 39,609 |
| Total income | | 18,470,151 | 881,151 | - | 19,351,302 | 18,915,654 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 82,990 | - | - | 82,990 | 125,588 |
| Charitable activities | 8 | 17,909,220 | 828,468 | - | 18,737,688 | 18,449,167 |
| Total expenditure | | 17,992,210 | 828,468 | - | 18,820,678 | 18,574,755 |
| Net gains/(losses) on investments | | - | - | 109,598 | 109,598 | (115,105) |
| Net income / (expenditure) | | 477,941 | 52,683 | 109,598 | 640,222 | 225,794 |
| Net movement in funds before other recognised gains | | 477,941 | 52,683 | 109,598 | 640,222 | 225,794 |
| Other recognised gains: | | | | | | |
| Gains on revaluation of fixed assets | | - | - | - | - | 1,740,775 |
| Net movement in funds | | 477,941 | 52,683 | 109,598 | 640,222 | 1,966,569 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 35,067,740 | 110,535 | 1,214,515 | 36,392,790 | 34,426,221 |
| Net movement in funds | | 477,941 | 52,683 | 109,598 | 640,222 | 1,966,569 |
| Total funds carried forward | | 35,545,681 | 163,218 | 1,324,113 | 37,033,012 | 36,392,790 |

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Summary income and expenditure account Year ended 31 July 2021

| | Total funds 2021 £ | Total funds 2020 £ |
|---|--------------------------|--------------------------|
| Income | 19,351,302 | 18,915,654 |
| Gains on revaluation of fixed assets | - | 1,740,775 |
| Gross income in the reporting period | 19,351,302 | 20,656,429 |
| Less: Total expenditure | (18,820,678) | (18,574,755) |
| Net income for the reporting period | 530,624 | 2,081,674 |

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2021

| | Note | 2021 £ | 2020 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 45,965,595 | 47,143,906 |
| Investment property | 13 | 365,000 | 365,000 |
| Investments | 14 | 959,113 | 849,515 |
| | | <u>47,289,708</u> | <u>48,358,421</u> |
| Current assets | | | |
| Stocks | 15 | 12,379 | 24,533 |
| Debtors | 16 | 322,407 | 248,413 |
| Cash at bank and in hand | | 5,015,035 | 9,024,424 |
| | | <u>5,349,821</u> | <u>9,297,370</u> |
| Creditors: amounts falling due within one year | 17 | (2,669,727) | (7,247,112) |
| Net current assets | | <u>2,680,094</u> | <u>2,050,258</u> |
| Total assets less current liabilities | | <u>49,969,802</u> | <u>50,408,679</u> |
| Creditors: amounts falling due after more than one year | 18 | (12,936,790) | (14,015,889) |
| Total net assets | | <u><u>37,033,012</u></u> | <u><u>36,392,790</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,324,113 | 1,214,515 |
| Restricted funds | 19 | 163,218 | 110,535 |
| Unrestricted funds | | | |
| Designated funds | 19 | 3,328,404 | 3,725,332 |
| Revaluation reserve | 19 | 12,941,804 | 12,941,804 |
| General funds | 19 | 19,275,473 | 18,400,604 |
| Total unrestricted funds | 19 | <u>35,545,681</u> | <u>35,067,740</u> |
| Total funds | | <u><u>37,033,012</u></u> | <u><u>36,392,790</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet (continued) At 31 July 2021

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 22 April 2022 and signed on their behalf by:



Mr A Fletcher

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet At 31 July 2021

| | Note | 2021 £ | 2020 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 45,961,285 | 47,137,441 |
| Investment property | 13 | 365,000 | 365,000 |
| Investments | 14 | 959,114 | 849,516 |
| | | <u>47,285,399</u> | <u>48,351,957</u> |
| Current assets | | | |
| Stocks | 15 | 11,657 | 21,243 |
| Debtors | 16 | 322,407 | 256,985 |
| Cash at bank and in hand | | 5,014,475 | 9,014,246 |
| | | <u>5,348,539</u> | <u>9,292,474</u> |
| Creditors: amounts falling due within one year | 17 | (2,667,757) | (7,245,811) |
| Net current assets | | <u>2,680,782</u> | <u>2,046,663</u> |
| Total assets less current liabilities | | <u>49,966,181</u> | <u>50,398,620</u> |
| Creditors: amounts falling due after more than one year | 18 | (12,936,790) | (14,015,889) |
| Total net assets | | <u><u>37,029,391</u></u> | <u><u>36,382,731</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,324,113 | 1,214,515 |
| Restricted funds | | 163,218 | 110,535 |
| Unrestricted funds | | | |
| Designated funds | | 3,328,404 | 4,000,000 |
| Revaluation reserve | | 12,941,804 | 12,941,804 |
| General funds | | 19,271,852 | 18,115,877 |
| | | <u>35,542,060</u> | <u>35,057,681</u> |
| Total unrestricted funds | | <u>35,542,060</u> | <u>35,057,681</u> |
| Total funds | | <u><u>37,029,391</u></u> | <u><u>36,382,731</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet (continued)

At 31 July 2021

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 22 April 2022 and signed on their behalf by:



Mr A Fletcher

Company registered number: 05664801

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 July 2021

| | Note | 2021 £ | 2020 £ |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 21 | 2,180,472 | 1,875,903 |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 52,683 | 59,902 |
| Purchase of tangible fixed assets | | (261,672) | (3,432,186) |
| Proceeds from sale of investments | | 270,991 | 511,322 |
| Purchase of investments | | (270,991) | (511,322) |
| Net cash used in investing activities | | (208,989) | (3,372,284) |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (5,420,000) | (420,000) |
| Interest paid | | (560,872) | (519,442) |
| New bank borrowings | | - | 5,000,000 |
| Net cash (used in)/provided by financing activities | | (5,980,872) | 4,060,558 |
| Change in cash and cash equivalents in the year | | (4,009,389) | 2,564,177 |
| Cash and cash equivalents at the beginning of the year | | 9,024,424 | 6,460,247 |
| Cash and cash equivalents at the end of the year | 22 | 5,015,035 | 9,024,424 |

The notes on pages 28 to 60 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2021

1. General information

The Newcastle upon Tyne Royal Grammar School ('the charitable company') and its subsidiaries (together 'the group') are engaged in the education of children and young persons in the North of England.

The charitable company is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the School's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the School for reporting purposes.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the company was £646,660 (2020: 226,969).

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2021

2. Accounting policies (continued)

2.4 Going concern

Although the Covid-19 pandemic continued to impact on the operations of the school throughout the year, with the introduction of bubbles across all year group and limited movement around site whilst students were in school and then a lockdown in the early part of 2021 which necessitated a temporary move to online teaching, pupil numbers remained strong in the year and going forward remain ahead of those originally forecast.

The school recorded a net surplus of income over expenditure in the year ended 31 July 2021 and has net assets at the year-end of £37.0 million (2020: £36.4 million) with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings, and during the pandemic both loan repayments and covenant requirements were waived with loan repayments recommencing in April 2021. The school is not reliant on short term loans or overdraft facilities, and fully repaid the Revolving Credit Facility, that had been drawn down as a precautionary measure in the prior year, in the period.

Forecasts have been prepared based upon current pupil numbers and Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or increase in bad debts as the full economic impact of the pandemic takes effect, following the cessation of the CJRS scheme in the wider economy and as Government measures are relaxed. In all cases the trustees are satisfied that the school has sufficient resources to withstand any predicted fall in revenue, and would be able to reduce costs in line with a fall in pupil numbers were this to be required.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2021

2. Accounting policies (continued)

2.5 Income

All income is recognised when the School has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the School from its unrestricted funds, but before deducting grants of bursaries.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The School receives a grant from the Hospital of St Mary the Virgin charity and recognises all grants receivable from that charity including amounts not yet paid by the year end but which under the terms of that charity's trust deed it must pay over in due course to the School.

Grants and donations received for the general purposes of the charitable company are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction. Government grants awarded under the Coronavirus Job Retention Scheme are recognised when receivable.

Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt. Incoming resources from endowment funds are restricted.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2021

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. They are apportioned against the activities of the charity in line with the estimated usage of those costs.

Grants and bursaries are included as expenditure in the period for which the award is given.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the statement of financial activities.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the School plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the School are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the School.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

| | |
|------------------------------|------------------------------|
| Freehold property | - 50 years |
| Leasehold land and buildings | - over the life of the lease |
| All weather pitch | - 20 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 3 - 10 years |
| Trading subsidiary equipment | - 4 years |

Revaluation of fixed assets

The charitable company has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

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

2.10 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

2.11 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

2. Accounting policies (continued)

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

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

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.15 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans with related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

2.16 Operating leases

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

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Notes to the financial statements

Year ended 31 July 2021

2. Accounting policies (continued)

2.17 Pension costs

The School operates two main schemes:

The School participates in the Teachers' Pension Scheme, which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the School in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are funds which are held for the permanent benefit of the charity. There is no power to convert capital into income.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

2. Accounting policies (continued)

2.19 Critical accounting estimates and areas of judgment

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

Significant judgments in applying the entity's accounting policies

In preparing these financial statements, the trustees do not consider there to have been any other significant judgments that were required in the process of applying the company's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owed by the school, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 137,270 | - | 137,270 |
| The Royal Grammar School Educational Trust | - | 828,468 | 828,468 |
| Other income for bursaries | - | - | - |
| Government grants | 396,928 | - | 396,928 |
| | <u>534,198</u> | <u>828,468</u> | <u>1,362,666</u> |
| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
| Hospital of St Mary the Virgin | 192,480 | - | 192,480 |
| The Royal Grammar School Educational Trust | - | 665,148 | 665,148 |
| Other income for bursaries | - | 430 | 430 |
| Government grants | 861,595 | - | 861,595 |
| | <u>1,054,075</u> | <u>665,578</u> | <u>1,719,653</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

4. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Provision of school services | 17,903,997 | 17,903,997 | 16,986,875 |

School fees

| | 2021 £ | 2020 £ |
|----------------------------|-------------------|-------------------|
| Gross fees | 17,804,175 | 16,841,972 |
| Less: Grants and allowance | (447,695) | (408,379) |
| Catering income | 547,517 | 553,282 |
| | 17,903,997 | 16,986,875 |

5. Income from other trading activities

Fundraising income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Facilities lettings income | 14,463 | 14,463 | 70,845 |

Income from non charitable trading activities

| | Total funds 2021 £ | Total funds 2020 £ |
|--------------------|-----------------------------|-----------------------------|
| Subsidiary trading | - | 38,770 |

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Notes to the financial statements Year ended 31 July 2021

6. Investment income

| | Restricted funds 2021 £ | Total funds 2021 £ |
|----------------------------|----------------------------------|-----------------------------|
| Property rental income | 30,157 | 30,157 |
| Dividend income | 20,038 | 20,038 |
| Prize fund dividend income | 2,488 | 2,488 |
| | <u>52,683</u> | <u>52,683</u> |

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Property rental income | - | 34,350 | 34,350 |
| Dividend income | - | 5,181 | 5,181 |
| Prize fund dividend income | - | 3,560 | 3,560 |
| Bank interest | 13,785 | 3,026 | 16,811 |
| | <u>13,785</u> | <u>46,117</u> | <u>59,902</u> |

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Notes to the financial statements

Year ended 31 July 2021

7. Cost of raising funds

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-----------------------------|------------------------------------|-----------------------------|
| Fundraising costs | 9,430 | 9,430 |
| Marketing costs | 58,907 | 58,907 |
| Costs of letting facilities | 652 | 652 |
| Professional fees | 5,700 | 5,700 |
| Subsidiary trading costs | 8,305 | 8,305 |
| | <u>82,994</u> | <u>82,994</u> |

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-----------------------------|------------------------------------|-----------------------------|
| Fundraising costs | 9,196 | 9,196 |
| Marketing costs | 53,205 | 53,205 |
| Costs of letting facilities | 23,241 | 23,241 |
| Subsidiary trading costs | 39,945 | 39,945 |
| | <u>125,587</u> | <u>125,587</u> |

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Notes to the financial statements Year ended 31 July 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Provision of school services | 17,139,391 | - | 17,139,391 |
| Bursaries provided | 769,829 | 828,468 | 1,598,297 |
| | <u>17,909,220</u> | <u>828,468</u> | <u>18,737,688</u> |
| | | | |
| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
| Provision of school services | 17,091,042 | - | 17,091,042 |
| Bursaries provided | 692,977 | 665,148 | 1,358,125 |
| | <u>17,784,019</u> | <u>665,148</u> | <u>18,449,167</u> |

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Notes to the financial statements Year ended 31 July 2021

9. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Grant funding of activities 2021 £ | Support costs 2021 £ | Total funds 2021 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 15,301,549 | 27,750 | 1,810,092 | 17,139,391 |
| Bursaries provided | 1,021,562 | 396,928 | 179,807 | 1,598,297 |
| | <u>16,323,111</u> | <u>424,678</u> | <u>1,989,899</u> | <u>18,737,688</u> |

| | Activities undertaken directly 2020 £ | Grant funding of activities 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 15,170,358 | 37,567 | 1,883,118 | 17,091,043 |
| Bursaries provided | 896,699 | 284,259 | 177,167 | 1,358,125 |
| | <u>16,067,057</u> | <u>321,826</u> | <u>2,060,285</u> | <u>18,449,167</u> |

Grant funding relates to a grant paid from the School's linked charity, The Storrow Scott Trust, to the Royal Grammar School Educational Trust of £27,750 (2020: £37,567), and by the School to the same charity of £396,928 (2020: £284,259).

