

Registered number: 10326313
Charity number: 1170217

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

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THE RGSW AND AOS FOUNDATION
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees

Mr Timothy Curtis
Mr Nicholas Charles James Fairlie (resigned 14 May 2021)
Mrs Anne Munro Fitch (resigned 4 May 2021)
Mrs Rosemary Frances Ham, (appointed as Deputy Chair 1 December 2020,
resigned as Deputy Chair 21 October 2021)
Mrs Rachel Wyatt
Mrs Emma Jane Bentley-Hughes (resigned 27 February 2022)
Mr Johnathan David Arr, (appointed as Deputy Chair 21 October 2021)
Mr Andrew Hampden Greenway, (Resigned as Deputy Chair 1 December 2020)
Mr Gary Paul Rouse
Mr John Mark Gibson
Mrs Katherine Mary Wormington

Company registered number

10326313

Charity registered number

1170217

Registered office

The Royal Grammar School Worcester
Upper Tything
Worcester
WR1 1HP

Senior management team

Scott MacDonald, Foundation Director

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank
4 The Cross
Worcester
WR1 3PY

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Solicitors

Stallard March and Edwards (SME Solicitors)
8 Sansome Walk
Worcester
WR1 1LW

THE RGSW AND AOS FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2020 to 31 August 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).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The Foundation is a separate charity to RGS Worcester (the 'School') which comprises RGS Worcester, RGS Springfield and RGS The Grange and RGS Dodderhill. Reference to the School(s), RGS or RGSW in the following report should be taken to mean any and/or all of the four RGSW schools. The Foundation undertakes activities solely to support the School and its pupils. The Foundation is governed by its Articles of Association. It also has policies to cover its operation including the recruitment of suitable trustees, their ongoing fitness to be a trustee, conflicts of interest, the running of decision making meetings, and its ethical approach to fundraising. Trustees are bound by its Code of Practice and submit declarations of interest. All trustees are subject to DBS checks. The Foundation's Objects from the Articles of Association are:

- (a) advancing the education of the pupils at the Schools by:
 - (i) providing and assisting in the provision of facilities and resources (including premises, equipment and services) for education at the Schools;
 - (ii) awarding to pupils at the Schools (or for their benefit) bursaries, scholarships, maintenance allowances or grants, or making loans to pupils or for their benefit, or providing pupils with books, equipment or clothing for the purposes of their education;
 - (iii) providing any part of their education (including the study of music or other arts or social or physical education);
 - (iv) assisting them to undertake travel in furtherance of their education;
 - (v) helping them to prepare for entry into any other educational establishment or into any occupation, trade or profession on leaving the Schools;
 - (vi) developing their mental, physical and moral capabilities through leisure time activities.
- (b) advancing the education of persons who are educated by or with the support of the Schools Charity by supporting the charitable objects of the Schools Charity, by:
 - (i) making grants or loans or otherwise providing financial support to the Schools Charity for its general charitable purposes or for specific charitable purposes;
 - (ii) doing in relation to the Schools Charity and its charity beneficiaries any of the things which are permitted in relation to the Schools and their pupils by article 2.1(a);
- (c) in connection with the Schools or the Schools Charity, promoting the education of people under the age of 25 years in the county of Worcestershire in such ways as the Trustees think fit, including by:
 - (i) enabling them to have access to and to make use of educational facilities and resources of the Schools or of the Schools Charity; or
 - (ii) attending the Schools.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Activities for achieving objectives

To support the School with financial donations to provide:

- additional means-tested bursary places;
- hardship grants for RGS families who require temporary assistance with school fees and other education costs;
- improvements to the RGSW School estate;
- the ability to undertake other smaller projects to further education provision within the Schools.

The Trustees have tasked the Foundation Office led by the Foundation Director to instigate fundraising across the following areas:

- directing fundraising appeals to alumni, ex-staff and parents with the request they support the provision of additional bursary places at RGSW. Donations will be used to fund places at the School to enable children whose families who could not otherwise afford the fees to receive an RGS education;
- directing fundraising appeals to alumni, ex-staff and parents with the request they support the Hardship Fund Appeal. Donations will be used to award grants in support of school fees and education costs to RGS families who are facing unforeseen financial constraints;
- directing fundraising appeals to alumni, parents and ex-staff seeking donations towards the development of Capital Projects that the School is planning, namely a Hockey Centre at Perdiswell and an Indoor Tennis and Netball Centre on the RGS Worcester campus;
- requesting parents of each Upper Sixth leaving group donate their child's refundable joining deposit to support bursaries or hardship awards or other initiatives identified by the Headmaster;
- directing fundraising appeals to alumni and ex-staff with the request they make a legacy gift to the Foundation in order to provide funding in support of bursaries at RGSW or other aspects they would most like to support in the School;
- applying for grants to awarding foundations and bodies in support of the Foundation's objectives;
- publishing an Annual Giving Report that explains what funds have been raised how they have been applied to generate outcomes aligned to the Charity's Objects.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Main activities undertaken to further the charity's purposes for the public benefit

In setting objectives and planning activities the School's Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit. The Foundation works to advance the education of pupils at the RGS Worcester Family of Schools and in doing so, actively helps to deliver the Public Benefit delivered by RGS. It will do this by widening access to the School through the provision of additional bursary supported places. These will be available to children from local families who meet the academic entrance requirements but would not otherwise be able to afford the school fees. Places funded by donations will be in addition to those funded by the School. Bursaries will be means-tested to ensure all recipients are in genuine need of the financial support.

