

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 2023

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees

Mr Timothy Stephen Curtis (Chair)
Mrs Rosemary Frances Ham
Mrs Rachel Wyatt (resigned 23 November 2023)
Mr Jonathan David Arr (Deputy Chair until 23 November 2023)
Mr Andrew Hampden Greenway
Mr Gary Paul Rouse (Deputy Chair from 23 November 2023)
Mr John Mark Gibson
Mrs Katherine Mary Wormington
Mrs Yvonne Wood
Mr Michael William Bourne (appointed 23 November 2023)

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

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers

Lloyds Bank
4 The Cross
Worcester
WR1 3PY

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 2023

The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2022 to 31 August 2023. 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, 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 2023

Objectives and activities (continued)

b. Activities for achieving objectives

To support the School with financial donations to provide:

- additional means-tested bursary places and hardship funding;
- improvements to the RGS Schools' 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 RGS Schools. 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, parents and ex-staff seeking donations towards the development of Capital Projects;
- 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, ex-staff and parents with the request they make a legacy gift to the Foundation in order to provide funding in support of bursaries at RGS or other aspects they would most like to support in the School;
- applying for grants to awarding foundations and organisations in support of the Foundation's objectives;
- publishing an annual Impact Report that explains what funds have been raised and how they have been applied to generate outcomes aligned to the Charity's Objects.

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.

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, the Foundation Office raised funds for the new Worcester International Hockey Centre that has been 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 is used by RGS pupils and is also available to Worcester Hockey Club members, pupils from other local schools and students from the University of Worcester.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Achievements and performance

a. Review of activities

Tim Curtis continued as Chair of the Foundation. Jonny Arr remained as Deputy Chair and Gary Rouse chaired the Finance Committee. A Property Committee was created to oversee the sale process of the house that was donated to the Foundation in June 2022. The proceeds from the sale are to be used to support bursary places at RGS Worcester.

The Trustees have identified 12 as being the optimal number of Trustees on the Board and will appoint new Board members when suitable candidates have been identified. During the year the Board agreed that the President of the School's alumni association (AOOE's) should become an ex-officio Trustee subject to this being ratified at the Foundation AGM in November 2023.

During 2022-23 the use of online and hybrid meetings enabled the charity to fulfil its role on behalf of the School and its pupils. Hybrid working remains an option to maximise Trustee participation at meetings and to offer convenience to the Trustees, who are all volunteers.

Following the appointment of the Database Administrator in September 2022, the Foundation Office operates at the level of three full time equivalent (3FTEs) which was the structure recommended by the 2020 review conducted by consultants from Graham Pelton (UK) Ltd.

Bursaries remained the priority fundraising objective for the Foundation to support the School.

Undoubtedly, the highlight of the fundraising year was the inaugural RGS Giving Day which was held over 22/23 March 2023. This intense activity of fundraising over a short time window proved to be exceptionally successful with over £112,000 raised by 436 donors. Match funding and donor challenges helped to drive donations. Activities took place across the four RGS schools with pupils and staff embracing challenges related to 1291, the year of the earliest written record of the School. Pupils and staff wore green clothing on the Wednesday and even the catering had a green theme. Emails were sent to parents, alumni, staff and volunteers with various individuals acting as ambassadors. A significant portion of donors were first time supporters and the Foundation Office is stewarding them to facilitate future donations.

Existing bursary sponsors continued to provide support to pupils they already funded with one sponsor committing to funding a 100% bursary recipient from Year Seven through to the Upper Sixth (end of their school career). The donations made by individual sponsors were supplemented with smaller donations made as single gifts and as recurring gifts. A total of £103,165 was transferred from the Foundation to RGS during 2022/23 to fund bursary places representing 12.7% of the means-tested bursary funding awarded by the School during the academic year.

The property gifted to the Foundation in June 2022 has taken longer to sell than expected with several sales falling through due to the market conditions. The Trustees subsequently accepted an offer of £460,000 and the agreed sale finally completed on 6 December 2023. The funds realised will be used to support bursary places at RGS Worcester through the Chris and Dorothy Dyer Science and Technology Bursary Fund.

The project to develop an Indoor Tennis and Netball Centre on the RGS Worcester in partnership with the Lawn Tennis Association (LTA) was cancelled by the School Governors. No major capital projects that require fundraising are planned for the near future, enabling the Foundation to focus on extending Bursary provision.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance (continued)

b. Fundraising activities

The Foundation charity is run by the Foundation Office which is part of the School and its staff are employees of RGS Worcester. The Foundation Office seeks donations from the alumni of RGS Worcester, 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, capital projects and the provision of smaller items to further the education of pupils at RGS.