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Notes to the financial statements Year ended 31 July 2021

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2021 £ | Total funds 2020 £ |
|--|-----------------------------|-----------------------------|
| Depreciation | 1,439,983 | 1,499,389 |
| Teachers' salaries | 9,028,213 | 9,143,520 |
| Teaching resources | 930,671 | 579,381 |
| Other educational costs | 228,404 | 184,269 |
| Other teaching staff costs | 170,859 | 239,650 |
| Premises costs - salary | 693,493 | 727,571 |
| Premises costs - maintenance | 560,256 | 472,337 |
| Premises costs - occupancy | 514,502 | 654,889 |
| Premises costs - insurance | 161,784 | 123,823 |
| Catering costs - staff salaries | 278,975 | 252,792 |
| Catering costs - food | 425,219 | 276,958 |
| Catering costs - kitchen overheads | 64,331 | 73,287 |
| Academic support expenditure - educational support salaries | 695,237 | 689,721 |
| Academic support expenditure - PE and sport | 72,949 | 211,758 |
| Academic support expenditure - clubs, school magazines and miscellaneous costs | 29,607 | 30,357 |
| Bursaries provided | 1,021,562 | 896,699 |
| Prizes and awards | 7,066 | 10,656 |
| | <u>16,323,111</u> | <u>16,067,057</u> |

Analysis of support costs

| | Provision of school services 2021 £ | Fundraising costs 2021 £ | Total funds 2021 £ |
|----------------------|---|-----------------------------------|-----------------------------|
| Administration costs | 1,105,602 | 179,807 | 1,285,409 |
| Financial costs | 533,190 | - | 533,190 |
| Other central costs | 156,076 | - | 156,076 |
| Governance | 15,224 | - | 15,224 |
| | <u>1,810,092</u> | <u>179,807</u> | <u>1,989,899</u> |

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Notes to the financial statements

Year ended 31 July 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Provision of school services 2020 £ | Fundraising costs 2020 £ | Total funds 2020 £ |
|----------------------|---|-----------------------------------|-----------------------------|
| Administration costs | 906,003 | 177,167 | 1,083,170 |
| Financial costs | 875,929 | - | 875,929 |
| Other central costs | 79,767 | - | 79,767 |
| Governance | 21,419 | - | 21,419 |
| | <u>1,883,118</u> | <u>177,167</u> | <u>2,060,285</u> |

10. Auditor's remuneration

| | 2021 £ | 2020 £ |
|---|--------------|---------------|
| Fees payable to the company's auditor for the audit of the charitable company's annual accounts | 7,960 | 7,500 |
| Fees payable to the company's auditor and its associates in respect of: | | |
| The auditing of accounts of associates of the company | 4,800 | 4,500 |
| All assurance services not included above | 2,360 | 1,750 |
| All non-audit services not included above | 2,000 | 1,250 |
| | <u>7,960</u> | <u>15,000</u> |

11. Pupils and employees details

| | 2021 £ | 2020 £ |
|-----------------------|-------------------|-------------------|
| Staff costs | | |
| Wages and salaries | 8,940,580 | 8,926,335 |
| Social security costs | 910,703 | 938,551 |
| Pension contributions | 1,710,875 | 1,708,497 |
| | <u>11,562,158</u> | <u>11,573,383</u> |

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Notes to the financial statements Year ended 31 July 2021

| | 2021 No. | 2020 No. |
|---|-------------|-------------|
| The number of employees receiving remuneration of more than £60,000 per annum is as follows: | | |
| £60,001 - £70,000 | 9 | 11 |
| £70,001 - £80,000 | 4 | 3 |
| £80,001 - £90,000 | 1 | 3 |
| £90,001 - £100,000 | 1 | - |
| £100,001 - £110,000 | - | 1 |
| £120,001 - £130,000 | - | 1 |
| £130,001 - £140,000 | 1 | - |
| | 16 | 19 |

Key management personnel has been determined to be the governors and the 9 (2020: 9) members of the senior management team. The total remuneration of the senior management team excluding employers national insurance costs was £938,843 (2020: £932,867).

During the year, no governors received any remuneration (2020: £nil). Expenses of £187 were reimbursed to 1 governor (2020: £1,062 reimbursed to 2 governors).

| | Headcount 2021 No. | Headcount 2020 No. | FTE 2021 No. | FTE 2020 No. |
|-----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Staff numbers | | | | |
| Senior school teachers | 116 | 118 | 109 | 111 |
| Junior school teachers | 21 | 22 | 19 | 20 |
| Academic support | 43 | 38 | 32 | 28 |
| Property management | 34 | 33 | 25 | 26 |
| Clerical and administrative | 26 | 24 | 23 | 21 |
| Catering | 20 | 20 | 14 | 14 |
| | 260 | 255 | 222 | 220 |

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Notes to the financial statements

Year ended 31 July 2021

Pupil numbers at 31 July 2021

| | 2021 No. | 2020 No. |
|----------------------|--------------|--------------|
| Senior School | | |
| Full fees | 976 | 981 |
| Receiving bursaries | 76 | 71 |
| | <u>1,052</u> | <u>1,052</u> |
| | 2021 No. | 2020 No. |
| Junior School | | |
| Full fees | 259 | 256 |
| Receiving bursaries | 6 | 6 |
| | <u>265</u> | <u>262</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

12. Tangible fixed assets

Group

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Trading subsidiary equipment £ | Total £ |
|--------------------------|----------------------------|------------------------|----------------------------------|---|-------------------|
| Cost or valuation | | | | | |
| At 1 August 2020 | 51,658,181 | 121,290 | 3,581,487 | 12,067 | 55,373,025 |
| Additions | 182,213 | - | 79,459 | - | 261,672 |
| At 31 July 2021 | <u>51,840,394</u> | <u>121,290</u> | <u>3,660,946</u> | <u>12,067</u> | <u>55,634,697</u> |
| Depreciation | | | | | |
| At 1 August 2020 | 5,382,844 | 98,106 | 2,742,567 | 5,602 | 8,229,119 |
| Charge for the year | 951,216 | 13,697 | 472,915 | 2,155 | 1,439,983 |
| At 31 July 2021 | <u>6,334,060</u> | <u>111,803</u> | <u>3,215,482</u> | <u>7,757</u> | <u>9,669,102</u> |
| Net book value | | | | | |
| At 31 July 2021 | <u>45,506,334</u> | <u>9,487</u> | <u>445,464</u> | <u>4,310</u> | <u>45,965,595</u> |
| At 31 July 2020 | <u>46,275,337</u> | <u>23,184</u> | <u>838,920</u> | <u>6,465</u> | <u>47,143,906</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

12. Tangible fixed assets (continued)

Company

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|----------------------------|------------------------|-------------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 August 2020 | 51,658,181 | 121,290 | 3,581,487 | 55,360,958 |
| Additions | 182,213 | - | 79,459 | 261,672 |
| At 31 July 2021 | <u>51,840,394</u> | <u>121,290</u> | <u>3,660,946</u> | <u>55,622,630</u> |
| Depreciation | | | | |
| At 1 August 2020 | 5,382,844 | 98,106 | 2,742,567 | 8,223,517 |
| Charge for the year | 951,216 | 13,697 | 472,915 | 1,437,828 |
| At 31 July 2021 | <u>6,334,060</u> | <u>111,803</u> | <u>3,215,482</u> | <u>9,661,345</u> |
| Net book value | | | | |
| At 31 July 2021 | <u>45,506,334</u> | <u>9,487</u> | <u>445,464</u> | <u>45,961,285</u> |
| At 31 July 2020 | <u>46,275,337</u> | <u>23,184</u> | <u>838,920</u> | <u>47,137,441</u> |

Included in land and buildings is freehold land at valuation of £6,700,000 (2020: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2021, included within the net book value of land and buildings is £45,487,083 (2020: £46,254,424) relating to freehold land and buildings and £19,251 (2020: £20,913) relating to long term leasehold land and buildings.

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13. Investment property

Group

| | Freehold investment property £ |
|-----------------------------------|---|
| Valuation | 365,000 |
| At 1 August 2020 and 31 July 2021 | <u>365,000</u> |

Company

| | Freehold investment property £ |
|-----------------------------------|---|
| Valuation | 365,000 |
| At 1 August 2020 and 31 July 2021 | <u>365,000</u> |

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

14. Fixed asset investments

| | Listed investments £ |
|--------------------------|----------------------------|
| Group | |
| Cost or valuation | |
| At 1 August 2020 | 849,515 |
| Additions | 270,991 |
| Disposals | (275,195) |
| Revaluations | 113,802 |
| At 31 July 2021 | <u>959,113</u> |
| Net book value | |
| At 31 July 2021 | 959,113 |
| At 31 July 2020 | <u>849,515</u> |

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Notes to the financial statements

Year ended 31 July 2021

14. Fixed asset investments (continued)

| Company | Investments in subsidiary companies £ | Listed investments £ | Total £ |
|--------------------------|---|----------------------------|----------------|
| Cost or valuation | | | |
| At 1 August 2020 | 1 | 849,515 | 849,516 |
| Additions | - | 270,991 | 270,991 |
| Disposals | - | (275,195) | (275,195) |
| Revaluations | - | 113,802 | 113,802 |
| At 31 July 2021 | 1 | 959,113 | 959,114 |
| Net book value | | | |
| At 31 July 2021 | 1 | 959,113 | 959,114 |
| At 31 July 2020 | 1 | 849,515 | 849,516 |

The classification of investments held has been reviewed and it has been deemed more appropriate to show all investments held with CCLA as listed investments, as the funds held trade in listed securities.

15. Stocks

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Teaching and other stock | 4,152 | 7,613 | 4,152 | 7,613 |
| Kitchen | 7,505 | 13,630 | 7,505 | 13,630 |
| Goods for resale | 722 | 3,290 | - | - |
| | 12,379 | 24,533 | 11,657 | 21,243 |

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Notes to the financial statements Year ended 31 July 2021

16. Debtors

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 58,475 | 80,831 | 58,475 | 80,831 |
| Amounts owed by group undertakings | - | - | - | 9,695 |
| Other debtors | 21,389 | 6,278 | 21,389 | 5,155 |
| Prepayments and accrued income | 242,543 | 161,304 | 242,543 | 161,304 |
| | <u>322,407</u> | <u>248,413</u> | <u>322,407</u> | <u>256,985</u> |

17. Creditors: amounts falling due within one year

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 840,000 | 5,210,000 | 840,000 | 5,210,000 |
| Trade creditors | 296,973 | 146,142 | 296,973 | 146,142 |
| School field trip creditors | 74,705 | 107,600 | 74,705 | 107,600 |
| Pension creditor | 9,016 | 224,739 | 9,016 | 224,739 |
| Other taxation and social security | 228,314 | 236,446 | 227,941 | 236,446 |
| Other creditors | 97,922 | 443,713 | 97,922 | 443,713 |
| Accruals and deferred income | 925,428 | 711,446 | 923,831 | 710,145 |
| Fees received in advance | 125,969 | 119,226 | 125,969 | 119,226 |
| Deposits | 71,400 | 47,800 | 71,400 | 47,800 |
| | <u>2,669,727</u> | <u>7,247,112</u> | <u>2,667,757</u> | <u>7,245,811</u> |

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18. Creditors: amounts falling due after more than one year

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 12,627,000 | 13,677,000 | 12,627,000 | 13,677,000 |
| Deposits | 190,400 | 191,200 | 190,400 | 191,200 |
| Fees received in advance | 119,390 | 147,689 | 119,390 | 147,689 |
| | <u>12,936,790</u> | <u>14,015,889</u> | <u>12,936,790</u> | <u>14,015,889</u> |

Included within the above are amounts falling due as follows:

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|-----------------------------------|--------------------|--------------------|----------------------|----------------------|
| Between one and two years | | | | |
| Bank loans | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> |
| Between two and five years | | | | |
| Bank loans | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> |
| Over five years | | | | |
| Bank loans | <u>9,267,000</u> | <u>10,317,000</u> | <u>9,267,000</u> | <u>10,317,000</u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Payable or repayable by instalments | <u>9,267,000</u> | <u>10,317,000</u> | <u>9,267,000</u> | <u>10,317,000</u> |

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the School and a debenture. At 31 July 2021, bank loans, including amounts falling due within 1 year, comprise the following loans:

- £11.5 million term loan, secured on the School's freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates; and
- £3.5 million facility, secured on the School's freehold land and buildings and repayable by instalments over 15 years and bearing interest at market rates.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2021

19. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2021 £ |
|---------------------------------|----------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 3,725,332 | - | (396,928) | - | 3,328,404 |
| Revaluation reserve | 12,941,804 | - | - | - | 12,941,804 |
| General funds | | | | | |
| School general fund | 18,390,545 | 18,468,284 | (17,586,977) | - | 19,271,852 |
| RGS Trading | 10,059 | 1,867 | (8,305) | - | 3,621 |
| | <u>18,400,604</u> | <u>18,470,151</u> | <u>(17,595,282)</u> | <u>-</u> | <u>19,275,473</u> |
| Total unrestricted funds | <u>35,067,740</u> | <u>18,470,151</u> | <u>(17,992,210)</u> | <u>-</u> | <u>35,545,681</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 106,845 | - | - | 563 | 107,408 |
| J R Howarth Bursary Fund | 132,874 | - | - | 16,929 | 149,803 |
| Peter Taylor Bursary Fund | 82,899 | - | - | 13,254 | 96,153 |
| The Storrow Scott Trust | 891,897 | - | - | 78,852 | 970,749 |
| | <u>1,214,515</u> | <u>-</u> | <u>-</u> | <u>109,598</u> | <u>1,324,113</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | 1,800 | 170 | - | - | 1,970 |
| Peter Taylor Bursary Fund | 15,428 | 71 | - | - | 15,499 |
| School Bursary Fund | 89,620 | 834,781 | (798,230) | - | 126,171 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 3,255 | 43,641 | (27,750) | - | 19,146 |
| Prize Fund | - | 2,488 | (2,488) | - | - |
| | <u>110,535</u> | <u>881,151</u> | <u>(828,468)</u> | <u>-</u> | <u>163,218</u> |
| Total of funds | <u>36,392,790</u> | <u>19,351,302</u> | <u>(18,820,678)</u> | <u>109,598</u> | <u>37,033,012</u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2021

19. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2020 £ |
|---------------------------------|-------------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 4,000,000 | - | (274,668) | - | 3,725,332 |
| Revaluation reserve | 11,201,029 | - | - | 1,740,775 | 12,941,804 |
| | <u>15,201,029</u> | <u>-</u> | <u>(274,668)</u> | <u>1,740,775</u> | <u>16,667,136</u> |
| General funds | | | | | |
| School general fund | 17,820,350 | 18,165,189 | (17,594,994) | - | 18,390,545 |
| RGS Trading | 11,234 | 38,770 | (39,945) | - | 10,059 |
| | <u>17,831,584</u> | <u>18,203,959</u> | <u>(17,634,939)</u> | <u>-</u> | <u>18,400,604</u> |
| Total unrestricted funds | <u>33,032,613</u> | <u>18,203,959</u> | <u>(17,909,607)</u> | <u>1,740,775</u> | <u>35,067,740</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 103,158 | - | - | 3,687 | 106,845 |
| J R Howarth Bursary Fund | 152,623 | - | - | (19,749) | 132,874 |
| Peter Taylor Bursary Fund | 94,570 | - | - | (11,671) | 82,899 |
| The Storrow Scott Trust | 979,269 | - | - | (87,372) | 891,897 |
| | <u>1,329,620</u> | <u>-</u> | <u>-</u> | <u>(115,105)</u> | <u>1,214,515</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | (599) | 2,399 | - | - | 1,800 |
| Peter Taylor Bursary Fund | 12,647 | 2,781 | - | - | 15,428 |
| School Bursary Fund | 48,063 | 665,578 | (624,021) | - | 89,620 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 3,445 | 37,377 | (37,567) | - | 3,255 |
| Prize Fund | - | 3,560 | (3,560) | - | - |
| | <u>63,988</u> | <u>711,695</u> | <u>(665,148)</u> | <u>-</u> | <u>110,535</u> |

The Newcastle upon Tyne Royal Grammar School
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 July 2021

19. Statement of funds (continued)

Statement of funds - prior year (continued)

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2020 £ |
|----------------|-------------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Total of funds | <u>34,426,221</u> | <u>18,915,654</u> | <u>(18,574,755)</u> | <u>1,625,670</u> | <u>36,392,790</u> |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company. The transfer from the revaluation reserve to the school general fund is in respect of the additional depreciation charged against revalued assets, compared to the charge that would arise had the assets not been revalued.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- A donation to be expended on the cricket equipment and facilities.