Grants from the Foundation's Hardship Fund aim to provide short-term support for RGS families who may be facing serious financial difficulties through unexpected circumstances, such as parental bereavement or loss of employment. These grants help tide families over in relation to school fees and other education costs until the situation is resolved or until longer-term bursary funding can be allocated.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

The Foundation will also raise funds to support capital projects at RGS Worcester that will further the provision of education and where appropriate will benefit the local community. For example, during 2020-21 the Foundation Office raised funds for the new Hockey Centre that is being developed by RGS in partnership with Worcester Hockey Club, with the full support of Worcester City Council. The new facility opened in November 2021 and offers international standard pitches that will attract top coaches and will widen community access to the sport. This centre will be used by RGS pupils but will also be available to Club members, pupils from other local schools and students from the University of Worcester.

Achievements and performance

a. Review of activities

Tim Curtis continued as Chair of the Foundation. The decision was taken by the Board to rotate the role of Deputy Chair annually to widen experience amongst Trustees and to assist with succession planning. Rosemary Ham succeeded Andrew Greenway in the role of Deputy Chair in December 2020. At the AGM on 21 October 2021 Jonny Arr became the Deputy Chair. Gary Rouse remained as Chair of the Finance Committee.

Two Trustees resigned from the Board in May 2021: Annie Fitch, for family reasons and Nick Fairlie who has increased his workload as an RGS Governor. The Board expressed its gratitude for their service to the Foundation. The Trustees are seeking new Trustees and will appoint new Board members when suitable candidates have been identified.

Throughout 2020-21 the Trustees continued to work remotely to minimise the risk of Covid transmission. The use of online meetings enabled the charity to fulfil its role on behalf of the School and its pupils. The Foundation Office Administrator was placed on furlough for a period to help RGS manage its costs. They resigned in August 2021 to pursue an alternative career opportunity. The Trustees were sorry to lose their services and wish them every success in their new venture. At the time of reporting the administrator role remains to be filled.

The Graham-Pelton Review undertaken during 2020 identified the need for an additional fundraiser within the Foundation Office to maximise the opportunities for securing support. The RGS Board of Governors endorsed this recommendation and the role was advertised in May 2021. Tim Curtis represented the Foundation Trustees during the recruitment process which led to the appointment of a Development and Alumni Relations Manager, starting at RGS in September 2021. Fundraising continued throughout the year despite the uncertainty caused by the Covid-19 pandemic. Bursaries remained the priority for the Foundation.

Existing bursary sponsors continued to provide support and a new sponsor was recruited to enable a pupil to join RGS in September 2021. The donations made by individual sponsors were supplemented with smaller donations made as single gifts and as recurring gifts. A total of £72,163 was transferred from the Foundation to RGS during 2020-21 to fund bursary places representing 11.1% of the means-tested bursary funding awarded by the School during the year.

The remaining funds donated to the Foundation's Hardship Fund Appeal in 2020 were transferred to RGS to support pupils during the 2020-21 academic year. £40,802 was made available to RGS for this purpose. In total, 27 pupils have benefited from Hardship grants following the Appeal. Future fundraising will be undertaken to replenish the Hardship Fund which at the time of reporting had a balance of £4,111.

The Foundation Office sought support from the alumni and parent communities for the new Hockey Centre that RGS will own and operate in partnership with Worcester Hockey Club. The 'Buy-a-Brick' and 'sponsor a tree' initiatives resulted in 136 bricks being sold and two trees being sponsored. Installation of the bricks will be completed in Spring 2022 and the final costs will then be known but it is estimated that these activities will contribute £14,000 to the project.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

A number of grant applications were made to awarding bodies to request support for the Hockey Centre development. Trustees at the Kildare Trust were very impressed with the School's vision for increasing participation in Hockey through community access to an exceptional facility dedicated to the sport. The Kildare Trust awarded a grant of £250,000 to the Foundation for the purpose of developing the Centre. The Foundation Board transferred the funds to the Hockey Centre joint venture company which is owned by RGS and Worcester Hockey Club.

The planning application for an Indoor Tennis and Netball Centre on the RGS Worcester campus to be developed by RGS in partnership with the Lawn Tennis Association (LTA) has been temporarily deferred to enable the Hockey Centre to be completed. It is expected that the planning application will be submitted in Q1 2022 and fundraising will follow from that point. The donor from the alumni community who has pledged a significant donation to the Foundation for use in the project remains committed and the Trustees will be able to call on this gift once planning permission has been granted. Fundraising will be undertaken for this project during 2022-23.