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 were also outlined in the inaugural annual Impact Report which was circulated in December 2022, 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 subscribes to the Fundraising Regulator. 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, ex-staff and parents 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. 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 2023

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 war in Ukraine, increasing energy costs and high inflation. 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 Board retained the charity's investments in CCLA's Charities Ethical Investment Fund throughout the year. The COIF Charities Ethical Investment Fund 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).

Performance will continue to be monitored by the Finance Committee in line the Foundation's Investment Policy. 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. The Finance Committee tracks the value of invested funds and reviews the investment strategy regularly to ensure it satisfies a medium-low risk approach and meets ethical and responsible investment criteria. When total cash funds held by the charity reaches £1m the Trustees will engage the services of professional investment specialists to review options and advise the Board to enable decisions to be taken. It is anticipated that this situation will arise during 2023-24 when Laurel Cottage is sold.

The Alice Ottley Bursary Fund. In December 2017, 1,718 units held in COIF Charities Investment Fund (valued at £25,266) 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 £55,157 were held in COIF Charities Ethical Investment Fund as at 31 August 2023.

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 (valued at £355,335) including some restricted funds were transferred from The Royal Grammar School Worcester to The RGSW and AOS Foundation. The funds were transferred as unrestricted funds and designated by the Trustees of The RGSW and AOS Foundation. Funds of £507,655 were held in COIF Charities Ethical Investment Fund as at 31 August 2023.

The Foundation Annual Fund. This fund comprises bursary donations to the Foundation other than those given for the two named endowment bursary funds. 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 £104,960 were held as at 31 August 2023.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

a. Going concern

At the time of reporting, the Covid-19 pandemic appears to have ended in terms of impact but the war in Ukraine, the projected increase in energy costs, the high inflation rate and the market volatility affecting the value of sterling mean that the charity is operating in uncertain times. However, RGS has managed the pandemic and its aftermath exceptionally well through its globally recognised Digital Learning Programme, pupil numbers have grown and the School remains in a stable financial position.

The Trustees continue to monitor 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.

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. Donations to the Foundation Bursary Fund which is not an endowment fund will be normally be transferred to the School within 12 months to support bursary places on an ongoing basis. The gifts received to support Hardship will be allocated as awards for specific pupils to the School as needed, usually within twelve months of receipt.

Bursary gifts covering multiple years that are donated in advance by sponsors for particular pupils will be held by the Foundation and drawn from investments as required each year for transfer to RGS. Commitments to the School for bursary places or capital projects may not be entered into by the Trustees if the projected costs cannot be met by anticipated income.

At the year end the Foundation had restricted funds of £955,255 (2022: £939,573) and designated funds of £318,500 (2022: £328,308). Unrestricted and free reserves at the year-end are £21,349 (2022: £21,372). This is set out in note 15 on page 32.

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.

THE RGSW AND AOS FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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.

Hybrid working has led to 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 also 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 RGS 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 2023

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.

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 by the Foundation Office now that staffing levels are commensurate with the recommendations for increasing fundraising activity and alumni engagement.

The updated Case for Support for bursaries at RGS has been widely circulated along with the inaugural Impact Report which featured testimonials from bursary recipients. Further testimonials will be gathered and shared across communication channels to encourage giving.

Long term fundraising targets linked to the School's revised Strategic Development Plan have been set by the Trustees for the Foundation Office. These targets were shared with the School Community in the 'Change a Life' Bursary brochure that was circulated in December 2022. A comprehensive financial tracking and forecasting model has been adopted to enable progress to be tracked alongside a range of engagement KPIs for the Foundation Office.

The primary focus for fundraising in 2023-24 will remain on bursaries in order to widen access to the School. Following the extremely successful inaugural Giving Day held in March 2023, the Foundation Office will run another Giving Day in April 2024, which will ask alumni, parents, staff and friends of the School to donate to the Foundation's Bursary Fund.

The Foundation Director, with the endorsement of the Trustees, completed the sale of the house which was donated to the Charity in June 2022 in support of bursaries. Trustees will make available funds to support up to two new 50% bursary places at the School each year until the funds are exhausted.