LINKED CHARITIES

The charitable company is the trustee of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

Under the 2006 Scheme of the Property Trust retains the school's permanent endowments. Land and buildings must be managed by the charitable company in accordance with the objects of this charity and various prize funds held by the charity must be managed by the charitable company in accordance with their trusts.

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Trustee of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Trustees. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be placed there on grass.

The capital of The Endowment Fund is now to be held at the discretion of the Trustees subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Fields Association and the Northumberland Playing Fields Association.

However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Trustees in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Trustee shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received into the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring trustees, Mr Scott having been a pupil at the school).

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2021

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 45,965,595 | - | - | 45,965,595 |
| Fixed asset investments | - | - | 959,113 | 959,113 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 5,186,603 | 163,218 | - | 5,349,821 |
| Creditors due within one year | (2,669,727) | - | - | (2,669,727) |
| Creditors due in more than one year | (12,936,790) | - | - | (12,936,790) |
| Total | 35,545,681 | 163,218 | 1,324,113 | 37,033,012 |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 47,143,906 | - | - | 47,143,906 |
| Fixed asset investments | - | - | 849,515 | 849,515 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 9,186,834 | 110,535 | - | 9,297,369 |
| Creditors due within one year | (7,247,111) | - | - | (7,247,111) |
| Creditors due in more than one year | (14,015,889) | - | - | (14,015,889) |
| Total | 35,067,740 | 110,535 | 1,214,515 | 36,392,790 |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

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

| | Group 2021 £ | Group 2020 £ |
|--|--------------------|--------------------|
| Net income for the year (as per Statement of Financial Activities) | 640,222 | 225,794 |
| Adjustments for: | | |
| Depreciation charges | 1,439,983 | 1,499,389 |
| Interest paid | 560,872 | 519,442 |
| (Gains)/losses on investments | (109,598) | 115,105 |
| Dividends, interests and rents from investments | (52,683) | (59,902) |
| Decrease/(increase) in stocks | 12,154 | (11,419) |
| (Increase)/decrease in debtors | (73,994) | 92,591 |
| Decrease in creditors | (236,484) | (505,097) |
| Net cash provided by operating activities | 2,180,472 | 1,875,903 |

22. Analysis of cash and cash equivalents

| | Group 2021 £ | Group 2020 £ |
|--------------|--------------------|--------------------|
| Cash in hand | 5,015,035 | 9,024,424 |

23. Analysis of changes in net debt

| | At 1 August 2020 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2021 £ |
|--------------------------|--------------------------|------------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 9,024,424 | (4,009,389) | - | 5,015,035 |
| Debt due within 1 year | (5,210,000) | 5,420,000 | (1,050,000) | (840,000) |
| Debt due after 1 year | (13,677,000) | - | 1,050,000 | (12,627,000) |
| | (9,862,576) | 1,410,611 | - | (8,451,965) |

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

24. Pension commitments

The school's employees belong to two principal pension schemes, The Teachers' Pension Scheme for teaching staff and a fully insured money purchase scheme for support staff known as the RGS Support Staff Pension Plan.

The pension costs included in these financial statements comprise £1,519,350 (2020: £1,521,833) in respect of the Teachers' Pension Scheme and £191,525 (2020: £186,664) in respect of the RGS Support Staff Pension Plan. Pensions payable to the pension schemes included within creditors at the year end (including employees' contributions) is £9,016 (2020: £224,739).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teacher's Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The RGS Support Staff Pension

The RGS Support Staff Pension Plan is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS. The assets of the scheme are held separately from those of the company in an independently administered fund.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements

Year ended 31 July 2021

25. Operating lease commitments

At 31 July 2021 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2021 £ | Group 2020 £ | Company 2021 £ | Company 2020 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 90,089 | 55,854 | 90,089 | 55,854 |
| Later than 1 year and not later than 5 years | 108,285 | 96,323 | 108,285 | 96,323 |
| Later than 5 years | 260,944 | 275,595 | 260,944 | 275,595 |
| | <u>459,318</u> | <u>427,772</u> | <u>459,318</u> | <u>427,772</u> |

26. Custodian funds

At the year end the charity held cash balances of £nil (2020: £293,173) on behalf of the RGS Educational Trust charity. For further details regarding the relationship between both charities see note 27.

27. Related party transactions

Some Governors are also trustees of the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school has met the Trust's campaign costs totalling £123,220 (2020: £116,405). The contribution towards bursaries by the Trust this year amounted to £828,468 (2020: £665,575). The school made a donation to the Trust during the year of £396,928 (2020: £284,259), to be invested to provide future bursaries.

The Storrow Scott Charitable Will Trust, a charity controlled by the School, applies its income to the RGS Educational Trust. Grants paid or payable from the charity to the Educational Trust in the year amount to £27,750 (2020: £37,567).

As at the balance sheet date £nil (2020: £3,300) is included within debtors in respect of accountancy and audit fees and prizes paid by the school on behalf of the Trust.

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2021

28. Principal subsidiaries

The following was a subsidiary undertaking of the company:

| Name | Company number | Class of shares | Holding | Included in consolidation |
|---------------------|----------------|-----------------|---------|---------------------------|
| RGS Trading Limited | 04063794 | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) / Surplus/ (Deficit) for the year £ | Net assets £ |
|---------------------|-------------|------------------|---|-----------------|
| RGS Trading Limited | 1,867 | (8,305) | (6,438) | 3,623 |

THE NEWCASTLE UPON TYNE ROYAL GRAMMAR SCHOOL

England & Wales - Charity number 1114424

Accounts

Registered number: 05664801
Charity number: 1114424

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Annual report

31 July 2020

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

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The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details

Year ended 31 July 2020

Governors

Mrs J Drummond, Co-opted Governor (Chairman from 2 December 2017)
Ms T Hartley, Co-opted Governor (Vice Chairman)
Dr J Berry, Co-opted Governor (appointed 15 October 2020)
Mr P A Campbell, Co-opted Governor (resigned 12 June 2020)
Ms C D'Cruz, Co-opted Governor (resigned 12 June 2020)
Mr I Evbuomwan, Co-opted Governor (resigned 12 June 2020)
Mr H Fell, Co-opted Governor
Mr A Fletcher, Co-opted Governor
Mrs S Green, Co-opted Governor
Mrs A Gupta, Co-opted Governor
Prof S Hambleton, Nominated by the University of Newcastle
Prof M Hannifa, Nominated by the University of Newcastle
Mr A Lamb, Co-opted Governor
Mr N McMinn, Co-opted Governor (appointed 24 April 2020)
Miss S Milligan, Co-opted Governor
Mr A Murphy, Co-opted Governor
Mrs C Murphy, Co-opted Governor (resigned 12 June 2020)
Mr M Robinson, Co-opted Governor (appointed 15 October 2020)
Mr I Simpson, Co-opted Governor
Ms C Stonehouse, Co-opted Governor
Cllr T Thorne, Nominated by Northumberland County Council
Prof J Turner, Co-opted Governor (resigned 8 January 2020)
Mrs S Woodroffe, Co-opted Governor

| | |
|----------------------------------|--|
| Company registered number | 05664801 |
| Charity registered number | 1114424 |
| Registered office | Eskdale Terrace Newcastle upon Tyne NE2 4DX |
| Company secretary | J Blott |
| Headmaster | Mr G Stanford |
| Independent auditor | UNW LLP Chartered Accountants Citygate St. James' Boulevard Newcastle upon Tyne NE1 4JE |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Reference and administrative details (continued)

Year ended 31 July 2020

| | |
|----------------------------|--|
| Bankers | Barclays Bank plc PO Box 379 71 Grey Street Newcastle upon Tyne NE99 1JA |
| | NatWest 2nd Floor 1 Trinity Gardens Broad Chare Newcastle upon Tyne NE1 2HF |
| Investment advisors | Brewin Dolphin Limited Time Central Gallowgate Newcastle upon Tyne NE1 4SR |
| | CCLA Senator House 85 Queen Victoria Street London EC4V 4ET |
| Insurance broker | Zurich Municipal Zurich House 2 Gladiator Way Farnborough GU14 6GB |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Trustees' report Year ended 31 July 2020

The Governors present their annual report together with the audited financial statements for the year 1st August 2019 to 31st July 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Charitable objectives

The charitable objectives of the Newcastle Royal Grammar School (RGS) are set out in the School's Memorandum of Association as follows and state that we are established for public benefit to deliver:

- The education of children and young persons in the North East of England;
- To provide facilities in the interests of social welfare for the education, recreation or other leisure facilities (including but not limited to the arts) of the public at large with a view to improving the conditions of life in Newcastle upon Tyne and the North East of England.

Our Vision

The School has a very clear vision as to what it wishes to achieve and the purposes for which it was established:

- We believe that by inspiring and nurturing hearts and minds, we can give those around us the freedom to create and shape their own future.
- A future that is built on our sense of history and belonging in the city but is fueled by an ambition to succeed and evolve.
- A place where freedom of expression, ideas and beliefs can be shared, exchanged and grow openly in our happy environment.
- An environment where we look out for each other and treat everyone with care and respect, within and beyond our community.
- A spirit to challenge, inspire and stretch the minds of everyone here so we feel free to explore, free to think, free to try, free to dream of possibilities and free to be ourselves.
- With hard work, courage and belief in each other, together we have the freedom to make the future our own.

We do this through our purpose and our values which guide everything we do, giving those around us the freedom to create their future.

Much has been achieved in an exceptional year where every member of our community has been impacted by the Covid-19 pandemic. Our Vision has been pivotal in how we have approached these challenges with a strong focus on the well being of our students and staff and we have continued to ensure that the RGS is an "environment where we look out for each other and treat everyone with care and respect, within and beyond our community."

Using this Vision, the School has identified 4 key purposes and values which are applied practically on a daily basis:

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Trustees' report (continued)

Year ended 31 July 2020

1. To provide a sense of belonging
2. To instil a love for learning
3. To encourage a belief in each other
4. To promote an ambition to succeed

Activities for achieving objectives

The Governors of the RGS review the performance of the school through the four key values as established in the School's Vision Statement. This better reflects the aims and priorities of the school to help nurture and develop each and every member of the community.

1. *Sense of Belonging*

Care and respect for each other lies at the heart of the Royal Grammar School, and therefore pastoral care support for each individual remains central to its work.

The School continues to invest in wellbeing and mental health, and this area is seen as an essential part of meeting our vision. The Deputy Head Pastoral has a team which includes dedicated counsellors along with a full-time Assistant Head Pastoral in the Junior School, a School Doctor and nurses. All staff and governors have received training in the safeguarding of children and the topic has also been a focus amongst the pupils. This is crucial in ensuring the school can support the individual needs of the members of the community as far as it can.

The School has strong links with the local and regional communities and is very aware of its role in providing public benefit above and beyond its significant bursary and accessibility provision. This year the new role of Director for Community Partnership and Outreach has been a focus for leading and co-ordinating the school's interactions with other maintained schools and businesses.

The school is blessed with very good facilities and the new building housing the library, assembly space, art block, maths classrooms and new pastoral suite was completed in time to open for the new academic year in September 2019. These facilities have provided a new impetus to the school's work both with our own students as increase our ability to host other groups and events. The refurbishment programme for the Sixth Form and old library to create an enlarged and enhanced Sixth Form Centre was opened in January 2020. It has provided the Sixth Form students with an enhanced space for both studying and social activity. The school continues to expand the use of its facilities by other community users including schools, clubs and societies with the Sports Centre and Performing Arts Centre particularly well used. Unfortunately, the Covid-19 lockdown in March halted all external use of the school facilities through to the end of August 2020 and this remains under review with the School acting in accordance with guidance set out by the Government. The RGS is strongly committed to supporting the wider education community of the city and North East Region and is engaged in projects with other regional schools. We strive to help recruit and support new entrants to the profession by working closely with local GTP/SCITT providers.

Staff are involved in the community in many ways ranging from being governors and trustees at state schools in the region to teaching and lecturing at other institutions.

The Governing Board and the School take their place and sense of belonging in the community very seriously.

2. *Love for Learning*

The School prides itself on nurturing academic promise and doing its best to instil a real love for learning and not simply teaching 'to the test'. To that end, the school thinks carefully about its approaches to learning and teaching and encourages staff to develop original and innovative approaches.

The RGS culture is that if students can enjoy their lessons and learning, then it follows that they will do better. Although examination results are certainly not the only measure, they remain an important benchmark and the school is rightly proud of the academic results achieved by its students this year in spite of the significant changes in the assessment of both GCSEs and A Levels by the examination boards.

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Trustees' report (continued)

Year ended 31 July 2020

Love of learning goes beyond examinations and encompasses a wide variety of, and mass participation in, extra-curricular societies and competitions, and the school encourages and supports student involvement in regional and national competitions.

3. *Belief in Each Other*

The RGS culture seeks to actively appreciate and celebrate each other's skills and talents.

The opportunities the school provides are extremely wide-ranging and this hopefully allows everyone to try new things and find their passion. It is also an opportunity for us to appreciate and celebrate each other's skills and talents. Having a range of outlets for interests is also an important part of the school's approach to well-being and helping students and staff develop a healthy balance of activities.

The Junior School provides a very wide range of activities to help students explore new things and find themselves, including camps, expeditions and musicals, which has allowed so many students an opportunity to perform, work together and develop new and life-long skills.

The Senior School's dance, drama and music all provide many chances for students to perform and participate at all levels including producing a major production each year with a large cast and crew.

The school has an excellent reputation as a debating school and the teamwork involved is a real demonstration of what we strive to achieve.

The range and breadth of sporting opportunity is an important feature of the school, not just for the excellence of its first teams and sports, but crucially for opportunities for wider participation. The school continues to broaden the provision it has to encourage everyone to be active, to have a healthier lifestyle and find things that they can continue with for life.

Fostering a strong sense of teamwork, mutual trust and reliance are central to the Combined Cadet Force (CCF) and Duke of Edinburgh (D of E) Award which operate in the Senior School. The CCF has expanded this year to include an RAF section to complement the existing Army and Royal Navy sections.

Everyone has their own particular interests and skills and the House System is very good at allowing these to be used and acknowledged in a community setting.

4. *Ambition to Succeed*

The RGS seeks to foster, throughout its student and staff community, an ambition to succeed and discover new ways to move forward.

This longer term vision for RGS that came from the strategic review instigated by Governing Board in 2017/18 has been reinforced and is being built into the culture of the School.

The Governing Board has seen significant change over the year. Towards the end of the year, five long serving Governors stood down and two new Governors were appointed to strengthen the board's expertise in primary education and finance. The Governing Board regularly reviews the mix of skills, experience and diversity in the Governors that are essential to deliver the School's vision.

Success is not just about numbers and grades and the School is very aware of the pressures that an obsession with grades can create for its students

In order to encourage the whole community to strive to succeed the school completed a review of its curriculum and reporting systems. More emphasis has been placed upon the importance and power of the conversations around reporting, rather than simpler number and letter grading systems. The aim is to encourage and nurture our students into being ambitious for themselves but in a sensible and controlled way. The School curriculum is designed to not only produce academic excellence but also to have the breadth to create confident, independent

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Year ended 31 July 2020

and resilient learners who are ready to face the world outside school.