The Foundation Trustees released £2,760 of previously raised funds to RGS to help finance the creation of an online digital archive that will help preserve the history of the School and provide material that can be used to assist with future fundraising and marketing activities. An initial batch of photographs have been scanned and a website has been created which will be launched in 2022.

b. Fundraising activities

The Foundation charity is run by the Foundation Office which is part of the School and its staff are employees of RGSW. The Foundation Office seeks donations from the alumni of RGS Worcester (RGS), the Alice Ottley School (AOS) and Dodderhill School, as well as from parents of pupils at the four RGS schools. Grant applications are made to awarding bodies that can help the Foundation to support the work of the School. Prospective donors are asked to support bursaries, the hardship fund, capital projects and the provision of smaller items to further the education of pupils at RGSW.

The Foundation Office manages an alumni website (www.rgswandaos.foundation) which provides details of the areas for which funds are required and provides an online giving facility that incorporates Gift Aid, where applicable. Opportunities to donate are also outlined in the Alumni Annual Review which includes the Annual Giving Report, as well as in direct mailing requests and on social media posts.

The Trustees provide the oversight and set the strategic fundraising objectives for the charity. The Foundation voluntarily subscribes to the Fundraising Regulator as per the scheme for charities that spend under £100k on fundraising activities. The Foundation Office conducts fundraising for the charity and abides by the Fundraising Code published by the Fundraising Regulator. There were no failures to report from the reporting period. Trustees regularly review the activities of the Foundation Office and meet with its staff formally each term to discuss fundraising activities and priorities. Trustees also speak with the Foundation Office staff between formal Board meetings through Working Groups meetings and individual contact when relevant. No complaints have been received to date regarding the Foundation, the Foundation Office staff or the Trustees. The Foundation Office provides mechanisms for alumni to change their communication preferences which include enabling anyone to stop further contact from the Foundation Office within all its communications. As soon as an individual makes a request to cease receiving contact from the Foundation Office either via a particular channel or from all channels, this is actioned and recorded to prevent staff in the future from inadvertently making contact. The Foundation Office does not send mail to alumni over 85 years old without clearly explaining that they can stop any and all communications, and that they are not under any obligation to make donations. When made aware, the Foundation Office promptly ceases communications with anyone who may not have the capacity to understand a fundraising request (e.g. when an individual moves into a care home or a parent/partner/child informs of a health issue impacting someone who would otherwise wish to receive communications).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

c. Investment policy and performance

The Trustees have maintained a cautious approach to investments during a period of considerable global market uncertainty, due largely to the Covid-19 pandemic and the recovery process, along with the effects of Brexit within the UK. The Foundation's Investment Policy frames the Board's approach to investing, reviewing performance and decision making. All investments will be made with ethical considerations being central to the decision making process.

The Trustees have committed to investing endowed funds in products that actively pursue ethical investing policies because this reflects the values of the Trustees, as well as of the School which the Foundation exists to support. A review of the investment strategy and the investments the Foundation holds was undertaken during 2020-21 to ensure it satisfies a medium-low risk approach and meets ethical and responsible investment criteria.

The Finance Committee reviewed the existing investments in CCLA's COIF Charities Investment Fund and alternatives. It recommended for the Board to retain its investments in CCLA's COIF funds but that future donations should be invested in the COIF Charities Ethical Investment Fund. The Board endorsed this recommendation and the decision reflects the ambition of the Trustees to invest donated funds ethically.

The COIF Charities Ethical Investment Fund has a very similar historic performance to the COIF Charities Investment Fund but has a number of exclusions to its portfolio, for example: Companies that derive more than 5% of their income from the extraction of oil sands or energy coal; Companies that derive more than 10% of their revenue from extracting and refining coal, oil or gas; Investment is prohibited if companies are involved in the production of nuclear weapons, landmines or cluster munitions; no Sovereign Debt from countries identified by the Ethical Fund Advisory Committee as being the most oppressive; Companies that derive 10% or more from tobacco, alcohol or gambling. A full list of exclusion criteria can be viewed on the fund factsheet which is available on the website (www.CCLA.co.uk)

New accounts for the ARW Bursary Fund, the Alice Ottley Bursary Fund and a Foundation Annual Fund (for advance sponsorship donations and other gifts) were opened in the COIF Charities Ethical Investment Fund. No additions were made to the existing accounts held in the COIF Charities Investment Fund. CCLA subsequently offered the Trustees the opportunity to transfer the Foundation's monies between different COIF funds at a heavily discounted rate in July 2021. The Board asked the Finance Committee to review this option.

The Finance Committee recommended to the Board in May 2021 that all of the funds held in the ARW Bursary Fund and Alice Ottley Bursary Fund accounts within the COIF Charities Investment Fund be moved into the COIF Charities Ethical Investment Fund and consolidated in the recently opened accounts. The Board noted the past performance of both funds and the commitment to ethical investment and Trustees voted unanimously to make the transfer. Consequently, from July 2021 all of the Foundation's funds held at CCLA are now invested in accounts within the COIF Charities Ethical Investment Fund. Performance will continue to be monitored by the Finance Committee in line the Foundation's Investment Policy.