To help recruit donors the number of alumni engagement events will continue to increase significantly during 2023-24 with a rolling programme of gatherings designed to solicit gifts and to inform alumni about the impact the Foundation is making on young lives. The inaugural Old Elizabethans Weekend in September 2023 where over 200 alumni participated in a range of events was very well received and this will be developed to become a staple part of the alumni calendar with a date already set for September 2024. Trustees will support the Foundation Office team and School Leadership at a number of these events.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods (continued)

Targeted engagement with current and prospective major donors will be undertaken by the Foundation Director to solicit major gifts which will complement increasing the donor pool by recruiting a number of additional regular donors. This will include engaging with high net worth individuals in London and in Worcestershire.

Legacy pledges will continue to be solicited to ensure future donations are in the pipeline and there will be a campaign during the year to increase the number of known pledges, as well as to steward them through a Legacy Society. The inaugural Legators Lunch was held in June 2023 and this will be an annual stewardship event.

The Foundation Trustees will work with the School's Leadership to assist where it can with the ongoing closer working of the alumni association with RGS. The Foundation Trustees invited the alumni association President to become an ex-officio Trustee to further assist the School as the AOOEs move towards closer integration with RGS.

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 year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 Stephen Curtis

Chair

Date: 8/5/2024

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 2023 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 2023 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.

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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.

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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 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 noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RGSW AND AOS FOUNDATION
(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 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
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

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 2023**

		Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	As restated Total funds 2022 £
	Note				
Income from:					
Donations and legacies	4	207,198	154,010	361,208	725,808
Investments	5	17,040	3,178	20,218	19,913
Total income		224,238	157,188	381,426	745,721
Expenditure on:					
Raising funds	6	-	148,389	148,389	117,819
Charitable activities	7	161,589	8,822	170,411	96,376
Total expenditure		161,589	157,211	318,800	214,195
Net income/(expenditure) before net losses on investments		62,649	(23)	62,626	531,526
Net losses on investments		(46,967)	(10,808)	(57,775)	(37,876)
Net movement in funds		15,682	(10,831)	4,851	493,650
Reconciliation of funds:					
Total funds brought forward as restated		939,573	350,680	1,290,253	796,603
Net movement in funds		15,682	(10,831)	4,851	493,650
Total funds carried forward		955,255	339,849	1,295,104	1,290,253

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

The notes on pages 21 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 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Investments	11	667,775	685,549
Investment property	10	460,000	500,000
		<u>1,127,775</u>	<u>1,185,549</u>
Current assets			
Debtors	12	-	1,504
Cash at bank and in hand		190,280	103,200
		<u>190,280</u>	<u>104,704</u>
Creditors: amounts falling due within one year	13	(22,951)	-
Net current assets		<u>167,329</u>	<u>104,704</u>
Total net assets		<u><u>1,295,104</u></u>	<u><u>1,290,253</u></u>
Charity funds			
Restricted funds	15	955,255	939,573
Unrestricted funds	15	339,849	350,680
Total funds		<u><u>1,295,104</u></u>	<u><u>1,290,253</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

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 Stephen Curtis (Chair)

Chair

Date: 8/5/2024

The notes on pages 21 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 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	66,862	10,110
Cash flows from investing activities		
Dividends, interests and rents from investments	20,218	19,913
Net cash provided by Investing activities	20,218	19,913
Change in cash and cash equivalents in the year	87,080	30,023
Cash and cash equivalents at the beginning of the year	103,200	73,177
Cash and cash equivalents at the end of the year	190,280	103,200

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The notes on pages 21 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 2023

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 feel that the Covid-19 situation has largely abated though they remain vigilant to any recurrence. Despite the current 'cost of living crisis' and the prospect for VAT to be added to school fees following a possible change in government during 2024, 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 2023**

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.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

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.

The Foundation was gifted a property during the year which is held at fair value as an investment property whilst its sale is pending.

1.7 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.

1.8 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.

1.9 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.10 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.