Main activities undertaken to further the charity's purposes for the public benefit

The School is dedicated to providing education to children in the North East of England. The School was founded in the Sixteenth Century in order to provide education in Newcastle and continuing our role in the community of the city and the North East is a key aspect of what we do. In particular we are committed to providing a first-class education to boys and girls in the city and wish to be as inclusive as possible. To this end the Governors are fully committed to funding bursaries from voluntary income as much as possible. The RGS is committed to increasing access to the opportunities it provides for bright boys and girls from those families whose means would not allow them to afford school fees.

The aim is to increase the number of bursaries in a sustainable manner. In the school year 2019/20, 76 students were in receipt of bursaries, to a value of £968,947 all funded through voluntary donations. The average level of fee help during the year was 93% of fees, indicating that the majority came from homes with low family incomes. Sixty students received bursaries of between 90% to 100% of school fees. RGS bursaries are strictly means-tested and parents of bursary holders contribute on a sliding scale according to their family income. The school's Bursary Outreach Officer makes home visits before recommending the award of bursaries. The school saw a significant increase in bursary applications, which is encouraging, and shows that more and more people are aware of the opportunity. Looking ahead, the School is committed to extending this further. The role of the Bursary Outreach Officer is being extended to provide not just a link with bursary applicants but to also support them throughout their time in the school which will be in addition to the normal pastoral support provided to all students.

The voluntary funding to support bursaries is generated by the Development Office and interest on charitable funds held in the RGS Educational Trust; income will always fluctuate year on year. In the FY19/20 the climate for fundraising has been severely impacted by Covid-19 and although the funds raised this year have not been as high as expected there have been notable successes and overall the Bursary Campaign has raised a total income of £353k. Looking ahead, the School continues to be committed to sustainably increasing the number of bursaries, allowing greater access for boys and girls from those families whose means would not allow them to afford school fees, This will both transform the lives of the families in receipt of a bursary, and adds value to the diverse social mix of the school. The Old Novocastrians Association produces a magazine that reaches a large number of former students who provide a significant contribution to bursaries and this year the two editions focused on sport and the creative arts at the RGS.

The School has strong links with the local and regional communities and is very aware of its role in providing public benefit above and beyond its significant bursary and accessibility provision. One of the most important ways in which the school community reaches far and wide is through its charitable work.

Every year the students and staff vote to support local charities which this year were The People's Kitchen and St Oswald's Hospice. We also supported the Lord Mayor's nominated charity, Mental Health Concern. In addition, the School supported Children in Need and Sports Relief. In total, over £15,000 was raised.

A significant number of our Sixth Formers volunteered on a weekly basis to work in eight primary schools in our local community. In particular, they listened to children read and over time they were able to build good relationships and act as positive role models. Many other RGS students volunteered and worked with a range of other charities in the city and region and a further 128 students performed voluntary work as part of their D of E Silver or Gold Awards.

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Trustees' report (continued) Year ended 31 July 2020

STRATEGIC REPORT

Achievements and performance

Review of activities

1. *Sense of belonging*

"Proud of our heritage, we have a deep sense of belonging. Our school community reaches far and wide. With an open mind and with care and respect for those around us, we inspire collaboration, forging connections that last a lifetime."

The role of the school in the community of the city and the North East continues to be a key priority for the school. The Governors are very conscious of the position the school has in the life of the local community and the region and other stakeholders including the school's staff, parents, and suppliers. The school strives to ensure that the decisions it makes are consistent with the charitable objectives of the school and are to the benefit of the students and all stakeholders. We seek to use local suppliers where possible and to maintain the school's reputation as a fair and supportive customer.

The School has strong links with the local and regional communities and is very aware of its role in providing public benefit above and beyond its significant bursary and accessibility provision. We are very proud to be part of that community and the work of the Development Team and the Director of Community Partnerships & Outreach have been pursuing opportunities to extend the projects that we run with other schools and businesses locally, and to enhance the quality of the work that we do in those areas. The school secured funding from the Reece Foundation to enable the school to send maths and physics teachers into local schools to support their learning programmes. The school is committed to making a very positive impact to the region.

Examples of the work that we have done over the last year include provision of educational opportunities like: Author Visits, which local primary schools enjoy attending with our Junior School, and Ancient History Education Days, allowing students from around the region access to exciting new learning that is not normally available to them. The school has embarked upon two partnerships with Digital Schoolhouse and LEGO Education. Our work with Digital Schoolhouse has seen us offer primary computing workshops to schools in the region with over 300 students visiting the school to participate in cryptography and game-creation workshops that were extremely well received. We are also able to support local schools by offering robotics loan kits that were very kindly funded by the Reece Foundation.

During the Covid-19 pandemic the school provided care for children of key workers in school when their parents would not have been able to provide this at home, including throughout the Easter holidays and summer half term, with staff giving their time voluntarily to supervise and support. In addition, during lockdown a number of students and staff from the Engineering, Design and Technology Department helped produce PPE for the NHS using their own, or the schools, 3D-printers and equipment. The school was very pleased to see the efforts of one of our students recognised with an award of the British Empire Medal in the recent honours list for his work.

The School is committed to providing first-class well-being and mental health support for its staff and students, and is also committed to sharing the resources and expertise widely, and we have been proud to continue to work closely with Schools North East in the delivery and development of region wide initiatives over the last year.

We are indebted to a broad range of donors for their support and are especially grateful to the parents of existing and former RGS students, and Old Novocastrians, who have seen first-hand how the bursary programme changes lives, who have personally supported this important element of RGS's work. During the Covid-19 crisis parents and former students have donated over £50k to a hardship fund that has been able to support many parents, particularly those of bursary students, who were in difficult circumstances due to the lockdown.

RGS has the benefit of outstanding facilities and the most recent phase of our modernisation programme (XL3), that consisted of a new library, an additional assembly space, a new art block, a new pastoral suite, a new Sixth Form centre and new Maths, Science, Design Technology and Computer Science classrooms has been completed with the new building open for the new academic year in September and the enhanced Sixth Form

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Centre opening in January 2020.

Until the Covid-19 lockdown was imposed in March 2020, the Miller Theatre was used by many external organisations, which this year this have included Newcastle University Gilbert & Sullivan Society, Newcastle and Northumbria Society, ABCD Conducting course, various auditions, the Dental Hygiene & Therapy UK conference and the Salvation Army Creative Arts Day.

The School also hosts teacher training programmes, academic events, sporting competitions, performing arts shows and other inter-school competitions like public speaking / debating. These are all open to visitors from around the region and nationally. The excellent sports facilities are also regularly used by local Rugby, Hockey, Cricket and Swimming clubs and this year it was also used by the England Rugby team ahead of the Autumn International Series.

2. *Love for learning*

"In a happy environment where people can be themselves, we teach and learn in diverse and surprisingly different ways. By exploring our passions, we have the freedom to bring specialist knowledge to life, supporting creativity, encouraging self-expression and truly nurturing academic promise."

The RGS firmly believes that happy students will do their best in all areas, not least in their enjoyment of their lessons and learning. Although examination results are certainly not the only measure, they remain an important benchmark and although the assessment and awarding of examination results this year was severely affected by the Covid-19 lockdown, which meant that examination grades were award on Centre Assessed Grades rather than public examinations, the school is rightly proud of the academic results achieved by its students this year. At GCSE, we have seen, once again, a really impressive set of results from Year 11 students. In total, the students achieved 44% of grades at grade 9, 26.1% at grade 8 and 18.2% at grade 7. In total, 88.3% of grades were at grade 7 or better. There were 16 students who achieved straight 9s across their subjects, with 11 of these securing 11 GCSEs at grade 9.

Finally, at A-Level, our students also produced a superb set of results with over 35.3% of all grades coming out at A*, 69.1% at A* or A and over 90% at A* to B. A staggering 39% (65) students achieved all A* and As. 14 of these students gained a full set of A*s. In particular, we are immensely proud of the 15 means-tested bursary holders, who this year collectively secured 49 A Levels across 17 different subjects. Five of these students secured all A*-As, with one securing four A*s. There were 13 students who achieved all A* grades in their A-Levels with a further 52 achieving all A* or A grades. Twenty students obtained places at either Oxford or Cambridge.

Learning at the school extends beyond examinations and normal lessons; the usual participation in visits and trips was severely curtailed this year due to the Covid-19 travel restrictions however trips were possible to China to explore the culture, Gandia in Spain for rock climbing, and history trips to Berlin and the Flanders battlefields. Students also regularly take part, and are hugely successful, in national competitions, e.g. a finalist in the British Brain Bee, a British Neuroscience Olympiad for teenagers; in the University Challenge – Classics Quiz, the junior category was won by a team of Year 9 students, the intermediate category was won by Year 10 students and, in the senior category, RGS teams were placed first and second; and a significant number of Gold certificates achieved in the very challenging Biology, Chemistry, Physics, Linguistics and Mathematics Olympiad competitions.

Students' passion and commitment to their wider learning has also led to considerable other successes at national level. For example, one student was on the U18 shortlist of the 10th annual Scottish Nature Photography Awards and the Royal Horticultural Society (RHS) Photographic Competition. In the F1 in Schools Competition one the two RGS teams won the Nissan Team Spirit Award and were also awarded a Bronze CREST award and the Young Enterprise Competition. Music examinations this year were able to take place with special measures introduced and students did exceptionally well with half achieving Distinctions (10) or Merits (20) in the Associated Board of Royal Schools of Music (ABRSM) examinations.

"There are no limits to what we can achieve when we work hard, support and look out for each other. Through a

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Trustees' report (continued) Year ended 31 July 2020

shared belief, we appreciate and celebrate everyone's achievements. With well-being at the heart of everything we do, our warm and caring culture helps nurture confidence and develop all of the skills needed for a successful and happy life."

Supporting each other and working closely together is a major factor in the success of the school and its students, and the residential trip run for Year 5 children to Robinwood was able to go ahead in November as was the Year 4 trip to Patterdale demonstrate the wonderful spirit of togetherness that the students and staff enjoy and celebrate. It was unfortunate that the Year 7 trip to Lakeside had to be cancelled.

This is also very much evident through the regular performing arts events that the school runs e.g. productions of Chicago and A Christmas Carol. The school continued its excellent reputation in debating competitions across the country with two teams each reaching the finals of the British Parliamentary school-level debate Competition and the Oxford Schools Debating Competition. Team spirit and support is also evident, of course, through the vast array of sporting events that the students participate in and notable successes this year include: the Junior School swimming team were crowned HMC Champions winning six out of the available eight categories; U13s won the Birkdale 9-a-side Football Festival; the girls hockey team reached the final of the U18 Investec England Hockey Tier 2 National Schools Championship and the U19 Smile Independent Schools Hockey Cup; U18 and U16 girls' hockey teams both reached the national indoor finals; meanwhile, the senior netball squad reached the National Netball Finals, . In rugby one student represented England U18, one at U17 and one was a Scotland U18 trialist whilst another played for Durham Jets in ladies cricket.

Health and well-being are also a regular feature in our curriculum provision, but this is also backed by a determination to support this in practical terms by encouraging the students to be healthy and active. This is also a major factor for instilling the confidence and self-belief in the children to allow them to be so successful.

The school has a very active House system which encourages the vast majority of students to play their part in supporting the many inter-House events. Until the Covid-19 restrictions a wide range of activities and competitions were held including House Music, the Miller Cup for cross country running and House Drama. A new event, the House JAM, was a massive hit with our students and the wider community. There was also plenty of House sport with events in rugby, football, hockey, netball and duathlon. Even during lockdown a house art competition was held remotely. We believe that wider participation is as important as inspiring our elite performers, and the House system is a fantastic way of encouraging this: the range and breadth of opportunity is an important feature of the school.

Finally, activities and participation in the CCF, which has been expanded this year to include an RAF contingent, the D of E awards and the National Citizens Service give the students amazing opportunities to play their part in the wider community, but also to foster in them a strong sense of teamwork, mutual trust and reliance. The activities were curtailed after March due to the lockdown but the CCF still managed to undertake virtual training sessions.

3. Ambition to succeed

"Excellence and success are built on our freedom to explore, courage to innovate and spirit to push boundaries both in and outside the classroom. We don't stand still, challenging, provoking and stretching minds to help our students evolve new ways of thinking and discover future opportunities."

Teachers at RGS are ambitious in their teaching practice, encouraging the students to develop the higher order thinking skills, initiative and independence that leads to positive success. We pride ourselves in challenging the students to think, as well as to learn, something that encourages in them the resilience to manage the difficulties that they regularly face in and out of the classroom.

Supporting and promoting their longer-term ambitions, we put significant time in to giving students access and information about careers / university opportunities via presentations, visiting speakers and trips; something which very much encourages them to aim high for the future.

Individuals also pursue their own interests alongside commitments to school, and notable successes include

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national honours in Photography, Public Speaking, Music, Chess, and, of course, in Sport, e.g. Gymnastics, Fencing, Biathlon, and Trampolining (as well as in the traditional school sports).

Within the organisation, the School Governing Board seeks to encourage the very highest standards for the school, and the ambitious Development Plan (detailed later in this report) demonstrates the school's commitment to this aim. The Board has continued to be strengthened with the appointment of two Governors with experience in primary education and business and finance. Most importantly, however, this focus is not just inwards on the needs of our students and staff, but also sets out our commitment to playing a leading role in supporting the local and regional community.

Statement by the governors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The board of governors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the charitable company for the benefit of its members as a whole, having regard to the stakeholders and members set out in s172(1) (a-f) of the Act in the decisions taken during the year ended 31 July 2020.

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Trustees' report (continued) Year ended 31 July 2020

FINANCIAL REVIEW

Student numbers were above budget for the year and are anticipated to maintain a high level in 2020-21. Careful management of expenditure and cashflow led to an operating surplus of £226k. Full details of the school's financial performance are set out in other sections of these Accounts.

The School generated a surplus before gains on investment assets of £340,899 (2019: £521,156). Investment losses amounted to £115,105 (2019: gain of £40,328) resulting in a net surplus of £225,794 (2019: £561,484).

The School's subsidiary trading company, RGS Trading Limited, generated a deficit of £1,175 (2019: surplus of £8,139) which is included in the above figures.

The net current assets of the School excluding long-term liabilities total £2.1 million (2019: £3.5 million).

Principal risks and uncertainties

The main risk areas for the School are risks associated with the protection of the School's pupils, staff and assets. Procedures and systems to minimise these risks are regularly reviewed and updated. Within financial risks, liquidity risk is managed by a combination of loans to finance long term projects and overdraft facilities to deal with month on month fluctuations in cash flow. External financial pressures that are out of the control of the school such as major impacts on the national economy such as the current Covid-19 pandemic, increases to contribution rates for the Teacher's Pension Scheme, the removal of charitable relief and the possibility of VAT on school fees are carefully monitored and contingency plans drawn up to manage the risks.