The Alice Ottley Bursary Fund. In December 2017, 1,718 units held in COIF Charities Investment Fund which had been purchased with donations for the AO Bursary fund were transferred from The Royal Grammar School Worcester to The RGSW and AOS Foundation. Funds of £55,661 were held in COIF Charities Ethical Investment Fund as at 31 August 2021.

The Anthony Reay Wheeler Bursary Fund. This fund was designated in May 2013 with the legacy from a former Master of the School. In December 2017, 24,163 units held in COIF Charities Investment Fund, including some restricted funds were transferred from The Royal Grammar School Worcester to The RGSW and AOS Foundation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

The funds were transferred as unrestricted funds and designated by the Trustees of The RGSW and AOS Foundation. Funds of £545,486 were held in COIF Charities Ethical Investment Fund as at 31 August 2021.

The Foundation Annual Fund. This fund comprises bursary donations to the Foundation other than those given for the two named endowment bursary. This fund includes the advance payments of fees for pupils being sponsored by donors which will be drawn down for payment to the School within five years. Funds of £158,805 were held as at 31 August 2021.

The Hardship Fund. This fund comprises cash deposits and is intended for use in-year rather than being held for long-term growth. Its value at 31 August 2021 is £4,111.

Financial review

a. Going concern

At the time of reporting, the Covid-19 pandemic remains an ongoing concern although the vaccine rollout in the UK has been successful in reducing the number of deaths and severe cases requiring hospital treatment. The large vaccine uptake has enabled society to reopen, albeit with some restrictions in place and precautions still being observed. RGS has managed the pandemic exceptionally well through its globally recognised Digital Learning Programme, pupil numbers have grown and the School is in a stable financial position.

The Trustees continue to monitor the situation closely for the Foundation's ability to conduct fundraising operations. Despite the current circumstances, the Trustees believe that the charity's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Please see the Risk Management section of this report for more details of the projected impact on the Foundation

b. Financial review

The Trustees consider the Foundation to be in a sound financial position with sufficient reserves.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

c. Reserves policy

The Trustees will endeavour to transfer to the School as much of the funds raised as soon as possible while observing the constraints placed on restricted gifts and any statement of wishes made on unrestricted gifts, therefore maintaining minimal reserves. Where gifts have been received for either of the named bursary funds these will be added to grow the capital base treating these as endowment funds. The annual income earned from the capital will be transferred to fund bursary places at the School. The gifts to the Hardship Fund will be allocated as awards for specific pupils to the School as needed, usually within twelve months of receipt.

Fees donated in advance by sponsors for particular pupils will be held by the Foundation in its Annual Fund and drawn down as required each year to RGS.

The Trustees will only retain funds to ensure support is needed for a particular pupil that runs over more than one School year. Commitments will not be entered into by the Trustees to the School if the projected costs cannot be met by anticipated income.

At the year end the Foundation had restricted funds of £424,534 (2020: £388,121) and designated funds of £348,911 (2020: £294,736). Unrestricted and free reserves at the year end are £16,372 (2020: £93). This is set out in note 13 on page 31.

The Foundation is able to maintain unrestricted and free reserves as £nil as The Royal Grammar School Worcester meets all costs of running the Foundation Office, including the costs of events and publications and the salaries of the Foundation Office staff.

Structure, governance and management

a. Constitution

The company is constituted under a Memorandum of Association dated 11 August 2016 and is a registered charity number 1170217.

The company was incorporated on 11 August 2016 and commenced trading on that date.

The principal object of the company is to advance the education of pupils at RGS Worcester. It undertakes fundraising to support bursary provision and to assist with capital projects across the RGS Schools.

b. Methods of appointment or election of Trustees

New Trustees are normally appointed at termly meetings on the basis of nominations from a committee of Trustees. All nominations are made on the basis of eligibility, personal competence, specialist skills and availability.

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Policies adopted for the induction and training of Trustees.

New Trustees undertake a formal induction process under the guidance of a fellow Trustee and the Foundation Director which covers the workings of the Charity, including Policies, Procedures, Finances and Governance. Trustees are required to be DBS checked.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

c. Pay policy for key management personnel

No payments have been made by the Foundation to any of the Trustees and the Foundation Office staff remain employed by RGS Worcester so are subject to the policy implemented by the School.

d. Organisational structure and decision making

The Board of Trustees convenes formally once per school term to review the work of the Foundation Office and to formally make decisions to enable the Foundation grow. In between these Board meetings smaller working groups or sub committees (e.g. the Finance Committee) can and do meet. If time critical decisions need to be taken the Chair circulates the information electronically to Trustees to enable agreement to be reached. This is then conveyed to the Foundation Director for implementation.