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 2023**

4. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations	207,198	-	207,198
Donated services and facilities	-	154,010	154,010
	<u>207,198</u>	<u>154,010</u>	<u>361,208</u>

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	600,989	-	600,989
Donated services and facilities	-	124,819	124,819
	<u>600,989</u>	<u>124,819</u>	<u>725,808</u>

5. Investment income

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Income from COIF units	17,040	3,178	20,218

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from COIF units	<u>19,913</u>	<u>19,913</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. Expenditure on raising funds

	Unrestricted funds 2023 £	Total funds 2023 £
Events, publications and software	25,362	25,362
Staff costs	123,027	123,027
	<u>148,389</u>	<u>148,389</u>
	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Events, publications and software	27,314	27,314
Staff costs	90,505	90,505
	<u>117,819</u>	<u>117,819</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Analysis of expenditure on charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Grants to RGS Worcester	138,433	3,201	141,634
Establishment, management and administration costs	23,156	5,621	28,777
	<u>161,589</u>	<u>8,822</u>	<u>170,411</u>
	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Grants to RGS Worcester	74,463	19,913	94,376
Establishment, management and administration costs	-	2,000	2,000
	<u>74,463</u>	<u>21,913</u>	<u>96,376</u>

8. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £3,000 (2022 - £1,450), and a fee for the preparation of the financial statements of £775 (2022 - £750).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

9. Staff costs

	2023 £	2022 £
Wages and salaries	123,027	90,505
	<u>123,027</u>	<u>90,505</u>

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 £61,879 (2022: £57,083) of which all costs were met by The Royal Grammar School Worcester.

10. Investment property

	Freehold investment property £
Valuation	
At 1 September 2022	500,000
Deficit on revaluation	(40,000)
	<u>460,000</u>
At 31 August 2023	<u>460,000</u>

The investment property has been valued at the Trustees' best estimate of its fair value as at the 31 August 2023. The property is unique and was sold after the year end for £460,000.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Fixed asset investments

	Unlisted Investments £
Cost or valuation	
At 1 September 2022	685,549
Revaluations	(17,774)
At 31 August 2023	<u>667,775</u>
Net book value	
At 31 August 2023	<u>667,775</u>
At 31 August 2022	<u>685,549</u>

12. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	-	1,504
	<u>-</u>	<u>1,504</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to Royal Grammar School Worcester	15,630	-
Accruals	7,321	-
	<u>22,951</u>	<u>-</u>

14. Financial Instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>667,775</u>	<u>685,549</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 2023**

15. Statement of funds

Statement of funds - current year

	Restated Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds					
Designated funds					
A R Wheeler Bursary Fund	329,308	-	-	(10,808)	318,500
General funds					
General Funds - all funds	21,372	157,188	(157,211)	-	21,349
Total Unrestricted funds	350,680	157,188	(157,211)	(10,808)	339,849
Restricted funds					
A R Wheeler Bursary Fund	188,731	25,015	(15,370)	(5,499)	192,877
Alice Ottley Bursary Fund	54,853	6,158	(1,670)	(1,468)	57,873
Hardship Fund	4,853	468	(4,853)	-	468
Alumni Sponsorship	150,575	32,079	(81,084)	-	101,570
WIHL Buy a Brick	15,667	-	(15,667)	-	-
WIHL Buy a Tree	500	-	(500)	-	-
Foundation Bursary Fund	21,904	155,353	(15,600)	-	161,657
Parent Music Scholarship	490	-	(490)	-	-
The Christopher and Dorothy Dyer Science and Technology Bursary Fund	500,000	1,965	(23,155)	(40,000)	438,810
Contemplation Area	2,000	-	-	-	2,000
Giving - Ukraine	-	3,200	(3,200)	-	-
	939,573	224,238	(161,589)	(46,967)	955,255
Total of funds	1,290,253	381,426	(318,800)	(57,775)	1,295,104

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

15. 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.

The Foundation Bursary Fund: for donations given in support of bursaries at RGS but unlike gifts to the two bursary endowment funds, these monies are to be transferred to the School within 18 months of being donated. Fundraising activities will ensure that the fund is continually replenished.

The Parent Music Scholarship: an annual donation given by an RGS family to cover the musical instrument tuition fees for a bursary recipient pupil.

The Christopher and Dorothy Dyer Science and Technology Bursary Fund: uses funds from the sale of Laurel Cottage to provide bursary places at RGS. Chris Dyer is a former pupil of RGS Worcester. He and his wife, Dorothy, live in the USA and Laurel Cottage was his UK family home which he gifted to the Foundation to help children access education at RGS. Chris has stipulated that up to two bursaries per year may be awarded at 50% of school fees until the funds are exhausted.

The RGSW Tree: a one-off gift to plant a tree at RGS from a former pupil, Kenneth Armson, who devoted his professional career to stewarding forests in Canada.

The Contemplation Area: a one-off gift from Kenneth Armson who wishes to provide a dedicated area in the grounds at RGS Worcester for pupils and staff who may value a space for quiet reflection.