The second half of this year has seen the school impacted by the Covid-19 pandemic which resulted in the school being closed on Government instruction and learning undertaken remotely. In addition, the pandemic has had a major impact on parents with increased concern around jobs and livelihoods which in turn caused uncertainty regarding future fee income. The school has engaged proactively with parents who have been affected and provided support where possible. Another major risk is the income from the Educational Trust for the support of existing bursaries due to the economic slowdown and resulting impact on donations, and income from investments and rental properties. In light of this uncertainty the school partook in the only government support scheme available to it, the Coronavirus Job Retention Scheme (CJRS). This support protected employees by underpinning the income that supports the bursary students as a result of the anticipated significant reduction in the Educational Trust investment returns and rental incomes.

Going concern

As set out above, the pandemic had an impact on the operations of the school in the latter part of the year. Pupil numbers at the start of the 2020/21 academic year are encouraging and are ahead of those originally forecast. Governors have carried out a detailed re-budgeting exercise, looking at the potential for a fall in pupil numbers or bad debts as the full economic impact of the pandemic takes effect. Action taken included participation in the CJRS scheme, taking out additional short term loan finance and the renegotiation of existing bank covenants during 2020, including a loan repayment holiday to April 2021. The School has considered a range of scenarios to help the ongoing assessment of risks and opportunities. The modelling considered the liquidity and positive cash position of the School. Given the above, after making appropriate enquiries, the Governors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

Having due regard to these matters and after making appropriate enquiries, the Board have therefore continued to adopt the Going Concern basis in preparing these financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Investment policy and performance

The trustees' investment powers are governed by the Trust Deed. The Governors have delegated the management of the investment portfolios to Brewin Dolphin Limited but appraise their performance at regular

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intervals; the Governors' policy is to maintain income to fund bursaries, while preserving the market value of the investments. During the year the Governors undertook a detailed review of the performance of Brewin Dolphin and decided to run a tender exercise for the management of the investment portfolio. After a rigorous selection process it was decided to appoint CCLA as the new managers of the investment portfolios. The process of transferring the investments from Brewin Dolphin was not completed until after the year end.

The total returns (capital growth with income received), for the year to 31 July 2020 were -8.3% (2019: 1.1%) on the Peter Taylor Fund, -11.4% (2019: -3.0%) on the J R Howarth Bequest Fund and 2.5% (2019: 9.4%) on the Storrow Scott Trust.

These compare with a total return for the Brewin Dolphin's Risk Category 6 of -2.9%.

Reserves policy and performance

The governors continue to take steps to review their reserves policy. Their intention is to continue to develop the School facilities whilst at the same time containing increases in tuition fees to a reasonable level.

Note 19 to the financial statements shows the assets and liabilities attributable to the various funds by type, describes the various funds and summarises the movements on each fund.

Unrestricted funds in total amounted to £35.1 million. Of this, designated bursary funds totalling £3.7 million have been set aside; the purpose of which is to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the School. The fund is available for use to supplement the funds generated for bursaries by the activities of the bursary campaign as and when the school's cash availability allows. This year none of this fund has been used to support bursary students as fundraising activities have been sufficient to cover bursary requirements not directly funded by the Educational Trust.

Also within unrestricted funds are fixed assets totalling £47.1 million. Free reserves (i.e. those not tied up in fixed assets or designated by Governors) are in deficit at the year end by £15.8 million (2019: deficit of £14.4 million) due to loans of £18.9 million (2019: £14.3 million) which were taken out to fund building projects. Excluding the loans, available reserves amount to £3.1 million which the Governors consider to be adequate to meet the ongoing needs of the school at this time.

The Governors are satisfied with the reserves position of the School.

Principal funding

The School's day to day charitable activities are self-funding.

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Trustees' report (continued) Year ended 31 July 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School was founded and endowed at the beginning of the sixteenth century by Thomas Horsley who was, more than once, the Lord Mayor of Newcastle upon Tyne. By virtue of a Charter granted in 1600 by Queen Elizabeth it became "The Free Grammar School of Queen Elizabeth in Newcastle upon Tyne". It subsequently assumed the title "The Newcastle upon Tyne Royal Grammar School". Prior to the 2006/07 year, the School was regulated by a 1909 Scheme made by the Board of Education under the Charitable Trust Acts 1853 to 1894 and a 1975 Scheme made by the Charity Commissioners with subsequent amendments. The membership of the Governing Body was subsequently amended by resolutions of the Governors dated 1 January 1997, 15 June 2012 and 28 February 2020.

On 1 August 2006, the assets, liabilities and undertaking of the School were transferred to a charitable company (company number 5664801) and its associated Property Trust pursuant to a Charity Commission scheme sealed on 12 July 2006. At the same time the Company was appointed sole corporate trustee of the Property Trust (The Newcastle Upon Tyne Royal Grammar School Property Trust) within which the permanent endowment is held.

By a linking direction made by the Charity Commission on 12 July 2006 the Company and Property Trust are linked for registration and accounting purposes. The Company's charity registration number is 1114424 and the Property Trust's charity registration number is 1114424 1.

Method of appointment or election of Governors

The Governing Body consists of up to twenty Co-opted Governors serving for a term of up to three years. They can be re-elected and a Governor may be reappointed for a maximum of three consecutive terms of office. The Governors are Trustees of the Charitable Body.

The Co-opted Governors are co-opted by the existing Governors.

Pay policy for senior staff

The Nominations and Remuneration Committee review the pay of the Headmaster, Deputy Head and Bursar on an annual basis. The pay of senior staff is guided by the current pay scales and for the few staff who are beyond the highest point due consideration is taken of benchmarked information for schools of a similar size and location.

Organisational structure and decision making

Governors meet six times a year, at least once every term, to review the activities of the school and its subsidiary. Financial control is exercised over the activities of the School by means of an agreed Annual Budget.

More detailed issues are dealt with in advance of Governors' meetings by the Finance and General Purposes Committee. Governors who served on the Finance and General Purposes Committee during the period were:

Mr A Lamb (Chairman)
Mr P A Campbell
Mrs J Drummond
Mr I Evbuomwan
Mr H Fell
Mrs T Hartley
Mrs C Murphy
Mr I Simpson

The Nominations and Remuneration Committee is responsible for identifying and nominating for the approval of the Governing body candidates to fill Governing body vacancies as and when they arise; to manage the process

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Trustees' report (continued) Year ended 31 July 2020

for the appointment of the Chair and Vice-Chair and consider the remuneration of the Head, Deputy Head, Head of the Junior School and Bursar annually.

Governors who served on the Nominations and Remuneration Committee during the period were:

Mr H Fell (Chairman)
Mr P Campbell
Mrs J Drummond
Professor S Hambleton
Mr I Simpson

The day to day running of the School is vested in the Headmaster and Bursar:

The Headmaster: Mr G Stanford

The Bursar & Clerk to Governors: Dr M J Pitkethly

Engagement with staff

The Governors are very conscious of the need to engage fully with staff, to inform and consult on matters of importance to staff. During the year there have been a number of significant issues to staff including the Teachers' Pension Scheme, the Covid-19 pandemic and the financial position of the school. With regards to the pandemic, a working party of governors was formed and has met regularly with relevant members of the Senior Leadership Team.

The school has an Information and Consultation Committee that meets regularly at which staff may raise issues of concern and where feedback from Governors meetings is provided. There are also designated Governors who have oversight of, and liaise closely with staff on a range of specific matters including: safeguarding, SEND, health and safety, development of bursary provision and finance, regularly attending meetings both in school and remotely. In addition there have been a number specific meetings with staff and Governors and communications from Governors to staff on the issues above which have provided a direct line of communication between Governors and staff that have been very productive. Governors are also invited to and regularly attend events such as concerts, plays and the carol service, which provide opportunities to meet staff more informally.

Related party relationships

The School shares some trustees with the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The School maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the School meets the Trust's campaign appeal costs.

Risk management

The Governors examine the major risks that the School faces each year, in the course of reviewing their strategic planning for the development of the School. The charitable company has developed systems to monitor and control these risks in order to mitigate any impact which they may have on the School in the future.

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Trustees' report (continued) Year ended 31 July 2020

Greenhouse gas emissions, energy consumption and energy efficiency action

UK Greenhouse gas emissions and energy use data for the period 1 August 2019 to 31 July 2020

| | |
|--|-----------|
| Energy Consumption used to calculate emissions (kWh) | 4,314,067 |
|--|-----------|

Scope 1 emissions in metric tonnes CO₂e

| | |
|----------------------|---------------|
| Gas consumption | 540.20 |
| Transport fuel | 14.43 |
| Total Scope 1 | 554.63 |

Scope 2 emissions in metric tonnes CO₂e

| | |
|-----------------------|--------|
| Purchased electricity | 305.15 |
|-----------------------|--------|

Scope 3 emissions in metric tonnes CO₂e

| | |
|--|------|
| Business travel in employee owned vehicles | 1.38 |
|--|------|

| | |
|---|---------------|
| Total gross emissions in metric tonnes CO₂e | 861.16 |
|---|---------------|

| | |
|---|-------------|
| Intensity ratio tonnes CO₂e per pupil | 0.66 |
|---|-------------|

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for this sector.

Measures taken to improve energy efficiency

We have installed smart meters across the site to monitor electricity consumption.

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Trustees' report (continued) Year ended 31 July 2020

Plans for future periods

At the end of each academic year the School reviews the progress it has made on its five-year School Development Plan and then sets targets for the next five-year period ahead. This is done in consultation with all stakeholders. For the next period (2021-2024), the following key areas for regular review are as follows:

- Facilities, including IT
- Financial and Regulatory Management
- Governance
- Leadership
- Pastoral Care and Emotional Wellbeing
- Teaching and Learning in particular remote learning

They are, of course, central to the effective running of the school and will be continuously reviewed. These all fall within specific areas of management oversight for members of the Senior Leadership Team (both Senior and Junior) and will be appraised and reviewed within SLT meetings.

A fundamental part of the process for the School Development Plan is to consider a longer timeframe and how we will strive to fully realise our Vision. To this end, a range of key areas continue to emerge from consultations and these form the main focus points for additional specific developments:

1. Vision, ethos and values - ensuring a coherent sense of purpose including championing equality and diversity.
2. Teaching and learning - to recognise the position of the RGS as a high performing academic institution and driving the evolution of digital learning.
3. Pastoral care and wellbeing - supporting the welfare and happiness of children as they learn and in the short term/medium term it includes helping pupils and staff come to terms with the impact of Covid-19.
4. Co-curricular provision – to build upon it being central to the pupil experience at the RGS and develop a more coherent strategy and management of co-curricular activities
5. Continuity of pupil experience – with a focus on appropriate support at transition points, from recruiting pupils to the school at different entry points, moving up through key stages and to the next stage beyond the RGS.
6. Staff recruitment, retention and development - continuing professional development, the evolution of the staff appraisal system and leadership training at all levels.
7. Development, marketing and communications – to improve the areas of parental engagement, fundraising and bursaries, and engagement with the ONA in a more integrated manner.
8. Wider community impact – to continue to development of outreach activities including: partnership activity, voluntary service, charity activity and environmental impact.
9. Finance and operations – to ensure the school continues with a sound financial position following Covid-19, overseeing the evolution of the HR function and the continuing the ongoing development of facilities.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Trustees' report (continued) Year ended 31 July 2020

Statement of Governors' responsibilities

The Governors (who are also directors of The Newcastle upon Tyne Royal Grammar School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company and the group's auditors are unaware, and
- each Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company and the group's auditor in connection with preparing their report and to establish that the charitable company and the group's auditor are aware of that information.

This report was approved by the Governors on 27 November 2020 and signed on their behalf by:



Mrs J Drummond, Chair



Independent Auditor's Report to the Members of The Newcastle upon Tyne Royal Grammar School

Opinion

We have audited the financial statements of The Newcastle upon Tyne Royal Grammar School (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the consolidated statement of financial activities, the consolidated income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 July 2020 and of the Group's 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 Group's or the parent 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.



Independent Auditor's Report to the Members of The Newcastle upon Tyne Royal Grammar School (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Independent Auditor's Report to the Members of The Newcastle upon Tyne Royal Grammar School (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the parent 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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Anne Hallowell".

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

27 November 2020

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated Statement of financial activities Year ended 31 July 2020

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|------|---------------------------------|-------------------------------|------------------------------|--------------------------|--------------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 1,054,075 | 665,578 | - | 1,719,653 | 837,756 |
| Charitable activities | 4 | 16,986,875 | - | - | 16,986,875 | 17,054,826 |
| Other trading activities | 5 | 109,615 | - | - | 109,615 | 165,499 |
| Investments | 6 | 13,785 | 46,117 | - | 59,902 | 65,085 |
| Other income | | 39,609 | - | - | 39,609 | 22,060 |
| Total income | | 18,203,959 | 711,695 | - | 18,915,654 | 18,145,226 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 125,588 | - | - | 125,588 | 145,204 |
| Charitable activities | 8 | 17,784,019 | 665,148 | - | 18,449,167 | 17,478,866 |
| Total expenditure | | 17,909,607 | 665,148 | - | 18,574,755 | 17,624,070 |
| Net (losses)/gains on investments | | - | - | (115,105) | (115,105) | 40,328 |
| Net income / (expenditure) | | 294,352 | 46,547 | (115,105) | 225,794 | 561,484 |
| Net movement in funds before other recognised gains | | 294,352 | 46,547 | (115,105) | 225,794 | 561,484 |
| Other recognised gains: | | | | | | |
| Gains on revaluation of fixed assets | | 1,740,775 | - | - | 1,740,775 | - |
| Net movement in funds | | 2,035,127 | 46,547 | (115,105) | 1,966,569 | 561,484 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 33,032,613 | 63,988 | 1,329,620 | 34,426,221 | 33,864,737 |
| Net movement in funds | | 2,035,127 | 46,547 | (115,105) | 1,966,569 | 561,484 |
| Total funds carried forward | | 35,067,740 | 110,535 | 1,214,515 | 36,392,790 | 34,426,221 |

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Summary income and expenditure account Year ended 31 July 2020

| | Total funds 2020 £ | Total funds 2019 £ |
|---|--------------------------|--------------------------|
| Income | 18,915,654 | 18,145,226 |
| Gains on revaluation of fixed assets | 1,740,775 | - |
| Gross income in the reporting period | 20,656,429 | 18,145,226 |
| Less: Total expenditure | (18,574,755) | (17,624,070) |
| Net income for the reporting period | 2,081,674 | 521,156 |

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet At 31 July 2020

| | Note | 2020 £ | 2019 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 47,143,906 | 43,470,334 |
| Investment property | 13 | 365,000 | 440,000 |
| Investments | 14 | 849,515 | 889,620 |
| | | <u>48,358,421</u> | <u>44,799,954</u> |
| Current assets | | | |
| Stocks | 15 | 24,533 | 13,114 |
| Debtors | 16 | 248,413 | 341,004 |
| Cash at bank and in hand | | 9,024,424 | 6,460,247 |
| | | <u>9,297,370</u> | <u>6,814,365</u> |
| Creditors: amounts falling due within one year | 17 | (7,247,112) | (3,327,045) |
| Net current assets | | <u>2,050,258</u> | <u>3,487,320</u> |
| Total assets less current liabilities | | <u>50,408,679</u> | <u>48,287,274</u> |
| Creditors: amounts falling due after more than one year | 18 | (14,015,889) | (13,861,053) |
| Total net assets | | <u><u>36,392,790</u></u> | <u><u>34,426,221</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,214,515 | 1,329,620 |
| Restricted funds | 19 | 110,535 | 63,988 |
| Unrestricted funds | | | |
| Designated funds | 19 | 3,725,332 | 4,000,000 |
| Revaluation reserve | 19 | 12,941,804 | 11,201,029 |
| General funds | 19 | 18,400,604 | 17,831,584 |
| Total unrestricted funds | 19 | <u>35,067,740</u> | <u>33,032,613</u> |
| Total funds | | <u><u>36,392,790</u></u> | <u><u>34,426,221</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated balance sheet (continued)