The Covid-19 pandemic necessitated the use of video conferencing and this has worked well for the Trustees. Trustees are appointed for a three year term and minimum of three RGS Governors will serve as Trustees. The Trustees are aware of the charity governance code and the Foundation voluntarily subscribes to the Fundraising Regulator code of practice.

Periodically, Trustees will review the guidance in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

e. Related party relationships

The Foundation exists to advance education at the RGS Worcester Family of Schools. At least three Trustees are Governors of the School to ensure strategic alignment is maintained between the two entities. The School finances and staffs the Foundation Office and the Headmasters and Headmistresses of the four RGSW Schools attend the Trustee Board meeting, as does the Director of Finance and Operations.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

f. Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate its exposure to the major risks. The Trustees are mindful of the need to maximise the income generated from the capital base of the two endowment bursary funds held within the Foundation, as well as to preserve the value of other donations ahead of them being transferred to RGS. This must be done against the backdrop of volatile market conditions, so the Board tasked members of the Finance Committee to review and monitor the choice of investments held in COIF units and to consider alternative options to mitigate against stock market fluctuations.

Coronavirus

The Trustees continue to regard the Covid-19 pandemic situation as a short term operational challenge to be overcome and do not expect it to affect the charity as an ongoing concern. Throughout the year, Trustees were contactable by phone, email and videoconferencing, so communications and decision making remained viable for the charity. This enabled the charity to continue to operate effectively and to actively fundraise with Trustees maintaining oversight.

The Foundation Office staff returned to working at the School in September 2020 and, although RGS required the Foundation Office Administrator to be placed on furlough for a period of time, the Trustees are satisfied that, if necessary, the remote working model can be effectively resurrected at short notice.

RGS Worcester was affected like all schools but because of the School's extensive investment in its award winning Digital Learning Programme, effective teaching continued remotely at a level far greater than most other schools. The School remains financially robust and has seen an increase in pupil numbers in consecutive years as a direct consequence of its outstanding educational provision through the Coronavirus pandemic. The Covid-19 pandemic control measures meant that there was no opportunity for Trustees and the Foundation Office staff to engage in person with donors and prospective donors, either at group gathering events or at individual meetings during the year.

The lifting of restrictions for the new academic year of 2021-22 has enabled an event plan to be created and this will help to drive fundraising objectives. Trustees are committed to supporting the Foundation Office staff at these events. The Trustees recognise that emerging from the lockdowns and furlough scheme will require a period of readjustment as everyone attempts to return to their pre Covid-19 pandemic situation but there is optimism that 2021-22 will present opportunities to increase fundraising activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Plans for future periods

a. Future developments

The Board will recruit additional Trustees to help further the work of the Foundation Office and will seek guidance where necessary to help them to fulfil their roles for the Foundation. The full findings from the Review of the Foundation Office undertaken by Graham Pelton (UK) Ltd Consultants will continue to be implemented.

Long term fundraising targets linked to the School's revised Strategic Development Plan and coupled with the addition of an additional fundraiser, will be set by the Trustees for the Foundation Office. During the coming year a strategic plan with milestones will be agreed to deliver the targets with KPIs monitored to track progress.

The primary focus for fundraising in 2021-22 will remain on bursaries and hardship in order to widen access to the School. The opportunity to support the School's development of the Indoor Tennis and Netball Centre will also be maximised.

Opportunities for Trustees to support with fundraising activities such as the stewardship of donors have been mapped out within a two year event plan. Targeted engagement with current and prospective major donors will be undertaken by the Foundation Office to solicit major gifts which will complement increasing the donor pool by recruiting a number of additional regular donors.

Legacy pledges will continue to be solicited to ensure future donations are in the pipeline and larger gifts and a Legacy Society will be established to steward these donors.

The Foundation Trustees will work with the School's Leadership to assist where it can with the proposed integration of the alumni association into RGS.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company 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 Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor


The auditor, Crowe U.K. LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Mr Timothy Curtis

Chair

Date:


3/3/22

THE RGSW AND AOS FOUNDATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RGSW AND AOS FOUNDATION

Opinion

We have audited the financial statements of The RGSW and AOS Foundation (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of financial activities, the Balance sheet, the 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 charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RGSW AND AOS FOUNDATION
(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 Trustees 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.

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

THE RGSW AND AOS FOUNDATION
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RGSW AND AOS FOUNDATION
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety legislation and employment legislations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, OFSTED and reading minutes of meetings of those charged with governance.