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 2023**

15. Statement of funds (continued)

Statement of funds - prior year

	<i>Restated Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>As restated Gains/ (Losses) £</i>	<i>Restated Balance at 31 August 2022 £</i>
Unrestricted funds					
Designated funds					
A R Wheeler Bursary Fund	351,666	-	-	(22,358)	329,308
General funds					
General Funds - all funds	16,372	144,732	(139,732)	-	21,372
Total Unrestricted funds	<u>368,038</u>	<u>144,732</u>	<u>(139,732)</u>	<u>(22,358)</u>	<u>350,680</u>
Restricted funds					
A R Wheeler Bursary Fund	193,820	7,300	-	(12,389)	188,731
Alice Ottley Bursary Fund	55,661	2,321	-	(3,129)	54,853
Hardship Fund	4,111	742	-	-	4,853
Alumni Sponsorship	158,806	65,738	(73,969)	-	150,575
WIHL Buy a Brick	15,667	-	-	-	15,667
WIHL Buy a Tree	500	-	-	-	500
Foundation Bursary Fund	-	21,904	-	-	21,904
Parent Music Scholarship	-	490	-	-	490
The Christopher and Dorothy Dyer Science and Technology Bursary Fund	-	500,000	-	-	500,000
RGSW Tree	-	494	(494)	-	-
Contemplation Area	-	2,000	-	-	2,000
	<u>428,565</u>	<u>600,989</u>	<u>(74,463)</u>	<u>(15,518)</u>	<u>939,573</u>
Total of funds	<u>796,603</u>	<u>745,721</u>	<u>(214,195)</u>	<u>(37,876)</u>	<u>1,290,253</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Summary of funds

Summary of funds - current year

	Restated Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds	329,308	-	-	(10,808)	318,500
General funds	21,372	157,188	(157,211)	-	21,349
Restricted funds	939,573	224,238	(161,589)	(46,967)	955,255
	<u>1,290,253</u>	<u>381,426</u>	<u>(318,800)</u>	<u>(57,775)</u>	<u>1,295,104</u>

Summary of funds - prior year

	Restated Balance at 1 September 2021 £	Income £	Expenditure £	As restated Gains/ (Losses) £	Restated Balance at 31 August 2022 £
Designated funds	351,666	-	-	(22,358)	329,308
General funds	16,372	144,732	(139,732)	-	21,372
Restricted funds	428,565	600,989	(74,463)	(15,518)	939,573
	<u>796,603</u>	<u>745,721</u>	<u>(214,195)</u>	<u>(37,876)</u>	<u>1,290,253</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	246,631	421,144	667,775
Investment property	460,000	-	460,000
Current assets	248,624	(58,344)	190,280
Creditors due within one year	-	(22,951)	(22,951)
Total	<u>955,255</u>	<u>339,849</u>	<u>1,295,104</u>

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year (restated)

	<i>As restated Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	246,497	439,052	685,549
Investment property	500,000	-	500,000
Current assets	193,076	(88,372)	104,704
Total	939,573	350,680	1,290,253

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	4,851	493,650
Adjustments for:		
Gains on investments	57,775	37,877
Dividends, interests and rents from investments	(20,218)	(19,913)
(Increase)/Decrease in debtors	1,503	(1,504)
Increase in creditors	22,951	-
Capital Donations	-	(500,000)
Net cash provided by operating activities	66,862	10,110

19. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	190,280	103,200
Total cash and cash equivalents	190,280	103,200

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20. Analysis of changes in net debt

	At 1 September 2022	Cash flows	At 31 August 2023
	£	£	£
Cash at bank and in hand	103,200	87,080	190,280
	<u>103,200</u>	<u>87,080</u>	<u>190,280</u>

21. 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 £141,634 (2022: £94,376).

An amount of £15,630 (2022: £Nil) was owing from the Foundation to the School at 31 August 2023.

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

salaries amounting to £123,027 (2022: £90,505) - *this is for the time that four RGS employees give to Foundation related activities*
events and publications amounting to £17,407 (2022: £22,229),
software costs amounting to £7,955 (2022: £5,085),
establishment, management and administration costs amounting to £5,621 (2022: £2,000) – *in 2022 this was a notional cost applied with respect to time given by the School's accountant and his team to support the Foundation's finance reporting and for provision of office space. The current year value reflects the actual administration costs incurred by the Foundation.*