At 31 July 2020

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 27 November 2020 and signed on their behalf by:



Mrs J Drummond

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet

At 31 July 2020

| | Note | 2020 £ | 2019 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 47,137,441 | 43,470,334 |
| Investments | 14 | 849,516 | 889,621 |
| Investment property | 13 | 365,000 | 440,000 |
| | | <u>48,351,957</u> | <u>44,799,955</u> |
| Current assets | | | |
| Stocks | 15 | 21,243 | 9,928 |
| Debtors | 16 | 256,985 | 358,061 |
| Cash at bank and in hand | | 9,014,246 | 6,433,889 |
| | | <u>9,292,474</u> | <u>6,801,878</u> |
| Creditors: amounts falling due within one year | 17 | (7,245,811) | (3,325,793) |
| Net current assets | | <u>2,046,663</u> | <u>3,476,085</u> |
| Total assets less current liabilities | | <u>50,398,620</u> | <u>48,276,040</u> |
| Creditors: amounts falling due after more than one year | 18 | (14,015,889) | (13,861,053) |
| Total net assets | | <u><u>36,382,731</u></u> | <u><u>34,414,987</u></u> |
| Charity funds | | | |
| Endowment funds | 19 | 1,214,515 | 1,329,620 |
| Restricted funds | 19 | 110,535 | 63,988 |
| Unrestricted funds | | | |
| Designated funds | 19 | 4,000,000 | 4,000,000 |
| Revaluation reserve | 19 | 12,941,804 | 11,201,029 |
| General funds | 19 | 18,115,877 | 17,820,350 |
| Total unrestricted funds | 19 | <u>35,057,681</u> | <u>33,021,379</u> |
| Total funds | | <u><u>36,382,731</u></u> | <u><u>34,414,987</u></u> |

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Company balance sheet (continued)

At 31 July 2020

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the trustees on 27 November 2020 and signed on their behalf by:



Mrs J Drummond

Company registered number: 05664801

The notes on pages 28 to 60 form part of these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Consolidated statement of cash flows Year ended 31 July 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 21 | <u>1,875,903</u> | <u>2,955,559</u> |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 59,902 | 65,085 |
| Proceeds from the sale of tangible fixed assets | | - | 223,823 |
| Purchase of tangible fixed assets | | (3,432,186) | (6,461,742) |
| Proceeds from sale of investments | | 511,322 | 190,669 |
| Purchase of investments | | (511,322) | (190,669) |
| Net cash used in investing activities | | <u>(3,372,284)</u> | <u>(6,172,834)</u> |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (420,000) | (9,193,003) |
| Interest paid | | (519,442) | (399,144) |
| New bank borrowings | | 5,000,000 | 15,000,000 |
| Net cash provided by financing activities | | <u>4,060,558</u> | <u>5,407,853</u> |
| Change in cash and cash equivalents in the year | | 2,564,177 | 2,190,578 |
| Cash and cash equivalents at the beginning of the year | | <u>6,460,247</u> | <u>4,269,669</u> |
| Cash and cash equivalents at the end of the year | 22 | <u><u>9,024,424</u></u> | <u><u>6,460,247</u></u> |

The notes on pages 28 to 60 form part of these financial statements

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2020

1. General information

The Newcastle upon Tyne Royal Grammar School is a charitable company incorporated and domiciled in England and Wales. The address of the registered office and principal place of business is Eskdale Terrace, Newcastle upon Tyne, NE2 4DX.

The principal activity of the charitable company is the education of children and young persons in the North of England.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Newcastle upon Tyne Royal Grammar School meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in pounds sterling which is the functional currency of the company and are rounded to the nearest £1.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Basis of consolidation

The financial statements consolidate the accounts of The Newcastle upon Tyne Royal Grammar School and its wholly owned subsidiary RGS Trading Limited, on a line by line basis. RGS Trading Limited covenants taxable profits to The Newcastle upon Tyne Royal Grammar School.

The accounts of The Newcastle upon Tyne Royal Grammar School include the results of the School's Property Trust, charity reference number 1114424-1, the Newcastle upon Tyne Royal Grammar School Prize Funds Charity and the Storrow Scott Charitable Will Trust reference 1114424-2 which are linked to the School for reporting purposes.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the company was £226,969 (2019 - £539,259).

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2020

2. Accounting policies (continued)

2.4 Going concern

Although the Covid-19 pandemic impacted the operations of the school in the latter part of the year, necessitating a temporary move to online teaching, pupil numbers going forward are ahead of those originally forecast. The group recorded a net surplus of income over expenditure in 2020 and has net assets at the year end of £36.5 million with a positive cash position. Working capital is funded through long term loan finance secured on the school buildings, and during the pandemic both loan repayments and covenant requirements were waived. The school is not reliant on short term loans or overdraft facilities, although as a precaution it utilised an existing a short term loan facility to mitigate against any immediate fall in income in May. This loan has been repaid, although the facility remains available for 5 years. Forecasts have been prepared based upon current pupil numbers, and consideration been given to the risks of falling pupil numbers or the likelihood of default on fees as the economic situation worsens, and the potential impact of further enforced school closures on fee income. In all cases the trustees are satisfied that the school has sufficient resources to withstand any predicted fall in revenue, and would be able to reduce costs in line with a fall in pupil numbers were this to be required.

The trustees have a reasonable expectation that the charitable group has adequate resources to continue to meet its liabilities as they fall due for the foreseeable future. Consequently, they continue to believe the going concern basis of accounting is appropriate in preparing these financial statements.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2020

2. Accounting policies (continued)

2.5 Income

All income is recognised when the School has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the School from its unrestricted funds, but before deducting grants of bursaries.

Voluntary income and fund accounting

Voluntary income is received by way of grants and donations and is included in full in the statement of financial activities when receivable.

The School receives a grant from the Hospital of St Mary the Virgin charity and recognises all grants receivable from that charity including amounts not yet paid by the year end but which under the terms of that charity's trust deed it must pay over in due course to the School.

Grants and donations received for the general purposes of the charitable company are included as unrestricted funds. Grants and donations for activities restricted by the wishes of the donor are taken to restricted funds if these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or not, according to the nature of the restriction. Government grants awarded under the Coronavirus Job Retention Scheme are recognised when receivable.

Investment income

Investment income is accounted for in the period in which the charity is entitled to receipt. Incoming resources from endowment funds are restricted.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2020

2. Accounting policies (continued)

2.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity, including those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. They are apportioned against the activities of the charity in line with the estimated usage of those costs.

Grants and bursaries are included as expenditure in the period for which the award is given.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Investment properties

Investment properties are included in the balance sheet at their open market value. Revaluation gains are recognised in the income and expenditure account.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 July 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

All freehold land and buildings are included in the financial statements based on the latest independent valuation of their value to the School plus the cost of subsequent major additions. Replacements and minor improvements to the fabric of the School are written off in the statement of financial activities as they are incurred.

Expenditure incurred during design and construction phases is capitalised and included in assets under construction. The assets are transferred to freehold land and buildings on the earlier of the completion of the project or occupancy by the School.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value.

Depreciation is provided on the following bases:

| | |
|------------------------------|------------------------------|
| Freehold property | - 50 years |
| Leasehold land and buildings | - over the life of the lease |
| All weather pitch | - 20 years |
| Motor vehicles | - 4 years |
| Fixtures and fittings | - 3 - 10 years |
| Trading subsidiary equipment | - 4 years |

Revaluation of fixed assets

The charitable company has adopted the revaluation model to revalue items of property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

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

2.10 Investments

Listed investments are stated at their fair value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

In the company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

2.11 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

The Newcastle upon Tyne Royal Grammar School

(A company limited by guarantee)

Notes to the financial statements Year ended 31 July 2020

2. Accounting policies (continued)

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

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

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

2.15 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade, intercompany and other accounts receivable and payable, cash and bank balances and loans with related parties.

All such instruments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, in which case the transaction is measured at the present value of the future receipts discounted at a market rate of interest. All financial instruments are subsequently carried at amortised cost using the effective interest method.

2.16 Operating leases

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

The Newcastle upon Tyne Royal Grammar School

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Notes to the financial statements Year ended 31 July 2020

2. Accounting policies (continued)

2.17 Pension costs

The School operates two main schemes:

The School participates in the Teachers' Pension Scheme, which is a defined benefit scheme for teaching staff only. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School also operates a defined contribution scheme for non-teaching staff. The assets of the scheme are held separately from those of the School in an independently administered fund. The charge to the statement of financial activities is the amount payable in the period.

2.18 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds are funds which are held for the permanent benefit of the charity. There is no power to convert capital into income.

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2. Accounting policies (continued)

2.19 Critical accounting estimates and areas of judgment

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

Significant judgments in applying the entity's accounting policies

In preparing these financial statements, the trustees do not consider there to have been any other significant judgments that were required in the process of applying the company's accounting policies.

Key sources of estimation and uncertainty

Estimates included within these financial statements include the valuation of land and buildings owed by the school, depreciation rates, accruals for employment costs (holiday pay), and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income from donations and legacies

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 192,480 | - | 192,480 |
| The Royal Grammar School Educational Trust | - | 665,148 | 665,148 |
| Other income for bursaries | - | 430 | 430 |
| Government grants | 861,595 | - | 861,595 |
| | <u>1,054,075</u> | <u>665,578</u> | <u>1,719,653</u> |

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|-----------------------------|
| Hospital of St Mary the Virgin | 238,500 | - | 238,500 |
| The Royal Grammar School Educational Trust | - | 597,106 | 597,106 |
| Other income for bursaries | - | 2,150 | 2,150 |
| | <u>238,500</u> | <u>599,256</u> | <u>837,756</u> |

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Notes to the financial statements Year ended 31 July 2020

4. Income from charitable activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Provision of school services | 16,986,875 | 16,986,875 | 17,054,826 |

School fees

| | 2020 £ | 2019 £ |
|-----------------------------|-------------------|------------|
| Gross fees | 16,841,972 | 16,719,094 |
| Less: Grants and allowances | (408,379) | (376,904) |
| Catering income | 553,282 | 712,636 |
| | 16,986,875 | 17,054,826 |

5. Income from other trading activities

Fundraising income

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|----------------------------|------------------------------------|-----------------------------|-----------------------------|
| Facilities lettings income | 70,845 | 70,845 | 100,623 |

Income from non charitable trading activities

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--------------------|------------------------------------|-----------------------------|-----------------------------|
| Subsidiary trading | 38,770 | 38,770 | 64,876 |

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Notes to the financial statements Year ended 31 July 2020

6. Investment income

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Property rental income | - | 34,350 | 34,350 |
| Dividend income | - | 5,181 | 5,181 |
| Prize fund dividend income | - | 3,560 | 3,560 |
| Bank interest | 13,785 | 3,026 | 16,811 |
| | <u>13,785</u> | <u>46,117</u> | <u>59,902</u> |

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Property rental income | - | 39,184 | 39,184 |
| Dividend income | - | 3,935 | 3,935 |
| Prize fund dividend income | - | 3,346 | 3,346 |
| Bank interest | 10,409 | 8,211 | 18,620 |
| | <u>10,409</u> | <u>54,676</u> | <u>65,085</u> |

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Notes to the financial statements Year ended 31 July 2020

7. Cost of raising funds

| | Unrestricted funds 2020 £ | Total funds 2020 £ |
|-----------------------------|------------------------------------|-----------------------------|
| Fundraising costs | 9,196 | 9,196 |
| Marketing costs | 53,205 | 53,205 |
| Costs of letting facilities | 23,241 | 23,241 |
| Subsidiary trading costs | 39,945 | 39,945 |
| | <hr/> | <hr/> |
| | 125,587 | 125,587 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | Unrestricted funds 2019 £ | Total funds 2019 £ |
| Fundraising costs | 19,449 | 19,449 |
| Marketing costs | 67,022 | 67,022 |
| Costs of letting facilities | 1,996 | 1,996 |
| Subsidiary trading costs | 56,737 | 56,737 |
| | <hr/> | <hr/> |
| | 145,204 | 145,204 |
| | <hr/> <hr/> | <hr/> <hr/> |

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Notes to the financial statements Year ended 31 July 2020

8. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Provision of school services | 17,091,042 | - | 17,091,042 |
| Bursaries provided | 692,977 | 665,148 | 1,358,125 |
| | <u>17,784,019</u> | <u>665,148</u> | <u>18,449,167</u> |

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Provision of school services | 16,424,756 | - | 16,424,756 |
| Bursaries provided | 440,234 | 613,876 | 1,054,110 |
| | <u>16,864,990</u> | <u>613,876</u> | <u>17,478,866</u> |

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Notes to the financial statements Year ended 31 July 2020

9. Analysis of expenditure by activities

| | Activities undertaken directly 2020 £ | Grant funding of activities 2020 £ | Support costs 2020 £ | Total funds 2020 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 15,170,358 | 37,567 | 1,883,118 | 17,091,043 |
| Bursaries provided | 896,699 | 284,259 | 177,167 | 1,358,125 |
| | <u>16,067,057</u> | <u>321,826</u> | <u>2,060,285</u> | <u>18,449,167</u> |

| | Activities undertaken directly 2019 £ | Grant funding of activities 2019 £ | Support costs 2019 £ | Total funds 2019 £ |
|------------------------------|---|--|-------------------------------|-----------------------------|
| Provision of school services | 14,829,303 | 37,517 | 1,557,936 | 16,424,756 |
| Bursaries provided | 836,911 | 57,409 | 159,790 | 1,054,110 |
| | <u>15,666,214</u> | <u>94,926</u> | <u>1,717,726</u> | <u>17,478,866</u> |

Grant funding relates to a grant paid from the School's linked charity, The Storrow Scott Trust, to the Royal Grammar School Educational Trust of £37,567, and by the School to the same charity of £284,259.