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

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 RGSW AND AOS FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RGSW AND AOS FOUNDATION
(CONTINUED)

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 8 April 2022

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

| | Note | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|---|------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Donations and legacies | 4 | 354,171 | 93,436 | 447,607 | 341,515 |
| Investments | 5 | - | 16,279 | 16,279 | 13,562 |
| Total income | | 354,171 | 109,715 | 463,886 | 355,077 |
| Expenditure on: | | | | | |
| Raising funds | 6 | - | 91,053 | 91,053 | 112,227 |
| Charitable activities | 7 | 354,446 | 2,383 | 356,829 | 73,528 |
| Total expenditure | | 354,446 | 93,436 | 447,882 | 185,755 |
| Net (expenditure)/income before net gains on investments | | (275) | 16,279 | 16,004 | 169,322 |
| Net gains on investments | | 36,688 | 60,961 | 97,649 | 9,707 |
| Net movement in funds | | 36,413 | 77,240 | 113,653 | 179,029 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 388,121 | 294,829 | 682,950 | 503,921 |
| Net movement in funds | | 36,413 | 77,240 | 113,653 | 179,029 |
| Total funds carried forward | | 424,534 | 372,069 | 796,603 | 682,950 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 36 form part of these financial statements.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)
REGISTERED NUMBER: 10326313

BALANCE SHEET
AS AT 31 AUGUST 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Investments | 10 | 723,426 | 442,855 |
| | | <u>723,426</u> | <u>442,855</u> |
| Current assets | | | |
| Cash at bank and in hand | | 73,177 | 240,125 |
| | | <u>73,177</u> | <u>240,125</u> |
| Creditors: amounts falling due within one year | 11 | - | (30) |
| Net current assets | | <u>73,177</u> | <u>240,095</u> |
| Total net assets | | <u><u>796,603</u></u> | <u><u>682,950</u></u> |
| Charity funds | | | |
| Restricted funds | 13 | 424,534 | 388,121 |
| Unrestricted funds | 13 | 372,069 | 294,829 |
| Total funds | | <u><u>796,603</u></u> | <u><u>682,950</u></u> |

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 145 of the Charities Act 2011.

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 have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Mr Timothy Curtis

Chair

Date: 3/3/22

The notes on pages 22 to 36 form part of these financial statements.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

| | 2021 | 2020 |
|--|------------------|----------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net cash used in operating activities | (306) | 155,791 |
| Cash flows from investing activities | | |
| Dividends, interests and rents from investments | 16,280 | 13,562 |
| Purchase of investments | (182,922) | - |
| Net cash (used in)/provided by investing activities | (166,642) | 13,562 |
| Cash flows from financing activities | | |
| Net cash provided by financing activities | - | - |
| Change in cash and cash equivalents in the year | (166,948) | 169,353 |
| Cash and cash equivalents at the beginning of the year | 240,125 | 70,772 |
| Cash and cash equivalents at the end of the year | 73,177 | 240,125 |

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The notes on pages 22 to 36 form part of these financial statements

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

1.1 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 RGSW and AOS Foundation 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.

1.2 Company status

The company is a company limited by guarantee, registered in England and Wales, number 10326313. The company is also registered as a charity, number 1170217. The members of the company are the Trustees 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. The company's registered office and principal place of business is The Foundation Office, The Royal Grammar School Worcester, Upper Tything, Worcester, WR1 1HP.

1.3 Going concern

The Trustees have undertaken planning and continue to closely monitor the Covid-19 situation. Despite the current circumstances the Trustees believe that the charity's financial resources and contingency planning is sufficient to ensure the ability of the company to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.7 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.

1.8 Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.9 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 Company 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 Company 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.

Investment income, gains and losses are allocated to the appropriate fund.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. 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.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. 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.

Critical accounting estimates and assumptions:

Donated services and facilities

The Foundation received donated services and facilities from the Royal Grammar School Worcester relating to staff costs, fundraising costs, office space and audit fees. The staff costs are calculated based on the percentage of each staff members' time spent on providing services to the charity. Premises costs are estimated by applying a market rate to the size of the office occupied.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Income from donations and legacies

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---------------------------------|--|--|---------------------------------------|
| Donations | 354,171 | - | 354,171 |
| Donated services and facilities | - | 93,436 | 93,436 |
| | <u>354,171</u> | <u>93,436</u> | <u>447,607</u> |
| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Donations | 227,231 | - | 227,231 |
| Donated services and facilities | - | 114,284 | 114,284 |
| | <u>227,231</u> | <u>114,284</u> | <u>341,515</u> |

5. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|------------------------|--|---------------------------------------|
| Income from COIF units | 16,279 | 16,279 |
| | <u>16,279</u> | <u>16,279</u> |
| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Income from COIF units | 13,285 | 13,285 |
| Interest | 277 | 277 |
| | <u>13,562</u> | <u>13,562</u> |

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Expenditure on raising funds

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------|--|---------------------------------------|
| Events and publications | 14,371 | 14,371 |
| Staff costs | 76,682 | 76,682 |
| | <u>91,053</u> | <u>91,053</u> |
| | | |
| | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
| Events and publications | 48,434 | 48,434 |
| Staff costs | 63,793 | 63,793 |
| | <u>112,227</u> | <u>112,227</u> |

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Analysis of expenditure on charitable activities

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|--|--|--|---------------------------------------|
| Grants to RGS Worcester / Worcester International Hockey | 354,446 | - | 354,446 |
| Establishment costs | - | 500 | 500 |
| Management and administration | - | 1,883 | 1,883 |
| | <u>354,446</u> | <u>2,383</u> | <u>356,829</u> |