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Notes to the financial statements Year ended 31 July 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2020 £ | Total funds 2019 £ |
|--|-----------------------------|-----------------------------|
| Depreciation | 1,499,389 | 1,223,352 |
| Teachers' salaries | 9,143,521 | 8,569,329 |
| Teaching resources | 579,381 | 746,893 |
| Other educational costs | 184,269 | 219,087 |
| Other teaching staff costs | 239,650 | 148,740 |
| Premises costs - salary | 727,571 | 653,592 |
| Premises costs - maintenance | 472,337 | 588,589 |
| Premises costs - occupancy | 654,889 | 770,678 |
| Premises costs - insurance | 123,823 | 129,981 |
| Catering costs - staff salaries | 252,792 | 245,933 |
| Catering costs - food | 276,958 | 400,384 |
| Catering costs - kitchen overheads | 73,287 | 99,074 |
| Academic support expenditure - educational support salaries | 689,721 | 750,005 |
| Academic support expenditure - PE and sport | 211,758 | 232,329 |
| Academic support expenditure - clubs, school magazines and miscellaneous costs | 30,357 | 41,833 |
| Bursaries provided | 896,699 | 836,911 |
| Prizes and awards | 10,656 | 9,504 |
| | 16,067,057 | 15,666,214 |

Analysis of support costs

| | Provision of school services 2020 £ | Fundraising costs 2020 £ | Total funds 2020 £ |
|----------------------|---|-----------------------------------|-----------------------------|
| Administration costs | 906,003 | 177,167 | 1,083,170 |
| Financial costs | 875,929 | - | 875,929 |
| Other central costs | 79,767 | - | 79,767 |
| Governance | 21,419 | - | 21,419 |
| | 1,883,118 | 177,167 | 2,060,285 |

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Notes to the financial statements Year ended 31 July 2020

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

| | Provision of school services 2019 £ | Fundraising costs 2019 £ | Total funds 2019 £ |
|----------------------|---|-----------------------------------|-----------------------------|
| Administration costs | 945,248 | 159,790 | 1,105,038 |
| Financial costs | 483,686 | - | 483,686 |
| Other central costs | 104,729 | - | 104,729 |
| Governance | 24,273 | - | 24,273 |
| | <u>1,557,936</u> | <u>159,790</u> | <u>1,717,726</u> |

10. Auditor's remuneration

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Fees payable to the company's auditor for the audit of the charitable company's annual accounts | 7,500 | 7,500 |
| Fees payable to the company's auditor in respect of: | | |
| The auditing of accounts of associates of the company | 4,500 | 4,500 |
| All assurance services not included above | 1,750 | 1,750 |
| All non-audit services not included above | 1,250 | 1,250 |
| | <u>17,000</u> | <u>15,250</u> |

11. Pupils and employees details

| | 2020 £ | 2019 £ |
|-----------------------|-------------------|-------------------|
| Staff costs | | |
| Wages and salaries | 8,926,335 | 8,730,182 |
| Social security costs | 938,551 | 899,665 |
| Pension contributions | 1,708,497 | 1,225,327 |
| | <u>11,573,383</u> | <u>10,855,174</u> |

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Notes to the financial statements Year ended 31 July 2020

| | 2020 No. | 2019 No. |
|---|-------------|-------------|
| The number of employees receiving remuneration of more than £60,000 per annum is as follows: | | |
| £60,001 - £70,000 | 11 | 9 |
| £70,001 - £80,000 | 3 | 5 |
| £80,001 - £90,000 | 3 | - |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | 1 |
| £120,001 - £130,000 | 1 | - |
| £130,001 - £140,000 | - | 1 |
| | <u>19</u> | <u>17</u> |

Key management personnel has been determined to be the governors and the 9 (2019: 9) members of the senior management team. The total remuneration of the senior management team excluding employers national insurance costs was £932,867 (2019: £901,900).

During the year, no governors received any remuneration (2019: £nil). Expenses of £1,062 were reimbursed to 2 governors (2019: £533).

| | Headcount 2020 No. | Headcount 2019 No. | FTE 2020 No. | FTE 2019 No. |
|-----------------------------|--------------------------|--------------------------|--------------------|--------------------|
| Staff numbers | | | | |
| Senior school teachers | 118 | 118 | 111 | 111 |
| Junior school teachers | 22 | 18 | 20 | 17 |
| Academic support | 38 | 39 | 28 | 29 |
| Property management | 33 | 33 | 26 | 24 |
| Clerical and administrative | 24 | 26 | 21 | 23 |
| Catering | 20 | 19 | 14 | 12 |
| | <u>255</u> | <u>253</u> | <u>220</u> | <u>216</u> |

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Notes to the financial statements Year ended 31 July 2020

Pupil numbers at 31 July 2020

| | 2020 No. | 2019 No. |
|----------------------|--------------|--------------|
| Senior School | | |
| Full fees | 981 | 981 |
| Receiving bursaries | 71 | 66 |
| | <u>1,052</u> | <u>1,047</u> |
| | 2020 No. | 2019 No. |
| Junior School | | |
| Full fees | 256 | 260 |
| Receiving bursaries | 6 | 6 |
| | <u>262</u> | <u>266</u> |

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Notes to the financial statements Year ended 31 July 2020

12. Tangible fixed assets

Group

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Trading subsidiary equipment £ | Assets under construction £ | Total £ |
|------------------------------|----------------------------|------------------------|----------------------------------|---|--------------------------------------|--------------------------|
| Cost or valuation | | | | | | |
| At 1 August 2019 | 40,015,160 | 121,290 | 2,869,717 | 3,447 | 7,190,450 | 50,200,064 |
| Additions | - | - | 295,668 | 8,620 | 3,127,898 | 3,432,186 |
| Transfers between classes | 9,902,246 | - | 416,102 | - | (10,318,348) | - |
| Revaluations | 1,740,775 | - | - | - | - | 1,740,775 |
| At 31 July 2020 | <u>51,658,181</u> | <u>121,290</u> | <u>3,581,487</u> | <u>12,067</u> | <u>-</u> | <u>55,373,025</u> |
| Depreciation | | | | | | |
| At 1 August 2019 | 4,478,048 | 77,576 | 2,170,659 | 3,447 | - | 6,729,730 |
| Charge for the year | 904,796 | 20,530 | 571,908 | 2,155 | - | 1,499,389 |
| At 31 July 2020 | <u>5,382,844</u> | <u>98,106</u> | <u>2,742,567</u> | <u>5,602</u> | <u>-</u> | <u>8,229,119</u> |
| Net book value | | | | | | |
| At 31 July 2020 | <u><u>46,275,337</u></u> | <u><u>23,184</u></u> | <u><u>838,920</u></u> | <u><u>6,465</u></u> | <u><u>-</u></u> | <u><u>47,143,906</u></u> |
| At 31 July 2019 | <u><u>35,537,112</u></u> | <u><u>43,714</u></u> | <u><u>699,058</u></u> | <u><u>-</u></u> | <u><u>7,190,450</u></u> | <u><u>43,470,334</u></u> |

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Notes to the financial statements Year ended 31 July 2020

12. Tangible fixed assets (continued)

Company

| | Land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|---------------------------|----------------------------|------------------------|-------------------------------|--------------------------------------|-------------------|
| Cost or valuation | | | | | |
| At 1 August 2019 | 40,015,160 | 121,290 | 2,869,717 | 7,190,450 | 50,196,617 |
| Additions | - | - | 295,668 | 3,127,898 | 3,423,566 |
| Transfers between classes | 9,902,246 | - | 416,102 | (10,318,348) | - |
| Revaluations | 1,740,775 | - | - | - | 1,740,775 |
| At 31 July 2020 | <u>51,658,181</u> | <u>121,290</u> | <u>3,581,487</u> | <u>-</u> | <u>55,360,958</u> |
| Depreciation | | | | | |
| At 1 August 2019 | 4,478,048 | 77,576 | 2,170,659 | - | 6,726,283 |
| Charge for the year | 904,796 | 20,530 | 571,908 | - | 1,497,234 |
| At 31 July 2020 | <u>5,382,844</u> | <u>98,106</u> | <u>2,742,567</u> | <u>-</u> | <u>8,223,517</u> |
| Net book value | | | | | |
| At 31 July 2020 | <u>46,275,337</u> | <u>23,184</u> | <u>838,920</u> | <u>-</u> | <u>47,137,441</u> |
| At 31 July 2019 | <u>35,537,112</u> | <u>43,714</u> | <u>699,058</u> | <u>7,190,450</u> | <u>43,470,334</u> |

Included in land and buildings is freehold land at valuation of £6,700,000 (2019: £6,700,000), cost unknown, which is not depreciated.

The freehold land and buildings were revalued by Lambert Smith Hampton, external Chartered Surveyors, as at 25 June 2020 on a depreciated replacement cost basis of £46,250,000. Subsequent additions are included at cost.

At 31 July 2020, included within the net book value of land and buildings is £46,254,424 (2019: £35,514,837) relating to freehold land and buildings and £20,913 (2019: £22,275) relating to long term leasehold land and buildings.

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Notes to the financial statements Year ended 31 July 2020

13. Investment property

Group

| | Freehold investment property £ |
|------------------|---|
| Valuation | |
| At 1 August 2019 | 440,000 |
| Impairment | (75,000) |
| At 31 July 2020 | <u>365,000</u> |

Company

| | Freehold investment property £ |
|------------------|---|
| Valuation | |
| At 1 August 2019 | 440,000 |
| Impairment | (75,000) |
| At 31 July 2020 | <u>365,000</u> |

The Storrow Scott Charitable Will Trust owns the freehold property situated at 3 St Mary's Place, Newcastle upon Tyne. The property is valued at open market value of £365,000 with a formal valuation performed in 2020 by Lambert Smith Hampton, external Chartered Surveyors.

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Notes to the financial statements Year ended 31 July 2020

14. Fixed asset investments

| Group | | Listed investments £ | Unlisted investments £ | Total £ |
|--|----------|----------------------------|------------------------------|----------------|
| Cost or valuation | | | | |
| At 1 August 2019 | | 786,461 | 103,158 | 889,619 |
| Additions | | 28,530 | 476,500 | 505,030 |
| Disposals | | (522,096) | - | (522,096) |
| Revaluations | | (17,700) | (5,338) | (23,038) |
| At 31 July 2020 | | 275,195 | 574,320 | 849,515 |
| Net book value | | | | |
| At 31 July 2020 | | 275,195 | 574,320 | 849,515 |
| At 31 July 2019 | | 786,461 | 103,158 | 889,619 |
| Investments in subsidiary companies | | | | |
| Company | | Listed investments £ | Unlisted investments £ | Total £ |
| Cost or valuation | | | | |
| At 1 August 2019 | 1 | 786,461 | 103,158 | 889,620 |
| Additions | - | 28,530 | 476,500 | 505,030 |
| Disposals | - | (522,096) | - | (522,096) |
| Revaluations | - | (17,700) | (5,338) | (23,038) |
| At 31 July 2020 | 1 | 275,195 | 574,320 | 849,516 |
| Net book value | | | | |
| At 31 July 2020 | 1 | 275,195 | 574,320 | 849,516 |
| At 31 July 2019 | 1 | 786,461 | 103,158 | 889,620 |

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Notes to the financial statements Year ended 31 July 2020

15. Stocks

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Teaching and other stock | 7,613 | 4,096 | 7,613 | 4,096 |
| Kitchen | 13,630 | 5,832 | 13,630 | 5,832 |
| Goods for resale | 3,290 | 3,186 | - | - |
| | <u>24,533</u> | <u>13,114</u> | <u>21,243</u> | <u>9,928</u> |

16. Debtors

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Due within one year | | | | |
| Trade debtors | 80,831 | 138,942 | 80,831 | 138,942 |
| Amounts owed by group undertakings | - | - | 9,695 | 17,083 |
| Amounts owed by participating interests | - | 2,847 | - | 2,847 |
| Other debtors | 6,278 | 5,918 | 5,155 | 5,892 |
| Prepayments and accrued income | 161,304 | 193,297 | 161,304 | 193,297 |
| | <u>248,413</u> | <u>341,004</u> | <u>256,985</u> | <u>358,061</u> |

17. Creditors: Amounts falling due within one year

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 5,210,000 | 840,000 | 5,210,000 | 840,000 |
| Trade creditors | 146,142 | 850,242 | 146,142 | 850,242 |
| School field trip creditors | 107,600 | 151,564 | 107,600 | 151,564 |
| Pension creditor | 224,739 | 178,890 | 224,739 | 178,890 |
| Other taxation and social security | 236,446 | 230,353 | 236,446 | 230,353 |
| Other creditors | 443,713 | 104,670 | 443,713 | 104,670 |
| Accruals and deferred income | 711,446 | 823,198 | 710,145 | 821,946 |
| Fees in advance | 119,226 | 80,528 | 119,226 | 80,528 |
| Deposits repayable within one year | 47,800 | 67,600 | 47,800 | 67,600 |
| | <u>7,247,112</u> | <u>3,327,045</u> | <u>7,245,811</u> | <u>3,325,793</u> |

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Notes to the financial statements Year ended 31 July 2020

18. Creditors: Amounts falling due after more than one year

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Bank loans | 13,677,000 | 13,467,000 | 13,677,000 | 13,467,000 |
| Other creditors | 191,200 | 193,800 | 191,200 | 193,800 |
| Fees received in advance | 147,689 | 200,253 | 147,689 | 200,253 |
| | <u>14,015,889</u> | <u>13,861,053</u> | <u>14,015,889</u> | <u>13,861,053</u> |

Included within the above are amounts falling due as follows:

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|-----------------------------------|--------------------|--------------------|----------------------|----------------------|
| Between one and two years | | | | |
| Bank loans | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> | <u>840,000</u> |
| Between two and five years | | | | |
| Bank loans | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> | <u>2,520,000</u> |
| Over five years | | | | |
| Bank loans | <u>10,317,000</u> | <u>10,107,000</u> | <u>10,317,000</u> | <u>10,107,000</u> |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Payable or repayable by instalments | <u>10,317,000</u> | <u>10,107,000</u> | <u>10,317,000</u> | <u>10,107,000</u> |
| | <u>10,317,000</u> | <u>10,107,000</u> | <u>10,317,000</u> | <u>10,107,000</u> |

The bank loans and overdrafts are secured by a first legal charge over the freehold land and buildings of the School and a debenture. At 31 July 2020, bank loans, including amounts falling due within 1 year, comprise the following loans:

- £11.5 million term loan, secured on the school freehold land and buildings, repayable by instalments over a 15 year term and bearing interest at market rates;
- £3.5 million facility, secured on the school freehold land and buildings and repayable by instalments over 15 years and bearing interest at market rates;
- £5 million revolving credit facility, secured on the school freehold land and buildings and bearing interest at market rates. £3.7 million was repaid in September 2020 with the remaining £1.3 million due in December 2020.