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-------------------------------|--|--|---------------------------------------|
| Grants to RGS Worcester | 71,411 | - | 71,411 |
| Establishment costs | - | 500 | 500 |
| Management and administration | - | 1,617 | 1,617 |
| | <u>71,411</u> | <u>2,117</u> | <u>73,528</u> |

8. Auditor's remuneration

| | 2021 £ | 2020 £ |
|--|---------------------|---------------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | <u>1,550</u> | <u>1,500</u> |

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Staff costs

| | 2021 | 2020 |
|--------------------|---------------|-------------|
| | £ | £ |
| Wages and salaries | 76,682 | 63,793 |
| | 76,682 | 63,793 |

The average number of persons employed by the Company during the year was: 2021 - Nil, 2020 - Nil.

No employee received remuneration amounting to more than £60,000 in either year.

All staff are employed by and paid for by The Royal Grammar School Worcester. These costs are shown as donated services and facilities.

Key management personnel are considered to be the Trustees and Senior Management. Total remuneration of key management personnel amounted to £36,503 (2020: £38,780) of which all costs were met by The Royal Grammar School Worcester.

10. Fixed asset investments

| | Unlisted investments £ |
|--------------------------|---------------------------------------|
| Cost or valuation | |
| At 1 September 2020 | 442,857 |
| Additions | 182,920 |
| Revaluations | 97,649 |
| At 31 August 2021 | 723,426 |
| Net book value | |
| At 31 August 2021 | 723,426 |
| At 31 August 2020 | 442,857 |

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Creditors: Amounts falling due within one year

| | 2021 | 2020 |
|----------|-------------------|-------------------|
| | £ | £ |
| Accruals | - | 30 |
| | <u> </u> | <u> </u> |

12. Financial instruments

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | 716,640 | 442,855 |
| | <u> </u> | <u> </u> |

Financial assets measured at fair value through income and expenditure comprise investments.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Statement of funds

Statement of funds - current year

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|---------------------------------|--|----------------|------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| A R Wheeler Bursary Fund | 294,736 | - | - | 60,961 | 355,697 |
| General funds | | | | | |
| General Funds - all funds | 93 | 109,715 | (93,436) | - | 16,372 |
| Total Unrestricted funds | 294,829 | 109,715 | (93,436) | 60,961 | 372,069 |
| Restricted funds | | | | | |
| A R Wheeler Bursary Fund | 154,186 | 7,271 | - | 28,332 | 189,789 |
| Alice Ottley Bursary Fund | 44,207 | 3,098 | - | 8,356 | 55,661 |
| Digital Archive | 2,760 | - | (2,760) | - | - |
| Hardship Fund | 39,501 | 5,417 | (40,807) | - | 4,111 |
| Alumni Sponsorship | 147,467 | 68,120 | (56,781) | - | 158,806 |
| WIHL Fund | - | 250,000 | (250,000) | - | - |
| WIHL Buy a Brick | - | 19,765 | (4,098) | - | 15,667 |
| WIHL Buy a Tree | - | 500 | - | - | 500 |
| | 388,121 | 354,171 | (354,446) | 36,688 | 424,534 |
| Total of funds | 682,950 | 463,886 | (447,882) | 97,649 | 796,603 |

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Statement of funds (continued)

Designated funds:

The A R Wheeler Bursary Fund (ARW Bursary Fund) was set up in 2013 and has been designated by the Governors as a fund to generate bursarial support. This Fund was transferred to The RGSW and AOS Foundation on its formation.

Restricted funds:

The Anthony Reay Wheeler Bursary Fund (ARW Bursary Fund): monies received for investing in the ARW Bursary Fund.

The Alice Ottley Bursary Fund: monies received for investing in the Alice Ottley Bursary Fund.

Digital Archive: donations towards the establishment of a digital archive.

Hardship Fund: this is used to make smaller, one off 'in year' grants to pupils whose families have often unexpected financial constraints. The grants can be used to assist with fees to help prevent disruption to the education of pupils affected. The grants can also be applied to further the education of pupils in these circumstances by helping to fund activities such as: academic field trips or study courses; uniform purchases; provision of necessary individual classroom materials/equipment; the purchase of sports equipment; contributions towards the costs of sports tours and other co-curricular events.

Alumni Sponsorship: these are donations made to fund means-tested bursary places at the School for individual pupils.

Worcester International Hockey Centre:- donations made to the Foundation in support of the £400,000 capital RGS had to contribute to the development of the new Centre. Funds raised through 'Buy-a-Brick', sponsor a tree and grant awards.