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19. Statement of funds

Statement of funds - current year

| | Balance at 1 August 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 July 2020 £ |
|---------------------------------|----------------------------------|-------------------|---------------------|-------------------------|---------------------------------|
| Designated funds | | | | | |
| Bursary Fund | 4,000,000 | - | (274,668) | - | 3,725,332 |
| Revaluation reserve | 11,201,029 | - | - | 1,740,775 | 12,941,804 |
| General funds | | | | | |
| School general fund | 17,820,350 | 18,165,189 | (17,594,994) | - | 18,390,545 |
| RGS Trading | 11,234 | 38,770 | (39,945) | - | 10,059 |
| | <u>17,831,584</u> | <u>18,203,959</u> | <u>(17,634,939)</u> | <u>-</u> | <u>18,400,604</u> |
| Total Unrestricted funds | <u>33,032,613</u> | <u>18,203,959</u> | <u>(17,909,607)</u> | <u>1,740,775</u> | <u>35,067,740</u> |
| Endowment funds | | | | | |
| Prize Funds Charity | 103,158 | - | - | 3,687 | 106,845 |
| J R Howarth Bursary Fund | 152,623 | - | - | (19,749) | 132,874 |
| Peter Taylor Bursary Fund | 94,570 | - | - | (11,671) | 82,899 |
| The Storrow Scott Trust | 979,269 | - | - | (87,372) | 891,897 |
| | <u>1,329,620</u> | <u>-</u> | <u>-</u> | <u>(115,105)</u> | <u>1,214,515</u> |
| Restricted funds | | | | | |
| J R Howarth Bursary Fund | (599) | 2,399 | - | - | 1,800 |
| Peter Taylor Bursary Fund | 12,647 | 2,781 | - | - | 15,428 |
| School Bursary Fund | 48,063 | 665,578 | (624,021) | - | 89,620 |
| Cricket Fund | 432 | - | - | - | 432 |
| The Storrow Scott Trust | 3,445 | 37,377 | (37,567) | - | 3,255 |
| Prize Fund | - | 3,560 | (3,560) | - | - |
| | <u>63,988</u> | <u>711,695</u> | <u>(665,148)</u> | <u>-</u> | <u>110,535</u> |
| Total of funds | <u>34,426,221</u> | <u>18,915,654</u> | <u>(18,574,755)</u> | <u>1,625,670</u> | <u>36,392,790</u> |

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19. Statement of funds (continued)

Statement of funds - prior year

| | Balance at 1 August 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2019 £ |
|---------------------------------|-------------------------------------|-------------------|---------------------|--------------------------|-------------------------|---------------------------------|
| Designated funds | | | | | | |
| Bursary Fund | 4,000,000 | - | (57,409) | 57,409 | - | 4,000,000 |
| Revaluation reserve | 11,201,029 | - | - | - | - | 11,201,029 |
| | <u>15,201,029</u> | <u>-</u> | <u>(57,409)</u> | <u>57,409</u> | <u>-</u> | <u>15,201,029</u> |
| General funds | | | | | | |
| School general fund | 17,338,030 | 17,426,418 | (16,896,048) | (48,050) | - | 17,820,350 |
| RGS Trading | 3,095 | 64,876 | (56,737) | - | - | 11,234 |
| | <u>17,341,125</u> | <u>17,491,294</u> | <u>(16,952,785)</u> | <u>(48,050)</u> | <u>-</u> | <u>17,831,584</u> |
| Total Unrestricted funds | <u>32,542,154</u> | <u>17,491,294</u> | <u>(17,010,194)</u> | <u>9,359</u> | <u>-</u> | <u>33,032,613</u> |
| Endowment funds | | | | | | |
| Prize Funds Charity | 94,752 | - | - | - | 8,406 | 103,158 |
| J R Howarth Bursary Fund | 172,538 | - | - | (9,359) | (10,556) | 152,623 |
| Peter Taylor Bursary Fund | 96,434 | - | - | - | (1,864) | 94,570 |
| The Storrow Scott Trust | 934,927 | - | - | - | 44,342 | 979,269 |
| | <u>1,298,651</u> | <u>-</u> | <u>-</u> | <u>(9,359)</u> | <u>40,328</u> | <u>1,329,620</u> |
| Restricted funds | | | | | | |
| J R Howarth Bursary Fund | 7,412 | 5,153 | (13,164) | - | - | (599) |

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19. Statement of funds (continued)

Statement of funds - prior year (continued)

| | Balance at 1 August 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 July 2019 £ |
|------------------------------|-------------------------------------|--------------------------|----------------------------|--------------------------|-------------------------|---------------------------------|
| Peter Taylor Bursary Fund | 9,589 | 3,058 | - | - | - | 12,647 |
| School Bursary Fund | 8,656 | 599,256 | (559,849) | - | - | 48,063 |
| Cricket Fund | 432 | - | - | - | - | 432 |
| The Storrow Scott Trust | (2,157) | 43,119 | (37,517) | - | - | 3,445 |
| Prize Fund | - | 3,346 | (3,346) | - | - | - |
| | <u>23,932</u> | <u>653,932</u> | <u>(613,876)</u> | <u>-</u> | <u>-</u> | <u>63,988</u> |
| Total of funds | <u><u>33,864,737</u></u> | <u><u>18,145,226</u></u> | <u><u>(17,624,070)</u></u> | <u><u>-</u></u> | <u><u>40,328</u></u> | <u><u>34,426,221</u></u> |

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Donations are credited to the appropriate fund and the impact of market valuation and investment transactions are also included.

Unrestricted designated funds - Bursary fund

The bursary fund is to be used to provide fee assistance for pupils from lower income families who would not otherwise be able to attend the school.

Unrestricted general funds

Unrestricted general funds may be used for any of the charitable objects of the charitable company. The transfer from the revaluation reserve to the school general fund is in respect of the additional depreciation charged against revalued assets, compared to the charge that would arise had the assets not been revalued.

ENDOWMENT FUNDS

Endowment funds are all permanent.

J R Howarth Bursary Fund - The original bequest of £121,132 from James Ronald Howarth was provided to give assistance to able boys attending the Royal Grammar School, for scholarships and bursaries. If, at any time, the Royal Grammar School loses its independence, as defined by the Governors of the school, the whole sum shall be paid to the Rector and Fellows of Exeter College, Oxford, to be used at their discretion for the benefit of the college.

The Peter Taylor Bursary Fund - In 1998, the family of the late Lord Taylor of Gosforth set up a bursary fund to assist with the tuition fees of pupils entering the 6th form of the RGS, who, for financial reasons, might not otherwise be able to attend the school.

The Prize Funds Charity - This is a separate charitable trust formed in 2008. It comprises many small donations made for various reasons to provide a variety of school prizes. The funds have been managed by COIF Charities Investment Fund. The fund is under control of the school.

The Storrow Scott Trust - This is described below within the information on linked charities.

RESTRICTED FUNDS

Income from endowment funds is credited to restricted funds to be applied for the purposes specified by the fund.

Restricted funds also include:

- Funds provided by the Royal Grammar School Educational Trust and other donors for the provision of school bursaries;
- A donation to be expended on the cricket equipment and facilities.

LINKED CHARITIES

The charitable company is the trustee of, or is required to manage, the following two charities which have been linked by the Charity Commission for administration and reporting purposes:

The Newcastle upon Tyne Royal Grammar School Property Trust

The Newcastle upon Tyne Royal Grammar School Property Trust is the charity under which the school operated prior to the incorporation of the school under a charity commission scheme in 2006. The object of the charity is to advance education by the provision of a school in or near the city of Newcastle upon Tyne and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Under the 2006 Scheme of the Property Trust retains the school's permanent endowments. Land and

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buildings must be managed by the charitable company in accordance with the objects of this charity and various prize funds held by the charity must be managed by the charitable company in accordance with their trusts.

The Storrow Scott Charitable Will Trust

The Storrow Scott Charitable Will Trust represents the capital and unapplied income of The Storrow Scott Charitable Will Trust which was established by the Will of W J S Scott who died on 10 May 1989. The school became the sole Trustee of the Trust under a Charity Commission Order dated 18 August 2014 at the request of the retiring Trustees. The Charity Commission has linked The Storrow Scott Charitable Will Trust to the school for administration and reporting purposes. Accordingly, the Charitable Will Trust's capital is reported as an endowment fund of the school and the income is restricted income of the school to be applied as stated below.

Under the terms of the Will of W J S Scott ("the Will") the Trust Fund as defined in the Will was held for the benefit of Northumberland County Cricket Club in the event of various conditions being satisfied.

By a Deed of Variation dated 1 October 2007 and confirmed by the Charity Commission with effect from 29 October 2007 the Central Register of Charities was amended to reflect the terms of the Deed of Variation. Following the 2014 Charity Commission Order the Will and Deed of Variation now determine the Objects of The Storrow Scott Charitable Will Trust Endowment and Restricted Funds.

The Endowment Fund

The principal object of The Storrow Scott Charitable Will Trust Endowment Fund is for the fund to be used either to enlarge the existing cricket ground at Osborne Avenue, Jesmond, Newcastle upon Tyne by acquiring part of the adjoining cemetery land or to create an entirely new playing field on the adjoining cemetery land and for cricket and if possible hockey to be placed there on grass.

The capital of The Endowment Fund is now to be held at the discretion of the Trustees subject to various conditions being satisfied for the benefit of one of a number of possible beneficiaries each of which must be a charity as defined by the Charities Act 2006. The beneficiaries include The Newcastle upon Tyne Royal Grammar School, The National Playing Fields Association and the Northumberland Playing Fields Association.

However if residential, commercial or other buildings are built on the adjoining cemetery land making it impossible for the condition of the Trust Deed to be satisfied and for the principal object of the Charity to be achieved the capital of the Endowment Fund is to be held for the benefit of the Northumberland Playing Fields Association, failing them the National Playing Fields Association, failing them then for such a similar Charity or Charities as the Trustees in its discretion shall select in the hope that it will be used for the development and promotion of hockey in Northumberland.

The Restricted Fund

Until such time as the conditions are satisfied the income from the Endowment Fund is restricted to be payable to such registered charities as the Trustee shall in its absolute discretion from time to time determine with preference being given to those based in the North of England. Such income is received in the Storrow Scott Charitable Will Trust Restricted Fund in order that it will be separately identified from the school's other funds. In the Deed of Retirement and indemnity it was acknowledged that the school may indirectly benefit from the application of the income of the Endowment to be applied to The Royal Grammar School Educational Trust for the benefit of the Newcastle upon Tyne Royal Grammar School bursary fund (payments to benefit such bursary fund being a preference expressed by the retiring trustees, Mr Scott having been a pupil at the school).

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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 47,143,906 | - | - | 47,143,906 |
| Fixed asset investments | - | - | 849,515 | 849,515 |
| Investment property | - | - | 365,000 | 365,000 |
| Current assets | 9,186,834 | 110,535 | - | 9,297,369 |
| Creditors due within one year | (7,247,111) | - | - | (7,247,111) |
| Creditors due in more than one year | (14,015,889) | - | - | (14,015,889) |
| Total | 35,067,740 | 110,535 | 1,214,515 | 36,392,790 |

Analysis of net assets between funds - prior period

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Endowment funds 2019 £ | Total funds 2019 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 43,470,334 | - | - | 43,470,334 |
| Fixed asset investments | - | - | 889,620 | 889,620 |
| Investment property | - | - | 440,000 | 440,000 |
| Current assets | 6,750,377 | 63,988 | - | 6,814,365 |
| Creditors due within one year | (3,327,045) | - | - | (3,327,045) |
| Creditors due in more than one year | (13,861,053) | - | - | (13,861,053) |
| Total | 33,032,613 | 63,988 | 1,329,620 | 34,426,221 |

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

| | Group 2020 £ | Group 2019 £ |
|--|--------------------|--------------------|
| Net income for the period (as per Statement of Financial Activities) | 225,794 | 561,484 |
| Adjustments for: | | |
| Depreciation charges | 1,499,389 | 1,229,705 |
| Interest paid | 519,442 | 399,144 |
| Losses/(gains) on investments | 115,105 | (40,328) |
| Dividends, interests and rents from investments | (59,902) | (65,085) |
| Profit on the sale of fixed assets | - | (2,500) |
| Increase in stocks | (11,419) | (1,420) |
| Decrease in debtors | 92,591 | 240,363 |
| (Decrease) / increase in creditors | (505,097) | 634,196 |
| Net cash provided by operating activities | 1,875,903 | 2,955,559 |

22. Analysis of cash and cash equivalents

| | Group 2020 £ | Group 2019 £ |
|--|--------------------|--------------------|
| Cash in hand | 9,024,424 | 6,460,247 |
| Total cash and cash equivalents | 9,024,424 | 6,460,247 |

23. Analysis of changes in net debt

| | At 1 August 2019 £ | Cash flows £ | Other non- cash changes £ | At 31 July 2020 £ |
|--------------------------|--------------------------|--------------------|------------------------------------|-------------------------|
| Cash at bank and in hand | 6,460,247 | 2,564,177 | - | 9,024,424 |
| Debt due within 1 year | (840,000) | (4,580,000) | 210,000 | (5,210,000) |
| Debt due after 1 year | (13,467,000) | - | (210,000) | (13,677,000) |
| | (7,846,753) | (2,015,823) | - | (9,862,576) |

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24. Capital commitments

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Contracted for but not provided in these financial statements | | | | |
| Construction of tangible fixed assets | - | 4,125,191 | - | 4,125,191 |

25. Pension commitments

The school's employees belong to two principal pension schemes, The Teachers' Pension Scheme for teaching staff and a fully insured money purchase scheme for support staff known as the RGS Support Staff Pension Plan.

The pension costs included in these financial statements comprise £1,521,833 (2019: £1,046,515) in respect of the teachers' Pension Scheme and £186,664 (2019: £178,812) in respect of the RGS Support Staff Pension Plan. Pensions payable to the pension schemes included within creditors at the year end (including employees' contributions) is £224,739 (2019: £178,890).

Teachers' Pension Scheme

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

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25. Pension commitments (continued)

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

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

The RGS Support Staff Pension

The RGS Support Staff Pension Plan is a fully insured money purchase scheme for all permanent RGS staff who are not entitled to join the TPS. The assets of the scheme are held separately from those of the company in an independently administered fund.

26. Operating lease commitments

At 31 July 2020 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--|-----------------------------|--------------------|-------------------------------|----------------------|
| Not later than 1 year | 55,854 | 17,292 | 55,854 | 17,292 |
| Later than 1 year and not later than 5 years | 96,323 | 66,660 | 96,323 | 66,660 |
| Later than 5 years | 275,595 | 252,467 | 275,595 | 252,467 |
| | 427,772 | 336,419 | 427,772 | 336,419 |

27. Custodian funds

At the year end the charity held cash balances of £293,173 on behalf of the RGS Educational Trust charity. For further details regarding the relationship between both charities see note 28.

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28. Related party transactions

Some Governors are also trustees of the RGS Educational Trust, a charity, the main purpose of which is to provide income towards bursaries for some pupils of the school. The school maintains a bank account on behalf of the Trust in respect of donations towards the Trust's campaign appeal and the school has met the Trust's campaign costs totalling £116,405 (2019: £109,692). The contribution towards bursaries by the Trust this year amounted to £665,575 (2019: £587,886). The school made a donation to the Trust during the year of £284,259 (2019: £57,409), to be invested to provide future bursaries.

The Storrow Scott Charitable Will Trust, a charity controlled by the School, applies its income to the RGS Educational Trust. Grants paid or payable from the charity to the Educational Trust in the year amount to £37,567 (2019: £37,517).

As at the balance sheet date £3,300 (2019: £nil) is included within debtors in respect of accountancy and audit fees and prizes paid by the school on behalf of the Trust.

29. Principal subsidiaries

The following was a subsidiary undertaking of the company:

| Name | Company number | Class of shares | Holding | Included in consolidation |
|---------------------|----------------|-----------------|---------|---------------------------|
| RGS Trading Limited | 04063794 | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) / Surplus/ (Deficit) for the year £ | Net assets £ |
|---------------------|-------------|------------------|---|-----------------|
| RGS Trading Limited | 38,770 | (39,945) | (1,175) | 10,061 |