THE RGSW AND AOS FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 September 2019 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2020 £</i> |
|---------------------------------|--|---------------------|--------------------------|----------------------------------|--|
| Unrestricted funds | | | | | |
| Designated funds | | | | | |
| A R Wheeler Bursary Fund | 288,594 | - | - | 6,142 | 294,736 |
| General funds | | | | | |
| General Funds | 123 | 127,846 | (127,876) | - | 93 |
| Total Unrestricted funds | 288,717 | 127,846 | (127,876) | 6,142 | 294,829 |
| Restricted funds | | | | | |
| A R Wheeler Bursary Fund | 137,373 | 13,889 | - | 2,924 | 154,186 |
| Alice Ottley Bursary Fund | 40,658 | 2,908 | - | 641 | 44,207 |
| Digital Archive | 2,760 | - | - | - | 2,760 |
| Hardship Fund | 1,913 | 75,880 | (38,292) | - | 39,501 |
| Alumni Sponsorship | 32,500 | 134,554 | (19,587) | - | 147,467 |
| | 215,204 | 227,231 | (57,879) | 3,565 | 388,121 |
| Total of funds | 503,921 | 355,077 | (185,755) | 9,707 | 682,950 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Summary of funds

Summary of funds - current year

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2021 £ |
|------------------|--|----------------|------------------|-------------------------|--------------------------------------|
| Designated funds | 294,736 | - | - | 60,961 | 355,697 |
| General funds | 93 | 109,715 | (93,436) | - | 16,372 |
| Restricted funds | 388,121 | 354,171 | (354,446) | 36,688 | 424,534 |
| | <u>682,950</u> | <u>463,886</u> | <u>(447,882)</u> | <u>97,649</u> | <u>796,603</u> |

Summary of funds - prior year

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 August 2020 £ |
|------------------|--|----------------|------------------|-------------------------|--------------------------------------|
| Designated funds | 288,594 | - | - | 6,142 | 294,736 |
| General funds | 123 | 127,846 | (127,876) | - | 93 |
| Restricted funds | 215,204 | 227,231 | (57,879) | 3,565 | 388,121 |
| | <u>503,921</u> | <u>355,077</u> | <u>(185,755)</u> | <u>9,707</u> | <u>682,950</u> |

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Restricted funds 2021 £ | Unrestricted funds 2021 £ | Total funds 2021 £ |
|-------------------------|----------------------------------|------------------------------------|-----------------------------|
| Intangible fixed assets | 424,534 | (424,534) | - |
| Fixed asset investments | - | 723,426 | 723,426 |
| Current assets | - | 73,177 | 73,177 |
| Total | <u>424,534</u> | <u>372,069</u> | <u>796,603</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Restricted funds 2020 £</i> | <i>Unrestricted funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-------------------------------|--|--|---------------------------------------|
| Fixed asset investments | 388,121 | 54,734 | 442,855 |
| Current assets | - | 240,125 | 240,125 |
| Creditors due within one year | - | (30) | (30) |
| Total | 388,121 | 294,829 | 682,950 |

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

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Net income for the year (as per Statement of Financial Activities) | 113,653 | 179,029 |
| Adjustments for: | | |
| Gains on investments | (90,863) | (9,706) |
| Dividends, interests and rents from investments | (16,280) | (13,562) |
| Increase/(decrease) in creditors | (30) | 30 |
| Net cash provided by operating activities | 6,480 | 155,791 |

17. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Cash in hand | 73,177 | 240,125 |
| Total cash and cash equivalents | 73,177 | 240,125 |

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of changes in net debt

| | At 1 September 2020 | Cash flows | At 31 August 2021 |
|--------------------------|---------------------------|------------------|----------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 240,125 | (166,948) | 73,177 |
| | <u>240,125</u> | <u>(166,948)</u> | <u>73,177</u> |

19. Connected parties

The Foundation exists to advance education at the RGS Worcester Family of Schools. A minimum of three Trustees are also Governors of the School to ensure strategic alignment is maintained between the two entities. The School funds and staffs the Foundation Office and the Headmasters and Headmistresses of the RGS Schools attend the Trustee Board meetings, as does the Director of Finance and Operations.

In December 2017, the A R Wheeler Bursary Fund and the restricted element of the Alice Ottley Bursary Fund were transferred from the School to the Foundation. The A R Wheeler Bursary Fund was valued at £355,335 and the Alice Ottley Bursary Fund was valued at £25,266. £5,800 of other restricted funds were also transferred to the Foundation. The Foundation made grants to the School in the year totalling £115,625 (2020: £71,411) of which £40,802 (2020: £38,842) related to Hardship grants, £2,760 (2020: Nil) related to the Digital Archive, and the rest, £72,063 (£32,589) is to be spent on bursaries.

The Foundation made a grant to Worcester International Hockey Limited, of which the School is a joint owner, in the year totalling £250,000 (2020: Nil)

An amount of £Nil (2020: £Nil) was owing from the Foundation to the School at 31 August.

The School paid for the running costs of the Foundation Office, including:

salaries amounting to £76,682 (2020: £63,793),
events and publications amounting to £14,371 (2020: £48,434),
management and administration costs amounting to £1,883 (2020: £1,617)
provision of office space amounting to £500 (2020: £500).